

# Registration document









*Bonduelle*  
La nature, notre futur

2017 2018



**La nature,  
notre futur**

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# Registration document

Including the annual financial report



The Registration Document (*Document de référence*) 2017-2018 in French language was filed with the Autorité des marchés financiers (French financial markets authority) on October 19, 2018, in accordance with Article 212-13 of the General Regulations of the *Autorité des marchés financiers*.

It may be used in support of a financial transaction if it is supplemented by a prospectus approved by the *Autorité des marchés financiers*.

The filed document has been prepared by the issuer and its signatories are responsible for its content.

A French SCA (Partnership Limited by Shares) with a capital of 56,491,956.50 Euro

Head Office: La Woestyne, 59173 Renescure.

Commercial and Companies Register of Dunkerque B 447 250 044

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



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# 1.1 Message from Executive Management

GRI 102-10, 102-14

***Two perspectives from Christophe Bonduelle, Chairman, and Guillaume Debrosse, Chief Executive Officer.***

## Christophe Bonduelle: “Our 2017-2018 results reflect our development strategy”

This year, we faced a flat consumption context and adverse currency effects. Consumption was sluggish in Western Europe and the United States, but saw a gradual improvement in Eastern Europe.

Boosted by the full-year consolidation of US company Ready Pac Foods (now Bonduelle Fresh Americas), our 2017-2018 revenue jumped 21.4% to 2,777 million euros (reported data), compared with 2,288 million euros in the previous fiscal year, despite the negative currency effect (-2.6%). The group's historical scope<sup>(1)</sup> grew by +0.3%.

In the Europe Zone, which accounts for 46.5% of our revenue, recorded +1% growth, compared with +0.2% in the previous fiscal year. Although food consumption is continuing to struggle, the three segments (canned, frozen and fresh) and the market share of the Bonduelle and Cassegrain brands have increased, notably due to the launch of new products such as Légumiô (pasta made from vegetables), and VeggissiMmm! (fresh and frozen vegetable burgers).

In the Non-Europe Zone, accounting for 53.5% of revenue, the full-year consolidation of Bonduelle Fresh Americas led to a +47% surge in business according to reported data (-0.5% according to like for like basis<sup>(2)</sup>). In addition to the adverse currency effect, sales were negatively impacted by the saturation of production capacity for canned and frozen vegetables in North America, and by adverse weather conditions for fresh produce in California. Conversely, sales increased in Eastern Europe.



Again this year, despite the challenging environment, the performance achieved confirms the relevance of the strategy: to develop the group by combining external and internal growth, continuing its internationalization, and extending its plant-based product range to all distribution networks, in retail as well as in food service. The completion on July 3, 2018 of the acquisition of the Del Monte canned fruit and vegetable business in Canada is a further step towards the group's stated ambition, moving from an offering of vegetable products to one that is more broadly plant-based.

Moreover, operational profitability (119 million euros) increased significantly (+19%), despite the strengthening of the euro. In addition to the adverse currency effects, the lag compared with initial projections is mainly due to adverse weather conditions and the delay in productivity investments under way at Bonduelle Fresh Americas.

(1) Excluding Bonduelle Fresh Americas (formerly Ready Pac Foods).

(2) At constant scope and exchange rates.



**With revenue of 2,777 million euros, up 21.4% in 2017-2018 according to reported data, our growth is accelerating, our governance is stronger and our ambition is reaffirmed: to be “the world reference in ‘well-living’ through plant-based food”.**

**Guillaume Debrosse: “Our ambition and the growth and profitability targets of our plan VegeGo! 2025 remain the same. To that end, we are strengthening our governance”**

Admittedly, the early signs for 2018-2019 are hardly auspicious, with harvests getting off to a difficult start in many growing areas. Heavy rain delayed planting and was followed by periods of drought.

In Europe and the United States, production costs will therefore increase significantly and the quantities available for sale will be reduced. Moreover, the Russian ruble depreciated significantly during the summer of 2018; we therefore anticipate a limited increase in the group's revenue and profitability for 2018-2019, excluding acquisitions.

As our VegeGo! transformation plan reaches its midway point, we are maintaining our projected sales growth and profitability targets for 2025: by then, as a result of the capital expenditure and marketing investments we have planned, we are extremely confident that we will be generating 3.5 billion euros in revenue and operating profitability of 7%, in line with our targets.

In view of the group's current size and the sustainability target set by the family Shareholder, we have updated our governance structure. Since July 1, 2018, Christophe Bonduelle has continued to chair the group's Board of Directors, while I have been given responsibility for Executive Management. I have also chosen to build a new team of CEOs for our business units to support me, with three new Deputy CEOs: one to cover all our operations in the European Union, another for the Americas, and the third for finance and development.

This new organizational structure reflects our current situation and our ambition going forward. It will maintain the principle of five independent business units, while fostering synergy in the main geographical regions. More than ever before, we are in a position to achieve our ambition to be “the world reference in ‘well-living’ through plant-based food”.

**Christophe Bonduelle: “La nature, notre futur: our new tagline underscores our vision and identity”**

At Bonduelle, our close attachment to the land and to people since 1853 is part of our DNA.

We believe in a future of progress, although one that respects our ecosystem. In 2018, the group received an award for its environmental reporting from the French Ministry of the Environment. This award demonstrates the importance that Corporate Social Responsibility (CSR) has for our strategy and our approach towards the continuous improvement of our agro-industrial activity.

We promote access to healthy and sustainable food through our advances in the traceability, safety and quality of our plant-based products. To that end, we take special care – together with our farmer partners – not only of the land we cultivate, but of air quality and our water and energy resources.

This epitomizes our identity and sets us apart, so that together we can create a better future through plant-based food. Nature is our future not only because it is threatened by climate change, soil depletion and biodiversity loss, but because there will be nine billion people in the world to feed by 2050.

Our new tagline, *La nature, notre futur* captures the importance of protecting our planet.

In 2018-2019 we will embark on a new quest: to obtain B Corp (Benefit Corporation) certification. We will thus join the pioneering firms that have committed, according to the label's slogan, not to strive to be “the best company in the world, but the best for the world.”

This project naturally resonates with the Company and the family that owns it, and dovetails with the shared ambition to be “the world reference in ‘well-living’ through plant-based food.”

## 1.2 Bonduelle Group key figures – GRI 102-7

### 1.2.1 2017-2018 key figures – GRI 102-7

(in millions of euros)	06/30/2016	06/30/2017	At 06/30/2018
Revenue	1,968	2,288	2,777
Evolution	(0.7)%	16.3%	21.4%
Current operating income	104	108	124
Net income	54	60	72
REBITDA <sup>(1)</sup>	178	187	212
Leverage ratio <sup>(2)</sup>	2.47x	3.53x	2.91x
Acquisitions of tangible assets <sup>(3)</sup>	69	66	92
ROCCE <sup>(4)</sup>	10.3%	8.5%	9.8%

(1) REBITDA (Recurring earnings before interest, taxes, depreciation and amortization). This indicator represents recurring profitability generated by activity independent of financing conditions, taxes and depreciation and amortization on property, plant and equipment and intangible assets.

(2) Leverage ratio: Net financial debt/REBITDA.

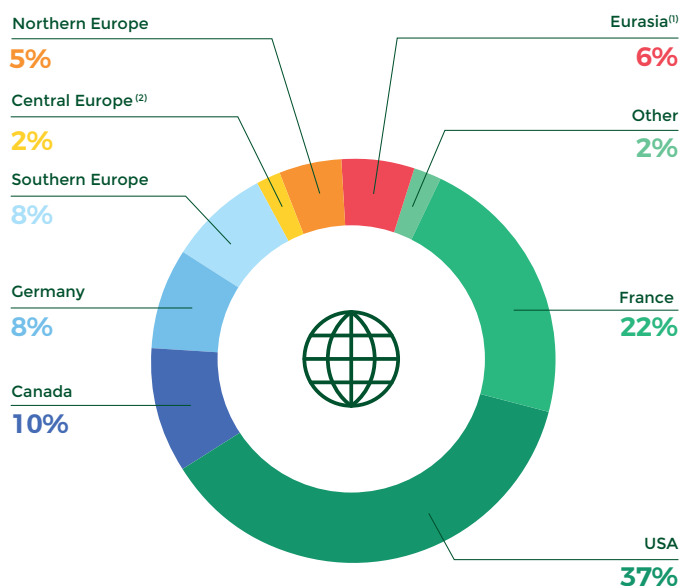
(3) See Section 5 Consolidated financial statements, Note 8.3 Property, plant and equipment.

(4) Current operating income before tax/capital employed.

### 1.2.2 Breakdown of 2017-2018 revenue

#### 1. Revenue and breakdown

##### By region



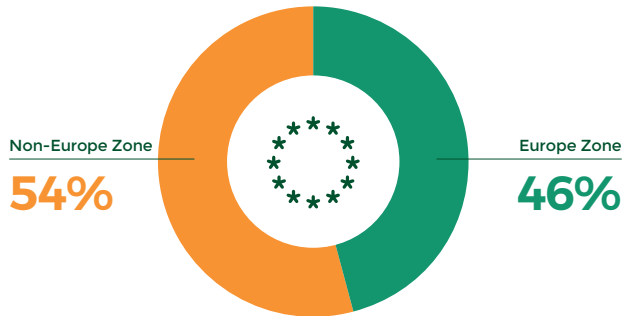
**m€ 2,777**  
Total revenue

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

(2) Eastern European countries that have joined the European Union.



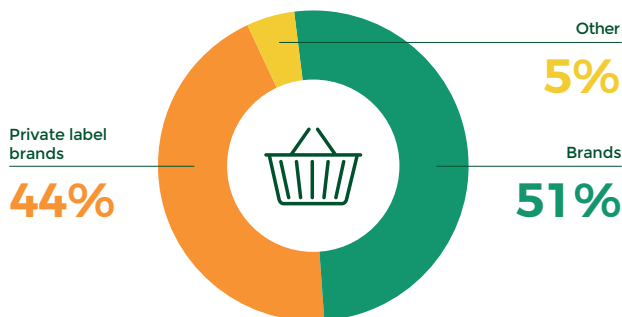
## By Europe Zone and Non-Europe Zone



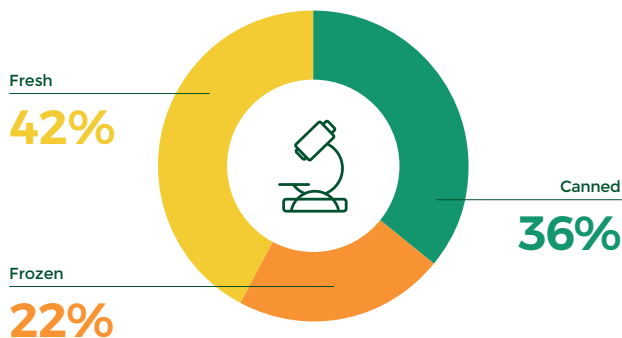
## By distribution channel



## By brand



## By segment



## 2. Our commitment in brief



**10,957**  
permanent employees



**3,188\***  
farmer partners



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



**11.7%**  
of the energy mix comes  
from alternative energy sources  
(4% in 2014-2015).



**64,688**  
food safety analyses carried  
out on products.



Frequency rate  
of accidents  
with lost  
time: **6.91**



**35%**  
of sites have developed  
projects in association  
with their local communities.



**207**  
projects have been supported  
by the Louis Bonduelle Foundation  
in the past 10 years.

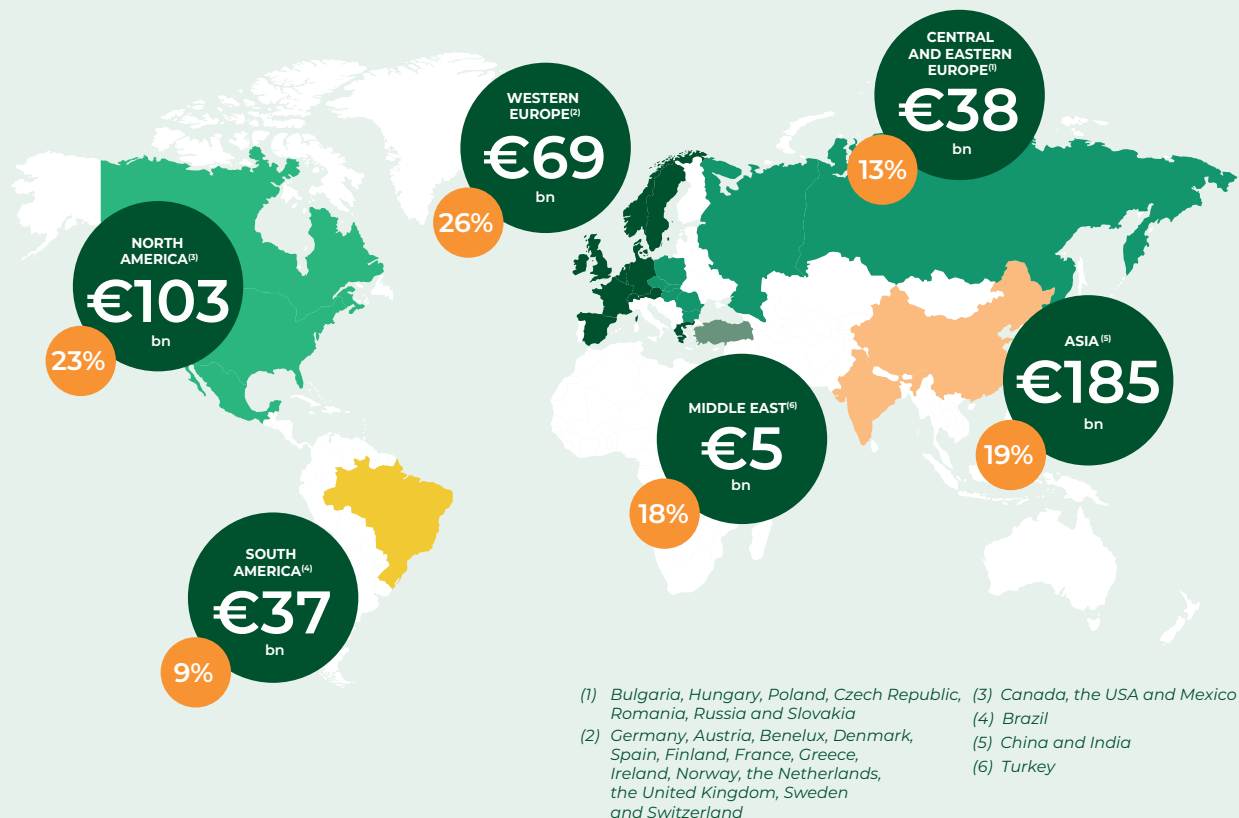
\* Excluding Bonduelle Fresh Americas (BFA, ex-Ready Pac Foods).

## 1.3 Bonduelle in its ecosystem

### 1.3.1 Trends in the global vegetable market: growth and environmental responsibility

The plant-based market is growing. Regularly receiving more precise information about the role of nutrition in health, consumers are hungry for more fruit and vegetables, both organic and locally grown. Sensitive to innovation, they are adopting new ways of eating vegetables: meal kits, online orders, plant-based proteins and prepared plant-based food.

Vegetable consumption in all segments by value and the share of prepared vegetables (in%) by region



Source : Food for Thought 2018.



## The essential consumer requirements remain: quality, health and safety

The food sector is the sector in which consumers pay most attention to quality. Indeed, 74% of French people<sup>(1)</sup> consider it a priority. This reinforces the issue of product transparency. More than a third of French people tend to check the ingredients list before buying. The presentation of the ingredients and the cultivation or production method is becoming clearer and more detailed. Packaging is increasingly likely to be transparent, which offers consumers reassurance. The first traceability initiatives have emerged, such as the use of blockchain and the release of applications (the Yuka app scans and deciphers food labels for consumers, for example).

## From demand to supply: the growth of organic produce

Seen as healthier, organic vegetables are now an integral part of the shopping habits of Europeans and Americans. In 2018, 19% of the vegetables sold in Europe were organic, compared with 13.5% in 2015.

The distribution networks for organic produce are growing: mass-market retailing is expanding its organic ranges, the number of organic stores is rising, and organic produce is increasingly available online. While there are differences between regions globally, farms are gradually switching to organic farming. At the end of 2016, organic farms (certified and in the process of switching) accounted for more than 6.2% of European agricultural land and 1.1% of the world's total agricultural land<sup>(2)</sup>.

## Major retailers turn to local producers

In addition to their health, consumers are considering the environmental impact of their food. The initial response has been a move towards shorter supply chains. This trend, initiated by small producers and social start-ups, has been taken up by the major players, notably by creating collection points for fruit and vegetable baskets in the form of lockers, a service that can be extended to businesses.

## Growing awareness of the issue of food waste

One-third of the world's food production for human consumption is lost or wasted. This is equivalent to around 1.3 billion tonnes per year<sup>(3)</sup>. Of this food waste, 45% consists of fruit and vegetables. In recent years, several retailers have launched initiatives to tackle food waste, such as the sale of "imperfect" fruit and vegetables, on-site transformation of damaged fruit and vegetables into prepared dishes, and raising consumer awareness.

## New ways to eat vegetables

Consumers are eager for solutions and recipes to help them eat more vegetables. Meal kits (salads, wraps) sold in stores and their delivery services are expanding. Online shopping is continuing to see strong growth. However, consumers still like to see and handle fresh produce. In-store availability thus remains an important factor for shoppers.

## Outlook: the plant-based food market will continue to grow

The plant-based food market is expanding, and will continue to grow in the coming years. Two recently introduced segments demonstrate this: plant-based proteins and ready to eat plant-based food. The global plant-based protein market, with average annual growth of 5.5%, is expected to reach 11 billion euros by 2020<sup>(4)</sup>. The global market segment of ready to eat plant-based food is expected to grow by 25% per year until 2020<sup>(4)</sup>.

(1) OpinionWay study for Veeva, June 2018.

(2) Agence BIO with various European sources.

(3) Global food losses and food waste, FAO, 2012.

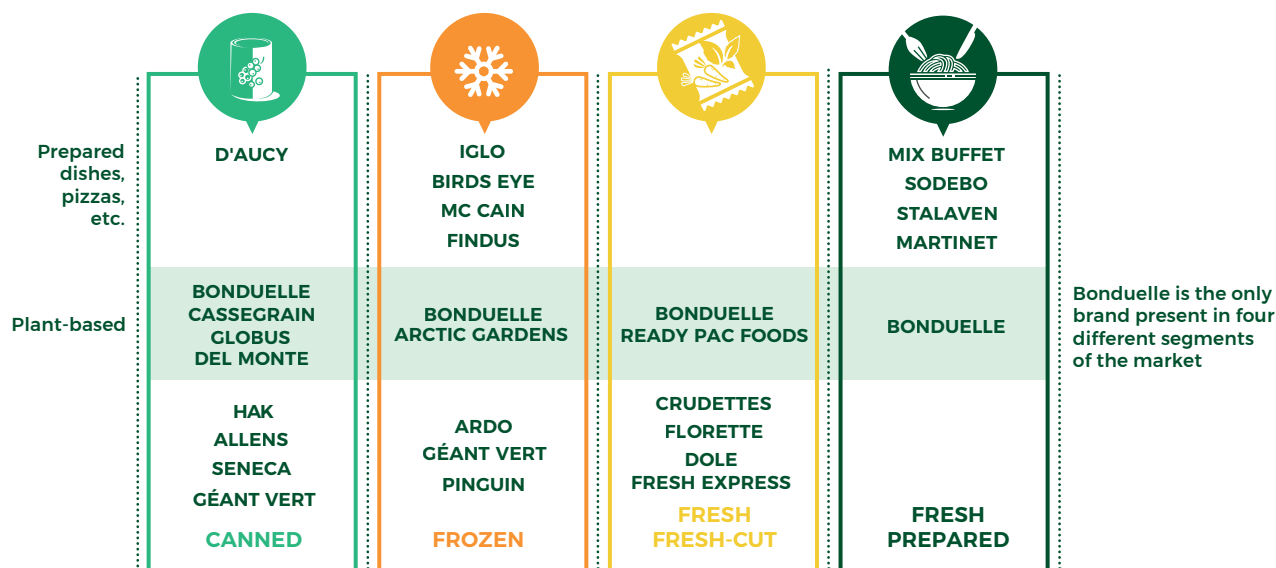
(4) "Dans l'alimentaire, le match végétal/animal ne fait que commencer", Xerfi study, 2018.

Source: Bonduelle & MINTEL 2018.

## 1.3.2 Bonduelle: the only pure player in plant-based food

With its four market segments – canned, frozen, fresh-cut (ready to use) and prepared plant-based food – Bonduelle is the only brand present in four segments of the plant-based food market. Bonduelle also stands out for the added value and quality of its products.

This unique positioning is driven by the group's proximity to the farming sector, its multi-technology know-how and the VegeGo! ambition: to make the Bonduelle Group “the world reference in ‘well-living’ through plant-based food.”



## 1.3.3 Risks and challenges

Bonduelle has a risk map (see Section 4.3 Risk factors) and a risk management policy (see Section 4.2 Internal control and risk management procedures).

In 2014-2015, the Bonduelle Group conducted a materiality analysis in partnership with its stakeholders. To ensure that the results were consistent with the key business risks, the materiality matrix was cross-referenced with the risk map. Specifically, industrial and environmental risks related to agriculture, product quality and safety, and the optimization of natural resources, have helped to increase the materiality of the following issues: product quality and safety, traceability, security of food sourcing, relations with producers, packaging quality and safety, and water pollution. Business ethics has also emerged as an issue both for risk management and CSR.

To address the non-financial challenges revealed by its materiality matrix, Bonduelle has defined its CSR policy and five macro-objectives for 2025, accompanied by roadmaps, actions and monitoring indicators (see chapter 2. Corporate Social Responsibility).

Lastly, in 2016-2017, in compliance with French legislation and in view of its CSR strategy, Bonduelle formulated its duty of vigilance plan. Bonduelle has mapped the risks of non-respect for human rights and fundamental freedoms, serious harm to health, safety of people, and environmental damage into three categories: intrinsic risks to the countries in which the group is present, operational risks, and supplier risks (see section 2.1.4.8 Duty of Vigilance plan).

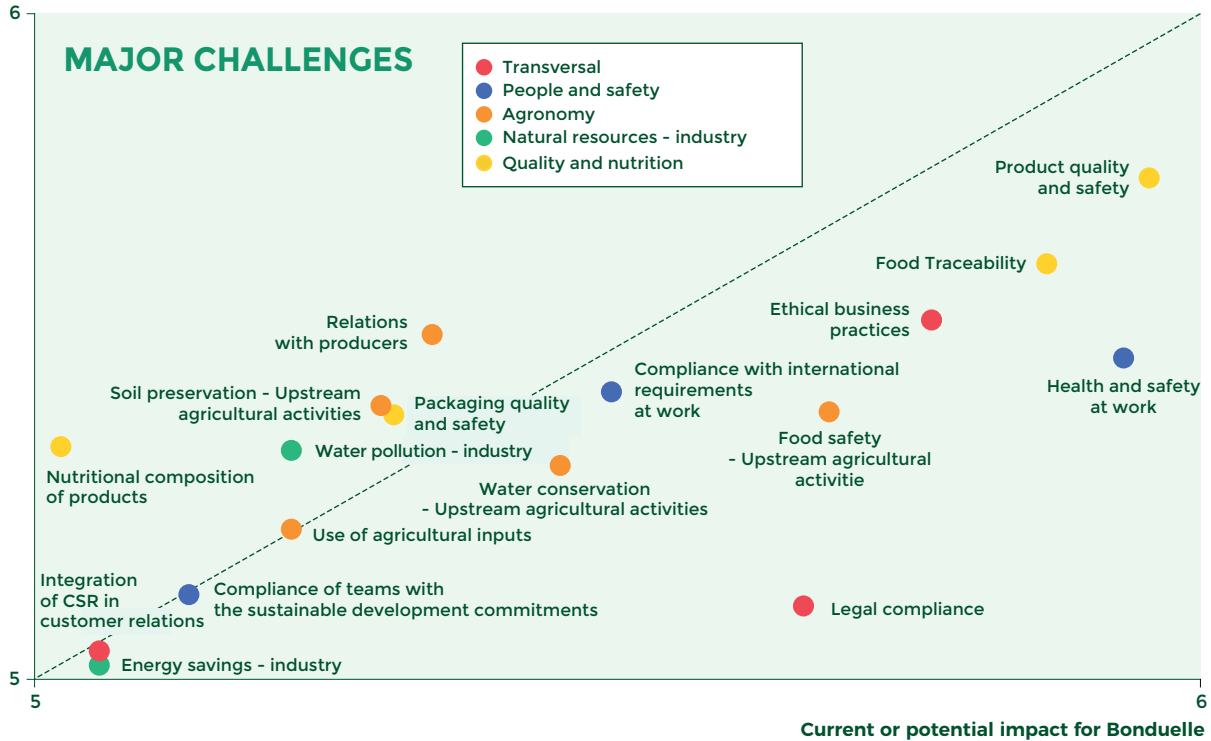


## Bonduelle Group materiality matrix – GRI 102-47, 103-1, 102-42, 102-14, 102-46

The methodology for preparing the materiality matrix is detailed in Section 2.7.3 Materiality Matrix.

The materiality analysis identified, among Bonduelle's 51 CSR challenges, 17 major challenges shared by the group and its stakeholders.

### Importance for external stakeholders



These challenges are an integral part of the Company's CSR strategy and apply to the entire Bonduelle Group, which works with its ecosystem, and particularly its farmer partners, to address these challenges. Their inclusion in Bonduelle's CSR strategy is detailed in Section 2.7.3. Materiality Matrix.

## 1.4 To be “the world reference in ‘well-living’ through plant-based food”

### 1.4.1 Bonduelle company profile

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#### Manifesto

The history of the world is punctuated by key milestones. Driven by engaged and committed people wishing to build a better future, these transitions change behaviors, reshape relations with the world, and help us move forward.

Bonduelle believes it is time for a plant-based revolution, an inescapable sea change in the face of the immense challenges facing the planet. The fact that there will be 9 billion men and women to feed in tomorrow’s world has made plant-based food a major challenge for the well-being of future generations, in terms of both the quantities to be produced and the ways they are produced.

Nature is our most precious asset, and will not wait. We cannot remain blind to the warning signs, we must react. Climate change, soil depletion and biodiversity loss threaten to undermine the balance of nature and in turn that of humanity.

As a family-run company with a long-term vision, and responsible for feeding millions of consumers across the planet, we aim to be a committed player. The controlling Shareholders and employees of the Bonduelle Group are today committed to building a better future thanks to plant-based food.

At Bonduelle, we believe that we must lead the way, offer innovative and pertinent solutions to feed people better while respecting the planet and thereby ensuring the well-being of future generations.

Since 1853, we have been working with our partners on all fronts to develop modern plant-based production that respects water, air, soil and subsoils. This is why we resolutely defend efficient, ecological, intelligent and supportive agro-industrial business, focused on healthy, safe, sustainable and accessible food.

We are committed and are innovating from field to plate to create a better future through plant-based food, because it is our firm belief that **nature is our future**.

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## 1.4.2 VegeGo!, a visionary and collaborative corporate project

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 plant-based food"*, wholeheartedly embracing its responsibilities to Shareholders, employees, partners, customers and the environment.

### 1.4.2.1 VegeGo! is structured around four pillars

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

Backed by a 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.

### 1.4.2.2 The CSR strategy strengthens and widens the impact of VegeGo!

Following the completion of its materiality matrix (see Section 2.7.3 Materiality Matrix), and to bring together the CSR policy, the VegeGo! corporate project and the Bonduelle Group's overall strategy, Bonduelle has defined a CSR strategy (see chapter 2, Corporate Social Responsibility) consisting of five macro-objectives for 2025:

1. Caring, with our farmer partners, for cultivated land (see Section 2.2);
2. Reducing environmental impacts from field to plate (see Section 2.3);
3. Encouraging people to eat healthy and sustainable food (see Section 2.4);
4. Ensuring the "well-living" of employees and local communities (see Section 2.5);
5. Encouraging all employees to take part of the CSR strategy (see Section 2.1.2.4).

These goals are shared by the Bonduelle Group's five business units. – GRI 103-1

To be "the world reference in 'well-living' through plant-based food"

## 1.4.2.3 Bonduelle's contribution to the United Nations Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) were chosen by the United Nations (UN) member states in response to the 2030 Agenda for Sustainable Development. The following

table shows how the Bonduelle Group's macro-objectives and roadmaps enable it to contribute directly to these shared goals.

Macro-objectives of the Bonduelle Group's CSR strategy	SDG targets	Sustainable Development Goals and targets
1. Caring, with our farmer partners, for cultivated land	Reducing the use of agricultural inputs (see Section 2.2) Developing a contractual and relational model with farmer partners (see Section 2.2)	SDG 2. Zero Hunger (target 2.4) SDG 15. Life on Land (targets 15.1 and 15.3)
2. Reducing environmental impacts from field to plate	Conserving water and protecting it from pollution (see Section 2.3) Helping to conserve energy (see Section 2.3) Reducing the use of packaging and designing more responsible packaging (see Sections 2.3 and 2.4)	SDG 6. Clean Water and Sanitation (targets 6.3 and 6.4) SDG 7. Affordable and Clean Energy (targets 7.2 and 7.3) SDG 12. Responsible Consumption and Production (targets 12.2, 12.3 and 12.5)
3. Encouraging people to eat healthy and sustainable food	Make vegetables affordable for as many people as possible (see Section 2.4) Guaranteeing food safety (see Section 2.4)	SDG 2. Zero Hunger (target 2.4)
4. Ensuring the "well-living" of employees and local communities	Promoting the fundamental conventions of the International Labour Organization (ILO) (see Section 2.5) Ensuring health and safety in the workplace (see Section 2.5)	SDG 8. Decent work and economic growth (target 8.8)

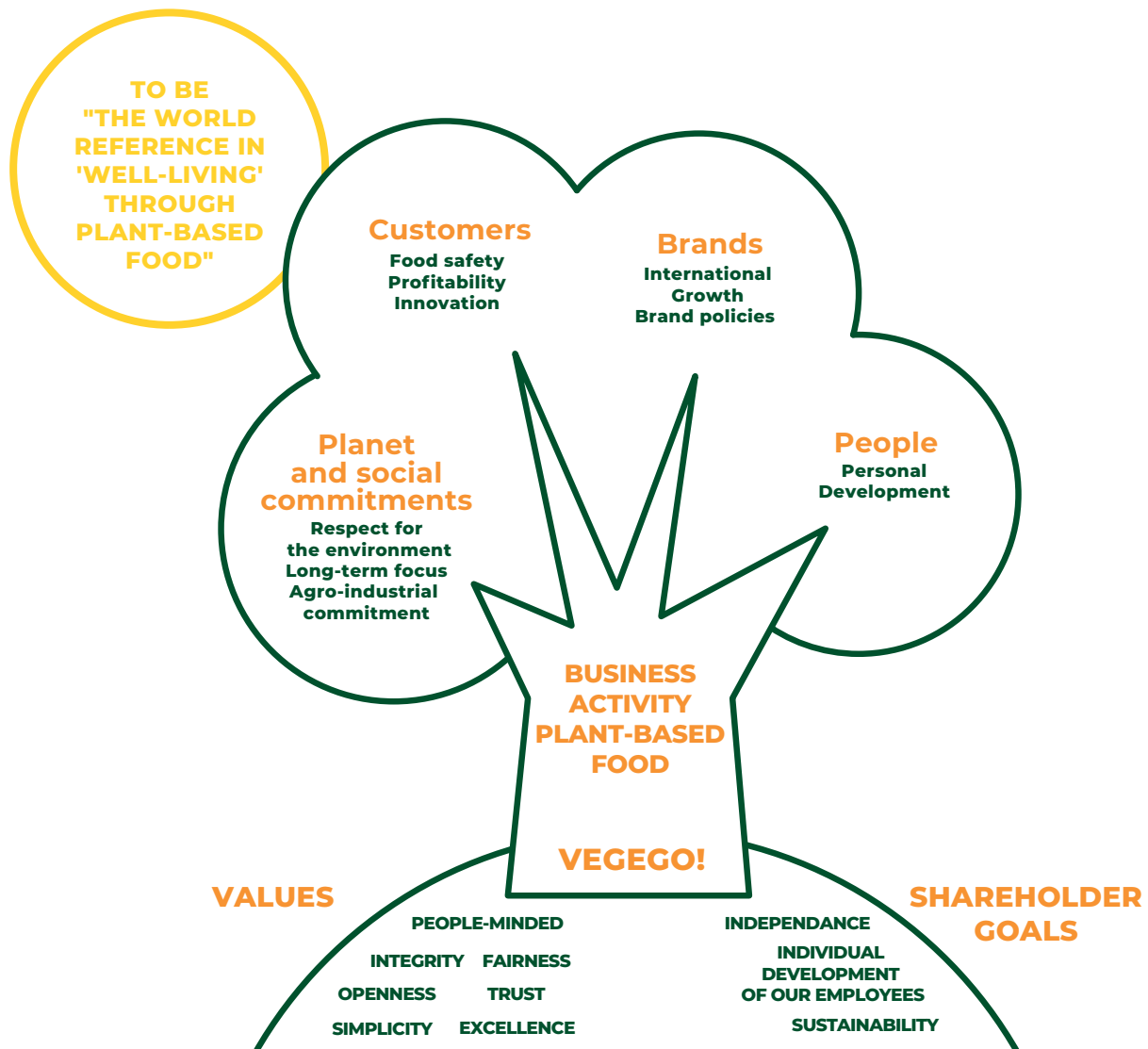
Our group's CSR approach has a fifth macro-objective: All actors. Its aim is to enable all employees to play a role in Bonduelle's transformation into a more responsible company.

This last objective helps shape the first four.



### 1.4.3 Our 10 policies: the key to seamless development in an ecosystem undergoing profound change

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.



To be “the world reference in ‘well-living’ through plant-based food”

The group’s values 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 further its ambition to be “the world reference in ‘well-living’ through plant-based food”, the VegeGo! corporate project supports the Company’s growth.

## 1.4.3.1 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 further the group’s ambition to be “the world reference in ‘well-living’ through plant-based food”.
- 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 plate, to ensure the welfare of its employees and local communities, and to encourage all Company employees to be committed to this program.

## 1.4.3.2 Growth

*By putting all its policies into effect, Bonduelle is able to achieve both internal and external growth.*

In addition to the historical scope<sup>(1)</sup>, the group’s strong growth in 2017-2018 is based on the full-year consolidation of Ready Pac Foods (+23.6% of revenue in 2017-2018). This will continue over the next fiscal year, with the acquisition of Del Monte’s processed fruit and vegetable business in Canada.

## 1.4.3.3 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 2017-2018, 44,451 food safety analyses were carried out on canned products and 20,237 on frozen, fresh and prepared products.

## 1.4.3.4 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.*

Bonduelle received an award for its environmental reporting from the French Ministry of the Environment and the French Agency for the Environment and Energy (ADEME). Bonduelle’s CSR reporting was also nominated for the “European Business Awards” organized by the European Commission. These accolades are a testimony to the group’s environmental commitment and its focus on making environmental reporting an effective tool for the continual improvement of its agro-industrial activity.

## 1.4.3.5 Profitability

*Profitability governs the sustainability and development of the group. It is therefore a strategic imperative in 2017-2018 as a means of supporting medium-term projects.*

In 2017-2018, Bonduelle recorded growth in its current operating profitability of nearly 20% at constant exchange rates.

## 1.4.3.6 Brand policies

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

The acquisition on July 3, 2018 of Del Monte’s processed fruit and vegetable business in Canada gives Bonduelle the right to use the Del Monte brand name in various segments of the processed fruit and vegetable sector, together with product inventories, in a deal worth around 43 million Canadian dollars. While private labels remain the core market of Bonduelle Americas Long Life (BALL), this acquisition reflects the group’s ambition to develop its brand activities.

These accounted for more than 50% of the group’s revenue in 2017-2018.

## 1.4.3.7 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.*

After the creation of the Bonduelle Fresh Europe (BFE) Innovation Center in Saint Priest (France) in 2016, in 2018 Bonduelle Europe Long Life (BELL) opened the *Maison de l’Innovation* at its headquarters in Villeneuve d’Ascq (France). Focusing exclusively on innovation, development and research, this new space encourages collaborative working methods, agility and co-construction.

(1) Excluding Bonduelle Fresh Americas (formerly Ready Pac Foods).





### 1.4.3.8 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.*

- We are developing our agronomic know-how on our farms, which account for 7% of the land cultivated to produce our vegetables.
- For the fourth consecutive year, Bonduelle took part in the International Agricultural Fair alongside its farmer partners. Under the 2018 theme "Farming: a collective adventure", Bonduelle received more than 30,000 visitors on its stand and introduced them to the life cycle of vegetables, from field to plate.

### 1.4.3.9 International

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

With the acquisition of Ready Pac Foods, and the creation of a fifth business unit (Bonduelle Fresh Americas), the United

States is now the leading country for the group's operations. As confirmation of the group's international dimension, the Non-Europe Zone accounts for more than half of the group's revenue.

### 1.4.3.10 Personal development

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

In 2017-2018, various initiatives were put in place under the Climate action plan, following the internal survey on the sources of employee motivation and engagement (see Section 2.5.4.4 Climate survey).

"Managers' Days" were held over two days in April 2018, when 1,300 Managers from all over the world came together to look back at the achievements of the Bonduelle Group, celebrate its successes and plan for the future (see Section 2.5.6.3 A meaningful way of promoting the employer brand).

## 1.5 Global operations and value creation of Bonduelle worldwide – GRI 102-2, 102-6

### 1.5.1 Bonduelle's value creation model





Bonduelle's value creation model is driven by the group's ambition to be "the world reference in 'well-living' through plant-based food". With its worldwide presence, and as the only plant-based food pure player, Bonduelle offers

vegetables in every conceivable form: from bagged and prepared salads to canned and frozen vegetables. Bonduelle actively encourages people to eat healthy and sustainable food.

Our capital	Our actions and resources	
<b>Our financial capital: independent and open to growth</b> Our company, a limited partnership with shares, is listed on the stock exchange and has Shareholders' equity of 647 million euros.	Our group is growing by reinvesting most of its profits and cash flow	
<b>Our portfolio of leading brands</b> Today, our group has six brands which are recognized and positioned in the healthy plant-based food sector: Bonduelle, Cassegrain, Arctic Gardens, Globus, Ready Pac Foods and, since July 3, 2018, Del Monte.	Our brand and product strategy targets widespread availability, adapted for local markets: <ul style="list-style-type: none"> <li>• acquisition of the Canadian brand Del Monte, an icon in processed fruit and vegetables;</li> <li>• ongoing work on our recipes: 258 vegetable recipes have been improved since 2009;</li> <li>• development of our products to accompany the expansion of our offering from vegetables to plant-based food (organic produce, vegetable proteins, snacking, etc.).</li> </ul>	
<b>Our diversified industrial capital</b> Our know-how is unique because it spans the four segments of plant-based food processing: canned, fresh, frozen and ready to eat. Our 54 production sites are centrally located within agricultural areas, as close as possible to our consumers.	Our manufacturing processes ensure quality, traceability, innovation and operational efficiency: <ul style="list-style-type: none"> <li>• 100% of Bonduelle production sites have at least one type of quality certification;</li> <li>• 92 million euros has been set aside for capital expenditure;</li> <li>• our transformation processes are natural and preserve the nutritional quality and taste of our products: it is a matter of hours from when the vegetables are picked until they are processed in the plant;</li> <li>• 1,158 Bonduelle brand products underwent a rigorous nutritional audit process and more than 64,000 food safety analyses are carried out each year.</li> </ul>	
<b>The growth of our global distribution channels</b> To be as close as possible to our markets, we operate in three geographical regions: Europe, the Americas and Eastern Europe. We work with three distribution channels: <i>retail</i> , <i>food service</i> , and <i>B to B</i> .	Our organizational structure is built around five business units, fostering synergy in each region. Our distribution model caters for all our products and offers a full range to our customers.	

Source: UNDP: <http://www.undp.org/content/undp/fr/home/sustainable-development-goals/goal-13-climate-action/target.html>



Our results	Our impact
<p>2,777 million euros in revenue, up 21.4%.</p> <p>By Europe Zone and Non-Europe Zone</p>  <p>Non-Europe Zone 54%</p> <p>Europe Zone 46%</p>	<p><b>Safe, healthy and sustainable food</b></p> <ul style="list-style-type: none"> <li>The only plant-based food pure player, Bonduelle offers more than 500 varieties of plant-based food in all forms: bagged salads, prepared salads, canned and frozen vegetables.</li> </ul>
<p>By brand</p>  <p>Private label brands 44%</p> <p>Brands 51%</p> <p>Other 5%</p>	<p><b>Plant-based food accessible to as many people as possible</b></p> <ul style="list-style-type: none"> <li>We encourage and promote access to plant-based food in all its forms, at affordable prices, all year round and in more than 100 countries.</li> </ul>
<p>By segment</p>  <p>Fresh 42%</p> <p>Canned 36%</p> <p>Frozen 22%</p>	<p><b>Products that retain their unprocessed qualities to the greatest extent possible</b></p> <ul style="list-style-type: none"> <li>Our processing procedures are natural: they preserve the nutritional and taste qualities of our products. Our vegetables are processed in the factory only a few hours after they have been harvested.</li> </ul>
<p>By distribution channel</p>  <p>Food service 20%</p> <p>Retail 74%</p> <p>Other networks 6%</p>	<p><b>Plant-based food accessible to as many people as possible</b></p> <ul style="list-style-type: none"> <li>We encourage and promote access to plant-based food in all its forms, at affordable prices, all year round and in more than 100 countries.</li> </ul>

Our capital	Our actions and resources	
<p><b>Our agronomic cooperation</b></p> <p>Our 3,188* farmer partners are signatories to the agronomic charter. Worldwide, 128,000* hectares of agricultural land are cultivated for us.</p>	<p>Our agronomic sourcing charter ensures that farmers sell their produce at the agreed price. The agreements are fair and, negotiated several months in advance, they smooth global price fluctuations. We guarantee an income to growers, regardless of climate events. We are also developing our agronomic know-how on our own farms, which account for 7% of the land cultivated to produce our vegetables.</p>	
<p><b>Our human resources</b></p> <p>Our 10,957 permanent employees share our core values: people-minded, integrity, fairness, openness, confidence, simplicity, excellence, independence, employee development, and sustainability.</p>	<p>We strive to ensure employee well-being and health and safety in the workplace. We promote training and diversity. We value the status of seasonal employees through dedicated transport, training, fair pay, etc. We are mobilizing all our employees to become actors in the CSR process.</p>	
<p><b>The planet's capital: climate, water and food waste</b></p> <p>Between 1880 and 2012, the average global temperature rose by 0.85 degrees Celsius. A one-degree rise in the temperature causes cereal production to decrease by around 5%. Less than 3% of the world's water resources exist in the form of freshwater. Each year, 1.3 billion tonnes of food are wasted worldwide.</p>	<p>From the field to the plate, we are reducing our environmental impact, from our carbon footprint to our energy and water consumption, industrial waste and transport.</p> <ul style="list-style-type: none"> <li>• 96% of the water used in plants is cleaned, while 4.7% is clean enough to be discharged directly into the environment;</li> <li>• 100% of cans are recyclable.</li> </ul>	
<p><b>Our local communities</b></p> <p>Bonduelle's agri-food operations cover vast tracts of land and require a significant amount of natural resources such as crops, water and energy. Our host regions are often agricultural areas essential to the sustainability of our business.</p>	<p>One of our priorities is to find a suitable location for our sites. We help to preserve the environmental and social characteristics of each local area and increase its socio-economic value in a way that is in keeping with its identity and the specific challenges it faces.</p>	

Source: UNDP: <http://www.undp.org/content/undp/fr/home/sustainable-development-goals/goal-13-climate-action/target.html>

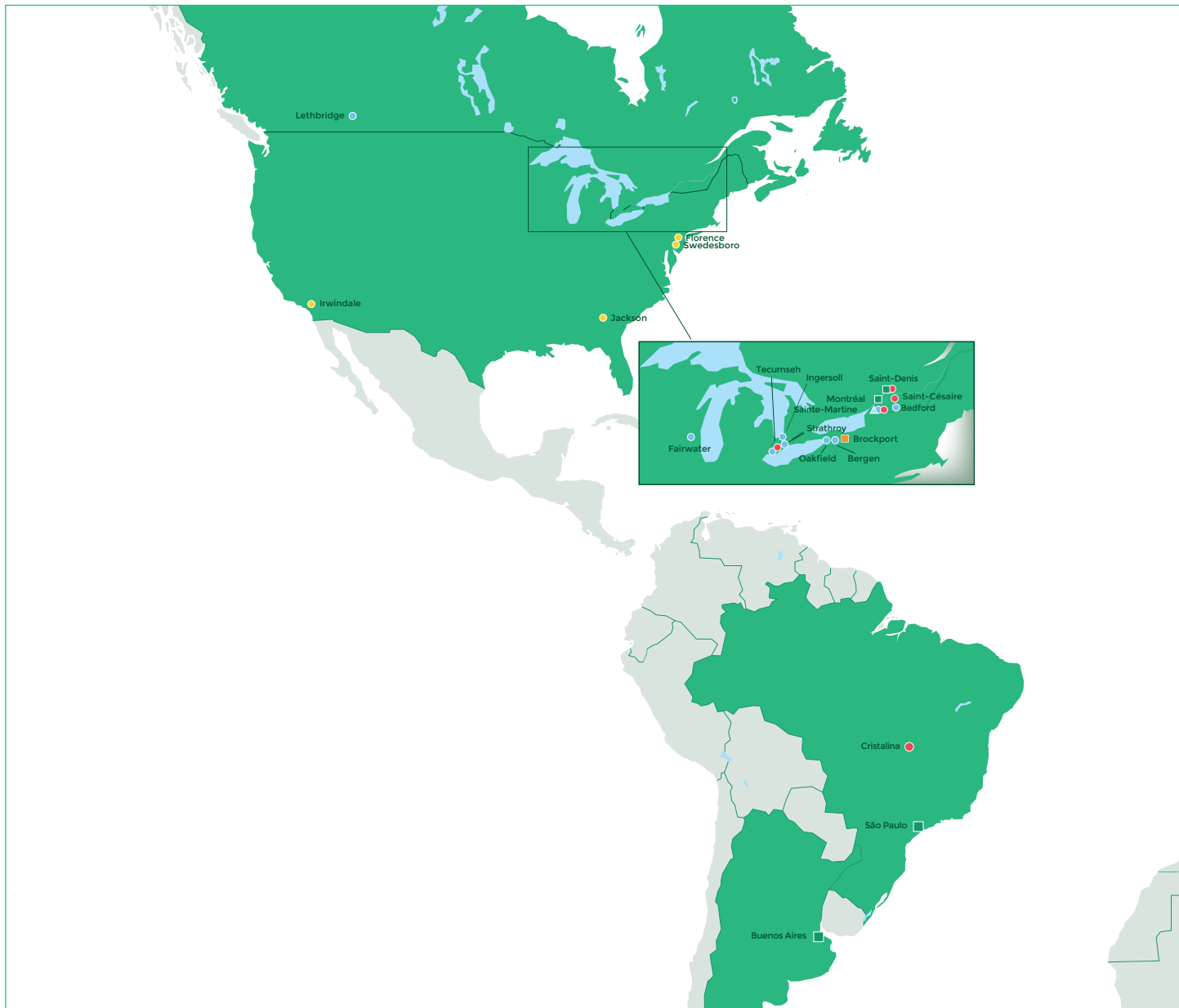
\* Excluding Bonduelle Fresh Americas (ex-Ready Pac Foods).



Our results		Our impact
	<ul style="list-style-type: none"><li>93% of farmer partners renewed their contract.</li><li>1,299 varieties of seed were tested across all regions where the group operates.</li></ul>	<p>Together with our farmer partners, we take great care of the soil and biodiversity.</p> <p>We guarantee them an income, irrespective of climate events.</p>
	<ul style="list-style-type: none"><li>frequency rate of accidents with lost time: 6.91.</li></ul>	<p>We invite all our employees to become «actors» in the CSR process through the “#Tomorrow at Bonduelle!” program, and already have 70 projects.</p>
	<ul style="list-style-type: none"><li>50% reduction in water consumption in 10 years.</li><li>100% of green waste and 90.6% of non-hazardous industrial waste is recovered.</li><li>11.7% of the energy mix is obtained from alternative energy sources.</li></ul>	<p>We preserve the environmental and social characteristics of each local area and increase its socio-economic value in a way that is in keeping with its identity and the specific challenges it faces.</p>
	<ul style="list-style-type: none"><li>35% of sites have launched at least one project in association with the local community.</li><li>207 projects have been supported by the Louis Bonduelle Foundation in the past 10 years.</li></ul>	

## 1.6 Bonduelle worldwide as of 07/01/2018

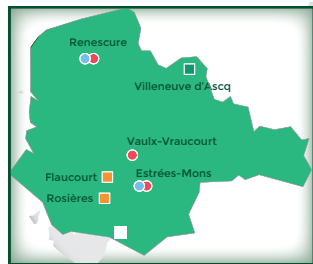
*GRI 102-2 / GRI 102-4 / GRI 102-6*





Bonduelle worldwide as of 07/01/2018

1



## 1.7 Group organization structure as of 07/01/2018

*GRI 102-2 / GRI 102-4 / GRI 102-7 / GRI 102-45 / GRI 102-10*

To foster synergy in the group's two main regions, three Deputy CEOs were appointed in 2018, covering three business areas:

- Europe, which oversees Bonduelle Europe Long Life (BELL) and Bonduelle Fresh Europe (BFE);
- The Americas, which oversees Bonduelle Fresh Americas (BFA) and Bonduelle Americas Long Life (BALL);
- Group Finance and Development.

The Bonduelle Group has a total of five business units, organized by region (Europe and Non-Europe):

- Bonduelle Americas Long Life (BALL) includes all canned and frozen vegetable activities in North and South America for the Bonduelle Arctic Gardens and Del Monte brands\*, as well as private labels, in the mass-market retailing and Food service channels;
- Bonduelle Fresh Americas (BFA) covers all fresh produce operations in North America (bowls, ready to mix salads, snacks, etc.) under the national brands Ready Pac Foods, Bistro®, Ready Snax® and elevAte™, and for private labels in the mass-market retailing and food service channels;
- 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 vegetable activities (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 Prospective & Development division

Bonduelle Prospective & Development division has the task of supporting the five business units and of identifying new areas of development; whether these are new regions, technical innovations or new markets. It acts as a scout, hunting out opportunities to secure the group's future and harnessing innovation as a lever for long-term growth.

\* From July 3, 2018.



Group organization structure as of 07/01/2018

## Group organization structure

	BONDUELLE EUROPE LONG LIFE Canned and frozen	BONDUELLE FRESH EUROPE Fresh	BONDUELLE AMERICAS LONG LIFE Canned and frozen	BONDUELLE FRESH AMERICAS Fresh	BONDUELLE EURASIA MARKETS Canned and frozen
AGRICULTURAL OWN- PRODUCTION FACILITIES	<b>France</b> <ul style="list-style-type: none"> <li>• L'Île-Bouchard</li> <li>• Longué-Jumelles (La Tourte)</li> <li>• Loudun</li> <li>• Montoire</li> </ul>	<b>Spain</b> <ul style="list-style-type: none"> <li>• Torre-Pacheco</li> </ul>	<b>Canada</b> <ul style="list-style-type: none"> <li>• Sainte-Martine</li> </ul>		<b>Russia</b> <ul style="list-style-type: none"> <li>• Novotitarovskaya</li> <li>• Timashevsk</li> </ul>
INDUSTRIAL PRODUCTION FACILITIES	<b>France</b> <ul style="list-style-type: none"> <li>• Bordères</li> <li>• Doué-la-Fontaine <sup>(1)</sup></li> <li>• Estrées-Mons conserve</li> <li>• Estrées-Mons surgelé</li> <li>• Herm</li> <li>• Labenne</li> <li>• Renescure</li> <li>• Vaulx-Vraucourt</li> </ul> <b>Hungary</b> <ul style="list-style-type: none"> <li>• Békéscsaba</li> <li>• Nagykovács</li> <li>• Nyiregyhaza</li> </ul> <b>Poland</b> <ul style="list-style-type: none"> <li>• Gniewkowo</li> <li>• Ruchocice</li> </ul> <b>Portugal</b> <ul style="list-style-type: none"> <li>• Santarém</li> </ul>	<b>Germany</b> <ul style="list-style-type: none"> <li>• Reutlingen</li> <li>• Straelen</li> </ul> <b>France</b> <ul style="list-style-type: none"> <li>• Genas</li> <li>• Rosporden</li> <li>• Saint-Mihiel</li> <li>• St-Benoist-sur-Vanne</li> </ul> <b>Italy</b> <ul style="list-style-type: none"> <li>• Battipaglia <sup>(2)</sup></li> <li>• San Paolo d'Argon <sup>(2)</sup></li> </ul>	<b>Brazil</b> <ul style="list-style-type: none"> <li>• Cristalina</li> </ul> <b>Canada</b> <ul style="list-style-type: none"> <li>• Bedford</li> <li>• Ingersoll</li> <li>• Lethbridge</li> <li>• Saint-Césaire</li> <li>• Saint-Denis</li> <li>• Sainte-Martine</li> <li>• Strathroy</li> <li>• Tecumseh</li> </ul> <b>United States</b> <ul style="list-style-type: none"> <li>• Bergen</li> <li>• Fairwater</li> <li>• Oakfield</li> </ul>	<b>United States</b> <ul style="list-style-type: none"> <li>• Irwindale</li> <li>• Florence</li> <li>• Swedesboro</li> <li>• Jackson</li> </ul>	<b>Russia</b> <ul style="list-style-type: none"> <li>• Novotitarovskaya</li> <li>• Timashevsk</li> </ul>
LOGISTICS PLATFORMS	<b>Belgium</b> <ul style="list-style-type: none"> <li>• Kortemark</li> </ul> <b>France</b> <ul style="list-style-type: none"> <li>• Flaucourt</li> <li>• Longué-Jumelles <sup>(1)</sup></li> <li>• Montreuil-Bellay <sup>(1)</sup></li> <li>• Rosières</li> </ul>		<b>United States</b> <ul style="list-style-type: none"> <li>• Brockport</li> </ul>		
	EUROPE ZONE		NON-EUROPE ZONE		

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



# Corporate Social Responsibility



2

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

## 2.1 The Bonduelle Group and Corporate Social Responsibility

### 2.1.1 Bonduelle Group key figures



Business established in  
**1853**



More than **500**  
varieties of vegetable grown.



**54**  
sites around the world



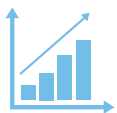
**3,188\***  
farmer partners\*.



2017-2018 revenue:  
**2,777** million euros



Share of alternative energy  
in the group's energy mix:  
**11.7%**



Net income 2017-2018:  
**72** million euros



**258**  
vegetable recipes  
have been improved



**10,957**  
permanent employees



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



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



**207**  
projects have been supported  
by the Louis Bonduelle Foundation  
in the past 10 years.

\* Excluding Bonduelle Fresh Americas.



## 2.1.2 “CSR: a corporate vision for a more responsible world”

### 2.1.2.1 Editorial – GRI 102-10, 102-14

*In line with its ambition, Bonduelle aims at developing plant-based food that can preserve the environment and feed a population whose numbers are snowballing.*

*As an agro-ecological pioneer, Bonduelle is committed to advancing chemical-free agriculture and to caring for the land and biodiversity on an ongoing basis.*

*In 2018, we decided to include environmental criteria in our investment decisions making process. With the inclusion of the CSR return on investment criterion (“CSR ROI”), we give ourselves the option of using criteria other than medium-term financial profitability to assess an investment’s relevance, and to consider its impacts both on our performance and on our environment at large.*

*In 2017-2018, we broadened our scope by including the Bonduelle Fresh Americas business unit (formed as a result of our acquisition of Ready Pac Foods) in our CSR reporting, our road maps improved for three of our macro-objectives and the decision to apply for B Corp certification is a reflection of our commitment.*

*Other important initiatives include the gradual roll out of the “All CSR Actors” approach in our plants and the progress made with our supplier assessments: initial mapping is now complete and the largest suppliers have now been assessed.*

*Lastly, team efforts from Bonduelle have made it possible to bring the group into compliance with due diligence legislation; an issue that will be the focus of our discussions with stakeholders in 2018-2019.*

*In 2017, group-wide mobilization was rewarded with the Environmental reporting award in the “Business and Environment” competition organized for the last 30 years by the French Ministry of the Environment and the ADEME.*

*One of our future challenges is to make our approach visible to our customers and consumers so that they can make informed day-to-day choices regarding their consumption, based on information provided.*

**Anne-Sophie Fontaine**, Bonduelle Group CSR and External Communication Director.

### 2.1.2.2 An approach which focuses on five macro-objectives – GRI 102-14, 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 seven 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 an agronomic 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**, Bonduelle Group Chairman

In 2012, Bonduelle launched VegeGo!, a visionary and collaborative corporate strategy driving the group’s aim to be “the world reference in ‘well-living’ through plant-based food” (details of VegeGo! appear in chapter 1 of the 2017-2018 registration document). Designed to underpin the group’s corporate project and global strategy, Bonduelle’s CSR approach has been re-defined as five simple, and

communicable, macro-objectives to be achieved by 2025, which can be monitored on a quarterly basis by the CSR Steering Committee and annually by the Group Management Committee (GMC).

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

The aim is for an appropriate combination of alternative cultivation techniques<sup>(1)</sup> to be used for all land cultivated for Bonduelle, to ensure that progress is made in each of the five agronomy CSR focus areas.

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

Environmental protection is a major target, to be achieved by measuring natural resource consumption and implementing overall plans to manage greenhouse gas emissions (GHG), biodiversity and water resources across all of the group's operations. Transport flows and related 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 healthy and sustainable food

The group is committed to vegetable traceability, quality and innovation, recipe formulation – without compromising food safety, 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 all employees to take part of the CSR strategy

Bonduelle is convinced that the success of its CSR approach lies in involving all employees and is consolidated by our experiences and lessons learned.

These five macro-objectives were defined using the group's materiality matrix (see 1.3.3 Risks and challenges), compiled in 2015 using a co-constructive approach, both internally and with the group's Stakeholders, in four stages (materiality, inspiration, co-creation and validation). Their contribution to the UN's SDGs is shown in chapter 1 of the 2017-2018 registration document. The first four macro-objectives punctuate this chapter. The fifth is illustrated by the initiatives throughout this report and detailed in Section 2.6. All of these are shared by the Bonduelle Group's five business units. – *GRI 103-1*.

## 2.1.2.3 Dashboard of the Bonduelle Group's CSR approach – GRI 103-2

The table below shows all the macro-objectives and the indicators used to monitor them. The five-year history is shown in 2.6.7.

### CARING FOR THE LAND WITH OUR FARMER PARTNERS<sup>(1)</sup>

#### Protect biodiversity

- 1,299 new varieties\* tested in 2017-2018 across all regions where the group operates

#### Optimize water quality and efficiency

- Management of irrigation – indicator under construction

#### Reduce chemical input residues

- 132 farmer suppliers of the Bonduelle Fresh Europe business unit benefit from an insect (and fungal disease) surveillance network.
- 54 insect (and fungal disease) surveillance networks guide plant protection treatment decisions in other group business units

#### Reduce the carbon footprint

- 241,785 tCO<sub>2</sub>e are a result of vegetable cultivation, representing 11% of the Bonduelle Group's overall GHG emissions

#### Protect the soil

- 64% of farmer partners have adopted the fertilization method recommended by Bonduelle

(1) Scope of indicators: group excluding BFA.

\* After a rigorous selection process, certain varieties were chosen to refresh Bonduelle's varietal portfolio.

(1) Defined by Bonduelle as: alternative cultivation techniques to conventional agricultural practices, which advance the agro-ecological transition. The alternative cultivation techniques chosen by Bonduelle to produce its vegetables are those which progress at least one of the five CSR focuses of the agronomic strategy.

**REDUCING ENVIRONMENTAL IMPACTS FROM FIELD TO PLATE<sup>(1)</sup>****Preservation of water resources through sustainable and integrated management of the water cycle**

- 11.9 m<sup>3</sup> consumed per tonne of manufactured product
- Breakdown of the treatment of chemical oxygen demand generated:
  - 90.1% in Bonduelle treatment plants
  - 1.7% by soil and plant cover (controlled agricultural spreading)
  - 3.5% in external treatment plants
  - 4.7% discharged into the natural environment in compliance with regulations
- 2,378,665 euros spent to prevent the impact of activities on the environment (treatment plants)

**Waste management: zero loss and circular economy**

- 45.8 kg of non-hazardous waste per tonne of manufactured product  
o/w 90.6% recovered or recycled and 9.4% to industrial landfill
- 0.18 kg of hazardous waste per tonne of manufactured product
- 504 kg of green waste per tonne of manufactured product  
o/w 100% recycled as animal feed, energy, compost, by sale or agricultural spreading
- 203,407 euros spent to prevent the impact of activities on the environment (industrial waste and green waste)

**Territorial management to develop a long-term vision**

- Six production facilities near an area of outstanding fauna or flora
- 256,104 tCO<sub>2</sub>e are a result of Bonduelle's industrial activities, representing 11% of the group's overall GHG emissions

**Responsible product and packaging design and the fight against food waste**

- 46% recycled materials in packaging
- 312,464 tCO<sub>2</sub>e are a result of Bonduelle product packaging and its end-of-life, representing 14% of the group's overall GHG emissions
- 1,095,819 tCO<sub>2</sub>e are a result of the purchase and use of Bonduelle products by consumers, representing 48% of the group's overall GHG emissions

**Management of transportation flows and alternatives to road transport**

- 7,531 tonnes of CO<sub>2</sub> saved through using alternatives (rail/road) to road transportation
- 20 kg of CO<sub>2</sub> emitted per tonne transported between Bonduelle sites
- 68 kg of CO<sub>2</sub> emitted per tonne transported to our customers
- 25 kg of CO<sub>2</sub> emitted per tonne transported from the fields to our plants
- Total transport-related emissions account for 242,189 tonnes of CO<sub>2</sub>

**Zero energy loss for the industrial activity**

- 880 kWh/TMP energy consumed per tonne of manufactured product
- 13 ISO 50001 certified sites across Europe
- 11.7% direct alternative energy in the Bonduelle energy mix
- 4,030,771 euros spent to prevent the impact of activities on the environment (air and energy)

**Responsible purchasing**

- 147,121 tCO<sub>2</sub>e are a result of vegetables purchased, representing 6% of the group's overall GHG emissions
- 79% of Bonduelle's farmer partners have been assessed on the basis of Bonduelle's agronomic sourcing charter, signed by 96% of them
- 98 main non-farmer partner suppliers have been assessed by the EcoVadis platform on the basis of ethical, social and environmental criteria

**ENCOURAGING PEOPLE TO EAT HEALTHILY AND SUSTAINABLY, AND INCREASING AFFORDABILITY<sup>(1)</sup>****"Food for good"**

- 20,237 tests conducted on fresh, prepared and frozen product categories, 44,451 tests conducted on the canned product category
- 100% of Bonduelle's sites have at least one certification and 16 are certified to produce organic products
- 282 audit days completed by external bodies in Bonduelle plants
- 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
- 100% of Bonduelle branded products comply with Bonduelle's "Visa santé" nutrition charter

**Raising children's awareness of plant-based food**

- Action was taken in the field in 6 of the 18 countries where Bonduelle has subsidiaries, to help children familiarize themselves with vegetables and healthy eating habits

<sup>(1)</sup> Scope of indicators: group excluding BFA.

### ENSURING THE "WELL-LIVING" OF EMPLOYEES AND LOCAL COMMUNITIES<sup>(1)</sup>

#### The basics

- Frequency of work-related accidents: 6.91

#### Responsibility

- 72.14% of employees receive regular performance and career development reviews

#### Fulfillment

- Average training duration per individual: 34.05 hours

#### Meaning

- 24 sites initiated or renewed a joint project with their local communities during the year

### ALL EMPLOYEES ARE KEY CSR ACTORS<sup>(1)</sup>

#### Developing the CSR culture within the business

- 600 employees took part in a CSR workshop, 70% at agro-industrial sites

#### Involving employees in the transformation of the business

- 70 employees followed the "#Tomorrow at Bonduelle!" program

(1) Scope of indicators: group excluding BFA.

### 2.1.2.4 The central role played by the "All actors" approach

The 5<sup>th</sup> macro-objective of the Bonduelle Group's CSR approach, "All actors", aims to get all employees involved in Bonduelle's transformation into a more responsible business. In 2016-2017, the group launched the "#Tomorrow at Bonduelle!" program, devised with its partner, Corporate for Change, a business transformation facilitator. Open to all employees, with no restrictions, this is a support and training program for staff who are championing an idea or a project within 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.

In 2017-2018, the "#Tomorrow at Bonduelle!" program continued to support the 11 projects, and their 24 proponents, involved in the launch of the first campaign in 2016. A special day was planned around workshops presenting the group's CSR achievements, demonstrating their implementation within the plant and inviting employees to get involved, with the aim of raising awareness amongst plant employees. Since 2016-2017, these days have been held at six plants (Labenne, Rosporden, Genas, Bordères and Estrées-Mons surgé in France and the Saint-Césaire plant in Canada). On average, 10 projects per plant emerge from these events. Two or three projects are then chosen by plant employees to receive support from the "#Tomorrow at Bonduelle!" program.

At the Saint-Césaire plant in Canada, and in some BALL business unit plants, Management Committees were formed in 2017-2018 to organize and lead the mobilization of employees at their site. This training will be extended to other plants in North-America in 2018-2019.

In total, awareness was raised in around 600 people through the "#Tomorrow at Bonduelle!" program in a single year (2017-2018). The group will continue to expand this training in years to come, with a two-fold ambition:

- to train facilitator in all business units;
- to create links between plants, so that successes can be shared.

An internal social network, B!Green, is a forum for the discussion of CSR issues. More than 1,100 group employees take part in it.

## 2.1.3 General guidelines - GRI 103-2, 103-3

### 2.1.3.1 CSR governance

The CSR Steering Committee puts forward the CSR strategy to the Group Management 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.

Every quarter, Bonduelle's CSR Steering Committee compiles a progress report on the five macro-objectives set out by the CSR approach. The results are assessed, if necessary by seeking the opinions of stakeholders or by 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. Experts from each area define medium-term objectives and roll out policies in business unit networks.

(1) The Group Management Committee is presented in part 3.1.3 of the registration document.



Ready Pac Foods has been integrated since 2017-2018. From 2017, mobility policies have been shared to encourage initial skills exchanges between business units. Managers from Bonduelle Fresh Americas (BFA), formerly Ready Pac Foods, took part in the Manager's Days (see 2.5.6.3 A meaningful way of promoting the employer brand), an opportunity to share values, managerial practices and strategic outlooks. The CSR indicators for which the Bonduelle Group will want to integrate BFA as soon as possible have already been identified. BFA was partially included in the reporting for the 2017-2018 fiscal year and consolidation will continue and be extended in the coming years. The indicators listed in the report do not include BFA, apart from those listed in our methodological note (see 2.6.2).

### 2.1.3.2 Stakeholder relations – GRI 102-40, 102-42, 101-1, 101-3

In 2014-2015, the Bonduelle Group initiated a materiality analysis in partnership with its stakeholders. The Bonduelle Group's materiality matrix is shown in chapter 1 and details of the methodology behind it are listed in 2.7.3. The materiality matrix for Bonduelle's operations in Italy was started in 2017-2018 and will be finalized in 2018-2019. Initial results did not flag up any need for changes to the group's matrix. Major challenges highlighted in this initial approach are product safety, product traceability, environmental protection and employees' health.

Bonduelle implements a dialog policy, structured around regular discussions and strategic meetings, both internally with its employees and social partners and externally with farmers, suppliers, consumers, national and local public institutions, etc. Bonduelle wants to construct and develop action plans that meet its stakeholders' expectations.

#### Involvement in sectoral analysis – GRI 102-13, 102-42, 102-44, 103-2

As a key player in its field, Bonduelle wants to play an active role within the professional bodies so that it can contribute its business and industrial expertise and assert its interests and those of its counterparts, by providing a link between trade associations and federations and the government bodies of the countries in which the group operates. Its actions are mainly implemented in two ways:

- educating governance bodies of trade associations and federations;
- playing an active role in working groups in the countries where the group operates.

In 2017-2018, a census of group employees involved in professional bodies recorded the participation of over 100 members of staff. They operate on both a technical and

a political level to find out about the needs of the group, consumers, customers, suppliers and farmer partners and to take these needs into consideration in the information conveyed to politicians and governmental and local authorities. Bonduelle employees also answer industry representatives' questions, with the aim of ensuring that regulations are applied in fields such as sourcing of agricultural raw materials, industrial production and consumer protection.

The Bonduelle Group does not seek the support of external professionals to represent its interests and did not fund any political party in 2017-2018.

Some examples of issues dealt with in 2017-2018 are listed below:

- active participation in the National Food Conference (*États Généraux de l'Alimentation*) in France, advocating the continuation of the existing model for contracting with farmers, developed with the processed vegetable industry over a period of more than 50 years;
- in France, within the context of the ECOPHYTO 2 assessment, considered to be quite ineffective in terms of reducing the use of plant protection products, the processed vegetable industry supported the "solution contract" proposed by the National Federation of Farmers' Unions (*Fédération nationale des syndicats d'exploitants agricoles*, FNSEA). It also championed the major role played by public-sector research in finding quick alternative solutions to chemicals for plant protection;
- in France, UPPIA, the Union for the Promotion of the Canning Industries, continued to target millennials with its advertising campaigns in an attempt to raise awareness of the modernity of canned goods and launched operations targeting disadvantaged populations to demonstrate the virtues and practicality of canned goods;
- in Brussels, during consultations with European stakeholders, PROFEL (European association of fruit and vegetable processors) supported the new plan to hand out fruit and vegetables in schools and recommended that the program be extended to include processed fruit and vegetables. It also supports European Commission plans to inform consumers of the origin of their products (on the label). Lastly, it was involved in preparing regulations on the ice-glaze content of frozen fruit and vegetables to prevent abuse within the industry;
- in Russia, the teams ensured that the Russian ban on importing European fruit and vegetables was not prejudicial to locally-based production facilities;
- in Canada, the issues dealt with via industry associations focused, in particular, on protection of the environment and agricultural production, as well as the shortage of seasonal workers.

In 2018, the Bonduelle Group was a member of 80 trade associations throughout the world, chairing eight of them:

- FIAC: *Fédération française des industries d'aliments conservés* (French Preserved Food Industry Federation);
- PROFEL: *Organisation européenne des industries transformatrices de fruits et légumes* (European Association of Fruit and Vegetable Processing Industries);
- UPPIA: *Union pour la promotion des industries de l'appertisé* (Union for the Promotion of the Canning Industries - France);
- CTCPA: *Centre technique agro-alimentaire* (Agri-foods Technical Center - France);
- AETMD: *Association européenne des transformateurs de maïs doux* (European Association of Sweet Corn Producers);
- ETF: *Entreprises du traiteur frais* (Fresh, prepared food businesses - France);
- AIIPA IV Gamma: *Associazione Italiana Industrie Prodotti Alimentari* (Italian Food Products Industry Association - Italy);
- CTAQ: *Conseil de la transformation alimentaire Québec* (Council of food processors in Quebec).

Furthermore, the Louis Bonduelle Foundation (see 2.4.4.2 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.

### Transparency requirements – GRI 102-54

In line with its commitments and to make its CSR information accessible to all of its stakeholders, Bonduelle is making its CSR report, taken from chapter 2 of the registration document, available on several web platforms (bonduelle.com, unglobalcompact.org and corporateregister.com) and reports back to stakeholders on its work (see previous paragraph) at specific meetings. In 2017, the Bonduelle Group's constant attempts at improvement were recognized when it was awarded first prize for "best environmental reporting" for the exemplary nature of the environment section of its CSR report. The "Business and Environment" competition has been organized for 30 years now by the French Ministry of the Environment and the ADEME. This award recognizes businesses that are open about their environmental performance and, as a result, inform all stakeholders of the direct, and indirect, impacts of their business on the environment.

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.

For the first time, in 2017-2018, 15 employees from the human resources (HR) division with responsibility for country-specific reporting met in person for a day to share their best working practices and to talk about matching HR indicators to the 2025 HR CSR roadmap.

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 prepared in accordance with the GRI Standards: Core compliance option (see Section 2.8 – 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). 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 83% and ranked in 18<sup>th</sup> place out of the 87 companies with revenue in excess of 500 million euros (results published in October 2017). Finally, for its commitment to the United Nations Global Compact, Bonduelle achieved GC Advanced level from the UN Global Compact.

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

There are plans to overhaul the format of stakeholder meetings in 2018-2019, to give them a more international dimension (consultations with stakeholders in different countries and meetings inviting contributions from stakeholders in different countries), to raise awareness of CSR risks and to gather their opinions on the Group's duty of vigilance plan and the measures put in place for its application.

The External Relations Officer develops communications 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.

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.

The table below lists the stakeholders with which the Bonduelle Group has relationships in all the various spheres of its environment. The methods used to consult or inform stakeholders, or to enter into dialog with them, are listed for each category of stakeholder, as well as any agreements, partnerships or collaborations that have been set up.



Stakeholders	Information Communication	Dialog Consultation	Agreement/Partnership/ Collaboration
<b>SOCIAL SPHERE</b>			
Employees/social partners <i>Questionnaire</i>	<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 - in 2018, organization of Managers' Days: 1,300 employees invited to a two-day convention/trade show</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 "Climate" - every two years (see 2.5.4.4)</li> </ul>	<ul style="list-style-type: none"> <li>Collective agreements with employee representatives and trade unions</li> </ul>
<b>ECONOMIC SPHERE</b>			
Customers <i>Questionnaire</i> <i>Discussion meeting</i>	<ul style="list-style-type: none"> <li>CSR report in the registration document</li> <li>Specific questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>Annual responses to CSR questionnaires and key customer CSR audits</li> <li>Biennial European study on the main mass-market retail customers of canned and frozen Bonduelle products</li> </ul>	
Citizens/Consumers <i>Questionnaire</i> <i>Discussion meeting</i>	<ul style="list-style-type: none"> <li>Communication on product packaging</li> <li>Communication media, including social media and country-specific dedicated 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 trade associations of which Bonduelle is a member</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 <i>Questionnaire</i>	<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>Ongoing dialog and consultation during the harvest period with Bonduelle field and cultivation supervisors</li> </ul>	<ul style="list-style-type: none"> <li>Agronomic sourcing charter</li> <li>Shared preparation and manning of the Bonduelle stand at the SIA (International Agricultural Fair) in Paris - once a year</li> </ul>
Suppliers <i>Questionnaire</i> <i>Discussion meeting</i>	<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 quality audit of suppliers of finished products and ingredients</li> <li>CSR support and external evaluation by EcoVadis (responsible purchasing)</li> </ul>	

(1) AIM: Association des industries de marque (European Brands Association).

Legend: Text in light green - means of contributing to the Bonduelle materiality matrix.

## 2 CORPORATE SOCIAL RESPONSIBILITY

The Bonduelle Group and Corporate Social Responsibility

Stakeholders	Information Communication	Dialog Consultation	Agreement/Partnership/ Collaboration
<b>FINANCIAL SPHERE</b>			
<b>Ratings agencies</b> <b>Questionnaire</b> <b>Discussion meeting</b>	<ul style="list-style-type: none"> <li>• Websites: www.developpementdurable.bonduelle.com or www.sustainability.bonduelle.com</li> <li>• Corporate Social Responsibility report included in the registration document</li> <li>• Specific questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>• Answers to questionnaires/ad hoc requests – once a year</li> </ul>	
<b>Investors</b> <b>Questionnaire</b> <b>Discussion meeting</b>	<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>	<ul style="list-style-type: none"> <li>• The Bonduelle Group has been listed on the Gaïa index, a listing of the best midcaps in terms of sustainable development, since 2009</li> </ul>
<b>SOCIETAL SPHERE</b>			
<b>National, European and international regulatory bodies and agencies</b> <b>Questionnaire</b> <b>Discussion meeting</b>	<ul style="list-style-type: none"> <li>• Websites: www.developpementdurable.bonduelle.com or www.sustainability.bonduelle.com</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>	<ul style="list-style-type: none"> <li>• Bonduelle is classed as GC Advanced level by the UN Global Compact</li> </ul>
<b>NGOs</b> <b>Questionnaire</b> <b>Discussion meeting</b>	<ul style="list-style-type: none"> <li>• Websites: www.developpementdurable.bonduelle.com or www.sustainability.bonduelle.com</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>	
<b>Local communities</b>	<ul style="list-style-type: none"> <li>• Brochures and reports</li> <li>• Website</li> <li>• Specific events</li> <li>• Dedicated country-specific websites</li> </ul>	<ul style="list-style-type: none"> <li>• Dialog with local communities – upon request</li> </ul>	<ul style="list-style-type: none"> <li>• Calls to international projects conducted by the Louis Bonduelle Foundation – once a year</li> <li>• Participation by Bonduelle in the local life of its sites</li> </ul>
<b>Media</b> <b>Questionnaire</b> <b>Discussion meeting</b>	<ul style="list-style-type: none"> <li>• Press releases and/or files – at least once a year</li> <li>• Websites: www.developpementdurable.bonduelle.com or www.sustainability.bonduelle.com</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>	

(1) AIM: Association des industries de marque (European Brands Association).

Legend: Text in light green – means of contributing to the Bonduelle materiality matrix.





Stakeholders	Information Communication	Dialog Consultation	Agreement/Partnership/ Collaboration
Trade federations Questionnaire Discussion meeting	<ul style="list-style-type: none"> <li>Several Bonduelle employees take part in the work of industry organizations as committee members, directors or chairing said committees – meetings at least twice a year</li> <li>Participation, in February 2018, in the CSR Europe questionnaire on non-financial reporting practices in Europe</li> </ul>		<ul style="list-style-type: none"> <li>Bonduelle is a signatory to the European Brands Association<sup>(1)</sup> (AIM) charter on “Brands for health and well-being”</li> </ul>
Education and research Questionnaire Discussion meeting	<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>	<ul style="list-style-type: none"> <li>Louis Bonduelle international research prize – once a year</li> <li>In 2015, the Bonduelle Fresh Europe business unit launched the Jeunes Pousses program. In partnership with three engineering schools</li> </ul>
CSR Experts Questionnaire Discussion meeting	<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>	

(1) AIM: Association des industries de marque (European Brands Association).

Legend: Text in light green – means of contributing to the Bonduelle materiality matrix.

## 2.1.4 Ethical business practices – GRI 102-12, 102-16, 103-2

The introduction of new laws passed in 2016-2017, such as law No. 2016-1991 of December 9, 2016 on transparency, fighting corruption and modernization of economic life (the so-called “Sapin II law”) and law No. 2017-399 of March 27, 2017 on the monitoring duties of parent companies and contracting companies (so called “Due Diligence Law”), coupled with the group’s ambition to become a company with a mission (see 1.1 Message from the Executive Management: 2017-2018), led Bonduelle to review and strengthen all of its procedures to make them clearer, more effective and to initiate new thinking to go even further.

As such, in terms of ethics, fiscal years 2016-2017 and 2017-2018 were marked in particular by the implementation of the duty of vigilance Plan (see paragraph 2.1.4.8 Duty of Vigilance Plan) and the implementation of an anti-corruption program, as well as by the revamping of the ethics charter.

### 2.1.4.1 The Bonduelle Group commitments

#### United Nations Global Compact

As a signatory to the United Nations Global Compact since 2003, Bonduelle is committed to respecting and promoting the 10 basic principles in the areas of human rights, labor standards, the environment and fighting corruption.

#### Bonduelle’s values

The Bonduelle Group’s commitment to ethical business practices also takes the form of a determination to comply with laws and regulations, the definition of strong values, an unequivocal commitment on the part of the Executive Management (see <https://www.bonduelle.com/en/group/values.html>) and the provision of tools to assist decision-making.

#### Bonduelle Group ethics charter

A cornerstone of the Bonduelle Group’s ethical policy since 2012, its ethics charter was an internal and external manifestation of its commitments.

On the introduction of its anti-corruption program and duty of vigilance plan, the Bonduelle Group reviewed its ethics charter, in particular through its Ethics Committee, to give the group’s commitments more clarity whilst setting out the requirements it places on its employees in a new document, the Code of conduct for ethical business practices.

Through this new charter, Bonduelle is establishing its credentials as a responsible corporate citizen, a people-minded and trustworthy company. In doing so, as part of a process of improvement, Bonduelle intends to defend and promote its values: People-minded, Confidence, Openness, Simplicity, Integrity, Fairness and Excellence. This charter adds to the legal and regulatory framework with which the group must comply in line with the aims of the majority family shareholder and the seven values of the Bonduelle Group.

The Bonduelle Group ethics charter presents the ideal that the group would like to achieve to inspire all employees as well as stakeholders with whom they are in contact. The Bonduelle Group ethics charter should offer the opportunity to challenge practices whilst also providing a decision-making tool.

The full text of the Bonduelle Group ethics charter is available at the Group's website [www.bonduelle.com](http://www.bonduelle.com): <https://www.bonduelle.com/en/sustainable-development/documents.html> and 2.7.2 Bonduelle Group ethics charter.

### 2.1.4.2 The Bonduelle Group's Ethics Committee

The role of the Ethics Committee is to support the Company on ethical issues, and to issue opinions in an advisory capacity.

It is made up of four members from both inside and outside the business, chosen based on their experience, profile and expertise. The Ethics Committee reserves the right to invite outside experts or submissions from employees on specific subjects. It meets at least twice a year. Its composition is detailed in chapter 3 of the 2017-2018 registration document.

With the revision of the ethics charter, and the implementation of the program to fight corruption and the duty of vigilance plan, its rules of procedure were amended to clarify its role, particularly in the context of the introduction of the internal whistleblowing system in accordance with the Sapin II Law and the Due Diligence Law.

Accordingly, the Ethics Committee may be consulted to give insight into situations in the general interest in cases where the group's hierarchy and internal experts are unable to provide answers. Cases may also be referred to it when the whistleblowing system breaks down. In this case, the Ethics Committee does not have the remit to receive all of the details of the case, nor to handle it, but to ensure the case is handled by the responsible persons.

Moreover, Bonduelle's stakeholders may also contact the Ethics Committee for any questions relating to the application of the charter.

### 2.1.4.3 Code of conduct for ethical business practices

The commitments made by the Bonduelle Group were to be followed up with a commitment on the part of Bonduelle employees. This has now happened with the inclusion in the Rules of Procedure and/or employment contracts of employees in France and worldwide of the Code of conduct for ethical business practices.

In order to align the Bonduelle Group with the Sapin II Law, in 2017-2018 the group adopted a Code of conduct for ethical business practices, covering both corruption and influence peddling, as well as other issues relating to ethical business practices. Designed as a practical tool, it defines the situations and sets out the basic rules to be followed by every employee in each situation, as well as describing the behaviors to be prohibited, the basic rules on fighting corruption and influence peddling (in particular, it describes the basic rules on gifts, facilitation payments, patronage, sponsorship), conflicts of interest, anti-competitive practices, discrimination, confidentiality and insider trading, as well as other obligations for preventing risk.

All employees became bound by the Code in 2018 and, where necessary, representative staff bodies were consulted in accordance with the relevant regulations.

### 2.1.4.4 The Bonduelle Group's culture of ethics

Distribution of the Code of conduct for ethical business practices began in the first half of 2018. A "Statement on the principles of ethical business practices" was drawn up by the Executive Management. In order to make these resources more visible to all employees, Bonduelle has now made them available on the intranet on the "Bonduelle and ethics" page.

In October 2018, awareness-raising was conducted with all Human Resources Directors in order that they take on board the commitments made by the group and the body of Bonduelle documents on ethics and the whistleblowing procedure. Other communications planned by the end of 2018. Moreover, Bonduelle carried out awareness-raising and/or training on ethics-related issues with a number of employees:

- personal data protection, with the introduction of the European General Data Protection Regulation (GDPR) (260 people);
- anti-corruption and duty of vigilance plan;
- fair competition practices (see 2.1.4.7 Fair-competition training program).



These programs are expected to be circulated more widely and continued in the fiscal year 2018-2019. In-depth training programs are also being developed.

Moreover, these programs are complemented with policies, procedures and practical guides enabling employees to apply the principles in their daily work. Over the 2017-2018 fiscal year, some tools and procedures were produced or updated in line with the changes made to the ethics charter and compliance programs (GDPR, anti-corruption program, duty of vigilance plan, fair competition practices program). These include:

- internal procedures of the Administrative and Financial Handbook;
- policies on personal data;
- practical guides (for example: Confidentiality guide, the Bonduelle et moi social media guide, etc.);
- the Stock Market Code of Conduct.

#### 2.1.4.5 Whistleblowing procedure

The Bonduelle Group has chosen to introduce a whistleblowing procedure using an external provider, which meets the various obligations under Articles 8 and 17 of the Sapin II Law and the Due Diligence Law. This system, which is in addition to the existing reporting procedures (managerial and HR), takes the form of an internet platform. It guarantees the protection of whistleblowers (particularly in terms of confidentiality) and oversees the handling of cases.

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

As a continuation of its CSR commitments and its membership of the United Nations Global Compact, Bonduelle has introduced an anti-corruption program to prevent and detect any corruption or influence peddling in France or overseas, in accordance with Article 17 of the Sapin II Law. This program applies to all companies within the Bonduelle Group.

To develop this anti-corruption program, the Bonduelle Group set up a number of working groups made up of representatives of the legal, CSR, Audit, Human Resources and Sales Departments. The group also drew on the recommendations of the French Anti-Corruption agency, issued in December 2017. The progress of the program implementation was presented to the Executive Management on a number of occasions and to the Supervisory Board.

The anti-corruption program has eight strands as required under Article 17 of the Sapin II Law:

- **a Code of conduct**, incorporated in the Code of conduct for ethical business practices, setting out and illustrating the different types of behavior to be prohibited as liable to be characteristic of corruption or influence peddling (see 2.1.4.3 of the Code of conduct for ethical business practices);
- **disciplinary measures** have also been put in place for any failure on the part of employees to follow the rules set out in the Code of conduct for ethical business practices;
- **an internal whistleblowing procedure** aimed at receiving reports from employees of any conduct or situations that are contrary to the Code of conduct (see 2.1.4.5 Whistleblowing procedure). This procedure is common with that meeting the requirements of Article 8 of the Sapin Law and Article L. 225-102-4 I 4° of the French Commercial Code;
- **group risk mapping** was conducted by the group Audit Department, in consultation with all group departments (support, purchasing, sales, general management functions);
- **the principles of procedures for evaluating** the position of clients, leading suppliers and intermediaries based on the risk mapping were set out in the Code of conduct for ethical business practices. The principle of evaluation was also added to all standard contracts. Thus, on the basis of risk mapping, Bonduelle may request any relevant information or documents required to evaluate the integrity of its co-contractors in particular. Bonduelle may evaluate its third parties using the EcoVadis questionnaire enabling the evaluation of the CSR performance of a co-contractor, particularly in terms of ethical business practices. Field and desk audits are also a contractual obligation as well as the implementation of action plans in the event of failings (see 2.3.10.2 Engagement, evaluation and support of suppliers in other categories);
- internal and external **control procedures** aimed at ensuring that the books, records and accounts are not used to conceal corruption or influence peddling;
- awareness-raising was **carried out with Managers and staff** who are the most at risk of corruption and influence peddling;
- **a system for measuring implementation and evaluation**. Each year a review of the implementation of the anti-corruption plan is presented to the Group Management Committee, the Ethics Committee and Supervisory Board by the legal, audit and CSR Departments. In terms of subsidiaries, evaluation is through existing reporting tools.

In 2017-2018, around 750 people underwent awareness-raising in the Bonduelle Group's anti-corruption program, notably alongside the circulation of the Code of conduct for ethical business practices.

### 2.1.4.7 Fair competition training program

In 2016-2017 the Bonduelle Group launched an e-learning exercise on the broad principles of competition law aimed at employees with access to strategic information to build on their knowledge, increase their vigilance and give them sufficient whistleblowing capacity. Over 800 employees in Bonduelle countries took part in this training program which was continued in 2018 and will be attended by new employees and updated regularly in coming years.

### 2.1.4.8 Duty of vigilance plan

Through its ambition to be “the world reference in ‘well-living’ through plant-based food”, Bonduelle is fully committed to its societal responsibility. First stage agricultural processing is closely associated with the ability to protect soil and biodiversity, the quality of plant-based production and of the processed products, as well as the confidence of clients, consumer and all stakeholders.

Bonduelle fosters a risk-aware culture, including the risks of failing to observe human rights and basic freedoms, the risks of serious harm to the health and safety of people and the risk of environmental damage, in accordance with French law No. 2017-399 of March 27, 2017 on the monitoring duties of parent companies and contracting companies. In accordance with this law, Bonduelle has produced a duty of vigilance plan, which is presented in the following section.

It sets out the methods put in place by the Bonduelle Group as well as additional measures taken as part of the duty of vigilance plan. This duty of vigilance plan has been produced and implemented by the CSR Department with the participation of the Legal Department and Internal Audit Department.

This monitoring is based on the core values and documents that form the framework of the group's activities: the shareholder objectives, Values, 10 policies, but also the ethics charter, the Code of conduct for ethical business practices, membership of the United Nations Global Compact, the CSR policy in five macro-objectives, the agronomy sourcing charter and finally the procedure for evaluating the CSR performance of its suppliers with EcoVadis.

The duty of vigilance plan, presented below, was devised to ensure the Bonduelle Group is in full compliance with the law. Its implementation involves an internal review of processes and business lines in order to increase the level of monitoring across all group activities. This presentation includes the first report on the implementation of the plan in accordance with Article L. 225-102-4 I of the French Commercial Code.

### Bonduelle Group activities CSR risk map

In order to meet the requirements of the law, the Bonduelle Group first mapped the CSR risks of its activities before mapping the risks of its suppliers and sub-contractors.

Methodology:

**Stage 1:** Identify the CSR risks associated with the group's three main activities (Agriculture, Agro-Industry, Transportation) based on reference sources such as: EcoVadis, World Economic Forum, World Bank, UNICEF. Then select risks based on the following criteria: potential risk to Bonduelle, link between the risk and the Bonduelle activity.

**Stage 2:** Weigh the risk according to the country and volume of activity (euros) in that country.

The table on the following page summarizes the results of this mapping of risks relating to the group's activities.



	Bonduelle activity	Analysis of societal risks	Country
Selection criteria	3 principal activities	Potential risk to Bonduelle	Volume of activity (euros)
Economic impact	<ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Transportation</li> <li>• Agro-industrial</li> </ul>	<p>Environment:</p> <ul style="list-style-type: none"> <li>• Risks associated with biodiversity</li> <li>• Climate change adaptability</li> <li>• Man-made disasters</li> <li>• Materials, chemical products, waste</li> <li>• Water shortages</li> <li>• Extreme climate conditions</li> </ul> <p>Policies:</p> <ul style="list-style-type: none"> <li>• Geopolitical conflicts</li> <li>• Instability of energy prices</li> </ul> <p>Social:</p> <ul style="list-style-type: none"> <li>• Child labor</li> <li>• Food shortages</li> <li>• Poverty</li> <li>• Social instability</li> <li>• Health and safety at work</li> <li>• Working conditions</li> </ul>	<p>Russia</p> <p>Brazil</p> <p>Hungary</p> <p>Poland</p> <p>Spain</p> <p>Canada</p> <p>United States</p> <p>France</p> <p>Germany</p> <p>Italy</p>

### Analysis of risk by country

For each country where Bonduelle operates, the volume of activity was recorded and cross-referenced against the evaluation of the country according to the following three indicators:

- the Environmental Performance Index (EPI), produced jointly by the Universities of Yale and Columbia in collaboration with the World Economic Forum<sup>(1)</sup>, assesses the ability of countries to implement effective environmental policies;
- the Human Development Index, produced by the United Nations Development Program (UNDP) assesses the rate of human development in countries;
- the Kids Rights Index<sup>(2)</sup> produced by the KidsRights Foundation, in cooperation with Erasmus University Rotterdam, ranks countries based on their child protection measures.

### Analysis of risks of the Bonduelle Group's suppliers (see 2.3.10 Responsible purchasing)

Produced in partnership with EcoVadis, this mapping exercise involved five stages:

- **producing a list of 82 purchasing subcategories** from a list of 190 categories supplied by Bonduelle representing all of our purchasing activities. Producing a list of around 13,000 suppliers corresponding to these 82 purchasing sub-categories. The purchasing volume is also recorded for each purchasing sub-category;

- **assessing the CSR risk of each purchasing sub-category** based on 21 criteria covering four themes: environment, social, ethics, purchasing;
- **incorporating “observed risk”**: observed risks recorded in the EcoVadis databases;
- **incorporation of country risk**. In order to evaluate country risk, EcoVadis draws on the following sources: UNICEF, UNDP, World Bank, WHO, FAO, IEA, universities (e.g. Yale), NGOs (e.g. Transparency International);
- **incorporation of “sourcing risk”**, associated with Bonduelle's specific issues, based on three criteria: purchasing volumes, criticality, brand exposure.

The scope of suppliers included in the risk mapping carried out in 2017-2018 covers the BELL, BFE and BEAM business units. The suppliers of the business units, BALL, BFA and international sourcing international will be brought in within the next three years.

Based on this risk analysis, the most at-risk suppliers are identified for an evaluation of their CSR performance (see paragraph “Procedure for evaluating subcontractors and suppliers” below).

### Mapping updates

Risk mapping will be updated regularly in conjunction with the CSR, Legal and Internal Audit Departments.

(1) Source: <https://epi.envirocenter.yale.edu/about-epi>

(2) Source: <https://kidsrightsindex.org>

### Procedure for evaluating subcontractors, suppliers and subsidiaries

#### Procedure for evaluating subcontractors and suppliers

Relations with farmer partners (upstream agricultural suppliers) come under the framework of the agronomy sourcing charter and contracts that are renewed on an annual basis (see 2.2. Caring for the land with our farmer partners). This in-depth contractual relationship and partnership, overseen by Bonduelle's agronomy teams, is the process put in place by the group to evaluate this strategic category of suppliers. It is also the tool used to implement the appropriate measures to mitigate risk and prevent serious harm.

With respect to other suppliers and subcontractors, since 2016-2017, Bonduelle has begun to roll out a plan for the evaluation by EcoVadis of their CSR processes and performances. This plan is described under 2.3.10 Responsible purchasing. The evaluation relates first and foremost to suppliers who have been identified as at-risk in the mapping exercise. In 2017-2018, clauses were added to contracts with subcontractors and suppliers stating that their CSR performance may be evaluated by EcoVadis.

#### Procedure for evaluating subsidiaries

Bonduelle Group subsidiaries are included within the scope of the EcoVadis implementation plan. They are gradually implementing the responsible purchasing and monitoring policies and are assessed on the basis of their CSR performance as part of the group's reporting.

The table below summarizes the procedures for evaluating subcontractors, suppliers and subsidiaries and any future actions:

Scope of the evaluation	Human rights and basic freedoms	Environment	Health and safety of people	Areas for improvement 2018-2019
Subsidiaries	<ul style="list-style-type: none"> <li>• CSR reporting</li> </ul>			
Subcontractors and suppliers	<ul style="list-style-type: none"> <li>• Assessing suppliers using the EcoVadis platform (Europe and International sourcing)</li> <li>• Mapping supplier risks (Europe and International sourcing)</li> <li>• Ingredient quality analysis</li> </ul>			Extending scope of EcoVadis
Farmers	<ul style="list-style-type: none"> <li>• Agronomy sourcing charter (see 2.2) signed by farmer partners</li> <li>• Oversight by the field supervisor of compliance with the agronomy sourcing charter and regulations by farmer partners</li> <li>• Quality control of vegetables entering industrial plants</li> </ul>			

### Targeted risk mitigation and prevention measures

The table below summarizes the targeted risk mitigation and prevention measures implemented by Bonduelle as well as any future measures:

Scope of actions	Human rights and basic freedoms	Environment	Health and safety of people	Actions 2018-2019
Subsidiaries	Human resources policy (see 2.5)	Environmental policy (see 2.3)	Zero workplace accidents policy (see 2.5) Product quality and nutrition policy (see 2.4) Louis Bonduelle Foundation (see 2.4)	
	<ul style="list-style-type: none"> <li>• Ethics charter (see 2.1.4)</li> <li>• Code of conduct (See 2.1.4)</li> <li>• Continuous improvement of our CSR reporting with external audits (See 2.7)</li> <li>• Raising awareness among employees of the monitoring duty and CSR with the "All actors" approach (See 2.1.2.4)</li> <li>• B!GREEN Community (See 2.1.2.4)</li> <li>• Commitments to local communities (see 2.5)</li> </ul>			Training plan for target groups
Subcontractors and suppliers	Responsible purchasing policy (see 2.3)			
Farmers	See CSR strands of the agronomy strategy (see 2.2)			



## Whistleblowing procedure

The whistleblowing procedure available to group employees is described in 2.1.4.5.

## Monitoring procedure

The table below presents the procedure for monitoring actions that have already been implemented as well as any future actions:

Scope of monitoring procedure	Human rights and basic freedoms	Environment	Health and safety of people	Actions 2018-2019
Subsidiaries	Social dialog and human rights policies (see 2.5)	<ul style="list-style-type: none"> <li>Proportion of sites having carried out self-assessment using the water and energy management matrix</li> <li>Monitoring the carbon impact of Bonduelle activities</li> <li>Proportion of recycled waste (green waste/non-hazardous waste/hazardous waste)</li> <li>Proportion of sites having identified areas of outstanding natural beauty on their land (see 2.3)</li> </ul>	Frequency of work-related accidents (see 2.5)	
Evaluation of progress towards CSR objectives by the Group Management Committee				
Subcontractors and suppliers	Monitoring indicators: <ul style="list-style-type: none"> <li>97 suppliers identified as at-risk in the mapping exercise</li> <li>47 of the at-risk suppliers evaluated</li> </ul>			CSR evaluation of 50 suppliers outstanding
Farmers	Proportion of farmers having signed the agronomy sourcing charter (see 2.2).			

## Amounts of fines and significant convictions in social, economic and environmental areas – GRI 419-1, 307-1

When they are likely to have an impact on the Company's financial position, any convictions imposed upon Bonduelle are disclosed in the regulated information. In 2017-2018, 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 the Company's financial position.

## 2.2 Caring for the land with our farmer partners

### 2.2.1 A summary of the challenges, objectives and results – GRI 102-9, 103-2

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

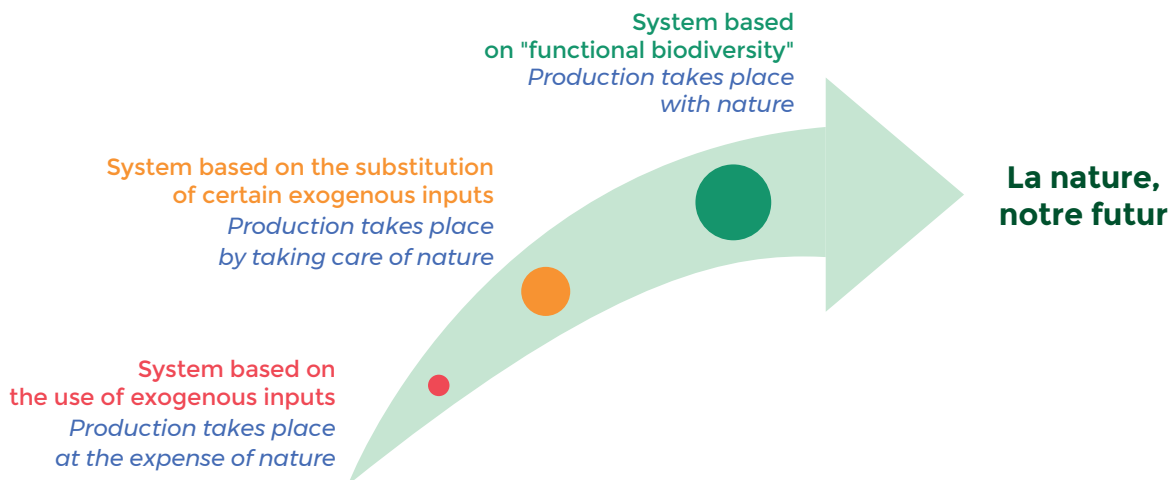
- by partnering with farmers and driving innovation for upstream agricultural activities;
- by bringing frozen, canned, fresh-cut and processed fresh vegetables to market, it enables farmers to diversify their

crops and extend rotations. It thus contributes to reducing the exposure of farmers to technical and agronomic risks on the one hand, and economic risks (volatility of the agricultural commodity markets) on the other.

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 transition (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 nine billion people by 2050.

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

Our ambition: to lead the agro-ecological transition



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.

An overall target of resources for upstream agricultural activities was agreed for 2025: 100% of land cultivated for Bonduelle is covered by a suitable combination of alternative cultivation techniques to ensure progress across each of the five CSR agronomy strands. This target was set in 2017-2018 as part of the implementation of the road map.

An appropriate combination of alternative cultivation techniques is used for all land cultivated for Bonduelle, to ensure that progress is made in each of the five agronomy CSR focus areas

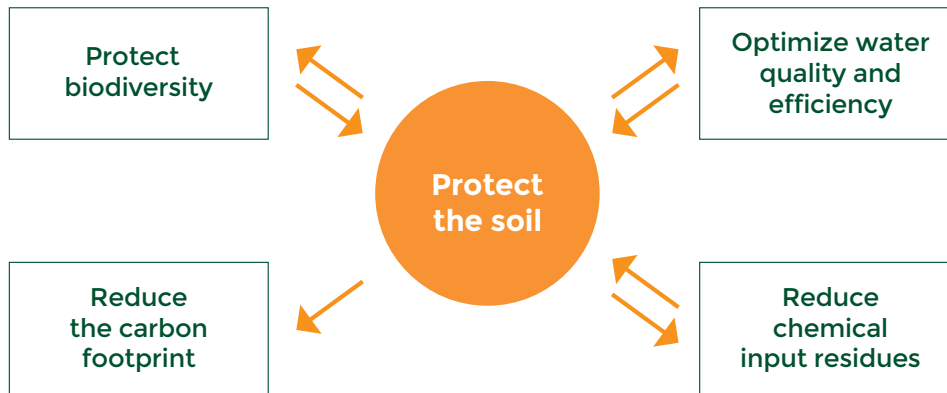


Table presenting the progress of the roadmap for 2025

Challenge	Objectives	Results 2017-2018*
Protect the soil and biodiversity	• Protect biodiversity	• 1,299 new varieties* tested in 2017-2018 across all regions where the group has sites
• Implement sustainable management and efficient use of natural resources (SDG 12)	• Optimize water quality and efficiency	• Management of irrigation - indicator under construction
• Reduce the use of phytosanitary products (SDG 12)	• Reduce chemical input residues	• 132 farmer suppliers of the BFE business unit benefit from an insect (and fungal disease) surveillance network
Ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production and that help preserve ecosystems (SDG 2, SDG 8)		• 54 insect (and fungal disease) surveillance networks guide plant protection treatment decisions in other group business units
Preserve the genetic diversity of seeds grown (SDG 2)	• Reduce the carbon footprint	• 241,785 tCO <sub>2</sub> e are a result of vegetable cultivation, representing 11% of the group's overall GHG emissions
Measure the environmental impact of farming practices using indicators	• Protect the soil	• 64% of farmer partners have adopted the fertilization method recommended by Bonduelle

\* The results of all quantified indicators over the past five-years are provided in Section 2.6.7. The BFA business units has not included the agro-economic indicators for 2017-2018 in its reporting.

### The founding principles of agro-ecology

Agro-ecology aims at transforming agriculture and developing food systems to make them more sustainable. It proposes modifying production methods to optimize their productivity whilst increasing their capacity to withstand climate change and the volatility of agricultural and food prices. Agro-ecology 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. It takes the form of a logical series of agricultural practices that enhance ecological processes and biodiversity.

As such, 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.).

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

Bonduelle cultivates almost 500 varieties of over 30 different vegetables.

In order to produce high-quality vegetables that are affordable for all, Bonduelle devised a sourcing model that prioritizes producer groupings (76% 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.

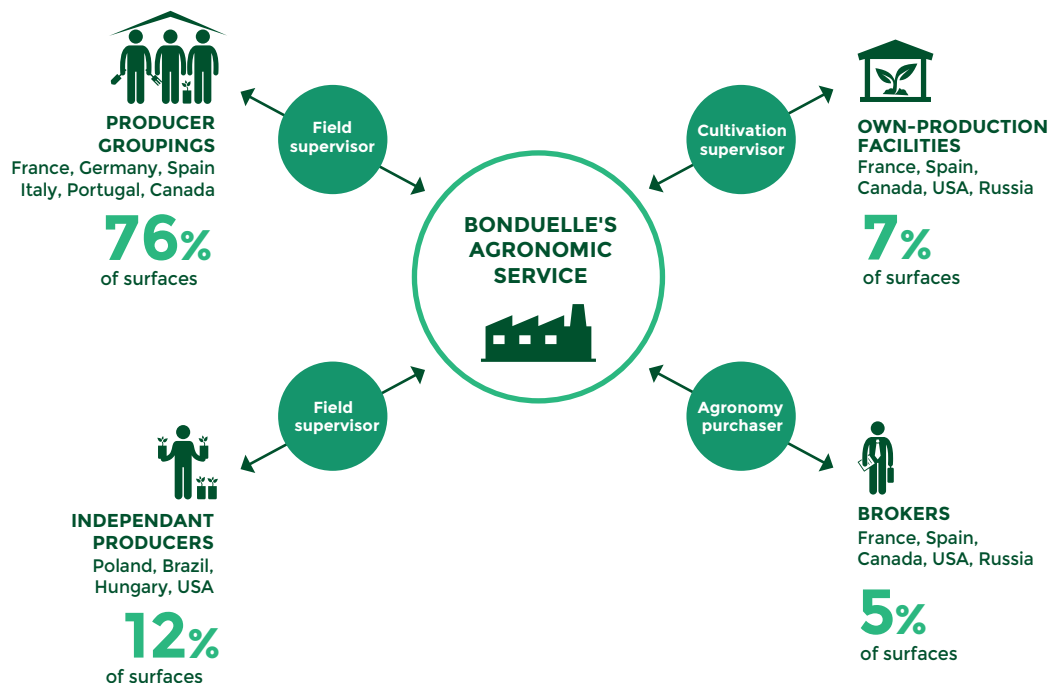
This model also has a number of benefits for farmers who are members of groupings:

- **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 raw materials price fluctuations offer safeguards for their businesses;
- **fair pay** between farmers, corrected for variations in climate and yield in a given production area, which are inevitable due to the length of time between sowing and harvest to enable linear sourcing by factories and optimal use of their capacity;
- **access to the expertise** of Bonduelle's 264 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 (12% 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 techniques.



## The Bonduelle Group's vegetable sourcing model



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 transportation, planting, harvesting and other cultivation activities (camera-assisted hoeing, crop protection treatment, etc.). This avoids producers having to invest heavily in special equipment.

The Company maintains close relationships with its farmer partners (see 2.1.3.2 Stakeholder relations).

### 2.2.3 Group policy and methods used

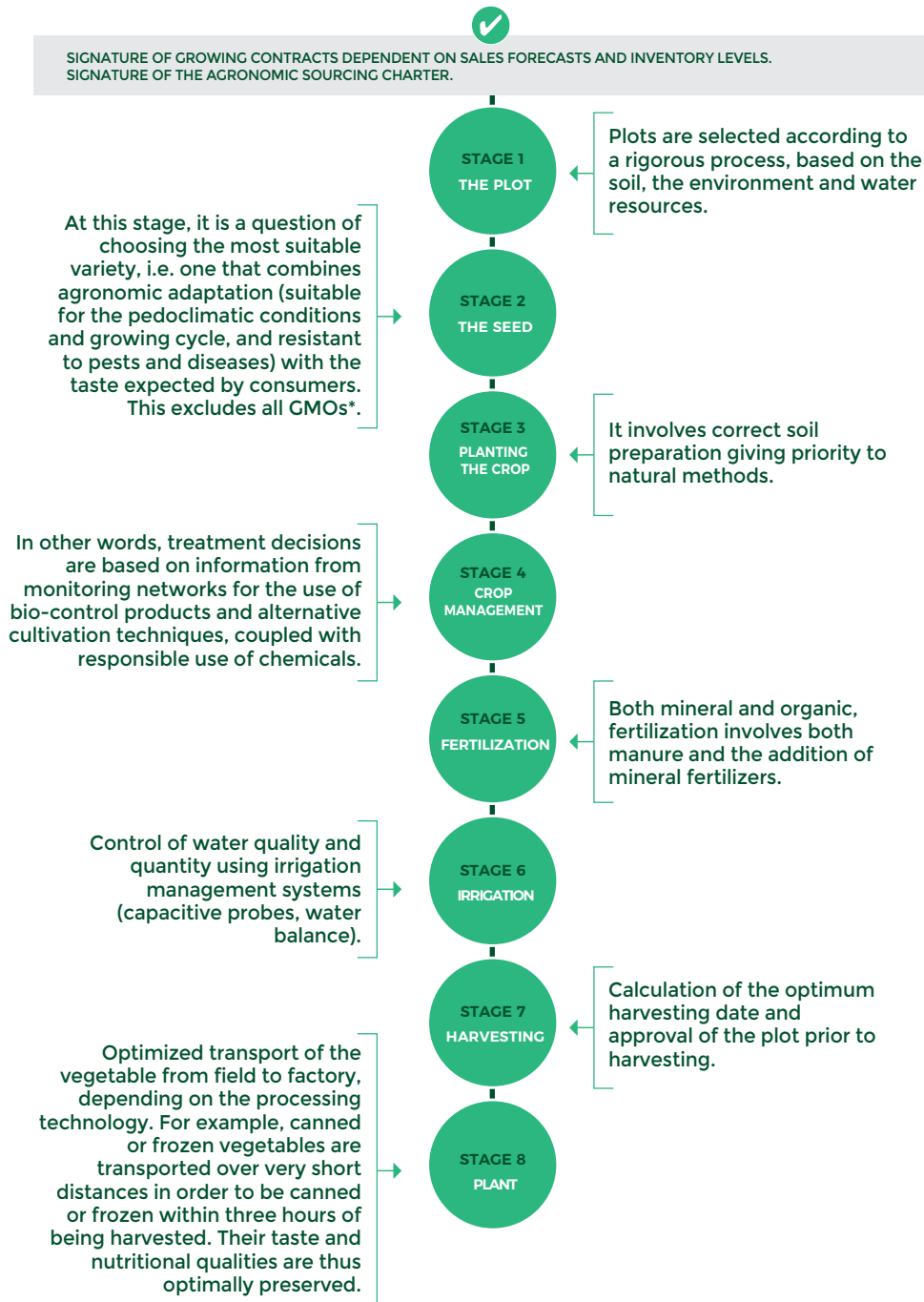
To meet the needs and challenges of our countries and markets, the group's agronomy organization is broken down by business unit, each being responsible for its own agricultural policy within the framework of the group's agronomy strategy, which defines common progress objectives, whilst taking into consideration the specific nature of each business unit. With the creation of the BFA business unit, 11 people have joined the network of Agronomy Managers. The agronomy policy is shared across this network, which meets once 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 steps managed are outlined in the diagram below.

### Key stages in vegetable cultivation

From seed to harvest, the Bonduelle Group's vegetable sourcing charter tracks vegetable growing and sourcing in eight stages.

#### KEY STAGES IN THE PLANNING AND MANAGEMENT OF VEGETABLE CULTIVATION BY AGRONOMY DEPARTMENTS



\* GMO: genetically modified organisms.



### 2.2.3.1 Bonduelle's agronomy sourcing charter

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

The fifth version of the agronomy 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. This agronomy sourcing charter is available to download from the Bonduelle website: <https://www.bonduelle.com/en/sustainable-development/documents.html>.

### 2.2.4 Bonduelle's agro-ecological transition with its partners – GRI 103-2

Bonduelle is committed to the agro-ecological transition of its supply chain. This approach involves minimizing impacts on the environment and reducing the use of phytosanitary products in order to meet society's expectations and the demands of sustainable agriculture, adapted to the challenges of the 21<sup>st</sup> century.

In order to do this, the group monitors the land through the crops in the fields and supports its producer partners in a preventative approach, by selecting the plots of land best suited to different types of vegetables, requiring long crop rotations so as to minimize the risk of soil diseases and to avoid depleting resources (nutrients, organic matter), 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 harvesting through crop monitoring.

### 2.2.4.1 The development of alternative cultivation techniques

In the field of agriculture, the Bonduelle Prospective & Development 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, were 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 the agro-ecological transition. 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. The group wants to measure the penetration rate of the different alternative growing techniques on agricultural land. A tool for collecting and consolidating data is under development. The objective is to have the first results available in 2019.

Several alternative cultivation techniques have been tested and rolled out across a number of different production areas, examples of which are described below.

In Russia, Bonduelle Group farms (more than 10,000 hectares) offer ideal conditions for implementing **innovative growing techniques, particularly those that aim to protect the soil such as strip-till, which is being developed**. Adopted in 2014 over 500 hectares, this practice covered 3,352 hectares in 2018 and represented 77% of the area of sweet corn produced by these farms. Strip-till, performed using preparatory equipment for the specific seeding line and tractors guided by GPS, limits soil disturbance and ensures greater protection against erosion by covering the majority of the soil with the residues of the previous crop and/or an intermediate crop (intercropping with plant cover). 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. This practice is in the process of being assessed or in the initial phase of deployment in other production areas. Once this performance has been confirmed in a sufficient number of harvests and in different soil and weather conditions and

for other crops, it may be extended to other agricultural areas and types of vegetables.

**Biological control** reduces the need for insecticides and chemical fungicides. For example, wasps were used on one of Bonduelle's farms in Russia and on producer partners' farms in Canada (Quebec) as a test to control the proliferation of lepidoptera caterpillars.



### In both Canada and Russia, parasitic wasps are helping to fight against corn borers

Following a conclusive test in 2016, the Bonduelle farms in Timashevsk and Novotitarovskaya (Russia) extended the services treated by drone releases of parasitic wasps to 500 hectares in 2017 in order to combat corn borers, which are the main corn pest.

In Canada, Bonduelle is a partner in a research program to combat this pest by releasing trichogramma (parasitic wasps) using drones. The objective of this program is to assess the value of using drones, measure the effectiveness and profitability of releasing trichogramma by aerial means and promote the adoption of biological controls by offering a strategy that reduces farmers' working time (as aerial releases replace the placement of sachets by hand on corn plants on each plot of land).

**Intercropping with plant cover** has been the subject of studies carried out by Bonduelle (see also the paragraph below on the VEGESOL experimental platform). This practice involves sowing one, or generally several complementary species between two crops (or potentially during cultivation). The plant cover is not harvested but left on the plot to protect the soil and enrich it with organic matter and nutrients. This cover also partly allows the growth of weeds to be controlled. Bonduelle is actively encouraging the adoption of plant cover, for example, by sharing the seed costs in Nord-Picardie (France). Programs are being developed in order to speed up the adoption of plant cover as part of the effort to reduce chemical input residues.

**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 in the process of being developed to avoid the use of products that leave these residues behind, and relevant alternative practices are being encouraged (camera assisted precision hoeing for mechanical weeding) or studied (weeding robots, etc.). Two programs specifically developed by BFE are helping with the reduction of residues from chemical phytosanitary products: the "Neutral" program whose objective is to eliminate the use of agents that are authorized but have potentially large impacts on human health and the environment, and the "Clear" program aimed at

enabling the total traceability of residues from phytosanitary products.

### 2.2.4.2 Collaboration with pilot farms to experiment with cultivation techniques

The Bonduelle Group has three pilot farms: the "La Woestyne" farm in France, a pilot farm on two sites in Russia and the farm in Murcia in Spain.

**The VEGESOL experimental platform**, set up on the "La Woestyne" farm (Renescure, France) is the result of a partnership between Bonduelle, Syngenta and the University of Picardie Jules Verne (Amiens, France). It was created in order to compare over a period of time, 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. After an initial eight-year experimental phase ended in 2017, a new phase was initiated in 2018. The first phase enabled us to show that in spring-time cultivation using typical rotations for the Nord-Picardie production area, it is possible to significantly reduce nitrogen-based fertilization, using conservation agriculture and plant cover while maintaining levels of productivity. The objectives of the new phase will be to:

- contribute to accelerating the deployment of agro-ecology in vegetable growing, in particular, by improving knowledge of plant cover techniques;
- take part in the development of alternative techniques for controlling weeds in the agro-ecological cultivation of vegetables;
- explore the potential of endophytic microorganisms and identify ways to develop bio-control and bio-stimulant products;
- contribute to the development and assessment of varieties specifically adapted for agro-ecology and, in particular, pea varieties in the context of climate change.

VEGESOL has a scientific aim at transferring technology to farmers, by generating best scientific practices that demonstrate the soundness of agro-ecology practices and also practical lessons enabling their adoption and deployment by farmers.

Bonduelle contributed to the creation of the **Innova Terre network** in 2016, in the Nord-Picardie area. This is now a group of 60 or so innovative farmers who want to develop their agro-ecological practices, in particular, preservation of the soil, the productive capital of their operations. Changes in practices aimed at protecting and restoring soils, in order to maintain their biological fertility and productive potential in a sustainable way, have been developed with three main areas of focus:

- reducing working of the soil;



- maximum protection of the soil;
- crop rotation.

The Innova Terre network also aims to facilitate discussions between producers. It enables encouragement, stimulation and support to be provided to innovative producers who, on the basis of promising experimental results, are taking part in the large-scale deployment of agro-ecology practices in typical major rotations (including beetroot and potatoes in the case of northern France).

The momentum generated by the innovative producers within the Innova Terre network should eventually produce a significant multiplier effect which will enable the rapid and wide-scale adoption of agro-ecology in vegetable production.



### The “Sols Verts” (green soils) project in Picardie, an initiative of a producer member of the Innova Terre network

In 2014, Guillaume Tupigny became a member of the Innova Terre network and discovered the VEGESOL experimental platform. In 2016, he decided to move his farm's agricultural practices towards agro-ecology by introducing intercropping with plant cover and gradually abandoning tilling. In 2017, he introduced an agro-ecology development platform, known as “Sols Verts”, on his farm and chose Thierry Tétu – who is a university lecturer at the University of Picardie Jules Verne (UPJV) and the scientific coordinator for VEGESOL – as his technical adviser.

The “Sols Verts” platform is partly financed by public institutions (ADEME and *Agence de l'Eau* (regional water agency)) and benefits from the appointment of a dedicated technician who is experienced in agro-ecology. Its objective is to compare the levels of agronomic performance of the two systems: conventional agriculture and non-tilling with plant cover over a six-year rotation that is typical of northern France, including beetroot, potatoes and vegetables.

**The pilot farm in Spain** (Torre-Pacheco, in Murcia) enables several technological innovations to be tested: an insect monitoring network comprising connected traps, anti-insect netting, connected capacitance sensors for precision irrigation, camera assisted precision hoeing, spatial crop monitoring using drones, etc. The objective is to adapt crop routing to agro-ecology, while maintaining the productivity and competitiveness of market garden crops (salads). The farm is very involved in environmental protection and active with ANSE, a local NGO. The Cartagena area where the site is located, and where horticultural production is very intensive,

is facing water pollution problems. The pilot farm is also involved in organizing conferences in order to share solutions.

In France (Nantes and Perpignan areas) and Italy, Bonduelle is involved in salad production in **plastic greenhouses**. Market garden crops are thus protected from the weather and have less exposure to pests and diseases, making it possible to favor more natural growing practices.

In addition to sheltered production, Bonduelle Fresh Europe is trialling the possibility of growing certain salad crops in high technology greenhouses using hydroponics, in particular through a project launched in 2018 with the Landgard cooperative in Straelen, Germany.

### 2.2.4.3 Harnessing technology for the benefit of agro-ecology

AgTech digital equipment used by farms enables them to manage constantly changing cultivation practices.

In Russia, the farms operated by Bonduelle use digital equipment, including the decision-making tool, Cropio, which is used 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.

The emergence of AgTech solutions based on using connected objects which generate a significant amount of new data, makes it necessary today to develop a central digital platform enabling the collection and analysis of all data related to agricultural production and to convey relevant information for decision-making.

As part of its digital transition, the Bonduelle Group is planning to develop an online portal by 2021 that will be available to the farmer partners of BFE and BELL business units. In particular, this tool will allow each farmer to monitor their contractual and agronomic relationship with the group and will provide total traceability for crop management (operations, inputs) by each farmer on the current AgPOD model. Both this portal and AgPOD will incorporate a central digital platform for processing all agricultural data.

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 in several production areas. These trapping networks are installed by Bonduelle or through industry associations (Arvalis, Unilet in France, etc.).

### 2.2.4.4 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, particularly in France, Canada, the United States, Spain and Russia. 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.

Bonduelle has therefore established partnerships targeting the following areas:

- automation, at this stage focused on weeding;
- efficiency and accuracy of crop monitoring;
- harvest prediction (quantity and quality);
- 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.

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

The Bonduelle Group is committed to ensuring that its products are free from genetically modified organisms (GMOs). Consequently, Bonduelle commits that its partner producers use no genetically modified seed varieties. The Bonduelle Group therefore requires that its seed suppliers take extreme care to avoid any unintended presence of genetically modified organisms.

The Bonduelle Group has developed industry-leading capabilities in the assessment of new vegetable varieties, which allow it to forge close relationships with its seed partners. New varieties are tested for their suitability in different areas and their agronomic behavior in local conditions, then trialed in the soil and agro-climatic conditions of each relevant area. Lastly, they are grown on large plots of land and tested in the plants.

The choice of seed varieties is of crucial importance as it affects many factors that make the agro-ecology transition possible. In effect, the variety affects the farmer's ability to:

- maintain crop productivity and quality;
- improve water and soil nutrient use;
- reduce the use of chemical inputs;
- protect biodiversity.

Making this varietal choice central to its policy, the group works with national and international seed partners using conventional selection methods to develop varieties that are most resistant to the diseases, pests and abiotic stresses caused primarily by climate variations (particularly water stress). Bonduelle therefore works with selectors and guides their choices in terms of agronomic characteristics and technological and organoleptic qualities. Through its choices, Bonduelle is aiming to promote innovation enabling sustainable production and an optimal impact on the environment.

In addition to selecting varieties that are disease- and pest-resistant, Bonduelle is researching natural methods (using fewer phytosanitary chemicals) to combat diseases that affect some vegetables. For example, peas, which require a six-year crop rotation to prevent black leg (a soil-borne disease complex) are the subject of a joint project with the French Institute for Agronomy Research (*Institut national de la recherche agronomique*, INRA) involving an in-depth study of pathogenic soil fungi on peas. This work is the subject of a doctoral thesis whose objectives are, firstly, to improve diagnostic tools at plot level and, secondly, to improve the knowledge of the pathogens involved and to identify avenues for developing bio-control tools.

### 2.2.4.6 Certification

**All lettuce produced for Bonduelle Fresh Europe are 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, **44% of lettuce produced for Bonduelle Fresh Europe have the LEAF** (Linking Environment and Agriculture for the Future) international certification managed by the British organization of the same name. This benchmark includes 83 critical monitoring issues and 21 recommendations covering areas as diverse as soil management and provision of nutrients to crops, crop protection, combating pollution and waste management, energy efficiency and water management.

The BFE business unit is gradually working to extend the certification to all of its lettuce producer partners with a target of achieving LEAF certification for 100% of lettuce volumes in 2025. As the agronomic CSR strategy is in line with the objectives of the guidelines, the main challenge in achieving this objective lies in product traceability.



## 2.3 Reducing environmental impacts from field to plate

### 2.3.1 A summary of the challenges, objectives and results – GRI 102-9, 103-2

In accordance with its size, Bonduelle is addressing the twin challenges of climate change and resource depletion. The group is committed and breaking new ground every day in order to create a better future through plant-based food, from field to plate. The Company's priorities include the group's carbon footprint, responsible management of energy, water, industrial waste and transportation, while ensuring that its sites have a positive impact on their local area.

#### Progress of the 2025 road map

Challenge	Objectives	Results 2017-2018*
<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>	<ul style="list-style-type: none"> <li>• Preservation of water resources through sustainable and integrated management of the water cycle, in order to achieve the "zero loss" objective</li> <li>• Managing waste and promoting the circular economy, in order to achieve the "zero loss" objective</li> </ul>	<ul style="list-style-type: none"> <li>• 11.9 m<sup>3</sup> consumed per tonne of manufactured product</li> <li>• Breakdown of the treatment of chemical oxygen demand generated: <ul style="list-style-type: none"> <li>• 90.1% in Bonduelle treatment plants</li> <li>• 1.7% by soil and plant cover (controlled agricultural spreading)</li> <li>• 3.5% in external treatment plants</li> <li>• 4.7% discharged into the natural environment in compliance with regulations</li> </ul> </li> <li>• 2,378,665 euros spent to prevent the impact of activities on the environment (treatment plants)</li> <li>• 45.8 kg of non-hazardous waste per tonne of manufactured product, of which 90.6% recovered or recycled and 9.4% in industrial landfill</li> <li>• 0.18 kg of hazardous waste per tonne of manufactured product</li> <li>• 504 kg of green waste per tonne of manufactured product, of which 100% recovered for animal feed, energy, compost, by sale or agricultural spreading</li> <li>• 203,407 euros spent to minimize the impact of activities on the environment (industrial waste and green waste)</li> </ul>

\* Scope of indicators: group excluding BFA.

### Reducing environmental impacts from field to plate

Challenge	Objectives	Results 2017-2018*
	<ul style="list-style-type: none"> <li>Designing responsible products and packaging and fighting against food waste, in order to achieve the “zero loss” objective</li> </ul>	<ul style="list-style-type: none"> <li>46% of recycled materials in packaging</li> <li>312,464 tCO<sub>2</sub>e from Bonduelle product packaging and its end-of-life, representing 14% of the group's overall GHG emissions</li> <li>1,095,819 tCO<sub>2</sub>e are from the purchase and use of our products by consumers, representing 48% of the group's overall GHG emissions</li> </ul>
	<ul style="list-style-type: none"> <li>Managing transportation and promoting alternatives to road transport, in order to achieve the “zero loss” objective</li> </ul>	<ul style="list-style-type: none"> <li>7,531 tonnes of CO<sub>2</sub> saved through using alternatives (rail/road) to road transportation</li> <li>20 kg of CO<sub>2</sub> emitted per tonne transported between Bonduelle sites</li> <li>68 kg of CO<sub>2</sub> emitted per tonne transported to our customers</li> <li>25 kg of CO<sub>2</sub> emitted per tonne transported from fields to our plants</li> <li>total transport-related emissions account for 242,189 tonnes of CO<sub>2</sub></li> <li>7,531 tonnes of CO<sub>2</sub> saved through using alternatives (rail/road) to road transportation</li> </ul>
	<ul style="list-style-type: none"> <li>Move towards zero energy loss in industrial activity, in order to achieve the “zero loss” objective</li> </ul>	<ul style="list-style-type: none"> <li>880 kWh/TMP energy consumed per tonne of manufactured product</li> <li>13 sites ISO 50001 certified across Europe</li> <li>11.7% alternative energy in the Bonduelle energy mix</li> <li>4,030,771 euros spent in minimizing the impact of activities on the environment (air and energy)</li> </ul>
	<ul style="list-style-type: none"> <li>Introduce a group responsible purchasing system, in order to achieve the “zero loss” objective</li> </ul>	<ul style="list-style-type: none"> <li>147,121 tCO<sub>2</sub>e are a result of vegetables purchased, representing 6% of the group's overall GHG emissions</li> <li>79% of Bonduelle's farmer partners have been assessed on the basis of Bonduelle's agronomic sourcing charter, signed by 96% of them</li> <li>98 main non-farmer partner suppliers have been assessed by the EcoVadis platform on the basis of ethical, social and environmental criteria</li> </ul>

\* Scope of indicators: group excluding BFA.

The results of all quantified indicators over the past five-years are provided in Section 2.6.7.



## 2017-2018: deployment of the new road map

Reducing environmental impacts from field to plate is one of the five CSR macro-objectives set by Bonduelle. Since 2016-2017, this has been driven by a single target for 2025: "zero loss", which is monitored using indicators and guided by a road map.

This circular approach is 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.

In 2017-2018, the environment and energy networks continued to roll out their road map. With the help of water and energy matrices finalized in 2017, the sites will carry out their own self-assessments and will establish their specific action plans by the end of 2018.

The year 2017-2018 also saw the detailed review of metering plans, which has allowed the precise locations of water and energy consumption to be refined.

## 7 challenges for reducing environmental impacts



### 2.3.2 Group policy and methods used – GRI 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 key policy areas are:

1. adjusting 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.



#### The environment and energy networks coordinate and implement the strategy

The Bonduelle Group's environment and energy network meets four times a year during environment and energy technical sessions or by videoconference.

In 2017-2018, the site and regional environment and energy leads exchanged views on the assessment of group performance in the area of consumption and costs and together committed to achieving the common objectives integrated in the 2025 road map. These meetings also promoted the proper implementation of the water and energy management matrix, the sharing of best practices, initiatives or technologies that could be disseminated.



#### CSR included in investment selection criteria

In 2017-2018, Bonduelle included in its investment process a selection of projects with a long-term CSR impact and for which the group now provides a separate financial budget.

A committee of internal CSR experts assesses and selects future investments in accordance with CSR return on investment ("CSR ROI") criteria, including the project's impact on the following aspects:

- environmental: the project's potential to contribute to the low carbon transition and to reduce resource consumption, pollution and disturbance;
- societal: the potential for job creation, education in sustainable consumption and acceptance by local residents.

The exemplary nature of the project for Bonduelle and its fit with the brand's values are also taken into account. Lastly, the return on investment of certain projects may be extended and incorporate a forecast of the long-term costs of natural resources and energy.

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

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

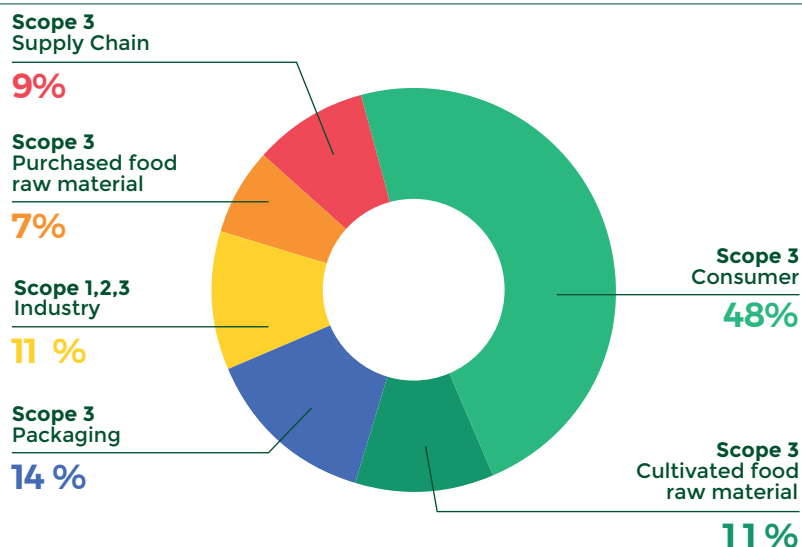
Since 2003, Bonduelle has been developing in-house expertise in assessing the carbon footprint of its business and products. In 2016-2017, the regulatory requirement for French companies to disclose significant items of direct and indirect greenhouse gas emissions generated by their business activities (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.

Overall emissions are in the range of 2,267,300 tCO<sub>2</sub>e (excluding BFA), representing the annual average emission of



almost 250,000 Europeans<sup>(1)</sup>. Scopes 1 and 2 account for 8% of total emissions. Scope 3 accounts for 92% of total emissions and includes the use of products by consumers (48% of total emissions).

## Breakdown of Bonduelle's greenhouse gas emissions



**Scope 1:** Direct emissions generated by Bonduelle  
**Scope 2:** Indirect emissions from the purchase of electricity and steam  
**Scope 3:** Indirect emissions relating to the use of Bonduelle products, to product end-of-life, etc., or those relating to purchases of products and services, employee travel, etc. (Employee travel represents an insignificant share of emissions.)

In line with its activities in 2017-2018, Bonduelle is pursuing its objective:

- 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, in particular by continuing to report greenhouse gas assessments to business units.

### 2.3.3.2 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 most polluting energy sources in its energy mix in terms of greenhouse gas emissions: heavy fuel oil has not been used in the Company since 2013-2014. In 2017-2018, 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);

(1) According to ADEME, a Western European uses 8.8 tCO<sub>2</sub>e per year.

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 2017-2018, alternative energies<sup>(1)</sup> represented 11.7% of Bonduelle's energy mix;
3. co-development of the use of local alternative energies since 2011-2012:
  - Estrées-Mons (France): 76% of the site's steam requirements are covered by the biomass steam plant, leading to savings of almost 15,000 tonnes of CO<sub>2</sub> per year and Vol-V's Vermandois biogas plant with a capacity of 18 GWh,
  - Renescure (France): 93% of the green waste deposit methanized in the Flandres Énergie agricultural plant,
  - Békéscsaba, Nagykőrös and Nyiregyhaza (Hungary): on average, 86% of the biogas produced from effluent in internal biogas plants is used in boilers,
  - Labenne (France): the Fonroche BioGasconha biogas plant, which uses agricultural products such as corn and agro-industrial and municipal by-products.

### 2.3.4 Zero energy loss for the industrial activity - GRI 103-2

Whether electric or thermal, 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, some machinery (motors and conveyors), some forklifts, the production of chilled water and 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.

#### 2.3.4.1 Management of energy consumption - GRI 302-4

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:

	Total energy Ratio kWh/TMP	Electricity Ratio kWh/TMP	Thermal (fossil + renewable) kWh/TMP
2017-2018 scope (excluding BFA)	880	340	540
2016-2017 scope	856	340	516
Change in N-1	2.80%	0%	4.70%

In 2017-2018, Bonduelle continued to implement policies to reduce its energy consumption. Guided by the environment and energy network, the action plan involved: 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); and, the group's involvement in mandatory European energy-saving mechanisms.

In accordance with the 2025 road map for energy management, 2017-2018 was primarily devoted to rolling out the performance evaluation matrix. This program's objective is that 100% of sites achieve their maximum energy performance by 2025. Accordingly, in 2017-2018, 23 sites out of 38 carried out detailed assessments of their energy consumption items. Using this self-assessment tool, and the best practices compiled using the tool, they will establish

their specific action plans by the end of 2018 for the BELL and BFE business units, and for BFA in 2019.



#### Ammonia: an intelligent cooling system

The Reutlingen plant (Germany) has replaced its old refrigeration system using a solution enabling the requirements for efficiency, capacity, cost and respect for the environment to be reconciled.

The ammonia system provides continual chilling by continuously modulating its output according to external conditions such as temperature. This new equipment has been augmented by new pump motors that are more effective and energy efficient. In total, there is a saving of almost 50% of the energy consumption required for refrigeration purposes.

(1) Biogas, biomass and steam from biomass.



### 2.3.4.2 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.

### 2.3.4.3 ISO 50001 certification

In 2017-2018, Bonduelle's Vaulx-Vraucourt plant in France obtained ISO 50001 certification for the implementation of an energy management system aimed at continuous performance improvements. Thirteen sites now have ISO 50001 certification: Estrées-Mons conserve, Estrées-Mons *surgelé*, Bordères, Genas, Labenne, La Tourte, Renescure, Reutlingen, Rosporden, Saint-Benoist-sur-Vanne, Saint-Mihiel and Straelen.

### 2.3.4.4 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.

### 2.3.4.5 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 and reduce energy consumption by more than 5%. In 2017-2018, the Start and Stop system was implemented at the Battipaglia site (Italy).

### 2.3.4.6 Optimizing lighting

Conventional lighting systems are continuing to be replaced by energy-efficient LED systems. This year, the Bordères, Labenne, Saint-Benoist-sur-Vanne and Reutlingen sites in France improved their systems.

### 2.3.4.7 Mandatory European energy saving mechanisms

Bonduelle is also involved in the mandatory European energy saving mechanisms. 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 2017-2018 on energy efficient systems and technology, is equivalent to almost 167,840,274 kWh cumac<sup>(1)</sup>.

The ESCs break down as follows:

- 84% thermal energy saving (heat exchanger system, insulation);
- 16% saving on electricity consumption (variable speed control, regulators).

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

### 2.3.5.1 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.

After testing pilot operational water management systems in plants, both for water supply and losses and usage, Bonduelle developed its water management tool in 2016-2017.

(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.

### Reducing environmental impacts from field to plate

Developed jointly by the environmental expertise network, this management matrix applies equally to industrial water processes and efficient irrigation, and is also helping to achieve the “zero water loss” objective which forms part of the 2025 road map.

2017-2018 was devoted to rolling out this assessment matrix. Of the 41 group sites affected, 19 sites have now completed their self-assessments and 15 have developed their action plans. All sites will have completed their self-assessments and action plans by the end of 2018.



#### **Florence, New Jersey (United States): an extensive plan to reduce water consumption**

In order to preserve water resources, the site has measured consumption according to use, introduced employee awareness-raising initiatives and replaced manual controls with automated control systems. The savings achieved represent almost one quarter of the water consumption per quantity produced.



#### **The French plants are continuing their water consumption continuous improvement plan**

In 2017-2018, the team at Saint-Benoist-sur-Vanne completed the major task of searching for and repairing water leaks: savings of 20% have been achieved on production line consumption.



#### **Saint-Césaire (Canada): continuous improvement of water consumption**

Last year, the Saint-Césaire plant introduced initiatives to reduce drinking water consumption. In 2017-2018, the teams focused their efforts on the transformation stages that consume most water: cooling canned products.

The improvement involved adding recirculation loops in order to reuse cooling water and generate water savings.

Total group water consumption (excluding BFA) was 12,715,228 m<sup>3</sup> in 2017-2018, of which 69.7% was from borehole water, 25.7% water from urban distribution networks and 4.5% from surface water. In terms of tonnes of manufactured product, consumption amounted to 11.9 m<sup>3</sup>/TMP, an increase of 0.8% on the 2016-2017 ratio.

Group CSR	Water Ratio m <sup>3</sup> /TMP
2017-2018 (excluding BFA)	11.9
2016-2017	11.8
Change in ratios 2017-2018 versus 2016-2017	+0.8%



#### **Novotitarovskaya (Russia): joint improvement in water treatment and consumption**

In 2017-2018, the Novotitarovskaya plant continued its program to change behaviors and to develop a culture of being careful with water and energy. In order to meet the expectations of local residents, the plant has installed a new continuous system for treating wastewater.

In parallel, in accordance with the virtuous principle that the less water we consume, the less we have to treat, the plant has completely revised its water management system. An assessment of the existing situation was carried out and working groups have been formed. Objectives and best practices for monitoring and controlling water consumption have been defined for each area and also for each activity. Operators now receive a daily report on consumption and, during the high season, they can follow the monitoring of consumption on an hourly basis.



### 2.3.5.2 Treatment of water and management of treatment plants

In 2017-2018, industrial effluent contained an organic load of approximately 37,343 tonnes of chemical oxygen demand (COD). 90.1% of this load was treated by Bonduelle in independent ventilated biological treatment plants, 1.7% as controlled agricultural fertilizer and 3.5% in external treatment plants. 4.7% was discharged into the natural environment in compliance with regulations.

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



#### Energy efficiency and fertigation: plant effluents fertilize and irrigate local farmers' land

For some years the teams at the Bordères plant (France) have been improving the energy and purification performance of effluent treatment. New aerators are more efficient and perform better owing to their greater oxygenation capacity. In 2017-2018, the replacement of the aerators for the two largest purification treatment ponds was completed, leading to a reduction of around 30% in the installed aerator capacity. The energy improvements are accompanied by an improvement in purification and acoustic quality.

In addition, the plant has put in place an effluent purification facility paired with an irrigation network with local young farmers who want to develop their farms. This project is a two-pronged response to farmers' water and fertilization requirements for their land and creates value in the plant's effluent.

### 2.3.6 Waste management: zero loss and circular economy - GRI 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 recoverable waste into the local circular economy.

538,157 gross tonnes of vegetable or mushroom by-products (green waste) were produced by the group (excluding BFA) in 2017-2018, i.e. a ratio of 504 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, 96% of the deposits were recovered in commercial channels, for 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 90.6% compared with 88.5% in 2016-2017.



#### At Villeneuve d'Ascq (France), the headquarters is finding alternatives to single use

Working alongside the plants on the "zero waste" policy, this year the headquarters has rolled out an operation in this area to raise awareness, and to facilitate sorting and reuse. The objective? Firstly, to reduce waste from single use products and the Company restaurant and, secondly, to promote recycling (cardboard, used oils, plastic bottles and paper) and composting of organic waste in the corporate vegetable garden.

Several initiatives have taken place in 2017-2018: awareness-raising workshops, discussions on compost and the vegetable garden, displays and distribution of a "plastic cup-free day" mug, etc.

Hazardous industrial waste represented 188 tonnes in 2017-2018, i.e. a ratio of 0.18 kg per tonne of manufactured product.



#### Saint-Benoist-sur-Vanne (France) begins materials recovery

In order to recover the organic matter from trays of non-compliant products, the Saint-Benoist-sur-Vanne plant has installed a sorting system and established a partnership with a local company for "unpackaging" the trays, in other words, separating the plastic and organic materials.

Bonduelle is also committed to tackling food waste. 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 4,293 tonnes in 2017-2018, covering Canada, the United States, France, Italy, Poland and Hungary, for canned, frozen, fresh-cut salad and prepared products.



### **Saint-Césaire (Canada): Food aid and the fight against food waste**

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

In recent years, the team introduced “zero paper” operations in several quality processes, selective sorting of paper and empty containers and of green waste to be used for composting. 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.

In 2017-2018, the team had the idea of preventing pulses used in quality control tests from being wasted, and to make them available to local food banks. Once bagged in 1 kg packs together with a recipe, the pulses were delivered to local food item collection and distribution organizations. Around 600 bags will now be distributed every year.

## **2.3.7 Territorial management to develop a long-term vision**

For Bonduelle, the territorial management angle in the “zero loss” macro-objective complements its operational environmental policy. 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:

- protection of 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.

In line with the road map, each agro-industrial entity constructs and implements its action plan to preserve the value of the local land.

In 2017-2018, 35% of sites developed projects in tandem with their local communities (see 2.5.6.1 Participation in the life of local communities and mobilization of employees).

### **2.3.7.1 Preserving biodiversity on land used**

Bonduelle's agri-food operations cover vast tracts of land and require a significant amount of natural resources such as crops, water and energy. The Bonduelle biodiversity road map anticipates the creation of an action plan by 2025. The foundations focus on three main areas:

- acquire knowledge of the specific challenges faced by sites and call on recognized circles of expertise. Bonduelle is therefore a member of 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. Six sites out of 39 have identified an area of “outstanding flora or fauna” 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. Bonduelle is continuing to study the specifications to be used as a framework for the challenges and methodological tests, and in 2017-2018 worked on upstream agricultural activities. It is envisaged that the tool will be rolled out in 2018-2019 for the business as a whole.



### **Plant trees and grow teams**

Founded by Peter the Great in 1706 for the cultivation of medicinal plants, Aptekarsky Ogorod (“apothecary's garden”) is the oldest botanical garden in Russia. The BEAM business unit wanted to take advantage of its team building day in order to support this historic garden. Employees came from all over Russia, Belarus and Kazakhstan to plant 100 thuya trees.

### **2.3.7.2 Monitoring of local acceptance**

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

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

Bonduelle 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.

### 2.3.8.1 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 2017-2018, Bonduelle continued work on its program to optimize the wall thickness of heat-processed 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 2016. A multi-year test plan (2017-2019) 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.

For example, in 2017-2018, more than 74% of our packaging such as cans and glass jars were recycled.



### Biosourced, recycled and recyclable: BELL is working on its packaging

In partnership with its suppliers, the BELL business unit has developed a biosourced packing film for its frozen products in France and Italy. Comprising 50% biosourced materials, the carbon footprint of the new film will be reduced by 58% compared with the previous solution and its manufacture will save 75% of non-renewable energy. BELL is also working on replacing polyethylene, with recycled and recyclable polypropylene.

Again in partnership with its manufacturers, BELL has continued its work on reducing can wall thickness.

### 2.3.8.2 Fight against food waste

In addition to its internal "zero-loss" policy in plants (see 2.3.6 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.

### 2.3.8.3 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 aims to serve as a reference for all teams responsible for design, production and marketing. It sets and provides guidelines for improving responsibility, without compromising on aspects such as product pleasure, taste and accessibility (Bonduelle, Cassegrain, Arctic Gardens and Globus).

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, in particular, 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;

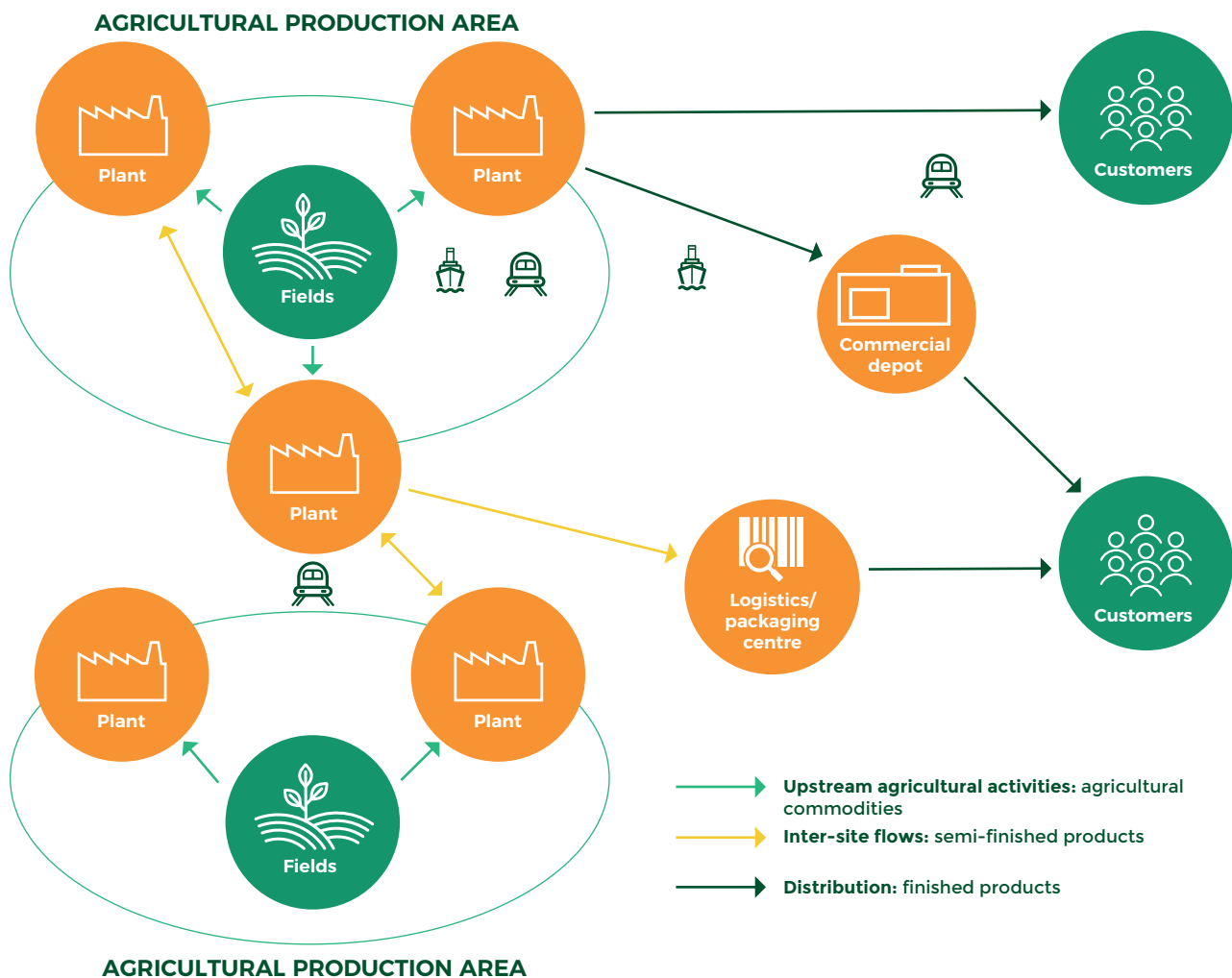
Reducing environmental impacts from field to plate

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.

### 2.3.9 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 Transportation and CSR Monitoring Committee, comprising 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 committed, firstly, to identifying and measuring transportation-related CO<sub>2</sub> emissions and, secondly, to maximizing the use of alternative means of transportation or solutions that emit less CO<sub>2</sub>.

In 2017-2018, transportation-related emissions represented 242,189 tonnes CO<sub>2</sub>, including 138,230 tonnes for the BALL subsidiary (excluding Brazil), which was included in the calculation for the first time. Transportation-related emissions from the BFA business unit were not reported for 2017-2018 but will be within three years.

In terms of optimizing flows and reducing the environmental impacts of transporting vegetables to agro-industrial sites and finished products to retailers, the group continued the following initiatives in 2017-2018:

- **combined rail-road transportation** avoided the emission of 7,531 tonnes of CO<sub>2</sub> in 2017-2018, compared with the exclusive use of road haulage. This means of transportation has been promoted on several flows with the Nord-Picardie production area (France), Hungary, Italy, Spain, Russia and packaging returns;
- **natural gas, a way to reduce our environmental footprint:** in liaison with one of its transportation partners in South-West France, Bonduelle favors NGVs (natural gas vehicles) using natural gas in liquefied or compressed form. This option generates CO<sub>2</sub> emission savings compared with traditional fuels and reduces emissions of nitrogen oxides and particulates;
- lastly, in 2017-2018, Bonduelle launched **new calls for tenders for future transportation partners** in France, **incorporating environmental selection criteria** such as the proportion of the vehicle fleet that is compliant with European EURO6 emission standards, whether there is a flow optimization and unladen kilometers policy, the measurement of CO<sub>2</sub> emissions and their management by means of a reduction target, training of drivers in environmentally responsible driving, the Company's CSR policy and its environmental and social certifications. The policy will be implemented in Europe in the next two years.



## Tropicana and Bonduelle share a return trip to Florida

How do we transport Bonduelle products from New Jersey to Florida?

Until 2018, it involved a truck-based journey of more than 2,600 km. This year, Bonduelle Americas Long Life (BALL) entered into a partnership with Pepsico Group (Tropicana division) which, for its part, makes deliveries from Florida to New Jersey. From now on, Bonduelle makes use of the return journey component of Pepsico's Florida-New Jersey delivery train.

There is complete synergy, since Bonduelle itself carries out the delivery of products arriving from the Pepsico plant in New Jersey. In exchange, Pepsico looks after final delivery to Bonduelle's customers in Florida.

Truck-based delivery is now restricted to around 1,000 km, representing a reduction of 1,600 km. This win-win partnership also applies to the carbon footprint and the saturated road transportation sector.

This successful outcome forms part of Bonduelle's overall approach to logistics optimization, involving a logistics platform for around fifteen companies.

## 2.3.10 Responsible purchasing - GRI 102-9, 102-10, 308-1, 103-2, 408-1, 409-1, 412-3, 407-1

For Bonduelle, implementing a responsible purchasing policy involves adopting recognized purchasing model guidelines, inspired by nature's cycles and creating shared value for the Bonduelle ecosystem.

With this new perspective, the group is continuing to develop 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. This policy is being implemented gradually.

### 2.3.10.1 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 2.2 Caring for the land with our farmer partners). Independent and cooperative producers account for 88% of the land under cultivation. As early as 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. *GRI 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 (extracted from the agronomic 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 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.

### 2.3.10.2 Engaging, evaluating and supporting suppliers in other categories (ingredients, packaging, finished products, energy, industrial purchasing and service provision, etc.) – *GRI 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. Since 2016-2017, Bonduelle has appointed a leading external provider to evaluate its suppliers' CSR performance. The aim is to verify compliance with the group's CSR strategy and to identify opportunities for innovation and partnerships. This policy was initially put in place for the international sourcing of the BELL, BFE and BEAM business units and will shortly be implemented by BALL and BFA.

Bonduelle is working with the EcoVadis CSR monitoring platform 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 ensures consistency and transparency in monitoring suppliers' environmental and social commitment.

In 2017-2018, Bonduelle launched an EcoVadis assessment of its largest suppliers in terms of purchase volumes. Currently, they represent 98 suppliers and 27% of the group's purchasing expenditure.

For 2018-2019, Bonduelle added supplier size to its approach, using a risk-based approach. In addition to its largest suppliers, the group has set itself the objective of assessing those suppliers that have a significant CSR risk rating.

To select these suppliers, Bonduelle has established the CSR criteria (according to EcoVadis rankings) for its risk mapping (see 2.1.4.8 Duty of vigilance plan), enabling selection of the suppliers to be assessed - *CRI 308-1*:

- the supplier's category of activity (at risk/not at risk, on a scale of 1 to 6), adjusted for the specific critical nature of this risk for Bonduelle;
- country(ies) in which located and/or of operations.

Bonduelle then applied this CSR risk mapping to all of the suppliers of its BELL, BFE and BEAM business units for 2017-2018. Fifty suppliers were classed as being "at risk". They will be the subject of an EcoVadis assessment by the end of 2018.

Having analyzed its EcoVadis assessments, and in order to help its suppliers make progress on CSR issues, Bonduelle will establish an action plan with suppliers who do not fulfill certain criteria.

These suppliers will be reassessed in order to ensure that they are improving.

From 2017-2018, International Sourcing has been carrying out EcoVadis assessments of its largest suppliers in terms of purchase volumes and the BFA and BALL business units will be included within three years.

### 2.3.10.3 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, the Company has launched a survey and is in regular talks with its suppliers. For its partners, this transition represents a significant challenge which will require time and investment. In its previous report, Bonduelle shared its commitment to gradually increase its sourcing of alternative eggs in Europe. Following its publication, the non-profit association L214 requested confirmation from Bonduelle of its commitment. At the beginning of 2018, the Company confirmed to the association and on its website ([www.bonduelle.fr](http://www.bonduelle.fr)) its policy of guaranteeing that all of the eggs and egg products contained in its products would be cage-free by 2025.

## 2.4 Encouraging people to eat healthy and sustainable food

### 2.4.1 Challenges, objectives and results

Ensure maximum food safety and product traceability, enhance the nutritional properties of plants, 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 plant-based food consumption.

#### Progress of the 2025 road map

Challenge	Objectives	Results 2017-2018*
<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>	<b>FOOD FOR GOOD</b> <ul style="list-style-type: none"> <li>• Be the top brand in our category in every country</li> <li>• Offer products nutritionally adapted to their category</li> <li>• Develop our products without "red" additives</li> <li>• Make sure our products are traceable from field to plate</li> </ul>	<ul style="list-style-type: none"> <li>• 44,451 food safety tests on canned goods, 20,237 on frozen, fresh or prepared produce</li> <li>• 100% of Bonduelle's sites have at least one certification and 16 are certified to produce organic products</li> <li>• 282 audit days completed by external bodies in Bonduelle plants</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> <li>• 100% of Bonduelle branded products comply with Bonduelle's "Visa santé" nutrition charter</li> </ul>
	<b>FAMILIARIZING CHILDREN WITH PLANT-BASED FOOD</b> <ul style="list-style-type: none"> <li>• Encourage children to want to eat plant-based food</li> <li>• Give the most disadvantaged children access to plant-based food</li> </ul>	<ul style="list-style-type: none"> <li>• Action was taken in the field in six of the 18 countries where Bonduelle has subsidiaries to help children familiarize themselves with vegetables and healthy eating habits</li> </ul>

\* Scope of indicators: group excluding BFA.

The results of all quantified indicators over the past five-years are provided in Section 2.6.7.



## 2.4.2 Group policy and methods used – GRI 103-2, 417-1

Encouraging people to eat healthy, and sustainable food: that is Bonduelle's story in a nutshell. 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. Bonduelle's activity is working toward this macro-objective through pricing, practicality, diversity, and innovation.



### Innovation: at the heart of our strategy

After the creation of the Bonduelle Fresh Europe Innovation Center in Saint-Priest (France) in 2016, the *Maison de l'Innovation* opened in 2018. Located at the Company's headquarters in Villeneuve d'Ascq, this specialized unit is entirely dedicated to innovation, development, and research by Bonduelle Europe Long Life and the Bonduelle Group. Collaborative work, agility, and co-construction are the focus in this new space, designed to incite creativity and synergy.



### Vegetables and pulses: protein-rich innovations

In 2017-2018, proteins were the featured innovation of Bonduelle Europe Long Life and Bonduelle Fresh Europe:

On the canned vegetable shelf, the Légumiô line is innovating with a new pasta line made 100% from pulses and vegetables!

In the frozen-food aisle, six recipes – *pavés* (patty-style), breaded, nuggets and falafel – in the new VeggissiMmm! line offer a complete and balanced 100% vegetarian alternative.

FortissiMmm!, the new line of high protein-rich frozen purées, is made with consumers at risk of malnutrition in mind.

Finally, in the ready-to-eat aisle, *Les Idées Légumineuses* is a line that combines grains and pulses.

To give even broader support to its plan for healthy and sustainable food, Bonduelle is promoting its commitment and encouraging unity in two innovative areas:

- 1. Food for Good:** Bonduelle is keen to promote plant-based food 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 quality, traceability, and naturalness of its products;
- 2. Plant-based food for as many people as possible:** the Bonduelle Group wants to engage with consumers and, through support for and deployment of local actions, give them a better understanding of the universe of vegetables and plant-based food so they can learn to enjoy them<sup>(1)</sup>.

This macro-objective, deployed using an action plan and tracked by indicators, is also Bonduelle's opportunity to share the wonderful history of vegetables in a world where plant-based food is really gaining ground. And that is one of the talents of the Louis Bonduelle Foundation.

## 2.4.3 Food for Good

### 2.4.3.1 Quality and traceability – GRI 417-1, 416-1

#### Product safety, traceability, and testing

To make sure **food is safe**, an annual risk analysis is conducted methodically. It is used to identify risks, assess them, and take appropriate measures to control them. As part of this continued duty of vigilance plan, 44,451 food safety tests were carried out on canned goods, and 20,237 tests on frozen, fresh, or prepared products in 2017-2018.

The policy implemented by Bonduelle **to provide 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 periodically.

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

(1) *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).*

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

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

In 2017-2018, of our industrial partners supplying finished products, 28 (11%) were audited for their performance and delivery on product quality commitments; 619 tests conducted on phytosanitary waste and trace metal elements (TME) were conducted by an independent laboratory, and 99% were compliant.

The results of these control plans lead to continuous improvement actions. In particular, 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 has a **certification policy for its production sites**, developed in line with industry standards, and specifically taking into account its locations, or client requests. This policy was initially based on ISO 9001. Quality management systems have now reached maturity, so Bonduelle is gradually discontinuing ISO 9001 certification renewal and refocusing its certification policy on other benchmarks, including Global Food Safety Initiative-recognized standards such as IFS and BRC.

100% 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:

- 23 sites are IFS- and/or BRC-certified.

*(IFS: Private international food standard, owned by the French Food Retail and Wholesale Federation (Fédération des entreprises du commerce et de la distribution, FCD) 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);*

- Five are FSSC 22000 accredited and four 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).*

- Three 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);*

- Nine 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).*

Finally, other certificates covering specific areas have also been awarded and are audited by accredited external bodies. In 2017-2018, in response to customer demand, 16 Bonduelle sites had “organic” certification.

### Natural manufacturing processes

Bonduelle has designed its manufacturing processes so that when plant-based food reach the consumer's plate, they are as close as possible to the food they would bite into in the field. To preserve their nutritional and taste qualities, only a **few hours elapse between harvesting vegetables and processing them in the plant**. Next, the process of transforming raw materials preserves their natural characteristics as much as possible:

- **natural sorting, washing, and peeling:** the plants are sorted, washed, and peeled mechanically or by steam. Then, for frozen and canned foods, the plants are water- or steam-blanching to preserve their qualities: **taste, color, and texture**.
- **preserving without preservatives:** the plants are **preserved by the temperatures** used during their preparation: frozen vegetables are preserved by cold at -30°C, then stored at -18°C; bagged salads and salads in containers are prepared and stored at +1 to +4 °C; canned vegetables are preserved by heating for just a few minutes at above 130 °C in sealed packaging, then stored at room temperature.

Bonduelle ensures its products are **quality-controlled** and **traceable**. These practices enable a quick response whenever a quality issue is detected.

- **Dozens of quality control inspections** are carried out from harvest to storage of the products, including on temperature, bacteriology and weight.
- From harvest to storage, all information can be found using the **code on the packaging**: field and growing conditions, harvest date, preparation conditions in the plant, and storage conditions.



### 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.

#### 2.4.3.2 Nutritional quality – GRI 417-1, 416-1

##### Nutritional quality of the products

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 plant-based food",
  - "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:
  - over the past 10 years, Bonduelle has gradually reduced the salt in its recipes,
  - Bonduelle only adds sugar to recipes that traditionally use it (steamed peas and carrots) to sweeten the natural bitterness of the vegetable (endive, Brussels sprouts) or the acidity of an ingredient (vinegar, etc.),
  - 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 2017, 258 recipes that did not meet the nutritional criteria were revised by the business units;

4. all new plant-based 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".

"Visa Santé" was launched by Executive 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 416-1

### Consumer information and satisfaction

On the Bonduelle.com website, the group explains the process of growing and processing plant-based food, from harvest to shipping.



#### Clear, easy-to-read nutrition information with Nutri-Score in France

Bonduelle has made the commitment to include Nutri-Score nutrition labels on all its French canned, frozen, fresh, and ready-to-eat products. Designed by the French national public health agency (*Santé Publique France*), this new optional logo provides consumers with the product's full nutritional quality at a glance. Of a total of more than 500 products in question, 98% of Bonduelle products are A or B classified. Nutri-Score labeling is now available at [www.bonduelle.fr](http://www.bonduelle.fr).

### 2.4.4 Plant-based food for as many people as possible

Food is a public health issue: according to the World Health Organization (WHO), a diet low in fruits and vegetables is one of the top ten risk factors for mortality worldwide.

Because children are tomorrow's consumers, and because, along with fish, vegetables are the food category they reject most, Bonduelle has come up with a whole world of plant-based food that kids crave.

Bonduelle believes that eating habits are learned. The group is deploying essential actions to familiarize children with vegetables so that they, too, will want more on their plate.

Encouraging people to eat healthy and sustainable food

### 2.4.4.1 Access to plant-based food

As part of the fight against waste (2.3.5. Waste management: zero loss and circular economy) and Bonduelle employees' involvement in the local life (2.5.6.2 Participation in the life of local communities and mobilization of employees), Bonduelle is carrying out solidarity actions to raise awareness about balanced nutrition and the value of vegetables.



#### **In Russia, the Louis Bonduelle Foundation and Moscow State University are raising children's awareness**

In Russia, the Louis Bonduelle Foundation worked hand-in-hand with the Moscow State University institute for health and safety for the protection of children and adolescents, to teach children how tasty and beneficial vegetables are. More than 240,000 school children participated in the "ABCs of vegetables" interactive program combining information, games, and discussion about vegetables from a nutritional and culinary standpoint.

In addition, Bonduelle is pursuing its research projects to understand children's relationship to food, particularly vegetables.

In order to improve knowledge about eating habits, the Foundation has designed a poster about the results of the EPICALIM research program, conducted in partnership with Epicurium, the museum in Avignon devoted to fruit and vegetables. Distributed as part of the Francophone Nutrition Days (*Journées Francophones de Nutrition*), this educational support illustrates the assessment and impact of on-the-ground initiatives on children's awareness of vegetables and their eating habits.

Following up on the Foundation's event in Canada last year (*Rencontres de la Fondation au Canada*), Bonduelle and two partners, the Quebec tourism and hotel institute (*Institut de tourisme et d'hôtellerie du Québec*) and the *C'est moi le chef !* (I'm the chef!) workshops in Montreal, organized six-month cooking classes to develop children's culinary skills.

### 2.4.4.2 The Louis Bonduelle Foundation – GRI 103-2, 413-1

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 and raising awareness by making information about plant-based food widely available; supporting research; and arranging and supporting actions on the ground.

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

- three independent experts: Marie-Laure Frelut – pediatrician and member of the European Childhood Obesity Group, 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 SA Board of Directors, Anne-Sophie Fontaine – Group CSR, Communication and Corporate Marketing Director, and Treasurer of the Louis Bonduelle Foundation, Laurence Depezay – Head of Sustainable Food Communication for the Bonduelle Group, and Gianfranco D'Amico – Chief Executive Officer of Bonduelle Italy.

### Highlights 2017-2018

- 11<sup>th</sup> Louis Bonduelle Foundation Conference:

For its 11<sup>th</sup> event, the Foundation has chosen to focus on the relationship between the city and agriculture, from the history of gardening under the Ancien Régime to the perspectives and prospects that people assign to agriculture in or around the city. In addition to the issues frequently raised of local food sourcing, the focus at UNESCO headquarters in Paris was on the question of what food means to people in cities, and how they do or do not take back control of their food.

These events were organized around Christophe Bonduelle, Chairman of the Louis Bonduelle Foundation; Nicolas Bricas, Socio-Economist and Director of the UNESCO World Food Systems Chair; Florent Quellier, Historian; Joëlle Zask, Philosopher and Educator; Antoine Jacobsohn, Head of the King's Kitchen Garden at Versailles; and Julie Le Gall, Geographer and Lecturer.

- The 2018 Louis Bonduelle Research Award:

The 2018 Louis Bonduelle Foundation Research Award was given to Columbian student Andrea Pallarès Pallarès for her work at the University of Leuven (Belgium): Influence of distinct process-induced (micro) structures on the in vitro starch digestibility of common beans: A kinetic approach.

- Partnership with the European Childhood Obesity Group (ECOG): development of an eBook:

The Louis Bonduelle Foundation finances and participates in the free international knowledge database for childhood obesity practitioners and researchers, available on the ECOG website: <http://ebook.ecog-obesity.eu/>. Consulted more than 600,000 times since its appearance in 2015, the document is available in English, Spanish, Portuguese, and French.





#### – Partnership with the ANCA Chair:

Since 2016, the Louis Bonduelle Foundation has been a member of the ANCA Chair, hosted by the AgroParisTech Foundation, which develops innovative educational tools to raise awareness of balanced nutrition. In 2018, the chair created a forward-looking digital comic called “Manger vers le futur” [Feed-Forward]: <https://mangerverslefutur.org/>.

### Projects supported in 2017-2018 – GRI 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 207 projects.

Seventeen new local initiatives were selected following a call for projects in December 2017, entitled “Légumes pour tous, produire et s'approvisionner autrement” (Vegetables for everyone: an alternative approach to production and supply):

#### – MESA BRASIL – São Paulo, Brazil

A new training course designed to help head cooks in social institutions served by the Mesa Brasil Program reduce food waste from plant-based food (bark, stems, seeds, etc.): lower costs, better health!

#### – ATHERBEA – Bayonne, France

With the workshop “Les bocalx solidaires” [Community Jars], disenfranchised people residing at the association preserve fruit and vegetables collected from the Bayonne Food Bank in jars.

#### – URBA TERRA – Albi, France

La Ferme du Gô [Gô Farm] at the center of Albi, is a central point for a farmers' cooperative, a training site, a space for project leaders and people out of work as well as a public display site.

#### – VALDEC'QUINT – Saint-Julien-en-Quint, France

Sponsored by the association, the “Gratte la terre” [Scratch the Soil] project is a set of small projects related to biodiversity, agriculture, food production, and the sharing of collectively-grown crops.

#### – VIA SAHEL GASCOGNE – Sangha, Mali

The cafeteria at the Iby School is teaching students about market gardening, balanced diets, and taste, and distributing 600 meals each day to all nine grades (elementary and middle schools).

#### – LES COLS VERTS – Rennes, France

In the priority district of Blosne, the Neighborhood Farm is a place for training, growing healthy food, socializing, and learning about the links between food and health.

#### – FUNDACION A LA PAR – Madrid, Spain

“Notre jardin potager” [Our Kitchen Garden] brings the country into the city, teaching people about horticulture and the importance of healthy eating, and promotes access to jobs for people with intellectual disabilities.

#### – LA GLUTAMINE – Tresses, France

The association promotes sustainable, relocalized, and high-quality subsistence farming. It raises awareness of the “zero-waste, zero wasted” circular economy and promotes social and professional inclusion.

#### – LES FERMIERS DE LA FRANCILIENNE – Paris, France

In line with the association's educational actions, this future community-led eco-restaurant offers fresh, local vegetables from short supply chains and educates the public about the link between the environment, agriculture and healthy food.

#### – LE SOUFFLE 9 – Paris, France

In their future market garden, young people will take a carefully-considered approach to growing vegetables that they then cook and eat.

#### – LE PARTI POÉTIQUE – St Denis, France

Developed with Zone Sensible – the World Cultures Farm, this hands-on project conveys the values of eating well at mealtime and reflects the cultural and culinary diversity of the 155 nationalities in its territory.

#### – BANQUE ALIMENTAIRE INDRE – Châteauroux, France

This project combats food waste of fruit and vegetables and is aimed at improving the nutritional balance of those receiving food aid.

#### – BANQUE ALIMENTAIRE CHARENTES – France

The association has created a workshop for processing fruit and vegetables with short shelf lives.

#### – MAISON DE QUARTIER DES ORS – France

This mobile processing laboratory is a meeting point for residents and producers, traveling through neighborhoods and towns to collect, cook, and can fruit and vegetables.

#### – LES JARDINS DU VOLVESTRE – France

The Cocagne Alimen'Terre program makes local organic vegetables accessible to all, promoting food independence and affordable quality.

#### – LES SAVEURS DU MARCHÉ – France

From farm to fork, a group will go to pick fruit, vegetables, and flowers at the Ferme du Paradis in Seclin.

#### – OUORT DE BENEVENT – France

This community garden in the hamlet of Bénévent in the village of Saint-Bonnet-en-Champsaur is a place for gardening, bringing generations together, and passing on know-how.

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

### 2.5.1 A summary of the challenges, objectives and results – GRI 103-2

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 year by the group's Executive Management: “To foster employee engagement and increase the local involvement of its production facilities by encouraging each site to take part in at least one community initiative, underpinned by the target of zero workplace accidents”. At Bonduelle, “well-living” is defined as follows: “A state of mind that seeks to balance employees' skills, needs and expectations with the constraints and opportunities linked to 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.

An ambition was defined for this objective and was approved by the Executive Management in early 2016. This ambition consists of three pillars: Responsibility, Meaning and Development. Each of these pillars is composed of different priorities. 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.

For years, basics such as human rights and safety have been the cornerstone of this ambition.

These basics, together with the Bonduelle Group's personnel profile, are key to understand the group's ambition, as set out by each business unit in its own road map.

#### Progress of the 2025 road map

Challenge	Objectives	Results 2017-2018*
<ul style="list-style-type: none"> <li>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (SDG 8)</li> </ul>	Look after the basics	Frequency of work-related accidents: 6.91
	Being a responsible company and empowering employees	Percentage of employees receiving regular performance and career development reviews: 72.14%
	Help its employees to fulfil their potential	Average training duration per individual: 34.05 hours
	Be meaningful	Number of sites to have launched or continued a joint initiative with their local community during the year: 24 sites

\* Scope of indicators: group excluding BFA.

This chapter, which has been restructured this year, describes the major actions implemented by each business unit for each pillar and the key indicators, in line with the defined ambition.



## 2.5.2 Human resources policies and means implemented – GRI 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.).

### 2.5.2.1 Organization

The Bonduelle Group Chief Human Resources Officer (CHRO) relies upon the Human Resources Directors of the business units and a corporate team to implement the human resources policy effectively. The group CHRO participates in and contributes to all of the group’s strategic decisions:

- defining group-wide policies and processes for personnel development, compensation and benefits;

- designing and implementing international communication initiatives, in response to the challenges facing the group and which are designed to promote sharing and networking.

Coordination meetings between the Human Resources teams 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 group’s Executive Management and applied in each business unit, where the human resources contact leads a network of dedicated staff.

Ongoing discussions take place between the group and Human Resources Directors of each business unit to monitor the progress and implementation of the strategies. Each process is designed jointly with the business units before it is launched.

The Human Resources teams from the five business units and the group meet at an international seminar held every two years. Bonduelle’s overall human resources strategy is presented to a wider audience at these seminars, with a discussion of the future challenges and sharing of best practices. The human resources function seeks to act as a genuine Business Partner.

### 2.5.2.2 Personnel profile and employment policy

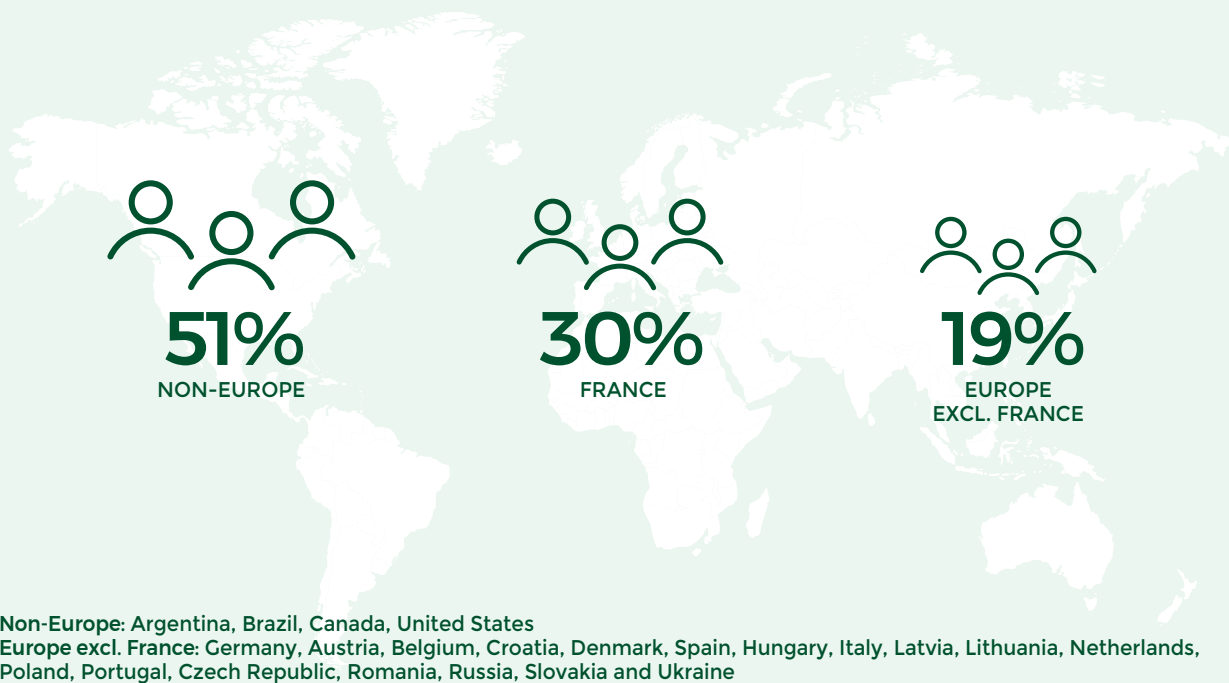
#### Bonduelle Group’s personnel profile<sup>(1)</sup>

At June 30, 2018, the Bonduelle Group had 10,957 permanent employees, including 3,515 employees in the BFA business unit.

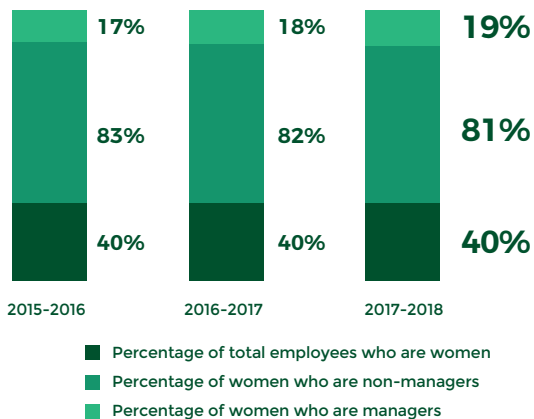
(1) The reporting scope, specified in Section 2.7.3, excludes employees of the Bonduelle Fresh Americas (BFA) business unit.

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

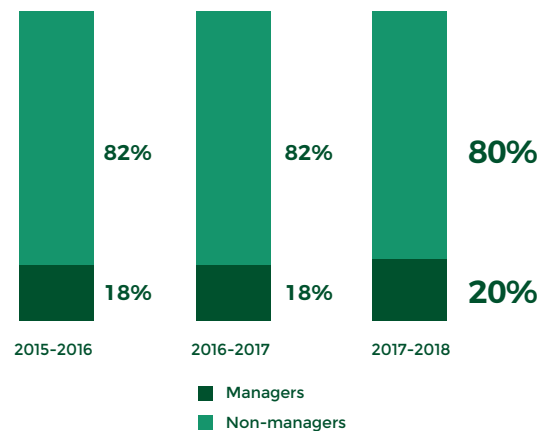
### Geographic breakdown of Bonduelle Group employees with permanent employment contracts at June 30, 2018



### Women as a proportion of permanent employees as at June 30<sup>(1)</sup> - CRI 405-1



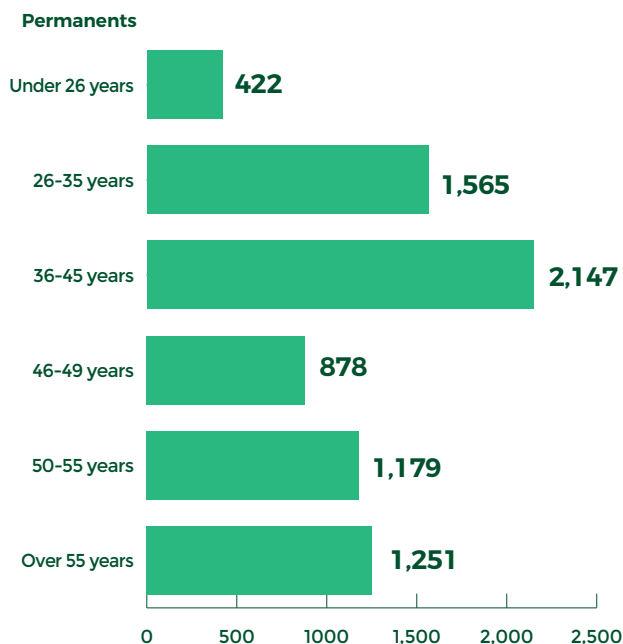
### Status pyramid for permanent employees at June 30<sup>(1)</sup>



(1) Excluding Bonduelle Fresh Americas.

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

## Pyramid by years of service for permanent employees at June 30, 2018 <sup>(1)</sup>

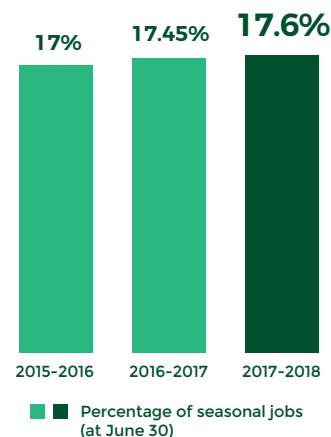


## Length of service of permanent employees at June 30, 2018 <sup>(1)</sup>

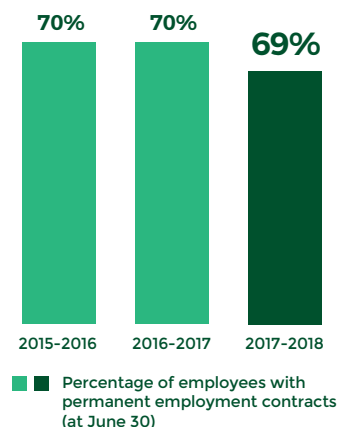


Average year of service among permanent employees is 12.

## Percentage of seasonal jobs <sup>(1)</sup>



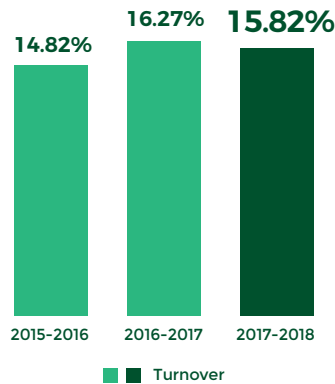
## Change in the percentage of employees with permanent employment contracts - at June 30 <sup>(1)</sup>



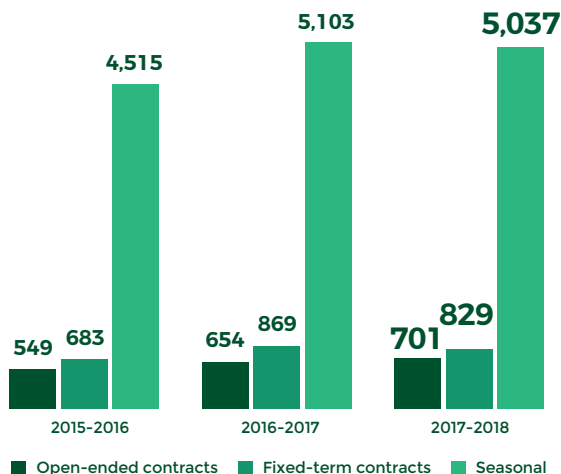
(1) Excluding Bonduelle Fresh Americas.

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

### Total Bonduelle turnover<sup>(1) (2)</sup>



### Changes in the number of new hires, and breakdown by number of contracts at June 30 <sup>(1)</sup>



### Employment policy, local employment, seasonal employment

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

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.

At some sites, Bonduelle works with employer groupings to pool skills and provide regular seasonal work. As information on these contracts is difficult to track globally for each individual, the renewal rate is monitored by site.

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.



### Partnership in Poland with a local school to address recruitment issues

Faced with a shortage of skilled labor, the Gniewkowo plant (BELL) has joined forces with a local school to set up a three-year apprenticeship scheme. The scheme consists of a work placement with the plant's technical department and classroom-based theoretical teaching. Since September 2017, three young people from the local area have received training to become electromechanics and plumbers.

(1) Excluding Bonduelle Fresh Americas.

(2) Departures at the request of the employee (resignation, employee's decision at end of probationary period), due to death, retirement or agreed departure





### 2.5.2.3 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.

Within the BFE business unit, the work organization is adapted to the seasonal operations of ready-to-use fresh vegetables, bagged salads and prepared salads, for example by annualizing working hours and recruiting seasonal employees for production activities. In the plant, the work is divided among teams (2x8), with seasonal reinforcements to cover a six-day working week. Lastly, teleworking solutions are being introduced at the various headquarters, accompanied by an overhaul of management practices and processes (dematerialization, virtualization of business meetings, new collaborative workspaces, etc.).

## 2.5.3 The basics

### 2.5.3.1 Safety and working conditions – GRI 103-2, 403-4

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 VeGo! 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 accidents. 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 Group Management 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. Representatives from the business units also attend meetings of a Group Health and Safety Steering Committee. BFA joined the safety community and Safety Committee in 2017-2018. The Committee's membership has therefore changed and its working language is now English.

To mobilize employees on this issue, business units have the choice of factoring safety into the variable compensation granted to operational staff, in accordance with a recommendation issued by the group. This recommendation is changing in line with the new, more stringent standards: the bonus calculation is at least 10% based on safety, with a recommended level of 20%. The criteria for awarding the bonus vary depending on each site. Originally based on performance indicators such as frequency rate, they will gradually move towards more proactive prevention indicators such as the number of STOP observations per thousand hours worked.

The existence of a safety network, with 260 representatives from all sites in 2018, allows discussions to take place on best practices, priority measures and investments. Members of the BFA business unit joined this network in 2017-2018. Monthly reporting takes place at the group level. This allows the group's Executive Management to monitor key indicators such as frequency and severity rate over a rolling 12-month period, as well as the list of sites that have been accident-free for 12 months.

#### Site mobilization

In 2016-2017, a diagnostic assessment identified 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.);

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

- define and implement proactive indicators allowing closer follow-up of accidents;
- develop new tools to accompany the process such as: an internal 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 between sites.

In 2017-2018, the sites rallied behind workplace safety. Some examples are described below.

As of June 30, 2018, the **Santarem plant** in Portugal had recorded 668 working days without any lost-time accidents. This encouraging result comes after several years of disappointing performance in terms of occupational safety (frequency rate of between 16 and 22), despite being average for the country and the industry. To achieve these results, the plant mobilized on all fronts:

- applying the Dupont STOP observation methodology with an average rate of 1.7 observations per 1,000 hours worked in 2017-2018;
- investment in training on production line risks and preventive behaviors;
- strict enforcement of BELL's five safety rules (wearing PPE; obeying traffic regulations; holding the handrail on stairs; keeping workstations clean and tidy; conducting preliminary safety checks);
- improvement in working conditions, including the removal of line waste, floor cleanliness, and protection and accessibility of lines and equipment;
- factoring safety into Managers' personal targets and into the plant's overall target;
- improved communication and awareness.

The last accident with lost time in Santarem was in September 2016.

The Management Committee of the **BEAM business unit**, finding that road accidents represent the most significant risk, has launched an awareness campaign for staff who drive company cars (i.e. the sales force and agronomists). Any employee caught speeding more than three times in a rolling three-month period must attend a risk and awareness session. Over the last 12 months, 15 monthly fines have been recorded, compared with 50 at the start of the campaign in March 2017. In May 2018, this awareness-raising was extended to all employees. It focused on three points: banning mobile phone use while driving; compulsory seatbelt use; driver collision management. It is in the process of being communicated to the various bodies. A 12-point summary will be placed in each company car.

The **Rosporden plant** in France declared 2018 “Health and Safety Year”. The aim is to transform safety from a priority to a value, based on a shared mindset. As a New Year's resolution, everyone was asked to sign a written pledge to ensure their own safety and that of others. To make an impact and get people on board, the plant was shut down for an “I Feel Good” day, when staff had an opportunity to get together and talk about health and safety. Various workshops were on offer for the 240 employees, ranging from an overview of the CSR strategy to taking ownership of personal safety, nutrition and sleep, managing risk, and the use of video as a means of highlighting risk situations in the plant. In addition to participating in the workshops, employees took time to get to know each other, exchange views and understand individual constraints. Several initiatives have been launched in response to employees' suggestions. These will be implemented during the 2018-2019 fiscal year.

The **Oakfield plant** in the United States celebrated seven years without a lost-time accident. U.S. plants are continuing to make safety a permanent and visible priority for everyone. A few examples of these actions are described below:

- each year, plants celebrate if they have had another year without accidents;
- for the past two years, key performance indicators have been used to measure minor accidents and are taken into account when calculating plant Managers' bonuses;
- each plant chooses three annual safety-related initiatives, which may or may not require investment.

For example, the Oakfield plant is working on an ergonomics project. The “zucchini” line has been modified to minimize handling and new equipment has been installed to reduce the use of machetes during the cutting process.

During the 2017-2018 fiscal year, the **BFA business unit**, where the work is still largely manual, focused on awareness and prevention of accidents caused by slips and falls in its plants. For example, it has introduced the “Halo” safety rule for motorized industrial trolleys, the examination and designation of aisles in and between production areas, and the mandatory use of non-slip footwear. It also stresses the importance of good housekeeping and the need for three points of contact when mounting materials handling equipment (one foot and two hands for handling equipment or stairs).

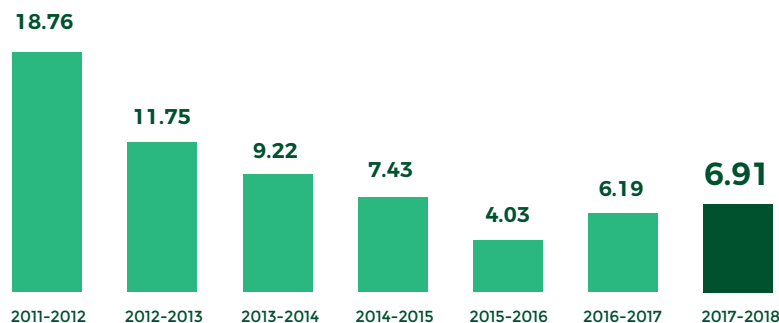
### Results

Together, these measures enabled the group to make significant progress between 2010 and 2018, with the frequency rate of workplace accidents with lost time falling from 24.39 to 6.91. These results reflect the close care and attention by Bonduelle to safety issues at all sites around the world.





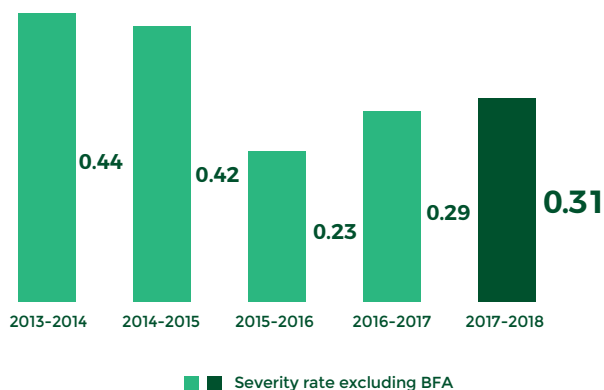
## Changes in the frequency rate of workplace accidents for all employees at June 30<sup>(1)</sup>



In 2017-2018, the frequency of work-related accidents for the BFA business unit was 1.75.

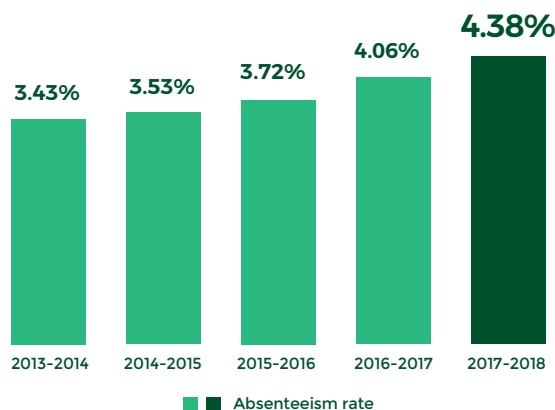
After a significant decline, the frequency rate of workplace accidents with lost time increased in 2018, with a reading of 6.91 at the end of June.

## Changes in the severity rate of workplace accidents for all employees at June 30<sup>(1)</sup>



In 2017-2018, the severity rate of workplace accidents in the BFA business unit was 0.14.

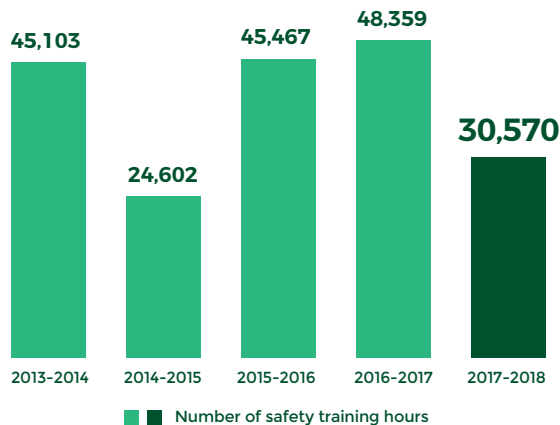
## Change in absenteeism rate at June 30<sup>(1)</sup>



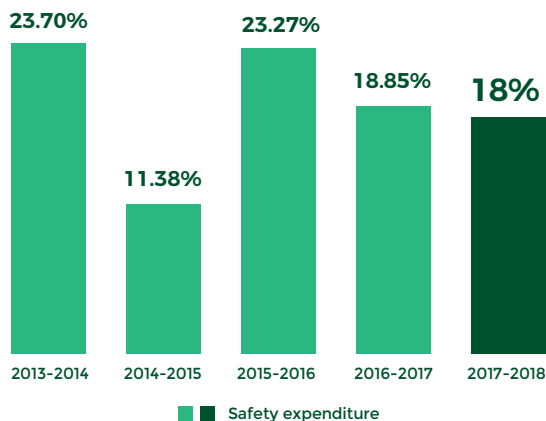
(1) Excluding Bonduelle Fresh Americas.

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

### Change in the number of safety training hours at June 30<sup>(1)</sup>



### Change in safety training expenditure as a percentage of total training expenditure<sup>(1)</sup>



#### 2.5.3.2 Human rights – GRI 102-12, 103-2, 407-1, 408-1, 409-1, 412-3

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;
- fundamental convention No. 138 on minimum age: United States;
- convention No. 135 on workers' representatives: Belgium, Canada, 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.

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.

#### 2.5.3.3 Wage policy and employee recognition – GRI 203-2

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.

In France, the BELL business unit informed its social partners of a plan to manage the skills and remuneration of manual workers, clerical staff, technicians and supervisors. Its aim is to offer employees more transparency and clarity regarding development pathways. The plan will be unveiled to employees by November 2018 at the latest. It will initially concern logistics staff (i.e. around 400 people), before being extended to all other departments in 2019.

(1) Excluding Bonduelle Fresh Americas.

## 2.5.4 Responsibility

The Bonduelle Group has decided to focus on four priorities under the Responsibility pillar: the employability of its staff, employee health, diversity and transparency.

### 2.5.4.1 Employability: Talent development and training – GRI 103-2, GRI 404-3

Throughout its history, Bonduelle has developed its own specific management model, influenced by its business, its mode of governance and its values. The group shares this model with its Managers via training courses which teach them more about the group and its history, values and VegeGo! vision. This also helps them understand what their role is as Managers.

“Discovery” is the group’s induction program. For two days, Managers from different business lines and countries learn about the group through visits, experiences and discussions with directors and officers. Over the two days, Managers learn more about the group’s ambitions and how they can contribute to them. In 2017-2018, 57 new Managers took part

in Discovery. Four sessions were held, including one in North America.

“ManageGo!” is a two-day seminar that brings together Managers and encourages them to find the right balance between setting high standards and compassion, in line with our values and ambitions. It is based around the three core priorities of Bonduelle’s ManageGo! management model: nurturing performance, developing people, and being agile.

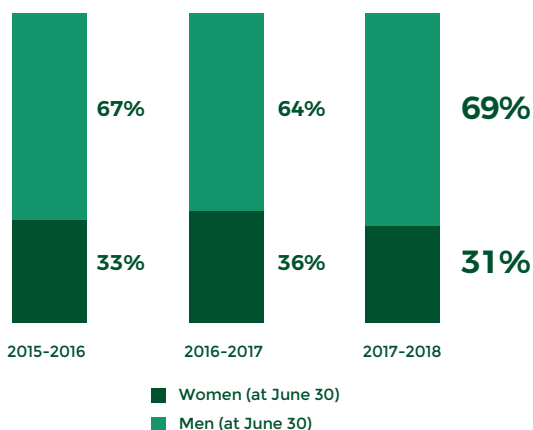
The group’s training program Finance For Growth also continued in 2017-2018. This teaches Managers how to build the concept of financial value creation into their operational decision-making. More than 700 of the group’s Managers have completed this course since it was first launched in 2015. From Canada to Russia, they have tested the business case and experimented with financial concepts to gain a better insight into the concepts of ROCE and Current operating income. The program will be rolled out to local Managers in France and then Russia this year, followed by all group countries next year.

All group employees have an annual performance review, irrespective of their job. It is an opportunity for everyone to assess their performance and discuss their training needs and goals with their Manager.

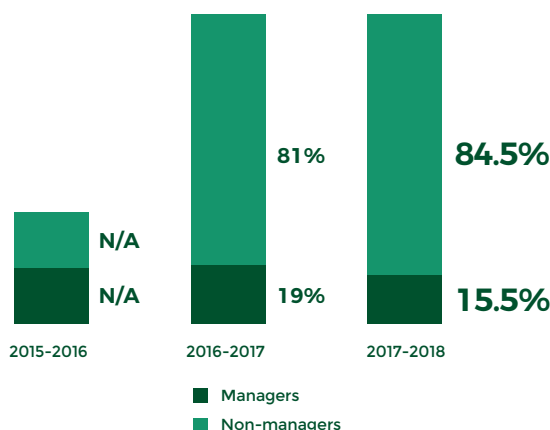
#### Change in training resources<sup>(1)</sup> – GRI 404-1

	2015-2016	2016-2017	2017-2018
Training as a percentage of payroll	1.44%	1.40%	1.26%
Amount spent on professional development	3,740,560	3,730,206	3,649,576
Number of training hours	177,979	174,102	185,938
Average training duration per individual (in hours)	29	31	34
% of employees who received training	61%	55%	52%

#### Change in the breakdown of training hours by gender at June 30<sup>(1)</sup> – GRI 404-3



#### Change in the breakdown of training hours by status at June 30<sup>(1)</sup> – GRI 404-3



(1) Excluding Bonduelle Fresh Americas.

### Change in the percentage of employees receiving regular performance and career development reviews at June 30<sup>(1)</sup> – GRI 404-3

	2015-2016	2016-2017	2017-2018*
Percentage of employees with permanent employment contracts	80%	81%	72%
% women	81%	82%	73%
% men	78%	80%	72%
% Managers	N/A	92%	77%
% non-Managers	N/A	79%	71%

\* The calculation method changed in 2017-2018: the number of individual interviews targeted is the number of employees at June 30 of the prior year.

#### 2.5.4.2 Benefits and healthcare

The Bonduelle Group has set the goal of giving all permanent employees access to a social welfare system by 2025. The audit undertaken in early 2017 continued in all countries in 2018, with a view to deepening the knowledge of market practices and drawing up recommendations for the Bonduelle Group. The next step for the Company is to establish its program on group-wide key benefits by 2025.

#### 2.5.4.3 Diversity – GRI 103-2, 405-1

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 and during the various HR processes (training, assessment, compensation). It is underpinned by programs to promote diversity.

##### Gender and intergenerational diversity

Two agreements signed in 2017-2018 underscore the Bonduelle Group's commitment to diversity:

**French agreement on intergenerational workforce planning** of December 1, 2017. This agreement reflects a desire to predict and accommodate the transformation of the business, anticipate the skills that the Company will need in

future in a timely manner, manage and plan for the wave of retirements that the group faces because of its age pyramid, recommend actions to promote the sustainable inclusion and retention of young people and “senior” workers, and facilitate the necessary skills renewal by encouraging schemes to transfer employee knowledge and skills, key elements of the Company's wealth.

**French agreement on professional equality and quality of life at work** of February 12, 2018. This agreement reaffirms the group's commitment to promoting gender equality, with diversity regarded as a key factor in the group's performance and in the personal fulfillment of its employees. The aim is not only to recruit, develop and retain employees with diverse personal characteristics (age, culture, origin, gender, disability, etc.), but more importantly, to capitalize on differences, ensuring that everyone can help achieve the group's goals by reaching their full potential.

The following indicators are described in paragraph 2.5.2.2. Bonduelle Group's personnel profile:

- percentage of women in the group;
- age pyramid.

##### Inclusion and retention of employees with disabilities

Through its HANDIPOL disability mission, Bonduelle has had a proactive policy for the inclusion and retention of employees with disabilities in France since 2006.

(1) Excluding Bonduelle Fresh Americas.



Jointly managed, the disability mission is responsible for coordinating and harmonizing internal and external actions in the area of disability policy. Since its creation, there have been four agreements on the inclusion and retention of employees with disabilities. The employment rate for employees with disabilities was 2.3% at the end of June 2018.

One of these agreements resulted in the customization of 49 workstations between 2015 and 2017, 18 of which were in 2017-2018. For example, the entire production line at the Genas plant (BFE) was customized to cater for the needs of all employees (some with medical restrictions). The agreement also led to partnerships being set up with specialist recruitment organizations and an increase in purchasing from the sheltered employment sector, resulting in a 20% increase in the use of sheltered workshops and organizations that help disabled people back into work (ESAT) between 2016 and 2017.

The Renescure site (BELL) has strengthened its longstanding partnership (of more than 20 years) with the ESAT “Les Papillons Blancs”. It organizes training for volunteer tutors of people with disabilities, offering them a two-week placement with an ESAT (visit and presentation of the various jobs and services offered).

Since this agreement expired in December 2017, a fifth agreement was signed on February 12, 2018 (see below) for a four-year period. Through this fifth agreement on inclusion and retention, the Bonduelle Group reaffirms its commitment to:

- embedding the existing diversity schemes in place for the past few years in the group’s culture, with new corporate awareness actions and the involvement of all employees;
- achieving a 6% employment rate for employees with disabilities across the group;
- adapting the targets and resources available to each site to improve or maintain their employment rates;
- addressing any skills gaps to facilitate retention;
- tackling the issues raised by an aging population at the various group sites.

To achieve these objectives, the Bonduelle Group Executive Management in France has identified five priorities:

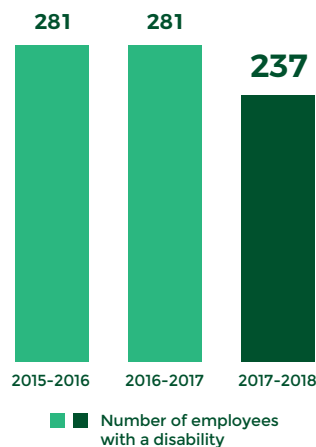
- recruitment;
- retention;
- inclusion and training;
- relationships with the sheltered employment sector;
- management and coordination.



## European Disability Employment Week: tackling prejudices around disability

The 2017 European Disability Employment Week focused on the theme of prejudices around disability. At Bonduelle, it began with the organization of breakfasts prepared by ESAT organizations at the Renescure and Villeneuve d’Ascq sites, supported by the Executive Management in an interview broadcast on the group’s internal channel. All week, various activities helped to raise awareness among employees.

## Number of employees with disabilities (full-time equivalent) at June 30<sup>(1)</sup> – GRI 405-1



## 2.5.4.4 Transparency: Social dialog – GRI 102-41, 103-2, 203-2, 403-4, 407-1

### Forums for dialog and agreements signed in 2017-2018

In accordance with its ethics charter, which has been introduced in every country where the group operates (see Section 2.1.4 Ethical business practices and <https://www.bonduelle.com/en/sustainable-development/documents.html>), Bonduelle encourages openness and dialog in its 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

(1) Excluding Bonduelle Fresh Americas.

partners and is committed to negotiating issues of collective interest with them.

At June 30, 2018, 83% of the group's employees (excluding BFA) were covered by a collective agreement. - GRI 102-41.

The European Works Council (EWC) is a forum for cross-border information, consultation, exchange of views and social dialog. The EWC provides regular updates on Bonduelle's situation and development, organizes social dialog, and presents the group's social policy, particularly on employment, training, safety and working conditions, and CSR. It meets at least once a year to present the group's strategic direction and report on the fiscal year just ended in Europe.

A training course, open to all EWC members, was held in April 2018. It focused on the use of collaborative tools and sharing in connection with the Group's digitalization and financial accounting indicators useful for a solid understanding of the financial data presented at plenary meetings.

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 accordance with the agreement establishing the EWC, renewed by unanimous decision in 2017, CSR features on the agenda of each annual ordinary meeting. In April 2018, the following topics were covered: presentation of the group's CSR policy; social report; strategic workforce planning; employee savings plan; “Climate” survey; APONH program. This commitment also applies to the French group Works Council, which had the same agenda in March 2018, together with a presentation from the disability mission Handipol.

Lastly, presentations were given to both councils on safety performance and the progress of VegeGo! initiatives.

In 2017-2018, Bonduelle signed 47 collective agreements with employee representative bodies in the countries where the group operates.

### “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 every two years. Its aim is to establish their motivations and level of engagement and to implement the measures needed to meet their expectations. The second survey conducted in 2016 recorded an 89% participation rate among employees from more than 20 countries. 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.



### In Canada, plants step up initiatives following the “Climate” survey

In 2017-2018, numerous initiatives were set up in Canada as part of the “Climate” action plan. For example:

- in Brockport, employees were able to speak directly to healthcare and pension insurance providers at a “benefits” stand;
- in Strathroy, a mid-term review was carried out with Managers to track the progress of key action plan initiatives, while to improve communication with employees off-site or without a Bonduelle email address, a web application was developed (CommuniGo) which contains useful information and services for staff;
- in Oakfield, internal communication and document sharing have been improved and rotas are planned further in advance for shift workers;
- in Bergen, a rest room was built at the “Seasonal Housing Camp”, while employees are briefed at monthly meetings. The Oakfield and Bergen sites joined forces to organize a benefits stand, plant visits and training.

### Shutdown of the Russy-Bémont site

The shutdown of the Russy-Bémont site in France, where production ceased at the end of June 2016, was the subject of a unanimous agreement signed by employee representation bodies. As of March 30, 2018, 49 of the 62 employees who were made redundant (79%) had found permanent employment. Numerous measures have been taken to support the shutdown, including 12 meetings of the monitoring committee, various training courses (24 safe driving aptitude certificates and 29 vocational retraining courses), 34 applications for vocational retraining leave, 9 temporary and degressive benefits granted, 5 hiring subsidies funded, 133 job reassignments proposed, and local regeneration aid pledged in association with the chamber of commerce.

The Bonduelle Group has no official policy that it systematically applies in this field, since shutdowns have rarely happened in its history. Like the arrangements put in place in Russy-Bémont, redundancy measures are adopted on a case-by-case basis, taking into account the specific circumstances of the site concerned, local regulations and the issues inherent to the local labor market.





## Industrial disputes

In 2017-2018, the Bonduelle Group recorded a collective industrial dispute at the Rosporden site. This seven-day dispute resulted from a disagreement over pay talks.

## 2.5.5 Fulfillment

Fulfillment is a powerful lever for employee engagement. Actions around employee development and quality of life at work are put in place so that everyone can get a sense of fulfillment from working for Bonduelle.

### 2.5.5.1 Well-being at work and ergonomics

The Bonduelle Group is driving improvements to working conditions and the work environment in the interests of its employees' welfare. Sites are encouraged to take ownership of the process by developing their own action plan in response to their specific challenges. Various initiatives have emerged across the group, some of which are described here.

**In Madrid (Spain), the B Up! project came about from** employee suggestions following the results of the “Climate” survey. A team of volunteers from different departments at the site launched a “Health Week” with various workshops: sophrology, yoga, making smoothies, conscious meditation, personal massage sessions, hiking, etc. Weekly, monthly and annual activities were then planned to maintain the dynamic of well-being at work. Overall, 93% of employees feel that Health Week has been helpful to them.

**In Brockport (United States), “B-Well, our well-being program”** hires well-being coaches to teach employees about healthy eating and lifestyles, while a competition encourages them to eat well and exercise. Nurses also offer cholesterol screening. With this program, the site hopes to improve its employees' well-being, boost their productivity and lower their insurance premiums.

**In Brazil,** Bonduelle held a Pink October to improve breast cancer awareness. The Company has negotiated special discounts for its employees for mammograms and breast ultrasound examinations and consultations. This year, 28 examinations were carried out.

**In Reutlingen and Straelen (Germany), the Health Management project** offers activities tailored to different categories of employees (plant, administration, sales) covering three areas: physical well-being, mental well-being and nutrition. Between February and June 2018, six activity sessions were held to improve the atmosphere at work, reduce healthcare costs and make the Company more attractive.

**At the Villeneuve d'Ascq site (France), the project “B! Happy”,** launched in September 2017, involves a 90-minute break each month inspired by positive psychology aimed at cultivating optimism and encouraging employees to be more active in order to improve their well-being. Since its launch, more than 150 participants have benefited from the experience.

In the BFE business unit in France, to continue the process of promoting wellness and a healthy work/life balance, employee initiatives give more meaning and vision throughout the year (open-house days, “I Feel Good Day”, workshops on the corporate “Climate” survey, etc.).

### 2.5.5.2 Get involved in CSR through intrapreneurship

The “#Tomorrow at Bonduelle!” scheme translates the group's ambition to encourage employees to take ownership of CSR. It consists of a scheme to support intrapreneurship projects and is open to all employees. See Section 2.1.2.4, The central role played by the “All actors” approach.

## 2.5.6 Meaning

The Bonduelle Group wants to offer its employees more than just a job, so it has designed its corporate culture to be meaningful. This consists of responding to its employees' search for more meaning.

### 2.5.6.1 Participating in local community life and rallying employees – GRI 103-2, 203-2, 413-1

Bonduelle has prioritized participation in local communities. 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 2017-2018, 35% of Bonduelle sites launched or continued initiatives. These included the following:

To mark Breast Cancer Awareness Day, **four US plants – Irwindale, Swedesboro, Florence and Jackson** – raised 14,323 US dollars for the Susan G. Komen® Foundation to support breast cancer research, awareness-raising, education and screening programs in local communities.

**At the Tecumseh site in Canada:** employees were asked to donate sleeping bags, hats, gloves and other new or nearly-new accessories to homeless people, as well as equipment for

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

making coffee and hot chocolate. Numerous donations were collected by the charity Street Help, including ten brand-new sleeping bags suitable for low temperatures.

In Russia, the **Novotitarovskaya, Timachevsk and Moscow sites** organized a fund-raising campaign and voluntary work in two nursing homes in the Kaluzhskaya and Krasnodar regions, in a bid to involve all BEAM employees in initiatives to help the elderly and disabled. In 2017-2018, the fund-raising campaign received more than 26,000 rubles. The target for next year is 70,000 rubles.

Since 2015, **employees at the Santarém site (Portugal)** have helped various local non-profit organizations (e.g. taking part in a solidarity walk, designing a garden for people with disabilities, landscaping the grounds at an orphanage, etc.). Each year, employees suggest ideas and pick a local charity

to support. On average, 36 volunteers take part each year. In 2018, 2,000 trees were replanted in an area devastated by fire.

Every Easter and Christmas, employees at the **Warsaw (Poland)** site organize collections for vulnerable people (e.g. food, household products, toiletries) and raise money for cinema tickets or vouchers which can be spent in children's stores. Around 60 people take part in these collections each year.

To help the victims of Hurricanes Harvey and Irma in Texas and Florida (United States), and of the fires in California in the second half of 2017, employees at the **Irwindale and Jackson** sites made almost 60,000 chicken Caesar salads. They also loaded the trucks so that the American Red Cross could distribute the salads in the affected regions of the U.S.

### Site participation in local community life<sup>(1)</sup> – GRI 413-1

	2014-2015	2015-2016	2016-2017	2017-2018
Number of headquarters or agro-industrial sites to have initiated or renewed a joint project with their local communities during the year	12	27	33 or 47% of sites	24 or 35% of sites

(1) Excluding Bonduelle Fresh Americas.

#### 2.5.6.2 Encouraging well-living through plant-based food

The Bonduelle Group is naturally an active promoter of plant-based food. Its employees are both its first customers and its first ambassadors of the benefits of nutrition on well-being. In this spirit, Bonduelle's plants have embarked on various initiatives, such as:

- In June 2018, the Bedford Factory in Canada (BALL) highlighted the theme of healthy eating with a range of activities, including: a drawing competition (“Draw a fruit, a vegetable or a health food”) for its employees' children, with a prize on offer of a 150 dollar basket of health foods; the distribution of several varieties of fruit during employee breaks; a tasting of protein bars made from cricket powder to introduce people to alternative protein sources; a “Food” seminar on the negative impact of diets, how to choose which food to buy, understanding hunger and the sensation of feeling full, etc.

#### 2.5.6.3 Promoting the employer brand in a meaningful way

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

APONH is a development aid project launched as part of the VegeGo! initiative and currently taking place in Cameroon. The aim is to help local communities live sustainably by supporting farmers and entrepreneurs with the development of their crop-growing industry. Working alongside its project partner, the European Institute for Cooperation and Development (IECD), APONH is led by a team of employee volunteers. With APONH, Bonduelle's employees take part in a joint project linked to the Company's businesses and know-how. The project has the support of the Bonduelle family, who were keen to join the initiative.

Each year, the group's sites rally behind the project. For example, in 2017-2018:

- employees at the Ruchocice site (Poland) decided to donate their overtime pay to APONH;
- the Genas site (France) organized a sale of spices from Cameroon and gave a lunchtime presentation to employees;
- the Villeneuve d'Ascq site (France) held a homemade cake sale.





## Recognition

Each year, the Bonduelle Group endeavors to recognize the commitment of its employees. In 2018, it achieved this through:

- **employee initiatives.** The BELL business unit, for example, rewards employees involved in safety and grants funding for improving working conditions, while the Italy Awards encourage all employees to suggest ideas and projects to improve the group’s performance and working conditions;
- **employee investment.** Every year, BFA rewards plant employees for their performance and embodiment of Bonduelle’s values. The 38 beneficiaries in 2017 were rewarded with two days of relaxation in a theme park. At BEAM, employees can vote for their “hero” of the year from the categories of mentoring, professional support or prompt and unfailing assistance. At BALL, for example, employees can choose a gift from a catalog, while in some countries the long-service award is accompanied by a cash payment;
- **peer recognition.** A gratitude board at Irwindale (BFA) allows employees to thank one or more employees publicly. During the Managers’ Days, people could hand out gratitude awards to other employees. At Saint-Césaire, employees write heartfelt letters of thanks to their colleagues.

The Bonduelle Group co-optation program, launched in 2017, also offers individual or collective incentives depending on the business unit.



### With “Fresh We Up”, the BFE business unit gives meaning to the VegeGo! ambition

With its “Fresh We Up” program, the BFE business unit has adopted the VegeGo! business plan and ramped up its implementation. Managers can choose a project to participate in on a voluntary basis from a list of nine projects. Following the launch in March 2018, all the teams were already in place by June, with 50% of the 250 Managers taking part. The nine projects are based on a three-pillar ambition which ultimately seeks to redefine how people work together: unlocking potential, identifying key innovation players, and fostering a sustainable and agile organization. Managers – who are the driving force of the management chain – will receive support so that they can get all employees on board with the process.



### “Managers’ Days”: a two-day event to look back at past achievements and plan for the future.

The Managers’ Days took place in northern France on April 5-6, 2018. They were attended by some 1,300 Managers who had travelled from all over the world to reflect on what Bonduelle has become, celebrate its achievements and plan for the future. Opened by a show highlighting the group’s core values, the event continued with a six-part exhibition showcasing Bonduelle’s roots, talent, agricultural and industrial innovation, well-being and proximity to customers via new distribution channels. In total, 190 Bonduelle employees and 60 external providers staffed 36 exhibition stands and 16 food stands covering an area of 2,000 m<sup>2</sup>. On the fringes of the exhibition, 12 in-house speakers hosted an event which addressed cross-cutting issues.

Day 2 of the Managers’ Days featured a session which looked ahead to the future and a presentation of Bonduelle’s strategic priorities and challenges. Representatives from the fifth, sixth and seventh generations of the Bonduelle family took the opportunity to express their attachment to the Company’s history and future, and to thank Managers for their commitment. Lastly, Christophe Bonduelle announced the new governance structure introduced on July 1, 2018, with separation of the role of Chairman from the role of group Chief Executive Officer, now entrusted to Guillaume Debrosse. This landmark event in the group’s history was welcomed by participants, who gave it a score of 9.15 out of 10 in the satisfaction survey.

## 2.6 Note on the CSR reporting methodology

### 2.6.1 Context and objectives - *GRI 102-50, 102-48, 101-1, 101-2*

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.

Managers in the appropriate fields 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. The Bonduelle Group has chosen to stay ahead of certain requirements introduced by the order (No. 2017-1180) of July 19, 2017 which transposes Directive 2014/95/EU of the European Parliament and the Council of October 22, 2014, specifically the mandatory publication of a non-financial performance statement. Thus in 2017-2018, chapter 1 of this document contains a presentation of the business model and summarizes the main CSR issues in the materiality matrix prepared in connection with the group risk map.

This document also contains the Bonduelle Group's duty of vigilance plan and the report on its actual implementation, pursuant to French law No. 2017-399 of March 27, 2017 on the monitoring duties of parent companies and contracting companies.

Reporting has taken place every year since 2002-2003. This year the fiscal reporting period is from July 1, 2017 to June 30, 2018. The indicators published in the registration document include the results of the past year and those from the previous four years 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 Auditor, performed work to verify the social, environmental and societal information presented in chapter 2 of the registration document and revised the reporting guidelines and the application of those guidelines in several entities.

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

### 2.6.2 Procedure - *GRI 102-48, 101-1, 101-2*

The group's CSR and External Communication 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 by the CSR and Foundation teams.

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 the Metrio® tool: 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 managers in the field and management control.

For the 2017-2018 fiscal year, the group chose to publish a selection of indicators relating to natural resources and human resources (see 2.6.3 Scope, below) reported by the BFA business unit (Bonduelle Fresh Americas, a business unit created by the integration of Ready Pac Foods). BFA data are not consolidated into group data but published as is. This choice makes it possible to compare 2017-2018 with 2016-2017 group data. The group plans to publish consolidated data including BFA in 2018-2019. Then 2017-2018 group data will be restated to include BFA so that the trend in the indicators can be tracked.

## Human resources reporting tools

The group has set up a computer system that allows it to gathers 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 data collection system.

## Coordination of reporting

CSR reporting involves approximately 220 correspondents in various roles across the Bonduelle Group's production facilities. The B!GREEN digital community encourages continued discussion about CSR among employees.

### 2.6.3 Scope -

**GRI 103-1, 102-49, 102-45, 101-1, 101-2**

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 Notes to the consolidated financial statements - Note 10.4 - 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 (company acquired in 2016-2017) were included in 2017-2018 as the BFA business unit for reporting the natural resource and human resource indicators deemed most significant. Finalization of the inclusion of BFA in the reporting will continue in 2018-2019 for all areas;
- 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 year 2017-2018 – GRI 102-49

In 2017-2018, the CSR Department in charge of reporting contacted the BFA teams in order to include the new subsidiary. Working together, they selected the natural resource and human resource indicators that they deemed to be material and that could be reported by the BFA sites. The individuals in charge of reporting were identified and trained in reporting and using Metrio® software. The controls and validations of BFA data followed the same process as the other business units. The following indicators were reported by BFA for fiscal year 2017-2018.

### Human Resources:

- employees with permanent employment contracts in service at June 30;
- frequency of work-related accidents;
- work-related accident severity rate;
- layoff.

### Natural resources:

- water consumption (by source);
- energy consumption (by energy type);
- green waste production and recovery;
- effluent volumes discharged from plants.

## Upstream agricultural activities

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

## Transportation

Transport has been included in Bonduelle's CSR strategy since 2007-2008. In 2017-2018, the operating scope of transport reporting is defined thus: it does not include BFA but does include the BALL business unit (excluding Brazil) for the first year:

	Frozen vegetables	Canned vegetables	Mushroom	Fresh	Prepared
<b>Upstream agricultural activities</b>	Canada United States France Nord-Picardie France South-West Poland Portugal	Canada United States Hungary France Nord-Picardie France South-West Africa Poland Russia	France	France Italy Germany	France
<b>Inter-sites</b>	Canada United States France Poland Portugal Spain Russia	Canada United States Hungary France Nord-Picardie France South-West Poland Russia	France Poland	France Italy	France
<b>Distribution</b>	Canada United States Bermuda Jamaica France Spain Italy Benelux Germany/Austria Andorra Poland Portugal Czech Republic Slovakia Russia	Canada United States United Kingdom Jamaica Trinidad and Tobago Barbados Kuwait St. Vincent and the Grenadines France Europe Russia Kazakhstan	Poland France Belgium Spain Italy Germany	France Italy Germany	France



**Transport-related CO<sub>2</sub> emissions** are calculated based on kilometers traveled and tonnes transported, now monitored automatically and reported in real time. The group calculates CO<sub>2</sub> emissions from transportation using the guidelines produced by the ADEME (French Environment and Energy Management Agency) in Europe, and the GHG Protocol for the BALL business unit (excluding transport of agricultural commodities, which is calculated using the ADEME protocol). The transport flows considered for upstream agricultural activities represent only transportation of vegetable harvests from field to plant, and exclude transportation of vegetables purchased from suppliers.

## 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. The BFA business unit is not included in the scope in 2017-2018.

This scope varies by country:

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

## Quality

The BFA business unit is not included in the 2017-2018 quality reporting scope.

## 2.6.4 Indicators – GRI 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: Bonduelle 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 Bonduelle Fresh Europe scope;
- a number of surveillance networks operated by farmers in the rest of the group.

## 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;
- purchasing 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.

The method used by the BALL business unit is based on the GHG Protocol.

The following indicator is calculated at August 31, 2018: kg CO<sub>2</sub> emitted per tonne transported.

### 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.

Individual interviews: the number of theoretical interviews is equal to the number of employees in full-time equivalent at June 30 of the prior year and the number of interviews completed is the number of interviews completed during the fiscal year.

### Additional information for natural resources indicators

- The hazardous waste production indicator is limited: seven sites (Ruchocice, Reutlingen, Straelen, Cristalina, Ingersoll, Ste Martine and Strathroy) do not report the quantities of SIW generated or SIW for which return has been negotiated with suppliers. These sites account for 12% of the group's annual production.
- NO<sub>x</sub>, SO<sub>x</sub> and particulate 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 2017-2018.
- Indicator of the type of packaging material: tracking of wooden pallets is not included in the packaging consumption indicator.

### Additional information for quality indicators

Number of tests conducted on fresh, prepared and frozen product categories: product testing for listeria monocytogenes.



## 2.6.5 2017-2018 Reporting schedule - GRI 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	Managers in the field and reporting coordinator
February	Update of definition guidelines	Managers in the field and reporting coordinator
April	Translation of guidelines	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 managers in the field
September	Reporting audits at the production facilities	Production facilities audited
September	Audit of the group consolidation	Group management control
September	Audit of the CSR policy	Managers in the field
September	Review of the registration document for regulatory compliance with the Grenelle law	Group Communication
September	Validation of the registration document and detailed management charts	Managers in the field, group communication and group management control

The previous CSR report is included in the Bonduelle Group's registration document, available on [www.bonduelle.com](http://www.bonduelle.com) as of October 2017.

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

## 2.6.6 Assurance report – GRI 102-8, 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, 2018**

To the Shareholders,

In our capacity as Statutory Auditor 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>, 2018 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 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).

It is not our responsibility to provide any conclusion on the compliance with other applicable legal expectations, in particular those concerning article L. 225-102-4 of the French code of commerce (duty of care) or the French law 2016-1691 (fight against corruption).

Our work involved five persons and was conducted between April and September 2018 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 with the CSR Information in 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 report.

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

#### Nature and scope of our work

We conducted around a dozen of interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and,

(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.





where appropriate, responsible for internal control and risk 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 20% and 27% of quantitative data disclosed on human resources and between 19% and 57% of quantitative data disclosed on natural resources, transportation, agronomy, 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, September 28<sup>th</sup>, 2018

French original signed by the Statutory Auditor

**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 and Severity rate of work-related accidents.

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 at production facilities (COD) and proportion treated; Packaging; Greenhouse gas emissions scope 1 and scope 2; CO<sub>2</sub> emissions from transportation.

Quantitative agronomy information: Number of varieties tested.

Quantitative quality and purchasing information: Number of safety tests conducted; Number of tests conducted on phytosanitary waste and trace metal elements and percentage of compliant results.

Qualitative information: Prevention and safety policy; Management of energy consumption; Greenhouse gas emissions assessment; Responsible product and packaging design; Development of alternative cultivation techniques; Responsible purchasing from suppliers other than farmer partners; Road map encouraging healthy and sustainable food; Dialog with stakeholders.

(2) Entities and sites selected: Ruchocice (Human resources, Natural resources, Quality), Saint-Césaire (Human resources, Natural resources, Quality), Irwindale (Human resources, Natural resources), Renescure (Human resources, Natural resources), Bordères (Natural resources), Labenne (Production of green waste), Timashevsk (Training), Tecumseh (Seasonal full-time equivalent employees, Seasonal employee new hires, Production of green waste), Santarem (Agronomy, Quality), FRESH Frais Europe (Agronomy), Herm (Purchasing), BALL Canada (Purchasing), Estrées Surgelés (Quality), Rosporden (Work-related accidents), BALL (Transportation).

## 2.6.7 Results of all indicators – GRI 102-7, 102-8, 102-48

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Revenue of the Bonduelle Group (in millions of euros)					
GRI 102-7	1,921	1,982	1,968	2,288	2,777

### A. Agronomy

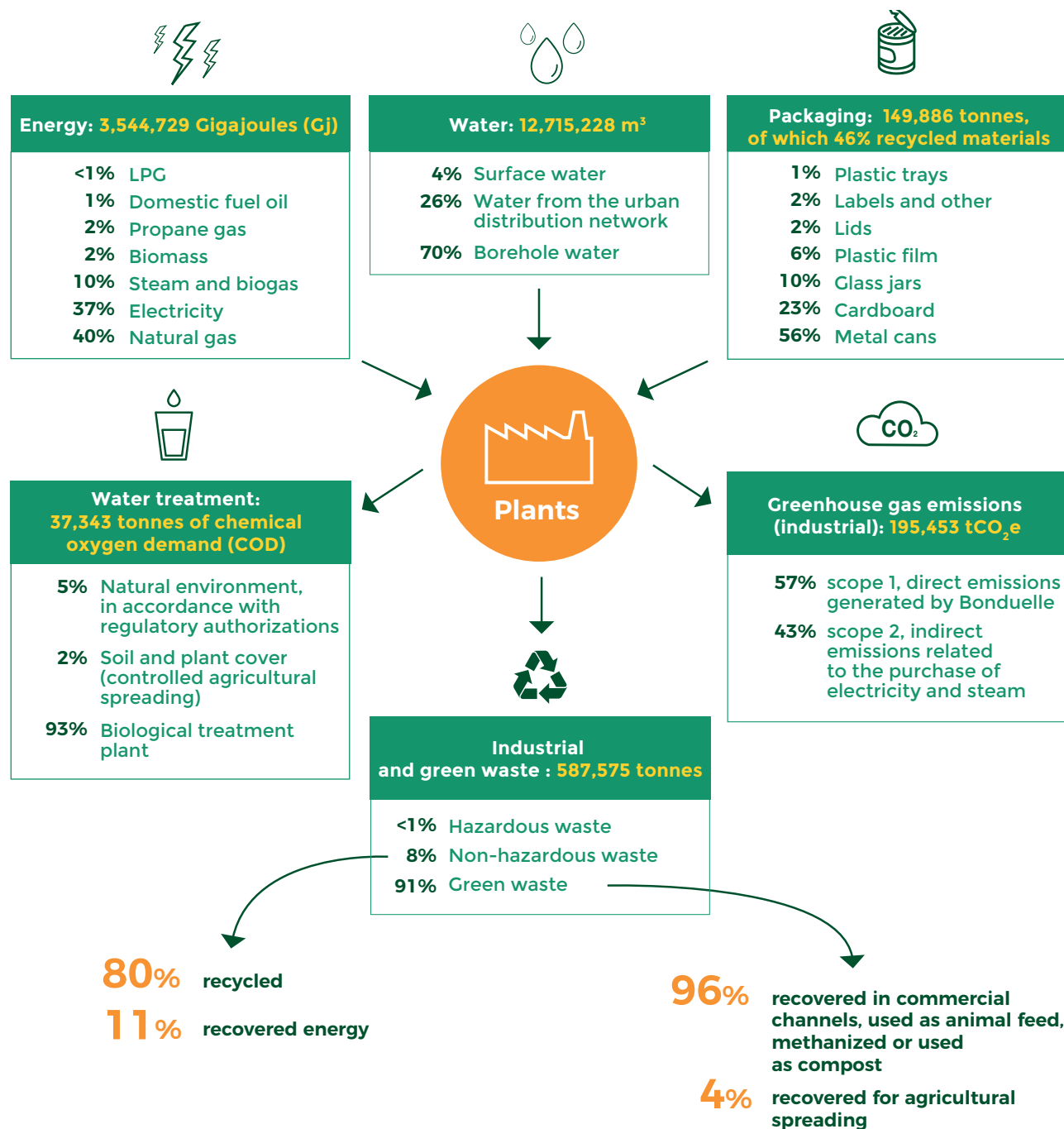
Indicator (excluding BFA)	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Varietal diversity</b> Number of varieties tested across all regions where the group operates (2014-2015 data are not comparable due to a change in methodology).		3,835	1,330	1,013	1,299
<b>Agricultural headcount</b> Number of people (full-time equivalent Agronomy Department employees, including administrative staff, seasonal employees, trainees and those on permanent and non-permanent contracts).	246	252	258	261	264
<b>Sourcing charter</b> Percentage of farmers having signed it (either directly or included in contracts). GRI 308-1	93%	99%	95%	96%	96%
<b>Farmer assessed</b> Percentage of farmers assessed by an initiative with the aim of compiling an annual budget.	74%	87%	84%	88%	79%
<b>Fertilization of land</b> Percentage of farmers having adopted a method of fertilization recommended by Bonduelle.		92%	99.5%	88%	64%
<b>Security network</b> Number of Bonduelle Group trapping networks – excluding Fresh Europe*.				59*	54
<b>Security network</b> Number of farmers benefitting from trapping networks in the Fresh Europe business unit*.				130	132
<b>Farmer loyalty</b> Percentage of farmers who renewed their contracts versus the previous year.				91%	93%

\* Different calculation method.

## 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	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Tonnes of manufactured product (TMP)</b>					
<i>GRI 102-7</i>	1,137,305 TMP	1,094,504 TMP	1,060,882 TMP	1,054,278 TMP	1,068,412 TMP
<b>Water consumption</b>					
Number of m <sup>3</sup> consumed	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>	12,715,228 m <sup>3</sup>
<i>Number of m<sup>3</sup> consumed (BFA)</i>					1,916,960 m <sup>3</sup>
Number of m <sup>3</sup> consumed per tonne of manufactured product (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	11.9 m <sup>3</sup> / TMP
<i>Number of m<sup>3</sup> consumed per tonne of manufactured product (TMP) (BFA)</i>					12.8 m <sup>3</sup> / TMP
<b>Water sourcing – GRI 303-1</b>					
Borehole water	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>	8,866,962 m <sup>3</sup>
Urban water	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>	3,270,171 m <sup>3</sup>
<i>Urban water (BFA)</i>					1,916,960 m <sup>3</sup>
Surface water	366,365 m <sup>3</sup>	363,912 m <sup>3</sup>	389,803 m <sup>3</sup>	493,443 m <sup>3</sup>	578,095 m <sup>3</sup>
<b>Energy consumption – GRI 302-1</b>					
Total consumption in GJ (gigajoules)	3,187,816 GJ	3,153,521 GJ	3,069,997 GJ	3,131,844 GJ	3,544,729 GJ
of which Electricity:	1,294,188 GJ	1,253,145 GJ	1,268,663 GJ	1,290,175 GJ	1,306,115 GJ
<i>of which Electricity (BFA):</i>					226,442 GJ
of which Natural gas:	1,626,199 GJ	1,567,567 GJ	1,291,732 GJ	1,343,891 GJ	1,410,888 GJ
<i>of which Natural gas (BFA):</i>					35,862 GJ
of which Fuel oil (very low sulfur content):	0 GJ	0 GJ	0 GJ	0 GJ	00 GJ
of which Propane:	60,863 GJ	64,437 GJ	64,535 GJ	40,928 GJ	81,168 GJ
of which LPG:	3,351 GJ	3,349 GJ	2,648 GJ	1,975 GJ	3,312 GJ
of which Domestic fuel oil:	34,036 GJ	33,683 GJ	39,165 GJ	27,965 GJ	29,475 GJ
of which Biomass:	54,953 GJ	62,484 GJ	81,322 GJ	68,783 GJ	80,549 GJ
of which Purchase of Steam:	98,447 GJ	141,037 GJ	316,662 GJ	352,694 GJ	368,206 GJ
of which Biogas:	15,779 GJ	27,819 GJ	5,271 GJ	5,434 GJ	2,711 GJ
<b>Electricity consumption by country (group scope including BFA):</b>					
France	51%	49%	47%	46.1%	38%
Canada	22%	23%	26%	25.7%	22%
United States	13%	13%	13%	13.6%	28%
Portugal	4%	4%	4%	4.5%	4%
Poland	4%	4%	3%	3.4%	3%
Hungary	3%	3%	3%	2.9%	3%
Germany	2%	1%	2%	1.5%	1%
Russia	2%	2%	2%	1.5%	1%
Brazil	0.6%	1%	0.6%	0.7%	0.5%
<b>Production of non-hazardous waste – GRI 306-2</b>					
Tonnes	45,001 t	76,402 t <sup>(1)</sup>	43,077 t	48,876 t	48,930 t
kg per tonne of manufactured product	39.6 kg/TMP	69.8 kg/TMP	40.6 kg/TMP	46.4 kg/TMP	45.8 kg/TMP

(1) Of which 33,892 tonnes generated by the Tecumseh (Canada) plant, where there was a fire in July 2014.





## Note on the CSR reporting methodology

2

Indicators	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Treatment:</b>					
Industrial landfill:	22%	18%	17%	11.6%	9.4%
Energy recovery:	6%	3%	3%	7.6%	10.7%
Recycling:	72%	79%	80%	80.9%	79.9%
<b>Production of hazardous waste - GRI 306-2</b>					
Tonnes	182 t	284 t	167 t	206 t	188 t
kg per tonne of manufactured product	0.16 kg/TMP	0.26 kg/TMP	0.16 kg/TMP	0.20 kg/TMP	0.18 kg/TMP
<b>Production of green waste - GRI 306-2</b>					
Tonnes	487,318 t	550,643 t	592,689 t	552,068 t	538,157 t
Tonnes (BFA)					31,760 t
kg per tonne of manufactured product	428 kg/TMP	503 kg/TMP	559 kg/TMP	524 kg/TMP	504 kg/TMP
kg per tonne of manufactured product (BFA)					212 kg/TMP
<b>Use (group scope including BFA):</b>					
Agricultural spreading:	2.7%	8%	8%	8%	3.9%
Animal feed:	88%	72%	63%	59.8%	59.7%
Energy recovery:	0.7%	2%	2%	2.8%	6.6%
Marketable product:	8%	17%	19%	19.8%	18.8%
Other (compost) :	0.6%	1%	8%	9.6%	11.1%
<b>Pollution discharge</b>					
<b>Breakdown by treatment channel, in m<sup>3</sup> (group scope including BFA) - GRI 306-1</b>					
Percentage (by m <sup>3</sup> ) discharged to treatment plant	86%	84%	84%	84%	85%
Percentage (by m <sup>3</sup> ) discharged for spreading after pretreatment	11%	11%	10%	11%	10%
Percentage (by m <sup>3</sup> ) discharged directly for spreading on crops	3%	5%	6%	5%	5%
<b>Discharge of pollutants and proportion treated - GRI 306-1:</b>					
Number of tonnes of COD (Chemical Oxygen Demand) produced at production facilities	44,392 TCOD	44,206 TCOD	41,090 TCOD	40,447 TCOD	37,343 TCOD
Percentage of COD treated at Bonduelle treatment plants	69%	78%	73%	75%	90.1%
Percentage of COD treated by the soil and plant cover (controlled agricultural spreading)	27%	17.5%	21%	19.8%	1.7%
Percentage of COD treated at external treatment plants	2%	2%	3%	2.6%	3.5%
Percentage of COD discharged into the natural environment in compliance with regulations	2%	2.5%	3%	2.6%	4.7%
<b>Biosolids</b>					
Tonnes of dry biological sludge	2,180 t	1,899 t	2,358 t	3,065 t	3,228 t
Nm <sup>3</sup> of biogas	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>	885,304 Nm <sup>3</sup>
<b>Packaging</b>					
Number of tonnes	150,845 t	160,549 t	149,196 t	144,992 t	149,886 t

## Note on the CSR reporting methodology

Indicators	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Breakdown by type of material:</b>					
Metal cans:	55.7%	56.3%	55.6%	55.1%	56.5%
Cardboard:	19.9%	20.7%	23.1%	23.6%	22.7%
Glass jars:	12.3%	11.2%	10.5%	9.9%	10.0%
Plastic film:	4.9%	4.8%	5.7%	6%	5.6%
Lids:	2.8%	2.6%	1.8%	1.6%	1.6%
Plastic trays:	1.6%	1.6%	1.5%	1.6%	1.5%
Labels and other:	2.8%	2.8%	1.7%	2.1%	2.1%
<b>Recycled materials</b>					
Percentage of recycled materials in packaging - <i>GRI 301-2</i>				48%	46%
<b>Biodiversity</b>					
Number of production facilities an area of outstanding fauna or flora				6	6
<b>Expenditure, in euros, for minimizing the impact of activities on the environment</b>					
Water and sludge from treatment station:	€1,816,014	€1,692,572	€1,181,274	€1,111,173	€2,378,665
Industrial and green waste:	€181,172	€49,949	€131,716	€360,437	€203,407
Air and energy:	€5,242,105	€2,915,092	€1,355,453	€1,441,496	€4,030,771
<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 305-1</i>	110,180 tCO <sub>2</sub> e	109,514 tCO <sub>2</sub> e	95,558 tCO <sub>2</sub> e	89,823 tCO <sub>2</sub> e	110,779 tCO <sub>2</sub> e
*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 305-2</i>	77,734 tCO <sub>2</sub> e	76,384 tCO <sub>2</sub> e	74,637 tCO <sub>2</sub> e	70,533 tCO <sub>2</sub> e	84,674 tCO <sub>2</sub> e
Scope 3 upstream: Tonnes of CO <sub>2</sub> equivalent indirect emissions				804,098 tCO <sub>2</sub> e	845,778 tCO <sub>2</sub> e
Scope 3 downstream: Tonnes of CO <sub>2</sub> equivalent indirect emissions				1,234,290 tCO <sub>2</sub> e	1,243,491 tCO <sub>2</sub> e
<b>Emissions of ozone depleting gas</b>					
Tonnes of CO <sub>2</sub> equivalent for R22, R134A, R404A, R422A	475 tCO <sub>2</sub> e	3,484 tCO <sub>2</sub> e	2,600 tCO <sub>2</sub> e	2,009 tCO <sub>2</sub> e	3,379 tCO <sub>2</sub> e

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

(1) Of which 33,892 tonnes generated by the Tecumseh (Canada) plant, where there was a fire in July 2014.

Scope 3 upstream includes: 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.

Scope 3 downstream includes: 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.



## 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 2017, the allocation of free quotas equates to 16,671 tCO<sub>2</sub>e. Certified and transferred emissions totaled 18,857 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. BFA and Brazil)

Indicators	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>CO<sub>2</sub> emissions (tonnes of CO<sub>2</sub>)</b>					
Upstream agricultural activities	15,698 t CO <sub>2</sub>	18,085 t CO <sub>2</sub>	18,620 t CO <sub>2</sub>	22,485 t CO <sub>2</sub>	22,758 t CO <sub>2</sub>
Inter-site	14,645 t CO <sub>2</sub>	13,510 t CO <sub>2</sub>	14,499 t CO <sub>2</sub>	14,498 t CO <sub>2</sub>	14,347 t CO <sub>2</sub>
Distribution	76,568 t CO <sub>2</sub>	73,854 t CO <sub>2</sub>	69,994 t CO <sub>2</sub>	67,111 t CO <sub>2</sub>	66,854 t CO <sub>2</sub>
<b>TOTAL (EXCL. BFA AND BALL)</b>	<b>106,911 t CO<sub>2</sub></b>	<b>105,449 t CO<sub>2</sub></b>	<b>103,113 t CO<sub>2</sub></b>	<b>104,094 t CO<sub>2</sub></b>	<b>103,959 t CO<sub>2</sub></b>
<b>TOTAL BALL (EXCL. BRAZIL)</b>					<b>138,230 tCO<sub>2</sub></b>
<b>Ratio of kg CO<sub>2</sub> emitted per tonne transported (EXCL. BALL AND BFA)</b>					
Upstream agricultural activities	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	25 kg CO <sub>2</sub> /t
Inter-site	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	20 kg CO <sub>2</sub> /t
Distribution	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	68 kg CO <sub>2</sub> /t

## D. Quality

Indicators (excluding BFA)	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Safety testing – GRI 416-1</b>					
Number of tests conducted on fresh, prepared and frozen product categories		19,000	20,537	19,985	20,237
Number of tests conducted on the canned products category		44,600	43,788	43,900	44,451
<b>Certified facilities</b>					
Number of ISO 9001 certified facilities	16	13	12	11	9
Number of ISO 22000 certified facilities	2	3	3	3	3
Number of IFS certified facilities	22	20	20	19	19
Number of FSSC 22000 certified facilities	5	4	4	4	5
Number of BRC certified facilities	15	15	16	15	15
Number of SQF certified facilities	3	3	3	3	4
Number of facilities certified "organic"	11	17	17	14	7
Number of days of system or product audits carried out by certification bodies, authorities or customers				291	282
Number of hours raising employees' awareness of food quality, food safety, food defense, etc.				16,409	16,869

Note on the CSR reporting methodology

Indicators (excluding BFA)	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Customer services	1 Customer Services Department operates in each country				
Purchases of processed fruit and vegetables					
Number of suppliers (excluding partner vegetable producers) who have signed the Simplified agronomic charter	92	106	105	96	104
Percentage of suppliers (excluding partner vegetable producers) who have signed the Simplified agronomic charter	32%	35%	42%	38%	40%
Number of tests conducted on phytosanitary waste and trace metal elements (TME)	439	411	465	564	619
Percentage of compliant results obtained from tests on phytosanitary waste and trace metal elements (TME)	94%	97%	95%	98%	99%
Number of suppliers audited - (Excluding Canada and the United States)	59	47	41	32	13
Percentage of suppliers audited - (Excluding Canada and the United States)	21%	15%	16%	19%	7%
Number of suppliers assessed - (Excluding Canada and the United States)	93	171	199	141	145
Percentage of suppliers assessed - (Excluding Canada and the United States)	32%	56%	79%	82%	80%
Number of suppliers audited - Canada and the United States*				15	15
Percentage of suppliers audited - Canada and the United States*				18%	20%
Number of suppliers assessed - Canada and the United States*				79	75
Percentage of suppliers assessed - Canada and the United States*				96%	99%

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



**E. Human resources – GRI 102-8**

Indicator	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Number of permanent employees at June 30 of the reporting year	6,983	6,974	7,100	7,330	7,442
Number of permanent employees at June 30 of the reporting year (BFA)	N/A	N/A	N/A	N/P	3,515
<b>TOTAL</b>	<b>6,983</b>	<b>6,974</b>	<b>7,100</b>	<b>7,330</b>	<b>10,957</b>
Number of full-time equivalent permanent, non-permanent and seasonal employees and employees on other contracts over the reporting period	9,569	9,755	9,961	10,220	10,519

\* N/P : Not provided.

**Total employees by type of employment contract and geographical area (full-time equivalents in 2017-2018)**

	France	Europe excl. France	Non-Europe	Total
Open-ended contracts	3,220	1,538	2,485	7,243
Non-Permanent	249	183	40	472
Seasonal	591	560	698	1,849
Other	550	159	245	955
<b>TOTAL</b>	<b>4,610</b>	<b>2,440</b>	<b>3,469</b>	<b>10,519</b>

**Total workforce by gender, status, age and geographical area (permanent employees as at June 30, 2018)**

GRI 405-1	France	Europe excl. France	Non-Europe	Total
Women	1,314	664	978	2,956
Men	1,950	929	1,607	4,486
Managers	761	325	367	1,453
Non-Managers	2,503	1,268	2,218	5,989
Permanent employees aged under 26	122	43	257	422
Permanent employees aged 26-35	657	318	590	1,565
Permanent employees aged 36-45	973	532	642	2,147
Permanent employees aged 46-49	419	209	250	878
Permanent employees aged 50-55	568	257	354	1,179
Permanent employees aged over 55	525	234	492	1,251

Note on the CSR reporting methodology

Indicator	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Seniority (permanent staff)</b>					
0 to 3 years	1,910	1,892	1,988	2,099	2,194
4 to 9 years	1,476	1,519	1,545	1,616	1,652
+ 9 years	3,597	3,563	3,567	3,615	3,596
Average Seniority	12.81	12.82	13.00	12.27	12.00
<b>New hires, in number of contracts - GRI 401-1</b>					
Open-ended contracts	784	641	549	654	701
Non-Permanent	1,187	942	683	896	829
Seasonal	6,473	4,791	4,515	5,103	5,037
Workers with a disability (full-time equivalents (FTE)) - GRI 405-1	268 FTE	264 FTE	281 FTE	281 FTE	237 FTE
<b>Total group turnover - GRI 401-1</b> (Scope: departures at the request of the employee, due to death, retirement or agreed departure)					
	12.84%	13.23%	14.82%	16.27%	15.82%

## Departures by status in 2017-2018

	France	Europe excl. France	Non-Europe	Total
<b>Managers (excluding BFA)</b>				
Due to layoff	14	8	2	24
Due to a death, retirement or agreed departure	27	13	9	49
Due to the employee (resignation, end of probationary period)	30	21	20	71
Due to transfer	23	2	10	35
<b>Non-Managers (excluding BFA)</b>				
Due to layoff	73	44	201	318
Due to a death, retirement or agreed departure	100	115	70	285
Due to the employee (resignation, end of probationary period)	304	172	783	1,259
Due to transfer	19	1	8	28
Layoff within BFA				322

## Turnover by gender\* in 2017-2018

	France	Europe excl. France	Non-Europe	Total
Turnover - Women	11.5%	16.0%	26.3%	17.06%
Turnover - Men	9.0%	11.0%	24.9%	14.98%
Departures - Women	218	168	336	722
Departures - Men	243	153	546	942

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



## Turnover by age\* in 2017-2018

	France	Europe excl. France	Non-Europe	Total
Turnover of employees aged under 26	3.1%	3.0%	8.6%	4.89%
Turnover of employees aged 26-35	2.1%	3.4%	5.8%	3.64%
Turnover of employees aged 36-45	1.4%	2.9%	4.3%	2.68%
Turnover of employees aged 46-49	0.5%	0.6%	1.1%	0.70%
Turnover of employees aged 50-55	0.5%	1.0%	1.9%	1.07%
Turnover of employees aged 55+	2.5%	2.3%	3.8%	2.86%
Departures of employees aged under 26	144	72	297	513
Departures of employees aged 26-35	98	83	201	382
Departures of employees aged 36-45	64	70	148	282
Departures of employees aged 46-49	21	15	38	74
Departures of employees aged 50-55	21	24	67	112
Departures of employees aged 55+	113	57	131	301

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

Indicator	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Training as a percentage of payroll	1.6%	1.44%	1.44%	1.4%	1.26%
Total number of training hours:	168,293	172,776	177,979	174,102	185,938
Average training duration per individual - GRI 404-1	27 hours	28 hours	29 hours	31 hours	34 hours
Breakdown of training hours by gender - GRI 404-1	29.48% women 70.52% men	36.15% women 63.85% men	32.82% women 67.18% men	35.62% women 64.38% men	30.80% women 69.20% men
Breakdown of training hours by status - GRI 404-1				18.66% Managers 81.34% non-Managers	15.46% Managers 84.54% non-Managers
Frequency of work-related accidents	9.22	7.43	4.03	6.19	6.91
Work-related accident severity rate	0.42	0.42	0.23	0.29	0.31
Severity rate of occupational diseases for France	1	0.96	1.08	0.96	0.97

## Breakdown of work-related accidents, frequency rate, severity rate and occupational diseases in 2017-2018 – GRI 403-2

	France	Europe excl. France	Non-Europe	Total
Women - Frequency rate	15.61	1.24	4.93	8.48
Men - Frequency rate	10.28	3.53	3.17	5.95
Frequency rate	12.42	2.57	3.76	6.91
Frequency rate (BFA)				1.75
Women - Number of work-related accidents with lost time	43	2	11	56
Men - Number of work-related accidents with lost time	42	8	14	64
Number of work-related accidents with lost time	85	10	25	120
Women - Severity rate	0.90	0.05	0.16	0.44
Men - Severity rate	0.43	0.08	0.10	0.22
Severity rate	0.62	0.07	0.12	0.31
Severity rate (BFA)				0.14
Women - Number of lost days due to work-related accidents	2,492	75	353	2,920
Men - Number of lost days due to work-related accidents	1,752	182	463	2,397
Lost days due to work-related accidents	4,244	257	816	5,317

	France	Europe excl. France	Non-Europe	Total
Women - Occupational disease severity rate	2.03	0.00	0.00	2.03
Men - Occupational disease severity rate	0.26	0.00	0.00	0.26
Occupational disease severity rate	0.97	0.00	0.00	0.97
Women - Number of lost days for occupational disease	5,590	N/A	N/A	5,590
Men - Number of lost days for occupational disease	1,070	N/A	N/A	1,070
Number of lost days for work-related accidents and occupational disease	6,660	N/A	N/A	6,660

N/A: Data not available.



## Note on the CSR reporting methodology

Indicator	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Staff affected by industrial restructuring plans who have received outplacement support	0	4	62	0	17
Number of hours worked	16,058,864	16,556,775	16,889,400	17,125,082	17,368,538
Absenteeism rate	3.42%	3.53%	3.72%	4.06%	4.38%
Amount of compensation (permanent, non-permanent and seasonal employees)	€246,789,278	€252,912,461	€259,398,219	€266,972,624	288,609,131
Percentage of employees receiving regular performance and career development reviews – GRI 404-3	78.05%	78.16%	79.42%	80.61%	72.14%
Breakdown by gender of employees receiving regular performance and career development reviews – GRI 404-3	77.71% women 78.28% men	79.44% women 77.28% men	80.94% women 78.45% men	81.88% women 79.76% men	72.86% women 71.68% men
Breakdown by status of employees receiving regular performance and career development reviews – GRI 404-3				92.52% Managers 78.62% non-Managers	77.14% Managers and 71.19% non-Managers

## Breakdown of absenteeism rate and hours worked in 2017-2018

	France	Europe excl. France	Non-Europe	Total
Women – Absenteeism rate	5.9%	6.1%	4.5%	5.5%
Men – Absenteeism rate	3.8%	3.7%	3.5%	3.6%
Absenteeism rate	4.7%	4.7%	3.8%	4.4%
Women – Hours worked	2,755,474	1,616,917	2,231,681	6,604,072
Men – Hours worked	4,085,780	2,268,004	4,410,682	10,764,466
Hours worked	6,841,254	3,884,921	6,642,363	17,368,538

## 2.7 Appendices

### 2.7.1 Ethics Committee

**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 Chairman of the rev3 mission (third industrial revolution in the Hauts-de-France region). He is also a member of the Bonduelle SA Board of Directors.

**Jean-Bernard Bonduelle**

Member of the Bonduelle SA 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.

### 2.7.2 The Bonduelle Group's ethics charter - GRI 102-16

#### 1 - The Bonduelle Group ethics charter

##### Why have an ethics charter?

In 2012, the Bonduelle Group decided to draw up an ethics charter, drawing inspiration from our history, our values, and committing ourselves to a process of continuous improvement. We are aware that this ethics charter expresses an ideal that is difficult to achieve in an organization, but it should inspire every one of us internally, as well as the Stakeholders the group is connected with. Our ethics charter must lead us to do more in the Bonduelle spirit of corporate responsibility.

First and foremost, it is a commitment by the group. It requires the proactive commitment of its employees for this ethics process to take shape in day-to-day practice.

##### Bonduelle's spirit and values

In this ethics charter, Bonduelle intends to defend and promote its values: 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 is the foundation of our values and principles. This charter, beyond the legal framework which must be respected without fail, guides our action and internal policies and procedures, specifically the Code of conduct for ethical business practices, with which everyone must be compliant.

The ethics charter should offer the opportunity to challenge practices whilst also providing a decision-making tool. It 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

The role of the Ethics Committee is to support the Company on ethical issues, and to issue opinions in an advisory capacity. It may be consulted to give insight into situations in the general interest in cases where the hierarchy and internal experts within the group are unable to provide answers, or in the event of a malfunction in the management of whistleblowing. In this case, the Ethics Committee can be contacted at the following address: [ethic\\_committee@bonduelle.com](mailto:ethic_committee@bonduelle.com). Bonduelle Stakeholders can also contact the Ethics Committee for any question about the charter's application.

It is made up of four members from both inside and outside the business, chosen based on their experience, profile and expertise. The Ethics Committee reserves the right to invite outside experts or submissions from employees on specific subjects. It meets at least twice a year.

The Ethics Committee is informed of the application of the ethics charter and Code of conduct for ethical business practices, and annually monitors the management of any malfunction.

## 2 - Responsible corporate citizenship

Backed by a strong history and a commitment to the long term, the Bonduelle Group is committed to a Corporate Social Responsibility approach, specifically since its signature of the UN Global Compact in 2003 which *is an undertaking to apply the 10 fundamental values related to Human Rights, labor, environmental, and anti-corruption standards*.

### 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.

Some of the following commitments by Bonduelle are due to legal requirements in certain countries, but it is important to emphasize them, because they require active vigilance for their compliance and implementation.

## Political sphere

Bonduelle complies with all applicable regulations governing contributions to political parties, regardless of the location of the Company's activities.

## 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.

## 3 - A human company

### People first

The group complies with the aforementioned conventions 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.

### A fair company - Dialog within the company

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. In every country, 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, religion or gender. This antidiscrimination policy applies to all stages of employment, from hiring through an entire career.

## 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. That is why Bonduelle has established

training systems to deliver training to all personnel, validated by recognized professional qualifications.

## Freedom of expression and opinion

The Bonduelle Group is committed to respecting freedom of expression for, and the opinion of, everyone.

All employees are free to take part, in a personal capacity, in activities or organizations of a political or religious nature, provided that they take place outside of working hours and do not involve any of Bonduelle’s assets, and that it is clear that such activities are in no way representative of the Company.

In addition, because every employee is an ambassador of the Bonduelle Group, it is important to exercise good judgment in accordance with Bonduelle’s values and interests and to ensure a clear distinction between personal opinions and interests and those of the Company.

# 4 - 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.

Bonduelle requires the application of these principles in its supply chain.

## Suppliers and subcontractors

The Bonduelle Group requires its suppliers and subcontractors to engage in ethical conduct and requests that they follow the principles of this charter.

Its suppliers and subcontractors must adhere strictly to all legislation regarding their activities and working environment.

Consequently, the choices of Bonduelle employees with regard to purchasing and partnerships must take into consideration the sustainable and ethical conduct of co-contractors through an assessment of their reliability, integrity, and role in the economic and social life of the local community.



## Competition

The Bonduelle Group agrees to comply with the rules regarding national and international competition law and to prohibit any practice that would result in hindering free and fair competition.

## Transparency

Bonduelle ensures that we treat our stakeholders honestly, notably by providing all the necessary information and by demonstrating openness on all related issues. Shareholders, employees, labor representative bodies, and consumers receive reliable, transparent and honest information. The quality of the information we provide to the different parties is an integral part of the relationship of confidence and transparency that Bonduelle wishes to establish and maintain; to the extent of preserving its own interests, notably in terms of innovation and competition.

## Confidentiality

Respect for confidentiality is a measure of Bonduelle's integrity and safeguards the relations of trust built up with our various stakeholders.

Bonduelle is committed to respecting the confidentiality and security of confidential information received from employees and stakeholders. We will not use it other than for its original purpose or provide it to any third party.

This also requires that our employees respect the confidentiality and security of this information and these data (including personal data).

It is also vital that each employee pays the strictest attention to safeguarding the confidentiality of Bonduelle's information.

## Corruption and conflicts of interest

Bonduelle is committed to fighting corruption and influence trafficking and to implementing an anti-corruption program in every country in which it has a location and relationships.

This program includes the distribution of a Code of conduct for ethical business practices, which can be used to guide employees who find themselves in difficult positions.

In accordance with all of these principles, we each have a responsibility to avoid situations where personal interests may conflict with those of Bonduelle or harm the group. Objectivity must be our guide in relations with the group's partners. All potential conflicts of interests must be disclosed so that the appropriate action can be taken to prevent or resolve the situation.

## Whistleblowers

Bonduelle is committed to protecting whistleblowers who might signal or reveal, in a disinterested and good faith manner, any breach of this charter or any crime or misdemeanor, serious or blatant violation, or threat or serious harm to the general interest, and of which he or she has personal knowledge.

## Failure to comply with the ethics charter

So that the Bonduelle Group can comply with the charter's principles, each Manager and each employee, in any country whatsoever, must adopt ethical conduct in the context of his or her activities within the group and do nothing that conflicts with the principles defined in this charter and all of the documents inspired by it.

The Code of conduct for ethical business practices specifies the implementing rules for these principles.

Any violations of the charter may also be reported to the relevant line Manager or *via* the whistleblowing procedure.

The Ethics Committee may also be consulted to give insight into situations in the general interest in cases where the hierarchy and internal experts within the group are unable to provide answers, or in the event of a malfunction in the management of whistleblowing. In such cases, the Ethics Committee can be contacted at the following address: [ethic\\_committee@bonduelle.com](mailto:ethic_committee@bonduelle.com).

### 2.7.3 Materiality matrix - GRI 102-46, 101-1

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 matrix in 1.3.2 Risks and challenges).

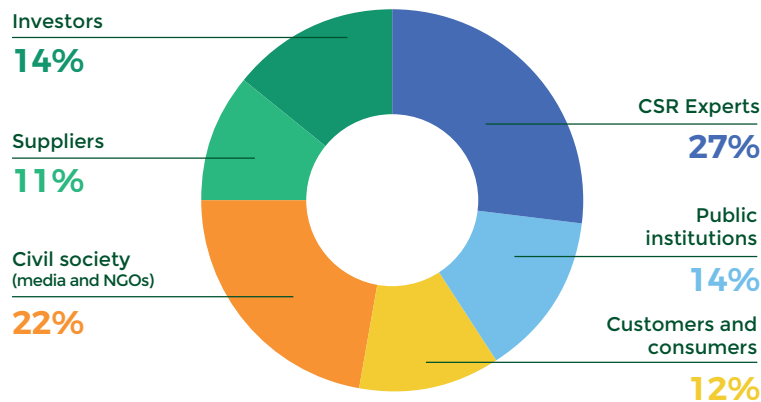
### Identifying Bonduelle's CSR challenges

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 2.2.1, 2.3.1, 2.4.1 and 2.5.1.

### 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 6 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.

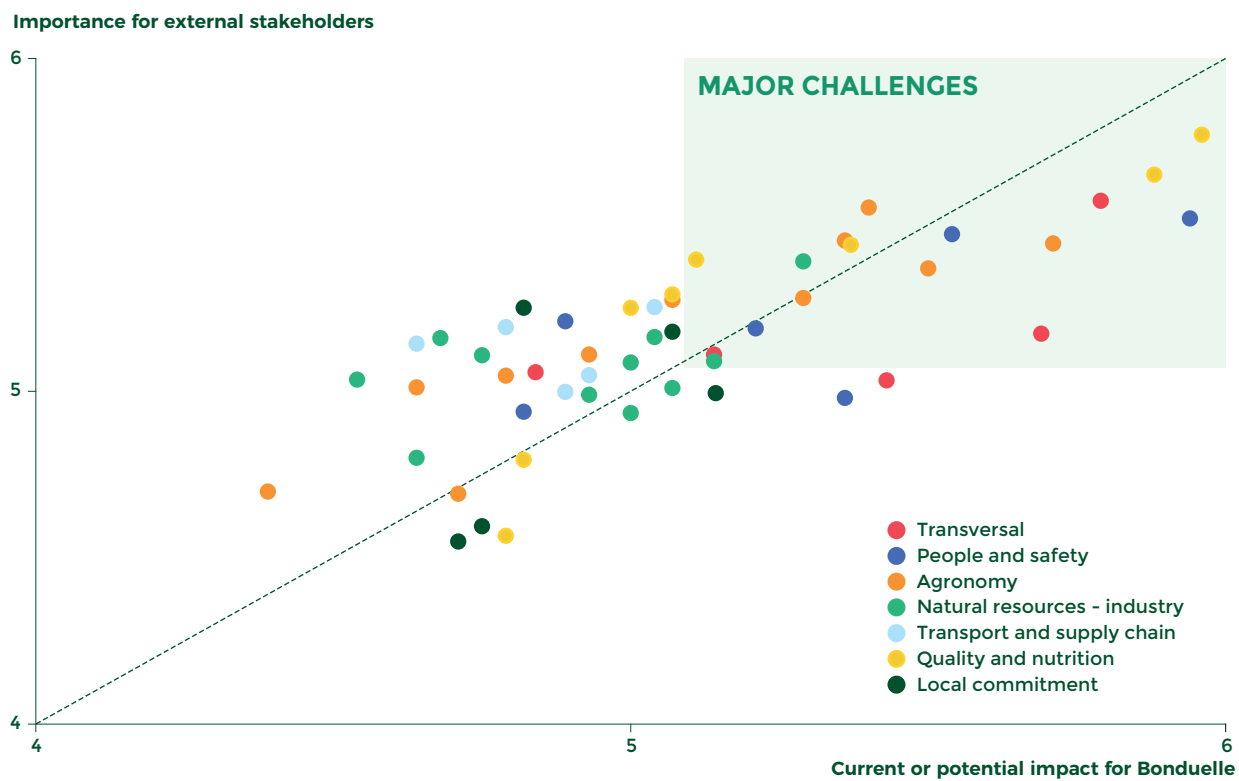
For each challenge, the Bonduelle CSR Steering Committee analyzes the results for each year via materiality matrices produced in the countries where Bonduelle operates.

## Materiality matrix – CRI 103-1

The materiality analysis (see matrix in 1.3.2 Risks and challenges) 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 (see 1.4.3.2 Bonduelle's contribution to the UN Sustainable Development Goals). 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 (detailed in Sections 2.4.3.1 and 2.4.3.2);
- food traceability (detailed in Section 2.4.3);
- workplace health and safety (detailed in Part 2.5.3.1);
- ethical business practices (detailed in Part 2.1.4);
- food safety (detailed in Parts 2.4.1 and 2.2.1);
- compliance with the international labor commitment (detailed in Parts 2.5.3.2 and 2.5.4.4);
- relations with producers (detailed in Parts 2.2 and 2.3);
- soil preservation (detailed in Part 2.2);
- water conservation (detailed in Part 2.3.5);
- packaging quality and safety (detailed in Part 2.3.8);
- water pollution (detailed in Part 2.3.5);
- use of agricultural inputs (detailed in Part 2.2, specifically 2.2.4.1);
- legal compliance (detailed in Part 2.1.4);
- compliance of teams with the group's CSR commitments (detailed in Parts 2.1.2.4 and 2.5.6);
- integration of CSR challenges in relations with customers (detailed in Part 2.4.3.2);
- nutritional composition of products (detailed in Part 2.4.3);
- energy savings (detailed in Part 2.3.4).

## Materiality matrix



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



## 2.8 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 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
GRI 101 - Foundation	101-1: Reporting Principles defining the content of the report (Taking stakeholders into account, Sustainable development context, Materiality, Comprehensiveness)		2.1.3.2 Stakeholder relations - Bonduelle stakeholders and procedures for dialog		34-37	
			1.3 Bonduelle in its ecosystem		8-11	
			1.3.3 Risks and challenges - The Bonduelle Group's materiality		11	
			2.7.3 Materiality matrix		114-116	
			2.6.1 Context and objectives		90	
			2.6.2 Procedure		90-91	
	101-1: Reporting Principles defining the quality of the report (Accuracy, Balance, Clarity, Comparability, Reliability, Compliance with deadlines)		2.6.2 Procedure	2.6.6	90-91	
			2.6.3 Scope	Assurance report	91-93	96-97
	101-2: Using the GRI standards for sustainability reporting (Application of the Reporting Principles, Reporting of general information, Identification of material topics and their scope, Presentation of information)		2.6.1 Context and objectives		90	
			2.6.2 Procedure		90-91	
			2.6.3 Scope		91-93	
GRI 102: General Disclosures 2016	101-3: Making claims related to the use of the GRI Standards		2.1.3.2 Stakeholder relations - Transparency requirements		34	
	102-1: Name of the organization		7.5 General information regarding the Company - Legal name		264-272	
	102-2: Activities, brands, products, and services		1.5 Global operations and value creation of the Bonduelle Group as of 07/01/2018		18-21	
			1.6 Bonduelle worldwide as of 07/01/2018		22-23	
			1.7 Group organization structure as of 07/01/2018		24-26	
	102-3: Location of headquarters		7.5 General information regarding the Company - Registered office		264-272	
	102-4: Location of operations		1.6 Bonduelle worldwide as of 07/01/2018		22-23	
			1.7 Group organization structure as of 07/01/2018		24-26	
	102-5: Ownership and legal form		7.2 Shareholder structure		258-260	
			7.5 General information regarding the Company - Legal form		264-272	

## 2 CORPORATE SOCIAL RESPONSIBILITY

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 Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
GRI 102: General Disclosures 2016	102-6: Markets served		1.5 Global operations and value creation of the Bonduelle Group as of 07/01/2017		18-21	
			1.6 Bonduelle worldwide as of 07/01/2018		22-23	
	102-7: Scale of the organization		1.2 Bonduelle Group key figures		6-7	
			1.7 Group organization structure as of 07/01/2018		24-26	
			2.6.7 Results of all indicators		98-109	
			2.6.7 Results of all indicators - B. Natural resources		99-103	
	102-8: Information on employees and other workers	Total workforce and breakdown of employees by gender, age and geographical area	2.6.7 Results of all indicators - E. Human resources	2.6.6 Assurance report	105-109; 96-97	
	102-9: Supply chain		2.2.1 A summary of the challenges, objectives and results		44	
			2.3.10 Responsible purchasing		65-67	
	102-10: Significant changes to the organization and its supply chain		1.1 Message from Executive Management		4-5	
			1.7 Group organization structure as of 07/01/2018		24-26	
			2.1.2.1 Editorial		21	
			2.3.10 Responsible purchasing		65-67	
<b>Strategy</b>						
102-14: Statement from senior decision-maker	<ul style="list-style-type: none"> <li>Organizing the Company with environmental issues in mind</li> <li>Training and information for employees on environmental protection</li> </ul>		1.1 Message from Executive Management: 2017-2018		4-5	
			2.1.2.1 Editorial		21	
			2.1.2.2 An approach which focuses on five macro-objectives		29-30	
<b>Ethics</b>						
102-16: Values, principles, standards and norms of behavior			2.7.2 Bonduelle Group ethics charter		110-113	
<b>Governance</b>						
102-18: Governance structure			3.1 Information on group organization, legal structures and shareholding structure (at June 30, 2018) and presentation of Bonduelle SCA and Bonduelle SA		132-137	



**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 Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document		External verification	Page no.	Omissions
GRI 102: General Disclosures 2016	Stakeholder engagement						
	102-40: List of stakeholder groups	Conditions for dialog with stakeholders	2.1.3.2	Stakeholder relations - Bonduelle stakeholders and procedures for dialog		34-37	
	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>	2.5.4.4	Transparency: Social dialog		85-86	
	102-42: Identifying and selecting stakeholders	Conditions for dialog with stakeholders	1.3.3	Risks and challenges - The Bonduelle Group's materiality		11	
			2.1.3.2	Stakeholder relations - participation in industry think tanks		33-34	
			2.1.3.2	Stakeholder relations - Bonduelle stakeholders and procedures for dialog		34-37	
	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>	2.1.3.2	Stakeholder relations - Bonduelle stakeholders and procedures for dialog		34-37	
	102-44: Key topics and concerns raised	Conditions for dialog with stakeholders	2.1.3.2	Stakeholder relations - Bonduelle stakeholders and procedures for dialog		34-37	
	Scope of the report						
	102-45: Entities included in the consolidated financial statements		1.7	Group organization structure		24-26	
			5.5	Notes to the annual consolidated financial statements - Note 10.4		174-218	
			2.6.3	List of group companies Scope		91-93	
	102-46: Defining report content and topic Boundaries		1.3.3	Risks and challenges - The Bonduelle Group's materiality		11	
			2.7.3	Materiality matrix		114-116	
	102-47: List of material topics		1.3.3	Risks and challenges - The Bonduelle Group's materiality		11	
	102-48: Restatements of information		2.6.7	Results of all indicators		98-109	
			2.6.1	Context and objectives		90	
			2.6.2	Procedures		90-91	
			2.6.4	Indicators		93-94	
	102-49: Changes in reporting		2.6.3	Scope - Change in scope during fiscal 2017-2018		92	
	102-50: Reporting period		2.6.1	Context and objectives		90	
			2.6.5	2017-2018 Reporting schedule		95	
	102-51: Date of most recent report		2.6.5	2017-2018 Reporting schedule		95	
	102-52: Reporting cycle		2.6.5	2017-2018 Reporting schedule		95	
	102-53: Contact point for questions regarding the report		2.6.5	2017-2018 Reporting schedule		95	
	102-54: Claims of reporting in accordance with the GRI Standards		2.1.3.2	Stakeholder relations - Transparency requirements		34	
	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		117-128	
	102-56: External assurance		2.6.6	Assurance report		96-97	

## 2 CORPORATE SOCIAL RESPONSIBILITY

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 Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	Specific information	Economic category, indirect economic impacts	Correspondence with Bonduelle's material issues: Relation with producers			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix 2.1.2.2 An approach which focuses on five macro-objectives 2.6.3 Scope 2.7.3 Materiality matrix - Materiality matrix		11 29-30 91-93 114-116	
	103-2: The management approach and its components		2.1.3 General guidelines 2.1.2.3 Dashboard of the Bonduelle Group's CSR approach 2.2.4 Agro-ecological transition by Bonduelle with its partners		32-37 30-32 49-52	
	103-3: Evaluation of the management approach		2.1.3 General guidelines		32-37	
GRI 203: Indirect Economic Impacts 2016	203-2: Significant indirect economic impacts	Territorial, economic and social impact of the Company's activity in terms of employment and regional development	2.2.2 The Bonduelle Group's vegetable sourcing model 2.5.3.3 Wage policy and employee recognition 2.5.4.4 Transparency: Social dialog 2.5.6.1 Participation in the life of local communities and mobilization of employees		46-47 82 85-86 87-88	
	Specific information	Societal category, anti-corruption aspect	Correspondence with Bonduelle's material challenges: Ethical business practices			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix 2.7.3 Materiality matrix - Materiality matrix 2.1.2.2 An approach which focuses on five macro-objectives 2.6.3 Scope		11 114-116 29-30 91-93	
	103-2: The management approach and its components		2.1.4 Ethical business practices		37-43	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance 2.1.4.6 Anti-corruption program		32-33 39	
GRI 205: Anti-corruption 2016	205-2: Communication and training about anti-corruption policies and procedures	Initiatives undertaken to prevent all forms of corruption	2.1.4.6 Anti-corruption program		39	
	Specific information	Environmental category: raw materials aspect	Correspondence with Bonduelle's material challenges: Packaging quality and safety			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix 2.7.3 Materiality matrix - Materiality matrix 2.1.2.2 An approach which focuses on five macro-objectives 2.6.3 Scope		11 114-116 29-30 91-93	
	103-2: The management approach and its components	Training and information for employees on environmental protection	2.3.2 Group policy and methods used 2.3.1 A summary of the challenges, objectives and results 2.3.8 Responsible product and packaging design and the fight against food waste		56 53-55 63-64	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
GRI 301: Materials 2016	301-2: Recycled input materials used	Raw material consumption and measures taken to improve efficiency in their use	2.6.7 Results of all indicators - B. Natural resources	2.6.6 Assurance report	99-103; 96-97	





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 Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	Specific information	Environmental category, energy aspect	Correspondence with Bonduelle's material challenges: Energy savings			
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>	1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix 2.7.3 Materiality matrix - Materiality matrix 2.1.2.2 An approach which focuses on five macro-objectives 2.6.3 Scope		11   114-116 29-30 91-93	
	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>	2.3.2 Group policy and methods used 2.3.1 A summary of the challenges, objectives and results 2.3.4 Zero energy loss for the industrial activity		56 53-55 58-59	
	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>	2.1.3.1 CSR governance		32-33	
	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>	2.6.7 Results of all indicators - B. Natural resources - Energy consumption	2.6.6 Assurance report	99-103; 96-97	
	302-4: Reduction of energy consumption		2.3.4.1 Management of energy consumption		58-59	
	Specific information	Environmental category, water aspect	Correspondence with Bonduelle's material challenges: Water conservation			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	Water consumption and water supply according to local constraints	1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix 2.7.3 Materiality matrix - Materiality matrix 2.1.2.2 An approach which focuses on five macro-objectives 2.6.3 Scope		11   114-116 29-30 91-93	
	103-2: The management approach and its components	Water consumption and water supply according to local constraints	2.3.2 Group policy and methods used 2.3.1 A summary of the challenges, objectives and results 2.3.5 Preservation of water resources through sustainable and integrated management of the water cycle	2.6.6 Assurance report	56 53-55; 96-97 59-61	
	103-3: Evaluation of the management approach	Water consumption and water supply according to local constraints	2.1.3.1 CSR governance		32-33	
	303-1: Water withdrawal by source	Water consumption and water supply according to local constraints	2.6.7 Results of all indicators - B. Natural resources - Water sourcing; Water consumption	2.6.6 Assurance report	99-103; 96-97	

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 Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	Specific information	Environmental category, emissions aspect				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	Adaptation to the consequences of climate change Prevention, reduction, or reparation of air, water, and soil pollution	1.3.3	Risks and challenges - The Bonduelle Group's materiality matrix		11
			2.7.3	Materiality matrix - Materiality matrix		114-116
			2.1.2.2	An approach which focuses on five macro-objectives		29-30
			2.6.3	Scope		91-93
	103-2: The management approach and its components	Adaptation to the consequences of climate change Prevention, reduction, or reparation of air, water, and soil pollution	2.3.2	Group policy and methods used		56
			2.3.1	A summary of the challenges, objectives and results		53-55
			2.3.3	The group's carbon footprint group and energy transition		56-57
	103-3: Evaluation of the management approach	Adaptation to the consequences of climate change Prevention, reduction, or reparation of air, water, and soil pollution	2.1.3.1	CSR governance		32-33
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	Significant items relating to greenhouse gas emissions, in particular linked to use of goods and services produced	2.6.7	Results of all indicators - B. Natural resources - Scope 1: Tonnes of CO <sub>2</sub> equivalent direct emissions (fossil fuel purchased for agro-industrial sites, excluding registered offices and tertiary sites)	2.6.6 Assurance report	99-103; 96-97
	305-2: Energy indirect (Scope 2) GHG emissions	Significant items relating to greenhouse gas emissions, in particular linked to use of goods and services produced	2.6.7	Results of all indicators - B. Natural resources- 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)	2.6.6 Assurance report	99-103; 96-97
	Specific information	Environmental category: effluents and waste aspects	Correspondence with Bonduelle's material challenges: Water pollution; Use of agricultural inputs			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		1.3.3	Risks and challenges - The Bonduelle Group's materiality matrix		11
			2.7.3	Materiality matrix - Materiality matrix		114-116
			2.1.2.2	An approach which focuses on five macro-objectives		29-30
			2.6.3	Scope		91-93
	103-2: The management approach and its components		2.6.4	Indicators		93-94
			2.3.1	A summary of the challenges, objectives and results		53-55
			2.3.2	Group policy and methods used		56
			2.3.5	Preservation of water resources through sustainable and integrated management of the water cycle		59-61
			2.3.6	Waste management: zero loss and circular economy		61-62
	103-3: Evaluation of the management approach		2.1.3.1	CSR governance		32-33
GRI 306: Effluents and waste 2016	306-1 : Water discharge by quality and destination	Measures for the prevention, reduction, or reparation of air, water, and soil pollution seriously affecting the environment	2.6.7	Results of all indicators - B. Natural resources - Pollutant discharge and proportion treated	2.6.6 Assurance report	99-103; 96-97
	306-2: Waste by type and disposal method	Measures for waste prevention, recycling, reuse, and other forms of waste recovery and elimination	2.6.7	Results of all indicators - B. Natural resources - Production of non-hazardous waste	2.6.6 Assurance report	99-103; 96-97





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 Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document		External verification	Page no.	Omissions
	Specific information		Correspondence with Bonduelle's material challenges: Legal compliance				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		1.3.3	Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3	Materiality matrix - Materiality matrix		114-116	
			2.1.2.2	An approach which focuses on five macro-objectives		29-30	
			2.6.3	Scope		91-93	
	103-2: The management approach and its components		2.7.1	Ethics Committee		110	
			2.7.2	Bonduelle Group ethics charter		110-113	
	103-3: Evaluation of the management approach		2.1.3.1	CSR governance		32-33	
GRI 307: Environmental Compliance 2016	307-1: Non-compliance with environmental laws and regulations		2.1.4.8	Duty of vigilance plan - Fine amounts and significant convictions in social, economic and environmental areas		40-43	
	Specific information	Environmental category: supplier evaluation aspect	Correspondence with Bonduelle's material challenges: Relations with producers				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		1.3.3	Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3	Materiality matrix - Materiality matrix		114-116	
			2.1.2.2	An approach which focuses on five macro-objectives		29-30	
			2.6.3	Scope		91-93	
	103-2: The management approach and its components		2.2.1	A summary of the challenges, objectives and results		44	
	103-3: Evaluation of the management approach		2.1.3.1	CSR governance		32-33	
GRI 308: Supplier Environmental Assessment 2016	308-1: New suppliers that were screened using environmental criteria		2.3.10	Responsible purchasing		65-67	
			2.6.7	Results of all indicators - A. Agronomy		98	
	Specific information	Social category, employment aspect					
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary	Work time organization	1.3.3	Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3	Materiality matrix - Materiality matrix		114-116	
			2.1.2.2	An approach which focuses on five macro-objectives		29-30	
			2.6.3	Scope		91-93	
	103-2: The management approach and its components	Work time organization	2.5.2	Human resources policies and means implemented		75-79	
		Organization of social dialog	2.5.4.4	Transparency: Social dialog		85-86	
	103-3: Evaluation of the management approach		2.1.3.1	CSR governance		32-33	
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	Hires and dismissals	2.6.7	Results of all indicators - E. Human resources - Hires in number of contracts	2.6.6 Assurance report	105-109; 96-97	

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 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, 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		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3 Materiality matrix - Materiality matrix		114-116	
			2.1.2.2 An approach which focuses on five macro-objectives		29-30	
			2.6.3 Scope		91-93	
	103-2: The management approach and its components	Workplace health conditions	2.5.2 Human resources policies and means implemented		75-79	
			2.5.3.1 Workplace safety and working conditions		79-82	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
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>	2.6.7 Results of all indicators - E. Human resources - Breakdown of work-related accidents, frequency rate, severity rate and occupational diseases in 2017-2018	2.6.6 Assurance report	105-109; 96-97	
	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>	2.5.4.4 Transparency: Social dialog		85-86	
			2.5.3.1 Workplace safety and working conditions		79-82	
	<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		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3 Materiality matrix - Materiality matrix		114-116	
			2.1.2.2 An approach which focuses on five macro-objectives		29-30	
			2.6.3 Scope		91-93	
	103-2: The management approach and its components		2.5.2 Human resources policies and means implemented		75-79	
			2.5.4.1 Employability: Development and training for women and men		83-84	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	Total number of training hours:	2.6.7 Results of all indicators - E. Human resources - Average training duration per individual; Breakdown of training hours by gender; Breakdown of training hours by status	2.6.6 Assurance report	105-109; 96-97	
	404-3: Percentage of employees receiving regular performance and career development reviews	Training policies implemented	2.6.7 Results of all indicators - E. Human resources			105-109
			2.5.4.1 Employability: Development and training for women and men		83-84	





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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
	Specific information	Social category, diversity and equal opportunities aspect				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3 Materiality matrix - Materiality matrix		114-116	
			2.1.2.2 An approach which focuses on five macro-objectives		29-30	
			2.6.3 Scope		91-93	
	103-2: The management approach and its components	Anti-discrimination policy	2.5.2 Human resources policies and means implemented		75-79	
			2.5.4.3 Diversity		84-85	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
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>	2.6.7 Results of all indicators - E. Human resources		105-109	
			3.1.3 Bonduelle SCA		133-134	
			3.1.4 Bonduelle SA		135-136	
			2.5.4.3 Diversity		84-85	
	Specific information	Human rights category, freedom of association 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		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3 Materiality matrix - Materiality matrix		114-116	
			2.1.2.2 An approach which focuses on five macro-objectives		29-30	
			2.6.3 Scope		91-93	
	103-2: The management approach and its components		2.5.2 Human resources policies and means implemented		75-79	
			2.5.3.2 Human Rights		82	
			2.1.4 Ethical business practices		37-43	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
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>	2.5.3.2 Human Rights		82	
			2.5.4.4 Transparency - Social dialog		85-86	
			2.3.10 Responsible purchasing - Engagement, evaluation and support of suppliers in other categories		65-67	

## 2 CORPORATE SOCIAL RESPONSIBILITY

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 Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document	External verification	Page no.	Omissions
	Specific information	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		1.3.3 Risks and challenges – The Bonduelle Group's materiality matrix 2.7.3 Materiality matrix – Materiality matrix 2.1.2.2 An approach which focuses on five macro-objectives 2.6.3 Scope		11 114-116 29-30 91-93	
	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>	2.5.2 Human resources policies and means implemented 2.5.3.2 Human Rights 2.1.4 Ethical business practices		75-79 82 37-43	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
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 Labour 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>	2.5.3.2 Human Rights 2.3.10 Responsible purchasing		82 65-67	
	Specific information	Human rights category, forced labor aspect				
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		1.3.3 Risks and challenges – The Bonduelle Group's materiality matrix 2.7.3 Materiality matrix – Materiality matrix 2.1.2.2 An approach which focuses on five macro-objectives 2.6.3 Scope		11 114-116 29-30 91-93	
	103-2: The management approach and its components		2.5.2 Human resources policies and means implemented 2.5.3.2 Human Rights 2.1.4 Ethical business practices		75-79 82 37-43	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
GRI 409: Forced or Compulsory Labor 2016	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>	2.5.3.2 Human Rights 2.3.10 Responsible purchasing 2.3.10 Responsible purchasing		82 65-67 65-67	





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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		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3 Materiality matrix - Materiality matrix		114-116	
			2.1.2.2 An approach which focuses on five macro-objectives		29-30	
			2.6.3 Scope		91-93	
	103-2: The management approach and its components		2.5.2 Human resources policies and means implemented		75-79	
			2.5.3.2 Human Rights		82	
			2.3.10 Responsible purchasing		65-67	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
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	2.5.3.2 Human Rights		82	
			2.3.10 Responsible purchasing		65-67	
	<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		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3 Materiality matrix - Materiality matrix		114-116	
			2.1.2.2 An approach which focuses on five macro-objectives		29-30	
			2.6.3 Scope		91-93	
	103-2: The management approach and its components		2.5.2 Human resources policies and means implemented		75-79	
			2.5.6.1 Participation in the life of local communities and mobilization of employees		87-88	
			2.4.4.2 Louis Bonduelle Foundation		72-73	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
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	2.4.4.2 Louis Bonduelle Foundation - projects supported in 2017-2018		72-73	
			2.5.6.1 Participation in the life of local communities and mobilization of employees		87-88	
	<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		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix		11	
			2.7.3 Materiality matrix - Materiality matrix		114-116	
			2.1.2.2 An approach which focuses on five macro-objectives		29-30	
			2.6.3 Scope		91-93	
	103-2: The management approach and its components		2.4.2 Group policy and methods used		69	
			2.1.3.1 CSR governance		32-33	
	103-3: Evaluation of the management approach					
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	2.4.3.1 Quality and traceability		69-71	
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			2.6.7 Results of all indicators - D. Quality		104-105	

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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
	Specific information	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		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix 2.7.3 Materiality matrix - Materiality matrix 2.1.2.2 An approach which focuses on five macro-objectives		11 114-116 29-30	
	103-2: The management approach and its components		2.6.3 Scope 2.4.2 Group policy and methods used		91-93 69	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
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	2.4.2 Group policy and methods used 2.4.3.1 Quality and traceability 2.4.3.2 Nutritional quality		69 69-71 71	
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GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		1.3.3 Risks and challenges - The Bonduelle Group's materiality matrix 2.7.3 Materiality matrix - Materiality matrix 2.1.2.2 An approach which focuses on five macro-objectives		11 114-116 29-30	
	103-2: The management approach and its components		2.6.3 Scope 2.4.2 Group policy and methods used		91-93 69	
	103-3: Evaluation of the management approach		2.1.3.1 CSR governance		32-33	
GRI 419: Socio-economic Compliance 2016	419-1: Non-compliance with laws and regulations in the social and economic area		2.1.4.8 Duty of vigilance plan - Fine amounts and significant convictions in social, economic and environmental areas		40-43	





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and the Global Reporting Initiative (GRI) Standards Content Index and Article 225 of the Grenelle II Act

GRI Standards	Disclosure	Art. 225 Grenelle II	Cross reference between the GRI Standards Content Index and the registration document		External verification	Page no.	Omissions
	Other material challenges faced by Bonduelle						
Not applicable	Legal compliance and integration of CSR challenges in relations with customers		2.1.3.2	Stakeholder relations – Bonduelle stakeholders and procedures for dialog		34-37	
			2.1.4	Ethical business practices		37-43	
	Other non-material challenges for which Bonduelle has indicators						
	Challenge						
Not applicable	Protecting biodiversity	Measures taken to conserve or develop biodiversity	2.2.1	A summary of the challenges, objectives and results		44	
			2.2.3	Group policy and methods used		47-49	
			2.2.4	Agro-ecological transition by Bonduelle with its partners		49-52	
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			2.2.1	A summary of the challenges, objectives and results		44	
			2.6.7	Results of all indicators – A. Natural resources		99-103	
Not applicable	Food Traceability	Fair practices: Measures taken to ensure consumer health and safety	2.4.2	Group policy and methods used		69	
			2.4.3.1	Quality and traceability		69-71	
Not applicable	Food safety	Land use	2.2.1	A summary of the challenges, objectives and results		44	
			2.2.3	Group policy and methods used		47-49	
			2.3.1	A summary of the challenges, objectives and results		53-55	
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			2.6.7	Results of all indicators – B. Agronomy		98	
Not applicable	Employee development Remuneration and Development	Remuneration and Development	2.6.7	Results of all indicators – E. Human resources		105-109	
			2.5.1	A summary of the challenges, objectives and results		74	
			2.5.3.3	Wage policy and employee recognition		82	
			2.5.4.1	Employability; Development and training for women and men		83-84	
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>	2.3.7	Territorial management to develop a long-term vision		62	
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# Corporate governance report



3

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



FOR MORE INFORMATION,  
PLEASE VISIT:  
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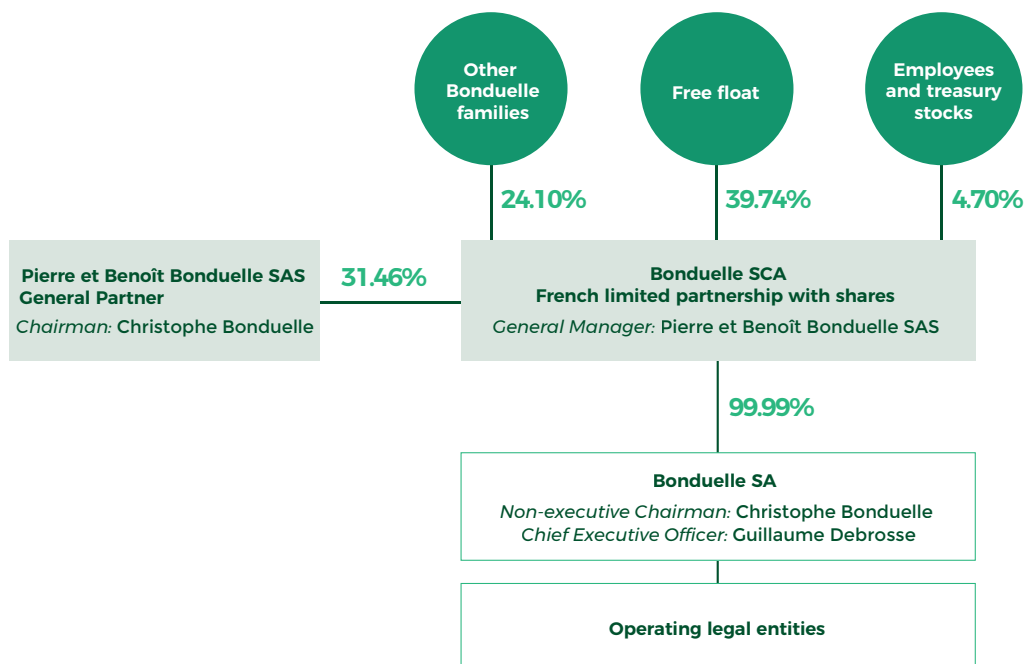
Pursuant to Article L. 226-10-1 of the French Commercial Code and the provisions of Article L. 621-18-3 of the French Monetary and Financial Code, the Supervisory Board has prepared this corporate governance report which aims to report on the governance structure and the conditions under which the work of the Supervisory Board is prepared and organized. It also includes the annual report referred to in Article L. 226-9 of the French Commercial Code and the report referred to in Article L. 621-18-3 of the French Monetary and Financial Code.

The preparation of this report benefited from the input of members of the Supervisory Board, the Chairman of Bonduelle SA, the Chief Executive Officer of Bonduelle SA, the Deputy CEO Finance and Development, the Internal Audit Director and the group's Legal Director.

## 3.1 Information on group organization, legal structures, shareholding structure and presentation of Bonduelle SCA and Bonduelle SA - GRI 102-18

### 3.1.1 Group organization, legal structures and shareholding structure (at July 1, 2018)

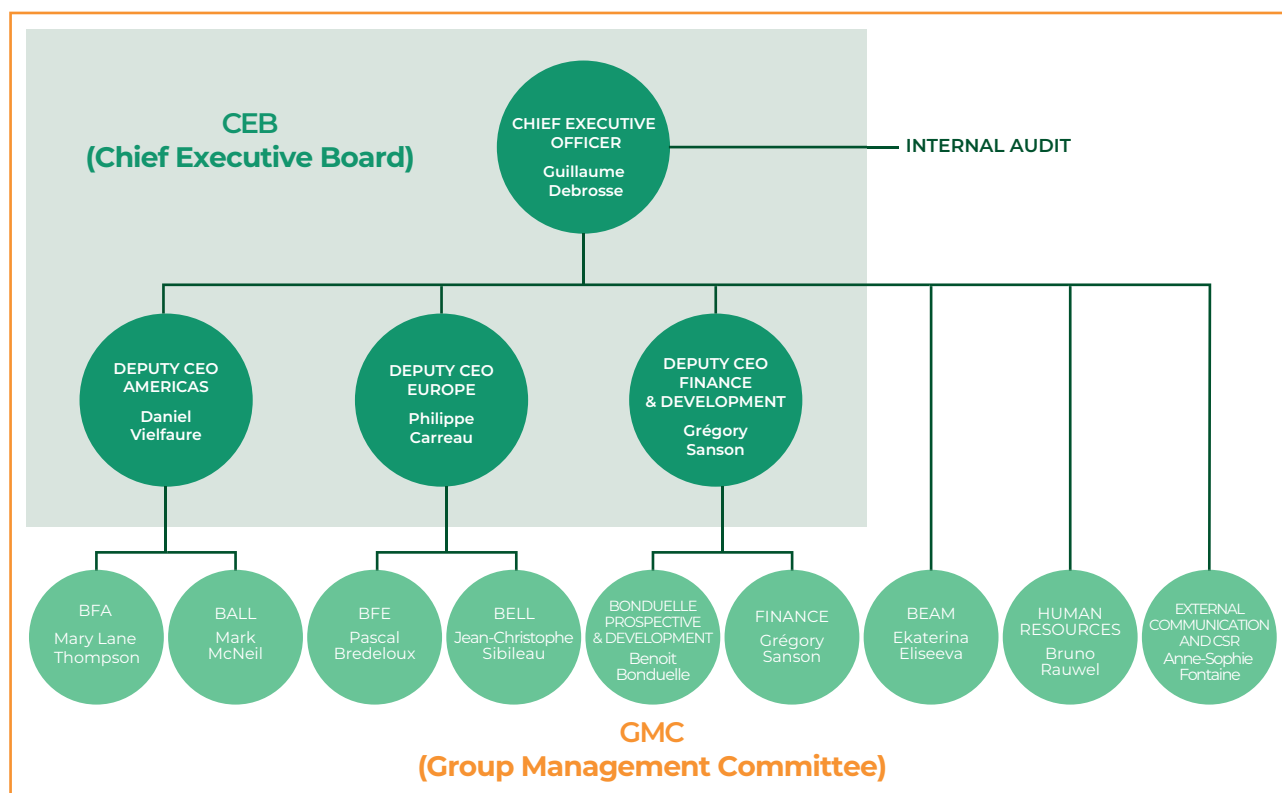
Bonduelle's predominantly family-based shareholding structure provides the group with stability and continuity.



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 The group's managerial organization (at July 1, 2018)



3

### 3.1.3 Bonduelle SCA - GRI 405-1

#### The limited partnership with shares comprises two types of partners:

- Pierre et Benoît Bonduelle SAS 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 seven members who decide the General Partner's position on the strategic proposals submitted to the Board of Directors of Bonduelle SA. Its decisions influence the positions of the latter through the

representatives of Pierre et Benoît Bonduelle SAS who are also members of the Board of Directors of Bonduelle SA.

- 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.

#### General Management

Pierre et Benoît Bonduelle SAS is responsible for General Management and is represented by its Chairman, Christophe Bonduelle.

## 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.



## The Audit Committee

Set up by the Supervisory Board, this Committee is, in particular, responsible for monitoring the process of preparing financial information, examining the financial statements closely, evaluating internal control and risk management systems and assessing the annual audit programs of the Statutory Auditors.



Audit Committee members' skills are set out in Section 3.2.3.

Information on group organization, legal structures, shareholding structure and presentation of Bonduelle SCA and Bonduelle SA

### 3.1.4 Bonduelle SA – GRI 405-1

In November 2017, Bonduelle SAS, the group's operational holding company was converted into a limited company (*société anonyme*). Christophe Bonduelle was appointed Chairman and Chief Executive Officer by the Board of Directors.

As part of the succession plan for Christophe Bonduelle, representative of the managing company of Bonduelle SCA and Chairman and Chief Executive Officer throughout the 2017-2018 fiscal year, Bonduelle SA's governance was changed by the Board of Directors with effect from July 1, 2018. As a result, Christophe Bonduelle retains his position as Chairman of the Board of Directors and Guillaume Debrosse has been appointed Chief Executive Officer.

New governance bodies were also created (see above).



3

#### The Board of Directors

The Board of Directors encompasses members of whom some belong to the Bonduelle family, and one of whom represents the employees. Members' independence is assessed according to criteria similar to those used for members

of Bonduelle SCA's Supervisory Board and in accordance with Bonduelle SA's rules of procedure<sup>(1)</sup>. It is responsible for defining the Company's strategy and investment policy, within the framework set by the General Partner.



① **Christophe Bonduelle**  
*Chairman*

#### Directors

- ② Benoît Bonduelle
- ③ François Bonduelle
- ④ Jean-Bernard Bonduelle
- ⑤ Jérôme Bonduelle
- ⑥ Marc Bonduelle
- ⑦ Pierre Deloffre
- ⑧ Miriam Fedida
- ⑨ Antoine Fiévet
- ⑩ Pierre Pâris
- ⑪ Philippe Vasseur

#### Employee representative

- ⑫ Armand Biau

(1) The following are considered to be independent members in accordance with Bonduelle SA rules of procedure, Miriam Fedida, Antoine Fiévet, Pierre Pâris and Philippe Vasseur.

## The Chief Executive Board (at July 1, 2018)

Guillaume Debrosse was appointed Chief Executive Officer by the Board of Directors of Bonduelle SA on July 6, 2018. The Chief Executive Officer is supported in his role by three Deputy CEOs in charge, respectively, of the Americas (Daniel Vielfaure), Europe (Philippe Carreau) and Finance and Development (Grégory Sanson). Together, they form the Chief Executive Board (CEB), responsible for implementing the strategy set out by the Board of Directors of Bonduelle SA.



## The Group Management Committee (at July 1, 2018)

The Group Management Committee (GMC) comprises members of the Chief Executive Board, the Chief Executive Officers of the business units, the Bonduelle Prospective & Development division Director, the Human Resources Director and the CSR and External Communication Director. The GMC is

responsible for cross BUs coordination within the group when implementing operational decisions adopted by the CEB.

The composition of the GMC reflects the group's commitment to diversity in its governance bodies as well as its international dimension.





Information on group organization, legal structures, shareholding structure and presentation of Bonduelle SCA and Bonduelle SA





		<p>① <b>Pierre Deloffre</b> <i>Chairman of the Committee, former Chief Executive Officer of Bonduelle Group</i></p>
		<p>② <b>Antoine Fiévet</b> <i>Chairman of the Executive Board of Unibel</i></p> <p>③ <b>Tea Kalya</b> <i>Senior Customer Partner of Korn Ferry International</i></p> <p>④ <b>Harry Touret</b> <i>Senior Executive Vice-President, Human Resources of Groupe SEB</i></p>

## The Compensation Committee

The Compensation Committee, set up by the Board of Directors of Bonduelle SA, mainly comprising independent members from outside the Company, makes proposals to the Board of Directors regarding compensation for the group's management bodies as well as for salaried members of the Bonduelle family and also advises on compensation policy for senior directors and officers. Its meetings are held independently of the listed company's corporate governance activities.

## The Ethics Committee

The Ethics Committee has an advisory role in the application of Bonduelle's ethics charter (shown on page 110). It meets twice a year and reports on its activities to the Chairman of the Bonduelle Group.

		<p>① <b>Philippe Vasseur</b> <i>Chairman Chairman of Réseau Alliances and the World Forum Lille</i></p>
		<p>② <b>Jean-Bernard Bonduelle</b> <i>In charge of External Relations for the Bonduelle Group</i></p> <p>③ <b>Marie-France Tisseau</b> <i>Member of the Supervisory Board of Bonduelle</i></p> <p>④ <b>Arno Van Dongen</b> <i>General Manager of the Northern Europe Zone - BELL</i></p>

## 3.2 Information on Bonduelle SCA Corporate Officers as well as on the composition, functioning and powers of the Supervisory Board

### 3.2.1 Information on the legal representative of Bonduelle SCA's General Manager

#### Christophe Bonduelle

Legal representative of Pierre et Benoît Bonduelle SAS, itself the General Manager of Bonduelle SCA and General Partner.

Nationality: French

First appointed: 1995/06/17

Open-ended appointment

Based in "La Woestyne" 59173 Renescure (France)

Number of shares held<sup>(1)</sup>: 102,920

#### Positions held in 2017-2018

Within companies consolidated by Bonduelle SCA:

- Chairman - Chief Executive Officer of Bonduelle SA
- 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

In companies outside the Bonduelle Group:

- 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 Foncier Rural (GFR) de Bellebrune
- General Manager of Etienfort SC
- Director of Carrières du Boulonnais

#### Positions ended in the last five years

- Director of Crédit du Nord
- General Manager of the Groupement Foncier Agricole des Calinques
- Chairman of the Board of Directors of Bonduelle SA de CV
- Director of Bonduelle Kuban
- Chairman of Ready Pac Foods Inc.

(1) Shares held personally at October 15, 2018, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.

### 3.2.2 Information on the composition of the Supervisory Board

The Supervisory Board of Bonduelle SCA has eight members.

At its meeting on September 28, 2018, the Supervisory Board noted that all its members were independent under the independence criteria set by the Supervisory Board's rules of procedure, drawn from the Afep-Medef Code.

The Shareholders' Meeting will be asked to ratify the provisional appointment of Jean-Pierre Vannier as a member

of the Supervisory Board. This provisional appointment was decided at the Supervisory Board meeting of May 29, 2018, to replace Yves Tack who passed away. Jean-Pierre Vannier, a graduate of the Institut Catholique des Arts et Métiers and holding an Executive MBA from the EDHEC Business School, has proven experience in the industrial sector. He is currently in charge of investment projects in a group that is a world leader in plant-based ingredients.



Information on Bonduelle SCA Corporate Officers as well as on the composition, functioning and powers of the Supervisory Board

The Shareholders' Meeting will also be asked to rule on the reappointment of three members of the Supervisory Board, Martin Ducroquet, Isabelle Danjou and Marie-Ange Verdickt, all of whom are independent.

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, equality at work, and with the Afep-Medef corporate governance code.

### 3.2.3 Information on members of the Supervisory Board

#### Martin Ducroquet

Chairman of the Supervisory Board of Bonduelle SCA  
Member of the Audit Committee since 2015/12/03  
Independent member  
Nationality: French  
First appointed: 2012/12/06  
Last reappointed: 2015/12/03  
Term of office expires: Shareholders' Meeting 2018  
Number of shares held<sup>(1)</sup>: 2,000  
Board attendance rate: 100%

#### Career

Martin Ducroquet has performed roles at Siparex Private Equity for almost ten years, notably acting as Director of Investment. In this respect, he was permanent representative on various Boards of Directors and Supervisory Boards of unlisted companies. He is currently Chief Executive Officer of Sencrop SAS and General Manager of Tactus SARL.

#### Non-group positions held in 2017-2018

- General Manager of Tactus SARL
- Chief Executive Officer of Sencrop SAS

#### Positions ended in the last five years

- No positions ended in the last five years

(1) Shares held personally at October 15, 2018, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.

#### Isabelle Danjou

Vice Chairwoman of the Supervisory Board of Bonduelle SCA since 2015/12/03  
Chairwoman of the Supervisory Board of Bonduelle SCA from 2013 until 2015  
Member of the Audit Committee since 2012/12/06  
Independent member  
Nationality: French  
First appointed: 2006/12/07  
Last reappointed: 2015/12/03  
Term of office expires: Shareholders' Meeting 2018  
Number of shares held<sup>(1)</sup>: 69,020  
Board attendance rate: 100%

#### Career

Holding a doctorate in management science, Isabelle Danjou was Project Manager at Nord Pas de Calais Regional Development Agency from 1986 to 1997, then 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.

#### Non-group positions held in 2017-2018

- No positions held in other companies

#### Positions ended in the last five years

- No positions ended in the last five years

(1) Shares held personally at October 15, 2018, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.

Information on Bonduelle SCA Corporate Officers as well as on the composition, functioning and powers of the Supervisory Board

## Laurent Bonduelle

Member of the Supervisory Board of Bonduelle SCA  
Independent member  
Nationality: French  
First appointed: 2013/12/05  
Last reappointed: 2016/12/01  
Term of office expires: Shareholders' Meeting 2019  
Number of shares held<sup>(1)</sup>: 14,924  
Board attendance rate: 80%

### Career

As a graduate of the Institut supérieur de gestion and holding an Executive MBA from HEC, Laurent Bonduelle 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, R&D (evaluating new technologies). In 2004 he founded Résolution, an innovative technology company, then in 2011, Aubepure, now a leader in its sector, that has been designing, manufacturing and selling water treatment systems (plant protection product effluent, etc.) since 2007. He is currently the Founding General Manager of Résolution SARL and Aubepure SARL.

### Non-group positions held in 2017-2018

- General Manager of Aubepure SARL

### Positions ended in the last five years

- General Manager of Résolution SARL

(1) Shares held personally at October 15, 2018, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.

## Matthieu Duriez

Member of the Supervisory Board of Bonduelle SCA  
Independent member  
Nationality: French  
First appointed: 2011/12/08  
Last reappointed: 2017/12/07  
Term of office expires: Shareholders' Meeting 2020  
Number of shares held<sup>(1)</sup>: 4,179  
Board attendance rate: 80%

### Career

Architect, Matthieu Duriez worked in this capacity for 15 years. He has been a property developer and project management assistant since 2002. In 2009, he formed Amo Développement, in 2012, Les Serenies SAS, serviced retirement homes and in 2013, the Dklic Immo real estate agency serving first-time home buyers ("ça y est j'achète").

### Non-group positions held in 2017-2018

- General Manager of Duriez Amo SARL
- Chairman of Duriez Invest SAS
- Chairman of Amo Développement SAS
- Member of the Supervisory Board of Modul SAS

### Positions ended in the last five years

- No positions ended in the last five years

(1) Shares held personally at October 15, 2018, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.



Information on Bonduelle SCA Corporate Officers as well as on the composition, functioning and powers of the Supervisory Board

### Elisabeth Minard

Member of the Supervisory Board of Bonduelle SCA

Independent member

Nationality: French

First appointed: 2010/12/02

Last reappointed: 2016/12/01

Term of office expires: Shareholders' Meeting 2019

Number of shares held<sup>(1)</sup>: 52,583

Board attendance rate: 100%

#### Career

Elisabeth Minard was head of a textile company from 1975 to 2008. Since then, she has devoted herself to painting. Elisabeth Minard is a member of the Maison des Artistes and exhibits her work in a number of galleries.

#### Non-group positions held in 2017-2018

- No positions held in other companies

#### Positions ended in the last five years

- No positions ended in the last five years

(1) Shares held personally at October 15, 2018, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.

### Marie-France Tisseau

Member of the Supervisory Board of Bonduelle SCA

Member of Bonduelle SA's Ethics Committee

Independent member

Nationality: French

First appointed: 2011/12/08

Last reappointed: 2017/12/07

Term of office expires: Shareholders' Meeting 2020

Number of shares held<sup>(1)</sup>: 31,046

Board attendance rate: 100%

#### Career

As a Law graduate, specializing in Business Law, Marie-France Tisseau worked in Paris from 1970 to 2008 as Legal Advisor, then Legal Counsel, specializing in Corporate Law and Tax Law for family-owned companies and French subsidiaries of foreign companies. She retired on April 1, 2008.

#### Non-group positions held in 2017-2018

- No positions held in other companies

#### Positions ended in the last five years

- No positions ended in the last five years

(1) Shares held personally at October 15, 2018, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.

Information on Bonduelle SCA Corporate Officers as well as on the composition, functioning and powers of the Supervisory Board

## Jean-Pierre Vannier

Member of the Supervisory Board of Bonduelle SCA  
 Member of the Audit Committee since 2018/08/31  
 Independent member  
 Nationality: French  
 First appointed: 2018/05/29  
 Term of office expires: Shareholders' Meeting 2019  
 Number of shares held<sup>(1)</sup>: 500  
 Board attendance rate: Not applicable

### Career

A graduate of the *Institut catholique des arts et métiers* (1994) and holding an Executive MBA from the EDHEC Business School (2011), Jean-Pierre Vannier was technical Manager and industrial project Manager at Roquette, the world leader in food ingredients and pharmaceutical *excipients*. He was industrial Manager at Reverdia, a French/Dutch biotechnology start-up, developing innovative solutions for biopolymers. As a member of the Investment Committee at the Roquette Group, since 2016, he has been responsible for managing Large Capital Projects.

### Non-group positions held in 2017-2018

- No positions held in other companies

### Positions ended in the last five years

- No positions ended in the last five years

(1) Shares held personally at October 15, 2018, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.

## Marie-Ange Verdickt

Member of the Supervisory Board of Bonduelle SCA  
 Chairwoman of the Audit Committee since 2018/05/29  
 Independent member  
 Nationality: French  
 First appointed: 2015/12/03  
 Term of office expires: Shareholders' Meeting 2018  
 Number of shares held<sup>(1)</sup>: 3,500  
 Board attendance rate: 100%

### Career

A graduate of the Bordeaux Business School (1984) and a member of the French Association of Financial Analysts (SFAF), Marie-Ange Verdickt 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 assets management company. She also developed socially-responsible investment practices.

### Non-group positions held in 2017-2018

- Member of the Supervisory Board of Wavestone (listed company)
- Director of ABC Arbitrage (listed company)
- Member of the Supervisory Board of CapHorn Invest
- Director of Interparfums (listed company)

### Positions ended in the last five years

- No positions ended in the last five years

(1) Shares held personally at October 15, 2018, not including holdings through companies, in accordance with the provisions of the Afep-Medef Code.





Information on Bonduelle SCA Corporate Officers as well as on the composition, functioning and powers of the Supervisory Board

## Summary table of the composition of the Board and the committees at June 30, 2018

Supervisory Board											
Personal details					Expe- rience		Position on the Board				
				Number of shares held at August 31, 2018	Number of po- sitions held in listed compa- nies	Inde- pen- dence	Initial ap- pointment		Term of office expires	Length of time on the Board	Partici- pation in the Audit Committee
Age	Gender	Natio- nality									
Members of the Supervisory Board appointed by the Ordinary Shareholders' Meeting for a three-year term											
Martin Ducroquet	45	M	French	2,000	None	yes	2012/12/06	Shareholders' Meeting 2018	5 years		Member
Isabelle Danjou	63	F	French	69,020	None	yes	2006/12/07	Shareholders' Meeting 2018	11 years		Member
Laurent Bonduelle	61	M	French	14,924	None	yes	2013/12/05	Shareholders' Meeting 2019	4 years		None
Matthieu Duriez	59	M	French	4,179	None	yes	2011/12/08	Shareholders' Meeting 2020	6 years		None
Elisabeth Minard	63	F	French	52,583	None	yes	2010/12/02	Shareholders' Meeting 2019	7 years		None
Marie-France Tisseau	73	F	French	31,046	None	yes	2011/12/08	Shareholders' Meeting 2020	6 years		None
Jean-Pierre Vannier	47	M	French	500	None	yes	2018/05/29	Shareholders' Meeting 2019	0 years		
Marie-Ange Verdickt	55	F	French	3,500	3	yes	2015/12/03	Shareholders' Meeting 2018	2 years		Chairwo- man since 2018/05/29

## Change in the composition of the Supervisory Board over the fiscal year (at June 30, 2018)

Members of the Board	Date	Left	Appointment/ Reappointment	Term of office ends	Nationality/ Other
Yves Tack	2018/03/20	Death			
Jean-Pierre Vannier	2018/05/29		Provisional appointment at the Supervisory Board meeting on May 29, 2018	Shareholders' Meeting 2019	Independence Specific skills

## Change in the composition of the Audit Committee during the fiscal year (at June 30, 2018)

Committee members	Date	Left	Appointment/ Reappointment	Term of office ends	Nationality/ Other
Yves Tack	2018/03/20	Death			
Marie-Ange Verdickt	2018/05/29		Formerly a member of the Audit Committee, appointed Chairwoman of the Committee following the death of Yves Tack.	Shareholders' Meeting 2018	Independence Specific skills

Information on Bonduelle SCA Corporate Officers as well as on the composition, functioning and powers of the Supervisory Board

## Summary table of Board members' status in relation to the independence criteria listed by the Afep-Medef Code

Independent members of the Board	Martin Ducroquet	Isabelle Danjou	Laurent Bonduelle	Matthieu Duriez	Elisabeth Minard	Marie-France Tisseau	Jean-Pierre Vannier	Marie-Ange Verdickt
Description	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent
Not be an employee of the Company or of a company consolidated by it, or of the parent company or a company consolidated by said parent 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 an executive Corporate Officer of a company in which the Company is directly, or indirectly, a Board Member or in which an employee designated as such, or an executive Corporate Officer of the Company (currently or who has held such an office in the last five years) is a Board Member	X	X	X	X	X	X	X	X
Not be a major customer, supplier, corporate banker, investment banker (or be related to such persons):								
• of the Company or its group								
• or one for which the Company or its group 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 a Statutory 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	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>(3)</sup>	X	X	X	X	X	X	X	X

(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) In accordance with the Company's legal structure as a limited partnership with shares, control is exercised by the General Partner.

### 3.2.4 Special information regarding the Corporate 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.

### 3.2.5 Conflict 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.

### 3.2.6 Related party transactions

- Compensation for Corporate Officers: See Note 16 of the notes to the annual parent company financial statements.
- Compensation for directors and officers: See Note 10.2 of the notes to the annual consolidated financial statements.

### 3.2.7 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.

## 3.3 Information on the functioning of the Supervisory Board

The Supervisory Board presents below the items of its report referred to in Article L. 226-9 of the French Commercial Code.

At its meetings, the Supervisory Board was kept up-to-date by General Management, on a regular basis, of changes in Bonduelle Group activities.

The General Management provided the Supervisory Board 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 the Supervisory Board 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 2017-2018 fiscal year. The consolidated financial statements show revenue of 2,776.6 million euros, compared with 2,288.1 million euros the previous year, current operating profit of 123.6 million euros, compared with 108.3 million euros, and net income group share of 72.4 million euros, compared with 59.8 million euros in 2016-2017.

The Supervisory 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.

The Supervisory Board supports the General Management's proposal to pay a gross dividend of 0.50 euro per share. The Supervisory Board also proposed, in accordance with Article 25 of the Articles of association, to grant Shareholders' the choice of receiving the dividend in shares or in cash.

In conclusion, there are no observations to make regarding the financial statements presented and the resolutions proposed do not require any comments from the Supervisory Board. A proposal will also be made to the Shareholders' Meeting to renew the expiring authorizations and delegations granted to the General Management by previous Shareholders' Meetings.

The Supervisory Board would like to pay its respects to Mr. Yves Tack, who passed away in March 2018 and who steadfastly lent his expertise to the group's development, serving on both the Supervisory Board and the Audit Committee and who provided the Bonduelle Group with the benefit of his financial and operational expertise throughout his 14-year term of office.

### 3.3.1 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 French limited partnership with shares (particularly point 3 of the Afep-Medef Code), due to the Supervisory Board's role in the decision-making process (particularly point 1.2 of the Afep-Medef Code). The Code's provisions in relation to the Nomination and Compensation Committee are no longer applicable as this Committee was set up at Bonduelle SA. Mr. Christophe Bonduelle, the permanent representative of the General Manager, Pierre et Benoît Bonduelle SAS, does not receive any compensation for this role, only for his role as Chairman of Bonduelle SA. Lastly, because Bonduelle SCA does not have any employees and because of Bonduelle SA's role in the group's decision-making process, a decision was taken, prior to the last review of the Afep-Medef Code, to appoint an employee director to serve on the Board of Directors of Bonduelle SA.

The Board also has eight independent members, in line with its rules of procedures which were amended in December 2017 making changes, amongst other things, to independence criteria.

### 3.3.2 Composition of and 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 the Afep-Medef Code and its internal rules of procedure.





At its meeting on September 28, 2018, the Supervisory Board appointed its Chairman, Mr. Martin Ducroquet, as member with responsibility for Shareholder dialog.

## 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 preparation and control of accounting and financial information;
- reviewing the Company's financial position, cash position and commitments (whilst reviewing the annual and interim financial statements or as often as is needed);
- reviewing the annual and interim financial statements closed by the General Management;
- assessing the correctness and appropriateness of the Company's management;
- assessing the means employed by the Company to measure and monitor its exposure to risks (particularly as part of its risk mapping);
- assessing compliance with Shareholder rights. The Supervisory Board must be assured of the relevance, balance, comparability, reliability, clarity and instructional nature of the information provided to Shareholders and to the financial markets, particularly with regard to strategy, growth model, how the Company deals with material non-financial issues as well as its long-term outlook, in accordance with current accounting standards;
- issuing an annual report in which it reports, in particular, on any irregularities and inaccuracies noted in the parent company financial statements and consolidated financial statements;
- issuing a corporate governance report.

## Functioning of the Supervisory Board

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 group's Executive Management, the Chief Executive Officers of the business units, the Statutory Auditors, the group Chief Financial Officer, the Internal Audit Director, the group Legal Director 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.

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. These rules of procedure were updated at its meeting on December 7, 2017.

## Specialized committees

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 of preparing the meetings of the Supervisory Board, notably with respect to the following points:

- oversight of the preparation of financial disclosures by making recommendations, where appropriate, to ensure their completeness;
- monitoring the efficiency of internal control and risk management systems and, where applicable, internal audit systems, regarding the procedures for the preparation and processing of accounting and financial reporting, without affecting its independence;
- making a recommendation regarding the Statutory Auditors proposed for appointment by the Shareholders' Meeting;
- monitoring the performance of the Statutory Auditors' in their duties, in consideration, where applicable, of the observations and conclusions of France's supervisory body for Auditors, the *Haut conseil du Commissariat aux Comptes*;
- approving the Statutory Auditors' provision of non-audit services;
- 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).

## Conflicts of interest

The Supervisory Board's rules of procedure set out procedures for managing conflicts of interest within the Board.

In a situation suggesting, or that might suggest, a direct or indirect conflict between the Company's interest and the member's personal interest or the interest of the Shareholder or the group of Shareholders that the member represents, the Supervisory Board member in question must:

- inform the Supervisory Board as soon as the conflict of interest is known;

## Information on the functioning of the Supervisory Board

- draw any conclusions as to the performance of duties. Depending on the circumstances, the member must:
  - either abstain from voting on the corresponding resolution,
  - or stop attending Supervisory Board meetings during the period in which the member has a conflict of interest,
  - or resign from the role of member of the Supervisory Board.

Should these abstention or withdrawal rules not be respected, the member of the Board may be held liable.

In addition, the Chairman of the Supervisory Board shall not be obliged to send information or documents appertaining to the contentious issue to the member(s) of the Supervisory Board if he has serious grounds for believing that he/she/they have a conflict of interest, and shall inform the Supervisory Board that such information or documents have not been sent.

At its meeting of September 28, 2018, the Board confirmed that none of its members had any conflicts of interest with regard to the exercise of their functions during the 2017-2018 fiscal year.

## 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.

The Supervisory Board met in North America (United States and Canada). This enabled it to visit the North-American production facilities of BFA (Florence and Swedesboro) and BALL (Saint-Denis and Sainte-Martine) and to hold discussions with local teams.

At its September 29, 2017 and February 28, 2018 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 of September 28, 2018, the Board reviewed the agreements concluded in a prior fiscal year whose implementation continued during the fiscal year. The Board noted that the economic conditions of these agreements had not changed. Lastly, and on the proposal of the Audit Committee, the Board decided to submit to the next Shareholders' Meeting the renewal of the current terms of the Statutory Auditors.

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.

A presentation was also made to the Board by General Management, on the Bonduelle Group's financial

communication and investor relations, its organization and CSR policy, compliance-related arrangements and governance (Sapin II Law, Law on due diligence and European Data Protection and Competition Regulations), by the Chairman of the Compensation Committee on its wage policy, and on the Bonduelle Group's succession plans and procedures and changes to its governance.

The attendance rate at these meetings was 95% as shown in the table below.

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.

The Board reviewed its operation in 2017-2018 and 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 2017-2018 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. Please note that the death of Mr. Yves Tack occurred during the course of the fiscal year and that Ms. Marie-Ange Verdickt was elected Chairwoman of the Audit Committee at the Supervisory Board meeting held on May 29, 2018. Mr. Yves Tack was replaced on the Audit Committee by Mr. Jean-Pierre Vannier by the Supervisory Board decision of August 31, 2018.

The members of the Audit Committee are independent and have accounting, legal and financial, or statutory auditing expertise, characterized by training and/or career experience (see Section 3.2).

The Audit Committee met four times during the fiscal year. The attendance rate was 100%.

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;
- approval of non-audit services.

In addition, the Audit Committee was presented with the group's fiscal policy and was given a progress report on the various compliance programs.

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



## Information on compensation

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 22, 2018.

### Board and Committee members' attendance table

	Board	Audit Committee
Number of meetings in 2017-2018	5	4
<b>Members' attendance:</b>		
Martin Ducroquet	5 meetings/100%	4 meetings/100%
Isabelle Danjou	5 meetings/100%	4 meetings/100%
Laurent Bonduelle	4 meetings/80%	N/A
Matthieu Duriez	4 meetings/80%	N/A
Elisabeth Minard	5 meetings/100%	N/A
Marie-France Tisseau	5 meetings/100%	N/A
Yves Tack*	4 meetings/100%	3 meetings/100%
Marie-Ange Verdickt	5 meetings/100%	4 meetings/100%
Overall attendance rate	95%	100%

\* Passed away during the fiscal year.

## 3.4 Information on compensation

Compensation for Corporate Officers and directors is set out, respectively, in Note 16 to the annual parent company financial statements and Note 10.2 to the annual consolidated financial statements.

## 3.5 Information on items that may have an impact in the event of a public takeover offer

- Details of the structure of the Company's share capital are given in Sections 7.1.2 and 7.2.
- No restrictions on the exercise of voting rights and transfers of shares provided for in the Company's Articles of association or contractual clauses were brought to the attention of the Company pursuant to Article L. 233-11.
- Direct or indirect capital interests in the Company of which it is aware by virtue of Articles L. 233-7 and L. 233-12, are set out in Section 7.2 "Shareholder structure".
- No-one owns securities conferring special rights of control.
- Systems of control provided for by any employee share scheme where the control rights are not exercised by the employees are set out in Section 7.5 "General information regarding the Company".
- Details of agreements between Shareholders of which the Company is aware and which may give rise to restrictions on share transfers and voting rights are set out in Section 7.2.3. "Shareholders' agreement".
- Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Company's Articles of association, are listed in Section 7.5 "General information regarding the Company".
- The powers of the General Management, in particular with regard to the issue or buyback of shares are set out in Sections 7.1.3 "Delegations and authorizations granted to the General Management for share capital increases" and 7.4 "Description of the share repurchase program".
- No agreements concluded by the Company would be amended or would cease to apply in the event of a change in the ownership of the Company. This is set out in Section 7.5 "Provisions relating to a change in control".
- No agreements provide for the payment of indemnities to employees or members of the Board of Directors in the event of resignation, or of dismissal without just cause, or of termination of employment as a consequence of a public takeover or exchange offer.



THE BONDUELLE  
GROUP

CORPORATE  
SOCIAL  
RESPONSIBILITY

CORPORATE  
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REPORT

REPORT OF  
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# Report of the General Management



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## Introduction

For the fiscal year ended June 30, 2018, the Bonduelle Group reported revenues of 2,776.6 million of euros, an increase of +21.4%, due to the full year consolidation of the Ready Pac Foods acquisition and the resilience of the historical scope of the group's business<sup>(1)</sup>. The current operating income up to +14.2% also hit a record high for the group.

While dilutive to the group's current operating margin on a full year basis, the profitability of Ready Pac Foods, now Bonduelle Fresh Americas, significantly improved over the second half of the fiscal year as anticipated. The historical scope of the group's business<sup>(1)</sup> recorded growth of +6.4% for its current operating income at constant exchange rates.

This good operational and financial performance, achieved in a still sluggish consumer environment in Europe and USA and in a slow, but improving one in Eastern Europe, demonstrates the validity of the group's business model, diversified geographically, in business segments (canned, frozen, fresh ready-to-eat), and in distribution networks (retail and food service), coupled with a growth strategy that combines organic growth and acquisitions.

The completion of the acquisition of the Del Monte business in Canada highlights the group's ambition for development in plant-based food.

## 4.1 Activity and performance

### 4.1.1 Revenue

Over FY 2017-2018 (July 1, 2017 - June 30, 2018), the group's revenues reached 2,776.6 million of euros, an increase of +21.4% based on reported figures. This increase is largely based on the full-year consolidation of Ready Pac Foods (+23.6%) acquired on March 21, 2017, and to a lesser extent the activities increase at constant scope (+0.3%), but negatively impacted by exchange rates (-2.6%), mainly the US dollar, the Canadian dollar and the Russian ruble.

#### Europe Zone

The Europe zone, representing 46.5% of revenues, posted an increase of +1,-% for FY 2017-2018, against +0.2% last fiscal year.

The increase was the result of innovations launched for the Bonduelle and Cassegrain brands (including the légumiö and

VeggissiMmm! ranges), fueling market share gains in many countries and segments, with more favourable weather conditions limiting product disruptions in sometimes shrinking markets.

#### Non-Europe Zone

The non-Europe Zone, comprising mainly the Americas and Eastern Europe, now a dominant share of the group's geographical portfolio, is representing 53.5% of the consolidated revenues on June 30, 2018.

The zone recorded an increase of +47,-% on reported data and -0.5% on a like for like basis<sup>(2)</sup> due to the full-year integration of Ready Pac Foods, acquired on March 21, 2017, consolidated over 12 months versus 3 in 2016-2017, and despite an unfavourable exchange rate effect impacting mostly this zone.

(1) Excluding Bonduelle Fresh Americas (i.e. Ready Pac Foods).

(2) At constant currency exchange rate and scope of consolidation basis. The revenues in foreign currency over the given period are translated into the rate of exchange for the comparable period. The impact of business acquisitions (or gain of control) and divestments is restated as follows:

- for businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- for businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- for businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- for businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.



The limited growth on a like for like basis<sup>(2)</sup> in the non-Europe zone is explained by:

- a saturation of production capacities for the canned and frozen activities in North America as part of better business portfolio management and an activity having 52 weeks versus 53 the previous year;
- a drop in activity for Bonduelle Fresh Americas in the fresh ready-to-eat segment during the fourth quarter of FY 2017-2018 due to a high comparison base from the same period last fiscal year;
- a return to growth for the activity in Eastern Europe coupled with some market share gains, which has not regained the momentum of previous years, despite signs of recovery;
- a progressive strengthening of the partnership with Unilever in Brazil and the evolving business model implemented.

## 4.1.2 Operating income

For FY 2017-2018, the Bonduelle Group's current operating income stood at 123.6 million of euros, an increase of +14.2% based on reported data. This profitability enables to record a current operating margin of 4.5%, an increase of 60 bp at constant scope of consolidation and supported by increased marketing investments by 6%.

The Europe zone saw its current operating margin increase to 4.4%. In non-Europe zone, the current operating income which, related to sales, stands at a higher than group's average growth, notably in Eastern Europe, remained stable on the historical scope of the group's business<sup>(1)</sup> at constant exchange rates.

The current operating income of the historical scope of the group's business<sup>(1)</sup> stands at 112.9 million of euros versus 106.1 last fiscal year, an increase of +6.4% at constant exchange rates. This significant increase in profitability in the historical scope of the group's business<sup>(1)</sup>, despite the lack of revenues growth, is in line with the guidance announced and highlights the operational efficiency of the group.

The net expense for non-recurring items stands at 4.6 million of euros, mainly including costs related to insurance deductibles due to weather events in the USA and restructuring activity.

After taking into account the latter, the operating income stands at 119.- million of euros, an increase of +18.8%.

## 4.1.3 Net income

The net financial expense stands at 25.3 million of euros versus 18.2 million of euros last fiscal year. This increase is the direct result of the group's average debt growth linked to the financing of the acquisition of Ready Pac Foods over the full year and partially offset by the ongoing deleveraging of the group, excluding external growth.

Tax charges of 21.4 million of euros are down compared to last fiscal year (22.3 million of euros) corresponding to an effective tax rate of 22.8%.

The net result amounts to 72.3 million of euros, an increase of +20.9% and is, as in the previous fiscal year, equal to 2.6% of the revenues.

## 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 92.4 million euros.

## 4.1.5 Change in capital employed and working capital requirement

Strict inventory control, careful management of customer and supplier payment terms, and generally speaking, particular attention paid to managing working capital and investments, enable us to rigorously control capital employed.

(1) Excluding Bonduelle Fresh Americas (i.e. Ready Pac Foods).

(2) At constant currency exchange rate and scope of consolidation basis. The revenues in foreign currency over the given period are translated into the rate of exchange for the comparable period. The impact of business acquisitions (or gain of control) and divestments is restated as follows:

- For businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- For businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- For businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- For businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.

Capital employed (total Shareholders' equity and net financial debt) were stable year-on-year at 1,264.2 million euros, reflecting the teams' commitment to the Finance for Growth approach of optimizing capital employed and the results obtained using this approach. At June 30, 2018, the ratio

of return on capital employed (ROCCE<sup>(2)</sup>) stood at 9.8%, up 130 bps compared with the previous fiscal year. Across the historical business scope<sup>(1)</sup> this ratio was as high as 12.4%, in line with the 12.5% target set for 2025 by VegeGo!.

### 4.1.6 Financial debt and leverage ratios

The group's net financial debt fell over the fiscal year and, at June 30, 2018, stood at 617.4 million euros, down from 661.6 million euros the previous fiscal year, highlighting the group's ongoing deleveraging.

The gearing was 95.4%, compared with 109.1% at June 30, 2017, the leverage ratio (net debt/recurring EBITDA) standing at 2.91 compared with 3.53 in 2016-2017. The average cost of

debt also fell to 2.65% from 2.74% in 2016-2017, reflecting the group's control over its financing structure and related costs.

The group holds 430,131 treasury shares, giving an equivalent value based on the share price on June 30, 2018, i.e. 30.95 euros, of 13.3 million euros, and this amount of treasury shares has therefore been deducted from equity, in accordance with IFRS.

#### Net debt

(in millions of euros)	At 2016/06/30	At 2017/06/30	At 2018/06/30
Net debt	440.6	661.6	617.4
Shareholders' equity	568.3	606.5	646.8
Net debt/equity	77.5%	109.1%	95.4%
Net debt/REBITDA	2.47	3.53	2.91

### 4.1.7 Highlights

#### Evolution of group governance

Following an international conference gathering 1,300 Bonduelle Group managers, the nomination of Guillaume Debrosse as CEO was announced on April 5, 2018, with Christophe Bonduelle becoming non-executive Chairman.

In his new role as CEO, 3 Deputy CEOs will report to him:

- Philippe Carreau, in charge of the Europe zone encompassing the following business units: BELL (Bonduelle Europe Long Life) and BFE (Bonduelle Fresh Europe);
- Grégory Sanson, in charge of Finance and Development for the group;
- Daniel Vielfaure, in charge of the Americas zone, encompassing the following business units: BFA (Bonduelle Fresh Americas) and BALL (Bonduelle Americas Long Life).

The BEAM (Bonduelle EurAsia Markets) business unit remains under the direct management of Guillaume Debrosse.

This organisational change, effective as of July 1, 2018, reflects the group's new breadth, its international expansion, and the VegeGo! ambition: to be "the world reference in 'well-living' through plant-based food". It maintains the group's organisation into business units, while encouraging the synergies between them in the various geographical areas. Finally, it ensures the progressive succession of Christophe Bonduelle in respect of the long-term sustainability objective set by the family shareholders.

#### Co-optation of a member of the Supervisory Board

During the meeting held on May 29, 2018, the Supervisory Board co-opted Mr. Jean-Pierre Vannier to replace Mr. Yves Tack, who passed away in March 2018. Mr. Jean-Pierre Vannier, 47 years old, graduated from the Institut Catholique des Arts et Métiers and holds an Executive MBA from the EDHEC Business School. He has extensive experience in the industrial sector and is currently in charge of investment projects at a worldwide leader in plant-based ingredients.

The co-optation of Mr. Jean-Pierre Vannier will be subject to the ratification of the Shareholders' Meeting of December 6, 2018.

(1) Excluding Bonduelle Fresh Americas (formerly Ready Pac Foods).

(2) Current operating profitability before tax/Capital employed.

## The Bonduelle Group received the “Award for the Best Environmental Reporting”

This distinction, awarded on December 13, 2017 by the French Ministry of the Environment, highlights the commitment of the Bonduelle Group regarding its impact on the environment, which began many years ago. Due to the commitment of Bonduelle employees' and the desire of its leaders to make CSR a strategic focus, the company released its first CSR Annual Report in 2003. The group uses it as an on-going improvement tool for its agro industrial activity.

## The Bonduelle Group is awarded the First Prize for “Mid-Cap Corporate Governance”

The Bonduelle Group received the First Prize for Mid-Cap Corporate Governance companies during the 14<sup>th</sup> Grand Prix of the AGEFI for Corporate Governance on September 19, 2017.

The jury honored the family-owned group's willingness to maintain an open and independent governance made of highly diversified profiles, notably by adopting, as early as 2008, the Afep-Medef code of corporate governance.

## Institutional communications

By 2050, there will be nine billion people to be fed. This timing means that the plant-based food revolution is now unavoidable, and justifies the Bonduelle Group's ambition, driven by its transformation plan, VegeGo!, to be, by 2025: “the world reference in ‘well-living’ through plant-based food”.

At the halfway mark on this plan's road map, the group wants its public to know about its ambition to work together to create a better future through plant-based food and, as a result, is keen to develop its institutional communications, in particular, via its signature tagline: **La nature, notre futur**.

Crucial when it comes to consolidating its reputation, enhancing its image and unifying its stakeholders around a common vision, this signature tagline also rises to the challenge of reassuring its public and pursuing its three goals: to inform, to improve understanding of the meaning of its actions and to develop attachment to the Company and its commitments.

## Corporate Social Responsibility (CSR)

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 2017-2018, 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.

In 2017, Bonduelle renewed its commitment to the 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 2.1.2).

## 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. Pursuant to Article L. 225-102-1 of the French Commercial Code, Deloitte, Co-Statutory Auditor, performed work to verify the social, environmental and societal information presented in chapter 2 of this document.

Bonduelle has been part of the Gaïa index, a listing of the best mid-caps in terms of sustainable development, since 2009, and maintained its favorable overall rating of 83% and was ranked in 18<sup>th</sup> place out of the 87 companies with revenue in excess of 500 million euros (results published in October 2017).

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 2.1.3.2). The matrix is a tool that identifies the group's 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 2.1.3).

## 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 2018 World Forum is *Entreprises et territoires: la nouvelle donne mondiale* (Companies and territories: the new global order). This is Bonduelle's opportunity to showcase its commitments and encourage its employees to follow all Forum events.

In addition, for its fourth participation in France's largest agriculture trade fair, the *Salon international de l'agriculture* (International Agricultural Fair) 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 fair 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 2.5.6).

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 2.4.4.2).

### 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 2.5.4.3).

### 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 the wastewater discharged from its waste treatment plants or from agricultural spreading (see 2.3.5).

Bonduelle has a proactive carbon footprint reduction policy for its use of other types of energy (see 2.3.3). 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 in order to promote the use of local alternative energy. For example, 93% 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 2.3.6.

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 the reporting date

### Completion of the Del Monte acquisition in Canada

Bonduelle announced on July 4, 2018, that with Conagra Brands Inc., it has finalized the acquisition of the Del Monte processed fruit and vegetable business in Canada.

The acquisition, effective on July 3, 2018, includes the right to use the Del Monte brand on different segments of processed fruits and vegetables and inventories of products for a value of 43 million of Canadian dollars. The acquired business excludes all industrial assets and human resources as co-packers and Bonduelle's existing production capabilities will be used.

The Del Monte processed fruit and vegetable business in Canada, with revenues of approximately 60 million of Canadian dollars, will complement the Bonduelle Americas Long Life business unit's canned and frozen vegetable business, which is largely operated under retailer's store brands. This highlights the group's desired development in brand activities and expansion beyond vegetables to plant-based products.



## Outlooks

The Bonduelle Group confirms its VegeGo! objective of a medium-term growth target of its revenues of 5% per year, balanced between organic and external growth and 7.5% per year for its current operating income.

The operational efficiency initiatives at the historical scope of the group's business<sup>(1)</sup> and Bonduelle Fresh Americas and the full-year contribution of Del Monte Canada will enable a significant increase of current operating income for FY 2018-2019.

Despite weather and related harvest difficulties encountered in the summer of 2018, the Bonduelle Group has set its objective of revenues growth at +2.5% and current operating income growth at +5%, both at constant exchange rates.

## Payment of the dividends in shares

It will be proposed to the SCA Shareholders' Meeting on December 6, 2018, for the period ending June 30, 2018, a dividend distribution of € 0.50 per share, an increase of 11%.

To reward the loyalty of its shareholders, and on the recommendation of the Supervisory Board, the Pierre et Benoît Bonduelle SAS company, acting as Managing Director and General Partner for the Bonduelle SCA and represented by Christophe Bonduelle, its Chairman, has also decided to propose to the Shareholders' Meeting an option to have the dividend paid in shares, offering the shareholders an option between payment of the dividend in cash or in shares. The offer price per share received as a dividend will be equal to 90% of the average share price over the 20 trading days prior to the Shareholder's Meeting, after deduction of the net dividend amount<sup>(2)</sup>.

Subject to the approval by the Shareholder's Meeting taking place on December 6, 2018, the schedule will be as follows:

- December 6, 2018: Fixing of the issue price of new shares to be potentially provided in payment of the dividend;
- from December 14 to December 28 inclusive: Exercise period of the stock dividend option;
- January 9, 2019: Payment of the dividend in either cash or shares.

## Parent company financial statements of Bonduelle SCA

### Income statement

The Bonduelle SCA holding company reported net income of 22.2 million euros.

This includes primarily:

1. net financial income of 24.2 million euros, based on:
  - interest and similar expenses of 0.3 million euros,
  - interest expenses on the EUROPP of 5.6 million euros,
  - dividends received from Bonduelle SA of 30 million euros;
2. operating expense of -2.2 million euros, primarily relating to compensation for General Management;
3. non-recurring loss of -0.1 million euros;
4. tax income of 0.3 million euros related to tax consolidation.

### Balance sheet

Analysis of the main balance sheet headings:

1. non-current assets, mainly financial, total 600.2 million euros;
2. equity accounts for 409.5 million euros.

### 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, 2018, the Company's share capital comprised 32,281,118 shares with a par value of 1.75 euros per share, representing a total of 49,851,683 voting rights.

As far as the Company is aware, the following hold at least 5% of the share capital:

- La Plaine SA with 22.74% of the share capital and 29.08% of the exercisable voting rights;
- Pierre et Benoît Bonduelle SAS with 8.72% of the share capital and 8.82% of the exercisable voting rights.

Group employees hold 3.37% 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 47,582 free shares to employees via a plan with a vesting period set to end in October 2020.

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).

(1) Excluding Bonduelle Fresh Americas (formerly Ready Pac Foods).

(2) If the amount of the net dividend to which a shareholder is entitled does not correspond to a whole number of shares, the shareholder may receive the next lower whole number of shares, and receive a balancing cash adjustment on the date the option is exercised.

## 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 2017-2018

Under the terms of a share repurchase program, Bonduelle SCA made the following purchases and sales of treasury shares during the 2017-2018 fiscal year:

(in euros)	Number	Average unit price	Valuation
Opening balance of treasury shares recorded for the 2017-2018 fiscal year:	473,180	17.78	8,413,528
Treasury shares purchased during the 2017-2018 fiscal year	121,739	36.73	4,471,109
Treasury shares sold during the 2017-2018 fiscal year	(164,788)	30.34	(4,998,858)
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			(88,049)
<b>NUMBER OF SHARES RECORDED AT THE CLOSE OF THE 2017 2018 FISCAL YEAR:</b>	<b>430,131</b>	<b>18.13</b>	<b>7,797,730</b>
Par value of treasury shares held			1.75

The cost of the market-making contract with EXANE was 48,457 euros including VAT for the fiscal year 2017-2018.

Reasons for acquisitions of treasury shares	% of capital
Share price support (liquidity contract)	0.22%
Employee share ownership program	None
Securities giving rights to allocations of shares (stock options)	None
Acquisitions	None
Cancellation	None

	Employee share ownership program	Coverage of securities	Acquisitions	Cancellation
Volume of shares used (in number of shares)	54,482	-	-	-

47,582 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.

*Alternative performance indicators: In its financial reporting, the group presents performance indicators not defined by accounting standards. The main indicators are defined in the notes to the consolidated financial statements in Section 5 of this document.*

## 4.2 Internal control and risk management procedures – GRI 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:

- create and preserve the value, assets and reputation of the Company by identifying and analyzing the main potential threats to the Company;
- identify the main events and situations likely to affect in a significant way the Company's objectives;
- ensure actions concur with the Company's values;
- inform and mobilize the Company's employees around a common understanding of the main risks.

Internal control procedures are designed specifically to ensure:

- compliance with all laws and regulations in effect;
- the application of all procedures and policies established by the General Management;
- the smooth operation of the Company's internal procedures, especially as regards the protection of its assets;
- 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.

### 4.2.1 Organizational structure of the Bonduelle Group

Bonduelle SCA is a holding company whose operating activities are carried out by its Bonduelle SA 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 SA 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;
- compliance with all laws and regulations governing the group's operations;
- management of the group's insurance programs;
- approval of new advertising campaigns prior to their release;
- corporate communication;
- financial communication and investor, analyst and Shareholder relations;
- pooling of resources, such as IT;
- research and development programs.

The business units are organized by region and business activity, and divided into Europe and Non-Europe Zones. 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.

### 4.2.2 Contributors to the internal control risk management

The main risk management and internal control bodies are as follows:

#### At group level

Since July 1, 2018, Executive Management of Bonduelle SA has been exercised exclusively by its Chief Executive Officer, 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 2017-2018 fiscal year, the Executive Committee comprised nine members: the Chairman of Bonduelle SAS, now Bonduelle SA, the five Chief Executive Officers of the various business units, the Bonduelle Prospective & Development division Director and the Chief Financial and Human Resources Officers. This reviewed 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.

Since July 1, 2018, and on the occasion of a change of governance, management now comprises a Chief Executive Officer and three Deputy CEOs, together forming the Chief Executive Board, with the Chief Executive Officers of the various business units, the Bonduelle Prospective & Development division Director and the CSR and External Communication Director and Human Resources Officers, constituting the Group Management Committee. The organization and responsibilities are described in greater detail in the corporate governance report.

At June 30, 2018, the group's Internal Audit Department reported functionally to the Group Finance Department and hierarchically to the Chairman. It now reports exclusively to the group's Executive Management and may be consulted by the Chairman. The audit programs and tasks are approved by the Executive Management and the Audit Committee. A report on each audit is sent to the group's governance

bodies, the Operations Managers of the audited entities and the Statutory Auditors. Twenty-one audits were performed during the 2017-2018 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 governance bodies.

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 Chief Executive Board, 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: medium-term plan.

### Internal control procedures

Internal control procedures are included in the 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;
- the medium-term plan drawn up for a period of three years and reviewed annually.

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.

## 4.2.3 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 4.3 "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 2017-2018, work focused on defining and implementing action plans aimed at limiting and/or covering risks identified at group and business unit level. In addition, the group's risk

map review did not reveal any new major strategic and/or operational risks.

The results of the risk mapping processes are analyzed by the group's governance bodies 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.

## 4.2.4 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.

## 4.2.5 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).

## 4.3 Risk factors

In line with the objectives defined by the group's General Partner - sustainability, independence and the individual development of our employees - Bonduelle takes a conservative and responsible approach to the risks identified.

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.

### 4.3.1 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.

#### 4.3.1.1 Liquidity risks

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, 2018).

The Company specifically reviewed its liquidity risk and considers that it is able to meet its future payments.

#### 4.3.1.2 Market risks

##### 4.3.1.2.1 Currency risks

###### Risks related to changes in foreign exchange rates

The group publishes its consolidated financial statements in euros, and in 2017-2018, 45.3% of revenue and 41.9% 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 risks

The group seeks to hedge, on a budgeted annual basis, all risks relating to the commercial activities of its subsidiaries denominated in a currency other than their functional currency and risks relating to the financing of certain subsidiaries operating in countries whose functional currency is not the euro; the asset/liability structure of the financing is created by natural matching or by putting financial instruments in place.

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, 2018.

#### 4.3.1.2.2 Interest rate risks

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, 2018.

#### 4.3.1.2.3 Credit risks

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.

#### 4.3.1.2.4 Counterparty credit risks

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.

### 4.3.1.2.5 Raw materials risks

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, which relate principally to 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 resilience of the Bonduelle Group's current operating profitability shows its overall capacity to offset raw material cost increases in its selling prices.

### 4.3.1.3 Equity management

The Bonduelle Group always ensures that its financial structure remains optimal by respecting the balance 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, 2018, the group had equity of 646.8 million euros, on the basis of which, at the Shareholders' Meeting to be held on December 6, 2018, the General Management will propose a dividend of 0.50 euro per share, representing an increase of 11%, together with an option for payment in shares.

## 4.3.2 Equity risks

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, 2018, the Company held 430,131 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.

## 4.3.3 Legal risks

### 4.3.3.1 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.

### 4.3.3.2 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, Arctic Gardens and Ready Pac Foods brands, who register and renew protection and take action against third parties in the event of trademark infringements.

### 4.3.3.3 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. Likewise, there was nothing to report in terms of disagreements or disputes.

## 4.3.4 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.

### 4.3.4.1 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 2.2.2).

### 4.3.4.2 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 2.4.3). 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.

### 4.3.4.3 Natural resources

Continuous efforts are devoted to the optimization of natural resources and environmental protection, focusing on the following areas:

- reducing water consumption (see 2.3.5) and energy consumption (see 2.3.4);

- improving wastewater treatment equipment and treatment plants (see 2.3.5);
- continuing the industrial and green waste management policy (see 2.3.6).

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 2.3.4);
- packaging-reduction projects (see 2.3.8);
- ISO 50001-certification of its production facilities (see 2.3.4);
- mapping of water use (see 2.3.5).

### 4.3.5 Country risks

Bonduelle operates in 12 countries and makes sales and/or purchases in over 100 countries. The group's employees and businesses may be directly or indirectly affected by periods of economic, political or financial instability in some regions (wars, revolutions, major industrial disputes, devaluation, loss of funding for farmers, etc.). Moreover, Bonduelle cannot guarantee that its results would not be affected by changes in economic, political or regulatory conditions, or by crises in some of the countries in which it operates. Bonduelle's international expansion has, however, led to geographical spread, diversifying and limiting the concentration of this risk in any given country. As a result, 46% of Bonduelle's 2017-2018 revenues were generated in Europe, 47% in North America, 6% in Eurasia and 1% from exports. In addition, wherever possible, when a country risk is identified, the Bonduelle Group Insurance Department seeks insurance coverage to limit the financial impact. Potential country risks are also taken into consideration when investments are chosen and locations are selected for industrial, scientific and business assets: ease of foreign trade, political stability, protection of industrial property, etc.

The main programs are summarized in the table below: (at July 1, 2018)

Risks	Deductible (in thousands of euros)	Insurers
Losses/Business interruption	30 K€ to 200 K€ depending on the site	Axa
	3 days of Business interruption with a minimum of 100 K€ to 200 K€ depending on the site	XL Catlin Generali
Public liability	5 K€	AIG
Contamination and brand image	1,000 K€	HDI/Allianz
Credit risk	82% coverage	Atradius

### 4.3.6 Other risks

The primary objective of the other risks 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:

#### Risks 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



*This document is a free translation into English of the Comptes consolidés, 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.*

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## 5.1 Consolidated income statement

<i>(in thousands of euros)</i>	Notes	At 2017/06/30	At 2018/06/30
<b>Revenue</b>	<b>3.1</b>	<b>2,288,124</b>	<b>2,776,641</b>
Purchases and external charges	3.2	(1,662,385)	(2,024,536)
Employee benefits expenses	4.1	(426,732)	(547,632)
Depreciation, amortization and impairment		(78,911)	(88,514)
Other operating income	3.3	27,258	38,613
Other operating expenses	3.3	(39,060)	(30,952)
Gain/loss on sale of consolidated equity investments		0	0
<b>Current operating profit</b>		<b>108,295</b>	<b>123,620</b>
Non-recurring items	3.4	(8,114)	(4,595)
<b>Operating profit</b>		<b>100,181</b>	<b>119,025</b>
Cost of net debt		(19,121)	(22,675)
Other financial income and expenses		918	(2,631)
<b>Financial result</b>	<b>5.2</b>	<b>(18,203)</b>	<b>(25,306)</b>
Share of net income from associates		138	9
<b>Profit before tax</b>		<b>82,116</b>	<b>93,727</b>
Income tax	6.1	(22,308)	(21,399)
<b>NET INCOME</b>		<b>59,808</b>	<b>72,328</b>
• Attributable to owners of the Company		59,868	72,435
• Attributable to non-controlling interests		(60)	(107)
<b>BASIC EARNINGS PER SHARE</b>	<b>7.1</b>	<b>1.90</b>	<b>2.27</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>7.1</b>	<b>1.88</b>	<b>2.26</b>

On March 21, 2017, the Bonduelle Group acquired Ready Pac Foods.

The income statement published for the 2016-2017 fiscal year includes Ready Pac Foods' activity from that date, i.e. for 3 months and 11 days.

In accordance with AMF recommendation No. 2013-08, 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 data is available in the 2016-2017 registration document, on the website [www.bonduelle.com](http://www.bonduelle.com).

### Gains and losses recognized directly in equity

<i>(in thousands of euros)</i>	At 2017/06/30	At 2018/06/30
<b>Net income for the period</b>	<b>59,808</b>	<b>72,328</b>
Items that may be reclassified subsequently to P&L	(8,014)	(26,948)
Cash flow hedge	1,049	1,919
Translation adjustments	(8,708)	(28,202)
Tax effects	(356)	(666)
Items that may not be reclassified subsequently to P&L	787	(110)
Actuarial gains and losses on defined benefit plans	1,516	30
Tax effects	(730)	(140)
<b>Income and expenses recognized directly in equity</b>	<b>(7,227)</b>	<b>(27,058)</b>
<b>TOTAL RECOGNIZED INCOME AND EXPENSES</b>	<b>52,581</b>	<b>45,270</b>
Attributable to owners of the Company	52,641	45,377
Attributable to non-controlling interests	(60)	(107)

## 5.2 Consolidated balance sheet

### Assets

<i>(in thousands of euros)</i>	Notes	At 2017/06/30	At 2018/06/30
<b>Non-current assets</b>		<b>1,084,379</b>	<b>1,060,168</b>
Other intangible assets	8.2	42,886	44,394
Goodwill	8.1	470,434	461,800
Property, plant & equipment	8.3	505,035	502,080
Investments in associates		324	326
Other non-current financial assets	5.4	40,985	34,765
Deferred taxes	6.1	18,613	12,838
Other non-current assets	5.3	6,103	3,966
<b>Current assets</b>		<b>970,608</b>	<b>966,941</b>
Inventories and work-in-progress	3.5	573,052	576,498
Trade and other receivables	3.6	360,978	340,669
Tax receivables		6,821	7,831
Other current assets	5.3	10,059	13,375
Other current financial assets	5.3	10,487	4,675
Cash and cash equivalents	5.6	9,212	23,893
<b>TOTAL ASSETS</b>		<b>2,054,987</b>	<b>2,027,109</b>

### Liabilities

<i>(in thousands of euros)</i>	Notes	At 2017/06/30	At 2018/06/30
<b>Shareholders' equity (group share)</b>		<b>598,915</b>	<b>639,239</b>
Share capital		56,000	56,492
Additional paid-in capital		22,545	31,738
Consolidated reserves		520,370	551,010
<b>Noncontrolling interests</b>	1.1 2	<b>7,592</b>	<b>7,577</b>
<b>Shareholders' equity</b>		<b>606,507</b>	<b>646,817</b>
<b>Non-current liabilities</b>		<b>596,409</b>	<b>502,475</b>
Financial debts	5.6	535,646	429,959
Employee benefit obligations	4.2	22,052	23,495
Other non-current provisions	9.1	14,543	12,098
Deferred taxes	6.1	11,317	11,033
Other non-current liabilities	5.3	12,852	25,889
<b>Current liabilities</b>		<b>852,071</b>	<b>877,818</b>
Current Financial debts	5.6	163,112	229,262
Current provisions	9.1	16,067	8,217
Trade and other payables	3.7	667,733	634,304
Tax payables		3,108	4,288
Other current liabilities	5.3	2,051	1,746
<b>TOTAL LIABILITIES</b>		<b>2,054,987</b>	<b>2,027,109</b>

## 5.3 Consolidated cash flow statement

<i>(in thousands of euros)</i>	At 2017/06/30	At 2018/06/30
<b>Net income</b>	<b>59,808</b>	<b>72,328</b>
Share of net income from associates	(138)	(9)
Depreciation, amortization and impairment	73,382	79,866
Other components of net income with no cash impact	(322)	3,101
Deferred tax	(1,458)	4,579
Accrued interest	84	845
<b>Gross cash flows from operating activities</b>	<b>131,355</b>	<b>160,711</b>
Change in WCR	89,881	(19,237)
<b>Net cash flows from operating activities</b>	<b>221,237</b>	<b>141,474</b>
Acquisitions of consolidated companies, net of cash and cash equivalents	(376,750)	0
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	(64,796)	(97,723)
Acquisitions of financial assets	(54)	0
Disposals of property, plant and equipment and financial assets	11,674	1,015
Net change in loans and other non-current financial assets	352	889
<b>Net cash flows from (used in) investing activities</b>	<b>(429,573)</b>	<b>(95,819)</b>
Capital increase	0	0
(Acquisition) Disposal of treasury shares	797	85
Increase (Decrease) in non-current financial liabilities	217,648	78,437
Increase (Decrease) in current financial liabilities	7,682	(104,310)
Dividends paid to group and minority Shareholders	(13,791)	(4,851)
<b>Net cash flows from (used in) financing activities</b>	<b>212,337</b>	<b>(30,640)</b>
Impact of exchange rate changes	(814)	(334)
<b>Change in cash and cash equivalents</b>	<b>3,186</b>	<b>14,682</b>
Cash and cash equivalents - opening balance	6,026	9,212
Cash and cash equivalents - closing balance	9,212	23,893
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>3,186</b>	<b>14,682</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	Capital	Additional paid-in capital	Actuarial gains and losses	Treasury shares	Translation reserves	Accu- mulated income	Sharehol- ders' equity (group share)	Non- controlling interests	Total equity
<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>
<b>Equity at July 1, 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>
Income recognized directly through equity				(107)		(28,202)	1,254	(27,055)	(3)	(27,058)
Net income at 2018/06/30							72,435	72,435	(107)	72,328
Share purchase options							452	452		452
Puts on non-controlling interests							(74)	(74)	111	(168)
Changes in scope of consolidation				7			8	15	(15)	205
Treasury shares					627		(355)	271		271
Other							(871)	(871)		(871)
Dividends paid	281,118	492	9,193				(14,536)	(4,851)		(4,851)
<b>EQUITY AT JUNE 30, 2018</b>	<b>32,281,118</b>	<b>56,492</b>	<b>31,738</b>	<b>(3,903)</b>	<b>(7,802)</b>	<b>(95,810)</b>	<b>658,524</b>	<b>639,239</b>	<b>7,578</b>	<b>646,817</b>

The Combined Ordinary and Extraordinary Shareholders' Meeting, held on December 7, 2017, gave Shareholders the option of receiving the dividend for the 2016-2017 fiscal year

in cash or in new shares. As a result of this transaction, the share capital comprised 32,281,118 shares with a par value of 1.75 euros per share at June 30, 2018.

## 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 2017-2018 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 2012-02 of the *Autorité des normes comptables* (ANC - French Accounting Standards Board).

Standards, updates and interpretations first applicable to fiscal year 2017-2018

Applicable to accounting periods starting on, or after, January 1, 2017

- IAS 12: Recognition of deferred tax assets for unrealized losses.
- IAS 7: Disclosure initiative.

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 9 on financial instruments modifies:

- requirements for recognizing hedging transactions and the main categories of financial assets and liabilities: given the nature of Bonduelle's transactions, the appraisal failed to show any material effect on the transition date.
- recognition of the financial asset-related credit risk is based on the expected losses approach rather than incurred losses. This will entail in particular the recognition of impairment of customer receivables not yet due. Given its business, hedges and type of customer, the Bonduelle Group is not expecting this to have any impact.

– IFRS 15: Revenue from contracts with customers.

As regards IFRS 15, Bonduelle conducted a qualitative and quantitative analysis of the main issues that could impact the financial statements with input from key operating entity contacts. Appraisal of the application of IFRS 15 failed to show any material impact on revenue recognition on the transition date. Expected impacts mainly relate to non-material reclassifications between revenue and selling costs associated with services provided by customers under their contractual relationship.

**IFRS, applicable to accounting periods starting on, or after, January 1, 2019 which were not adopted early for this fiscal year**

– IFRS 16: Leases

The impact of this standard on Bonduelle's results and financial position is currently being assessed. To do so, the group has gathered information on its leases and identified the main types of assets that will impact future debt. An assessment will be made once the data has been finalized.

### 1.1.1. Information concerning the group

Listed on Euronext (Compartment A), 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, 2018, which will be submitted for approval at the Shareholders' Meeting on December 6, 2018.

#### Evolution of group governance

Following an international conference gathering 1,300 Bonduelle Group managers, the nomination of Guillaume Debrosse as CEO was announced on April 5, 2018, with Christophe Bonduelle becoming non-executive Chairman.

In his new role as CEO, 3 Deputy CEOs will report to him:

- Philippe Carreau, in charge of the Europe zone encompassing the following business units: BELL (Bonduelle Europe Long Life) and BFE (Bonduelle Fresh Europe),
- Grégory Sanson, in charge of Finance and Development for the group,

- Daniel Vielfaure, in charge of the Americas zone, encompassing the following business units: BFA (Bonduelle Fresh Americas) and BALL (Bonduelle Americas Long Life).

The BEAM (Bonduelle EurAsia Markets) business unit remains under the direct management of Guillaume Debrosse.

This organisational change, effective as of July 1, 2018, reflects the group's new breadth, its international expansion, and the VegeGo! ambition: to be "the world reference in 'well-living' through plant-based food". It maintains the group's organisation into business units, while encouraging the synergies between them in the various geographical areas. Finally, it ensures the progressive succession of Christophe Bonduelle in respect of the long-term sustainability objective set by the family shareholders.

#### Co-optation of a member of the Supervisory Board

During the meeting held on May 29, 2018, the Supervisory Board co-opted Mr. Jean-Pierre Vannier to replace Mr. Yves Tack, who passed away in March 2018. Mr. Jean-Pierre Vannier, 47 years old, graduated from the Institut Catholique des Arts et Métiers and holds an Executive MBA from the EDHEC Business School. He has extensive experience in the industrial sector and is currently in charge of investment projects at a worldwide leader in plant-based ingredients.

The co-optation of Mr. Jean-Pierre Vannier will be subject to the ratification of the Shareholders' Meeting of December 6, 2018.

### 1.1.2. 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 intra-group customer is Bonduelle Europe Long Life (BELL).

All consolidated group companies closed their annual financial statements on June 30, 2018, with the exception of the following companies: Bonduelle Kuban, Coubanskies Conservi, Agro-Rost, Bonduelle do Brasil and Bonduelle Kazakhstan. All these companies were consolidated on the basis of their accounting position as at June 30, 2018.

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.

### 1.1.3. 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 and the Iberian Peninsula which form Southern Europe, Northern Europe 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.

### 1.1.4. 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, in line with the seasonality of the business.

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.

### 1.1.5. 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, 2018 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.

### 1.2.1. 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 = 6.4%) 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).

### 1.2.2. 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.

### 1.2.3. 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.

#### 1.2.4. 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.

#### 1.2.5. Derivative 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.

#### 1.2.6. 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.

## 1.2.7. 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.

## 1.2.8. 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.

## 1.2.9. 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.

## 1.2.10. 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 SA, Bonduelle Europe Long Life SAS, Bonduelle Development SAS, Champiloire SAS, Bonduelle Frais Traiteur SAS, Bonduelle Frais France SAS, Bonduelle Traiteur International SAS, Champignonnières des Roches SAS, Champignonnières de la Vienne SAS, Euromycel SAS and Coviju2 SAS.

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.

## 1.2.11. 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, retirements plans in Germany and termination benefits in Italy.

Breakdown of the various plans:

	France	Germany	Italy
Type of plan	Termination benefits and long-service awards	Retirement plans	Termination plans
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, in particular 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.

### 1.2.12. 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 and are remeasured every year.

### 1.2.13. 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.

### 1.2.14. Other current operating income and expenses

This line includes other income and expense items not directly related to the group's business.

### 1.2.15. 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.

### 1.2.16. 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.

## 1.2.17. 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.

## 1.2.18. 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.

## 1.2.19. 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.

## 1.2.20. Reclassification

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.

## 1.2.21. Alternative performance indicators

In its financial reporting, the group presents performance indicators not defined by accounting standards. The main performance indicators are as follows:

- **Like for like basis:** at constant currency exchange rate and scope of consolidation basis. The revenues in foreign currency over the given period are translated into the rate of exchange for the comparable period. The impact of business acquisitions (or gain of control) and divestments is restated as follows:
  - for businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation,
  - for businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded,
  - for businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded,
  - for businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded;
- **non-recurring items:** Note 1.2.15;
- **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 (Note 5.6) to total 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 (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 November 30, 2017, the Bonduelle Group sold 10% of its interest in SAS Champiland. The sale of the shares was combined with a put option exercisable by non-controlling interests over five years. This transaction had no material impact on the group's financial statements.

On November 30, 2017, the Bonduelle Group increased its holding in SCA Champignonnières de Dampierre and SCA des Hureaux to 100% and proceeded to wind up said companies. The non-material impact of the transaction was recognized under non-recurring items over the fiscal year.

## 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 2017/06/30
<b>Income statement</b>				
Revenue	1,286,677	1,010,857	(9,410)	2,288,124
Intercompany sales	(9,410)	0	9,410	0
<b>TOTAL</b>	<b>1,277,267</b>	<b>1,010,857</b>	<b>0</b>	<b>2,288,124</b>
Current operating profit	49,790	58,505		108,295
Non-current assets	502,510	581,869		1,084,379

<i>(in thousands of euros)</i>	Europe Zone	Non-Europe zone	Eliminations	Total at 2018/06/30
<b>Income statement</b>				
Revenue	1,299,437	1,486,316	(9,112)	2,776,641
Intercompany sales	(9,112)	0	9,112	0
<b>TOTAL</b>	<b>1,290,325</b>	<b>1,486,316</b>	<b>0</b>	<b>2,776,641</b>
Current operating profit	56,210	67,410		123,620
Non-current assets	490,261	569,907		1,060,168

### Information by segment

<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

<i>(in thousands of euros)</i>	Canned/Frozen	Fresh	Total at 2018/06/30
Revenue – excluding intercompany	1,610,051	1,166,590	2,776,641

**Information by destination geographical area**

<i>(in thousands of euros)</i>	<b>At 2017/06/30</b>		<b>At 2018/06/30</b>	
United States	534,868	23%	1,027,148	37%
France	625,129	27%	624,431	22%
Canada	278,696	12%	264,134	10%
Southern Europe	233,687	10%	237,593	8%
Germany	214,247	9%	220,818	8%
Eurasia <sup>(1)</sup>	154,844	7%	163,478	6%
Northern Europe	130,385	6%	128,352	5%
Central Europe <sup>(2)</sup>	57,475	3%	58,934	2%
Other	58,793	3%	51,753	2%
<b>TOTAL REVENUE</b>	<b>2,288,124</b>	<b>100%</b>	<b>2,776,641</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>	<b>At 2017/06/30</b>	<b>At 2018/06/30</b>
Purchases of goods and other supplies	(1,147,712)	(1,452,706)
Production in inventory	(28,472)	535
Changes in inventories of goods and other supplies	5,147	13,646
Other external charges	(491,348)	(586,010)
<b>TOTAL PURCHASES AND EXTERNAL CHARGES</b>	<b>(1,662,385)</b>	<b>(2,024,536)</b>

**Note 3.3 Other operating income and expenses**

<i>(in thousands of euros)</i>	<b>At 2017/06/30</b>	<b>At 2018/06/30</b>
Operating services	3,407	3,697
Reversal of provisions and impairment	7,591	12,679
Other operating income	16,260	22,238
<b>TOTAL OTHER OPERATING INCOME</b>	<b>27,258</b>	<b>38,613</b>

<i>(in thousands of euros)</i>	<b>At 2017/06/30</b>	<b>At 2018/06/30</b>
Taxes and duties	(24,495)	(23,546)
Provisions and impairment	(13,058)	(4,979)
Other operating expenses	(1,507)	(2,428)
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>(39,060)</b>	<b>(30,952)</b>

## Note 3.4 Non-recurring items

<i>(in thousands of euros)</i>	At 2017/06/30	At 2018/06/30
Reorganization and restructuring costs	(957)	(2,062)
Insurance deductibles*	(410)	(1,999)
Acquisition costs and fees	(6,553)	(400)
Other (net balance)	(194)	(134)
<b>TOTAL NON-RECURRING ITEMS</b>	<b>(8,114)</b>	<b>(4,595)</b>

\* Climate events and natural disasters.

## Note 3.5 Inventories and work in progress

<i>(in thousands of euros)</i>	Gross amount	Provisions	Net amount at 2017/06/30	Gross amount	Provisions	Net amount at 2018/06/30
Materials and packaging	154,635	(2,176)	152,458	165,245	(1,710)	163,536
Work-in-progress and finished goods	442,793	(22,199)	420,594	429,662	(16,700)	412,962
<b>TOTAL INVENTORIES AND WORK-IN-PROGRESS</b>	<b>597,428</b>	<b>(24,376)</b>	<b>573,052</b>	<b>594,907</b>	<b>(18,410)</b>	<b>576,498</b>

### Analysis of provisions for impairment of inventories and work-in-progress

<i>(in thousands of euros)</i>	At 2017/06/30	At 2018/06/30
<b>Materials and packaging</b>		
Opening balance	(2,331)	(2,176)
Additions	(377)	(468)
Reversal	561	891
Translation adjustments and other	(29)	43
<b>CLOSING BALANCE</b>	<b>(2,176)</b>	<b>(1,710)</b>
<b>Work-in-progress and finished goods</b>		
Opening balance	(19,973)	(22,199)
Additions	(5,320)	(977)
Reversal	2,910	5,767
Translation adjustments and other	184	710
<b>CLOSING BALANCE</b>	<b>(22,199)</b>	<b>(16,700)</b>

### Note 3.6 Trade and other receivables

Analysis of trade and other receivables:

<i>(in thousands of euros)</i>	Gross amount	Provisions	Net amount at 2017/06/30	Gross amount	Provisions	Net amount at 2018/06/30
Customers	298,031	(3,098)	294,933	279,148	(1,652)	277,496
Tax and social security receivables	39,140		39,140	38,659		38,659
Other receivables	27,729	(824)	26,905	25,040	(527)	24,514
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>364,900</b>	<b>(3,922)</b>	<b>360,978</b>	<b>342,847</b>	<b>(2,178)</b>	<b>340,669</b>

### Change in impairment of trade and other receivables

<i>(in thousands of euros)</i>	2017/06/30	2018/06/30
<b>Customers</b>		
Opening balance	(3,623)	(3,098)
Additions	(88)	(92)
Reversal	654	1,449
Translation adjustments and other <sup>(1)</sup>	(41)	89
<b>CLOSING BALANCE</b>	<b>(3,098)</b>	<b>(1,652)</b>
<b>Other receivables</b>		
Opening balance	(363)	(824)
Additions	(465)	
Reversal	0	277
Translation adjustments and other <sup>(1)</sup>	4	21
<b>CLOSING BALANCE</b>	<b>(824)</b>	<b>(527)</b>

(1) Inter-account reclassifications.

### Trade and related receivables by maturity

<i>(in thousands of euros)</i>	2017/06/30	2018/06/30
Not yet due	242,220	235,825
Overdue:		
• less than 30 days	48,418	35,056
• between 30 and 90 days	2,631	4,073
• more than 90 days	1,664	2,542
<b>TOTAL TRADE AND RELATED RECEIVABLES</b>	<b>294,933</b>	<b>277,496</b>

### Note 3.7 Trade and other payables

<i>(in thousands of euros)</i>	At 2017/06/30	At 2018/06/30
Trade payables	468,276	455,175
Amounts payable for acquisition of assets	22,313	22,908
Tax and social security payables	122,511	115,556
Other payables	54,634	40,666
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>667,733</b>	<b>634,304</b>

## 4. EMPLOYEE EXPENSES, HEADCOUNT AND BENEFITS

### Note 4.1 Remuneration and headcount

<i>(in thousands of euros and number of employees)</i>	At 2017/06/30	At 2018/06/30
Employee expense for consolidated companies	(426,732)	(547,632)
Average annual workforce	14,839 <sup>(1)</sup>	15,195
Employees with long-term employment contracts	10,807	10,957

(1) Including Ready Pac Foods on a twelve-month basis.

### Note 4.2 Employee benefit obligations

#### 4.2.1. 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 30,796 thousand euros at June 30, 2018, compared with 30,025 thousand euros at June 30, 2017.

#### 4.2.2. 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 1.2.11.

Changes to the financial position of defined benefit plans are as follows:

<i>(in thousands of euros)</i>	2016-2017	2017-2018
<b>Income statement: Retirement expense</b>		
Cost of services rendered during the year	1,037	1,370
Impact of discounting	363	434
Projected return on plan assets	(74)	(69)
(Gains)/Losses from plan wind up	0	0
<b>RETIREMENT (INCOME) EXPENSE RECOGNIZED</b>	<b>1,326</b>	<b>1,735</b>

<i>(in thousands of euros)</i>	2016-2017	2017-2018
<b>Change in the present value of the obligation</b>		
<b>Present value of DBO<sup>(1)</sup> at July 1</b>	<b>28,333</b>	<b>26,342</b>
Cost of services rendered during the year	1,319	1,266
Impact of discounting	363	434
Employee contributions	0	0
Plan reduction and amendment	(282)	104
Currency effect	10	(10)
Benefits paid	(1,984)	(1,726)
Actuarial (gains)/losses related to changes in demographic assumptions	(1)	0
Actuarial (gains)/losses related to changes in actuarial assumptions	(1,220)	72
Actuarial (gains)/losses related to experience differences	(196)	(53)
<b>PRESENT VALUE OF DBO<sup>(1)</sup> AT JUNE 30</b>	<b>26,342</b>	<b>26,430</b>

(1) DBO: Defined benefit obligation.

## Notes to the annual consolidated financial statements

<i>(in thousands of euros)</i>	2016-2017	2017-2018
<b>Change in fair value of plan assets</b>		
<b>Fair value of plan assets at July 1</b>	<b>5,836</b>	<b>4,290</b>
Projected return on plan assets	74	69
Employer contributions	0	0
Employee contributions	0	0
Plan wind up	0	0
Benefits paid	(1,720)	(1,473)
Actuarial (gains)/losses related to experience differences	100	48
<b>FAIR VALUE OF PLAN ASSETS AT JUNE 30</b>	<b>4,290</b>	<b>2,935</b>

<i>(in thousands of euros)</i>	2016-2017	2017-2018
<b>Reconciliation with amount recognized in balance sheet</b>		
<b>Net financial position: surplus/(deficit)</b>	<b>(22,052)</b>	<b>(23,495)</b>
Impact of the limiting of surpluses	0	0
<b>(Provision) at June 30</b>	<b>(22,052)</b>	<b>(23,495)</b>
<b>NET ASSETS AT JUNE 30</b>	<b>0</b>	<b>0</b>

<i>(in thousands of euros)</i>	2016-2017	2017-2018
<b>Actuarial gains and losses</b>		
Actuarial (gains)/losses generated at July 1	6,826	5,309
Actuarial (gains)/losses generated between July 1 and June 30	(1,516)	(30)

<i>(in thousands of euros)</i>	2016-2017	2017-2018
<b>Change in carrying amounts recognized during the year</b>		
Net opening (liability) asset	(22,498)	(22,052)
Retirement (expense) income	(1,326)	(1,735)
Benefits paid by the employer	265	253
Currency effect	(10)	10
Actuarial differences recognized in equity	1,516	30
<b>NET CLOSING (LIABILITY) ASSET</b>	<b>(22,052)</b>	<b>(23,495)</b>

For the actuarial assumptions at year-end, refer to Note 1.2.11. The assets managed by financial institutions to cover the group's termination benefit obligations are matched to general assets.

At June 30, 2018, 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 1,828 thousand euros. Conversely, a 0.50 point drop would have increased the group's liability by 1,535 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 is based on a long-term profit-sharing mechanism based on return on capital employed.

### Description of stock option plans

	Plan 16
Date of Shareholders' Meeting:	2009/12/03
Date of General Management decision	2011/12/15
Initial number of shares allocated	207,600
• Of which number of shares granted to Christophe Bonduelle, Chairman of Bonduelle SA and legal representative of Pierre et Benoît Bonduelle, itself General Manager of Bonduelle SCA	23,600
• Of which number of shares granted to the Executive Committee	94,400
Number of shares canceled <sup>(1)</sup>	(34,801)
<b>Total number of shares that may be subscribed or purchased</b>	<b>172,799</b>
Start of option exercise period	2015/12/16
Date of expiration	2017/12/15
Subscription price	15.73
<b>Number of shares subscribed at June 30, 2018</b>	<b>172,799</b>

(1) Cancellations correspond to shares allocated to persons who 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	Plan 7
Date of Shareholders' Meeting:	2015/12/03	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	2017/10/06
Initial number of shares allocated	61,868	61,868	76,801	2,415	47,582
• Of which number of shares granted to Christophe Bonduelle, Chairman of Bonduelle SA and legal representative of Pierre et Benoît Bonduelle, itself General Manager of Bonduelle SCA	19,141	19,141	22,617	0	13,922
• Of which number of shares granted to the Executive Committee	61,868	61,868	76,801	2,415	47,582
<b>Total number of free shares allocated</b>	<b>61,868</b>	<b>61,868</b>	<b>76,801</b>	<b>2,415</b>	<b>47,582</b>
<b>Total number of free shares canceled or expired</b>	<b>39,186</b>				
Effective allocation date	2017/12/07	2018/12/07	2019/09/16	2018/10/27	2020/10/06
Date from which shares can be sold	2017/12/08	2018/12/08	2019/09/17	2018/10/28	2020/10/07
<b>Number of shares actually awarded at June 30, 2018</b>	<b>22,682</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(1) Free share allocations 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 allocation. 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 16, 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 granted 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 690 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.

#### 5.1.1. 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, 2018).

The Company specifically reviewed its liquidity risk and considers that it is able to meet its future payments.

#### 5.1.2. Market risks

##### Currency risk

##### Risks related to changes in foreign exchange rates

The group publishes its consolidated financial statements in euros, and in 2017-2018, 45.3% of revenue and 41.9% 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 asset/liability structure of the financing is created by natural matching or by putting financial instruments in place.

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, 2018.

## 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, 2018.

## 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, which relate principally to 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 resilience of the Bonduelle Group's current operating profitability shows its overall capacity to offset raw material cost increases in its selling prices.

## 5.1.3. Equity management

The Bonduelle Group always ensures that its financial structure remains optimal by respecting the balance 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, 2018, the group had equity of 646.8 million euros, on the basis of which, at the Shareholders' Meeting to be held on December 6, 2018, the General Management will propose a dividend of 0.50 euro per share, up 11%, combined with an option to receive dividends in shares.

## Note 5.2 Financial result

The group's financial result at June 30, 2018 amounted to -25.3 million euros, compared with -18.2 million euros the previous year.

<i>(in thousands of euros)</i>		At 2017/06/30	At 2018/06/30
<b>Cost of net debt</b>	<b>A</b>	<b>(19,121)</b>	<b>(22,675)</b>
Cash and cash equivalents		176	133
Interest expense (at effective interest rate)		(19,508)	(23,006)
Gains and losses on liabilities covered by fair value hedges		7,797	3,207
Gains and losses on fair value hedging derivatives		(7,586)	(3,008)
<b>Other financial income and expenses</b>	<b>B</b>	<b>918</b>	<b>(2,631)</b>
Foreign exchange gain (loss)		(645)	(1,879)
Ineffective portion of cash flow hedges		321	(520)
Net gain (loss) on derivatives ineligible for hedge accounting (foreign currency & interest rate risk)		319	160
Other financial income and expenses		924	(393)
<b>FINANCIAL RESULT</b>	<b>A + B</b>	<b>(18,203)</b>	<b>(25,306)</b>

The cost of net debt, the main component of the financial result, stood at -22.7 million euros at June 30, 2018 compared with -19.1 million euros the previous year.

It comprises interest paid at the effective interest rate (-23 million euros), income from cash (+0.1 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 (+3.2 million euros) and the gains and losses on fair value hedging derivatives (-3 million euros). This shortfall was due solely to the effect of interest rate changes.

The rise in the cost of net debt was mainly due to the financing put in place for the acquisition of Ready Pac Foods. Indeed, the debt incurred to make the acquisition generated 12 months' interest compared with 3 months the previous year. On July 6, 2017, Bonduelle issued a USPP divided into two tranches of 150 million euros and 50 million US dollars respectively.

The interest rate, calculated on the group's average debt in all currencies and restated to account for IFRS impacts, amounted to 2.65% compared to 2.74% the previous year; this drop reflects the use of debt instruments for the acquisition of Ready Pac Foods under particularly attractive margin conditions and the debt currency basket.

Other financial income and expenses (-2.6 million euros) breaks down as follows:

- 2.4 million euros in foreign exchange gains/losses corresponding to gains/losses from foreign exchange hedges on flows relating to commercial activities and cash in foreign currencies, the most significant share being realized on exposure to the ruble (breaking down as follows: -1.9 million euros in foreign exchange losses, -0.5 million on the ineffective portion of cash flow hedges and gains on instruments not eligible for hedge accounting);
- 0.2 million euros in other financial income and expenses, of which -0.4 million euros in other expenses and +0.2 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	
	Impact on equity	Impact on results	Impact on equity	Impact on results
<i>(in thousands of euros)</i>				
Interest on debt	0	(2,990)	0	2,990
Mark-to-market valuation of debt	0	6,641	0	(6,881)
<b>Payables</b>	<b>0</b>	<b>3,651</b>	<b>0</b>	<b>(3,891)</b>
Financial income from interest rate derivatives	0	921	0	(921)
Mark-to-market valuation of interest rate derivatives	2,938	(5,981)	(2,468)	6,199
<b>Interest rate derivatives</b>	<b>2,938</b>	<b>(5,060)</b>	<b>(2,468)</b>	<b>5,277</b>
<b>TOTAL</b>	<b>2,938</b>	<b>(1,409)</b>	<b>(2,468)</b>	<b>1,386</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-term assets or liabilities, hedges can extend beyond one year, though they must not exceed the current limit of five years.

For the methods used to prepare the currency fluctuation sensitivity calculations, a variation of +/-5% in exposure to 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	
	Impact on equity	Impact on results	Impact on equity	Impact on results
<i>(in thousands of euros)</i>				
HUF/EUR	28	65	(38)	(152)
USD/EUR	(70)	(95)	77	105
PLN/EUR	41	19	(49)	(77)
RUB/EUR	(18)	(70)	19	51
USD/CAD	(22)	(297)	51	203
<b>TOTAL</b>	<b>(41)</b>	<b>(379)</b>	<b>60</b>	<b>130</b>

## Note 5.3 Presentation of financial assets and liabilities by category

At 2017/06/30

	Value on the 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 Shareholders' equity	Fair value through profit or loss	
(in thousands of euros)						
Non-current assets						
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 expenses	3,602	3,602	0	0	0	3,602
Current assets						
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 expenses	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 the 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 Shareholders' equity	Fair value through profit or loss	
(in thousands of euros)						
Non-current liabilities						
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
Current liabilities						
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

At 2018/06/30

	Value on the 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 Shareholders' equity	Fair value through profit or loss	
(in thousands of euros)						
Non-current assets						
Other non-current financial assets	34,765	34,765	5,408	19,619	9,739	0
Investments in subsidiaries	16,061	16,061	0	16,061	0	0
Derivative assets	13,297	13,297	0	3,558	9,739	0
Other non-current financial assets	5,407	5,407	5,408	0	0	0
Other non-current assets	3,966	3,966	1,237	0	0	2,729
Other non-current receivables	1,237	1,237	1,237	0	0	0
Prepaid expenses	2,729	2,729	0	0	0	2,729
Current assets						
Trade & other receivables	340,669	340,669	340,669	0	0	0
Other current assets	13,375	13,375	866	0	0	12,509
Non-consolidated loans and receivables	859	859	859	0	0	0
Prepaid expenses	12,509	12,509	0	0	0	12,509
Other assets	7	7	7	0	0	0
Derivative assets	4,675	4,675	0	149	4,526	0
Marketable securities and other investments	101	101	101	0	0	0
Cash and cash equivalents	23,792	23,792	23,792	0	0	0

			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
	Value on the balance sheet	Fair value	Amortized cost	Fair value through Shareholders' equity	Fair value through profit or loss	
(in thousands of euros)						
Non-current liabilities						
Financial debts	429,959	430,474	417,854	2,412	10,207	0
Debt excluding derivatives	427,505	428,019	417,854	0	10,165	0
Derivative liabilities	2,454	2,454	0	2,412	42	0
Other non-current liabilities	25,828	25,828	15,520	0	0	10,308
Prepaid income and other accrual accounts	10,308	10,308	0	0	0	10,308
Miscellaneous debts	15,520	15,520	15,520	0	0	0
Current liabilities						
Trade and other payables	634,304	634,304	634,304	0	0	0
Current Financial debts	229,262	229,298	219,579	693	9,026	0
Debt excluding derivatives	221,939	221,975	219,579	0	2,396	0
Current derivative liabilities	7,323	7,323	0	693	6,630	0
Other current liabilities	1,746	1,746	0	0	0	1,746
Prepaid income and other accrual accounts	1,746	1,746	0	0	0	1,746

**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: +13.6 million euros;
- net amount of derivative liabilities under IFRS 7.13: -5.4 million euros.

The fair value of 9.7 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, 2018.

These transactions are equally distributed among three highly rated bank counterparties.

## Note 5.4 Other non-current financial assets

Analysis of changes in gross amounts and impairment:

(in thousands of euros)	At 2016/06/30	Entry into scope of consolidation	Acquisitions or charges	Disposals or reversals	Other <sup>(3)</sup>	At 2017/06/30
<b>Gross amount<sup>(1)</sup></b>						
Investments in subsidiaries <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>						
Investments in subsidiaries <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 amount</b>						
Investments in subsidiaries <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>

(in thousands of euros)	At 2017/06/30	Acquisitions or charges	Disposals or reversals	Other <sup>(3)</sup>	At 2018/06/30
<b>Gross amount<sup>(1)</sup></b>					
Investments in subsidiaries <sup>(2)</sup>	17,135	0	(0)	0	17,135
Derivative assets	17,486	0	0	(4,189)	13,297
Other non-current financial assets	7,644	118	(1,615)	(533)	5,614
	<b>42,266</b>	<b>118</b>	<b>(1,615)</b>	<b>(4,722)</b>	<b>36,046</b>
<b>Impairment</b>					
Investments in subsidiaries <sup>(2)</sup>	1,075	0	0	0	1,075
Other non-current financial assets	206	0	0	0	206
	<b>1,281</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,281</b>
<b>Net amount</b>					
Investments in subsidiaries <sup>(2)</sup>	16,060	0	(0)	0	16,060
Derivative assets	17,486	0	0	(4,189)	13,297
Other non-current financial assets	7,439	118	(1,615)	(533)	5,408
	<b>40,985</b>	<b>118</b>	<b>(1,615)</b>	<b>(4,722)</b>	<b>34,765</b>

(1) The valuation principles are set out in Note 1.2.

(2) This is the carrying amount of the main holdings of non-consolidated companies by the group.

The heading primarily contains the Bonduelle Group's minority interests in Coopérative 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 2), since the group does not have a controlling interest.

(3) 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.

### 5.5.1. Interest rate derivatives

#### Fair value hedges

Two of the fixed-rate bonds issued by the group were swapped to variable rate at the time they were issued; in particular the EUR tranche of the USPP issued on July 6, 2017, which was swapped, in full, to variable rate. 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.

### 5.5.2. 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 2017/06/30

	Market value			Carrying amount	
(in thousands of euros)	Notional amount	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
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
Current portion				0	181
Non-current portion				3,488	4,035
Foreign currency derivatives (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
Current portion				10,487	10,400
Non-current portion				13,999	12
TOTAL DERIVATIVES (A + B)					
Current portion				10,487	10,581
Non-current portion				17,486	4,047

(1) Including out of the money caps.

(2) Including pre-hedging via bond swap issued on July 6, 2017.

## Notes to the annual consolidated financial statements

**Derivatives at 2018/06/30**

		Market value		Carrying amount	
(in thousands of euros)	Notional amount	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges <sup>(1)</sup>	413,526	3,559	2,848	3,559	2,848
Fair value hedges	231,489	786	42	786	42
Hedges ineligible for hedge accounting under IFRS	0	0	0	0	0
o.w. forward contracts: Swaps	0	0	0	0	0
o.w. options: Caps	0	0	0	0	0
o.w. options: Floors	0	0	0	0	0
Current portion				103	491
Non-current portion				4,243	2,400
Foreign currency derivatives (B)					
Cash flow hedges	21,347	148	257	148	257
o.w. forward contracts	11,840	80	230	80	230
o.w. options	9,507	69	27	69	27
Fair value hedges	120,904	11,318	0	11,318	0
Hedges ineligible for hedge accounting under IFRS	155,489	2,161	6,630	2,161	6,630
o.w. forward contracts	139,511	1,685	5,731	1,685	5,731
o.w. options	15,977	477	899	477	899
Current portion				4,573	6,833
Non-current portion				9,054	54
TOTAL DERIVATIVES (A + B)					
Current portion				4,675	7,323
Non-current portion				13,297	2,454

*(1) Including out-of-the-money caps.*

**Group's net currency position (excluding exposure on subsidiaries' net equity)**

	2017/06/30					
<i>(in thousands of euros)</i>	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)

	2018/06/30					
<i>(in thousands of euros)</i>	USD/EUR	HUF/EUR	USD/CAD	RUB/EUR	PLN/EUR	OTHER
Net position before hedging	(122)	22,686	(7,233)	(7,827)	10,830	(5,074)
Net position after hedging	(531)	95	3,575	(514)	(317)	(350)

**Note 5.6 Net debt**

**5.6.1. Analysis of net debt by component**

**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>
Derivatives – Liabilities		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>
Derivatives – Assets		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>

## Notes to the annual consolidated financial statements

**At 2018/06/30**

<i>(in thousands of euros)</i>	Nominal	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	321,124	27,944	0	111,775	192,732	332,450
Bonds (EURO PP)	145,000	0	144,932		0	144,932
Finance leases	2,198	79	79	461	1,580	2,198
Other bank borrowings	146,607	0	26,196	120,411	0	146,607
Other borrowings and financial debts	3,388	1,420	1,420	547	0	3,388
Accrued interest	4,697	4,697	0	0	0	4,697
Current bank lines	15,172	15,172	0	0	0	15,172
<b>Total gross debt before derivatives</b>	<b>638,186</b>	<b>49,312</b>	<b>172,627</b>	<b>233,194</b>	<b>194,312</b>	<b>649,444</b>
<b>Derivatives – Liabilities</b>		<b>6,770</b>	<b>553</b>	<b>2,412</b>	<b>42</b>	<b>9,778</b>
<i>o.w. derivatives hedging a debt     in a fair value hedge</i>		0	0	0	42	42
<i>o.w. other derivatives</i>		6,770	553	2,412	0	9,735
<b>Total gross debt after fair value of derivatives</b>		<b>56,082</b>	<b>173,180</b>	<b>235,606</b>	<b>194,354</b>	<b>659,222</b>
<b>Derivatives – Assets</b>		<b>4,416</b>	<b>260</b>	<b>13,297</b>	<b>0</b>	<b>17,973</b>
<i>o.w. derivatives hedging a debt     in a fair value hedge</i>		2,365	0	9,460	0	12,104
<i>o.w. other derivatives</i>		2,051	260	3,837	0	5,869
<b>Securities</b>	<b>101</b>	<b>101</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101</b>
<b>Cash</b>	<b>23,792</b>	<b>23,792</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,792</b>
<b>TOTAL NET DEBT</b>		<b>27,773</b>	<b>172,920</b>	<b>222,309</b>	<b>194,354</b>	<b>617,356</b>

**5.6.2. Analysis of net debt by interest rate**

<i>(in thousands of euros)</i>	2017/06/30	2018/06/30
<b>Net financial debt</b>	<b>661,572</b>	<b>617,356</b>
<b>Before interest rate hedging</b>		
Fixed rate	298,381	487,665
Floating rate	363,191	129,691
<b>After interest rate hedging</b>		
Fixed rate	410,104	417,028
Floating rate	251,469	200,328

## 5.6.3. Analysis of net debt by currency

<i>(in thousands of euros)/(-) = cash balance</i>	2017/06/30	2018/06/30
EUR	373,127	382,764
USD	253,832	253,134
CAD	32,809	13,847
HUF	18,886	14,286
RUB	(32,127)	(52,032)
BRL	6,623	388
PLN	5,096	6,743
KZT	3,327	(1,775)
<b>TOTAL</b>	<b>661,572</b>	<b>617,356</b>

## 5.6.4. Net debt (including derivatives) and gearing

	2017/06/30	Increase	(Decrease)	Changes in fair value of debt	Changes in fair value of derivatives	Translation adjustments	Other <sup>(1)</sup>	2018/06/30
Financial liabilities	698,757	193,196	(219,070)	(4,279)	(4,842)	(5,671)	1,130	659,222
Investments and derivative assets	37,185	15,432	(416)	0	(9,995)	(263)	(77)	41,866
<b>NET DEBT</b>	<b>661,572</b>	<b>177,765</b>	<b>(218,653)</b>	<b>(4,279)</b>	<b>5,153</b>	<b>(5,409)</b>	<b>1,207</b>	<b>617,356</b>
Total equity	606,507							646,817
<b>Gearing</b>	<b>109.1%</b>							<b>95.4%</b>

(1) The "other" item mainly relates to inter-account reclassifications and changes in accrued interest.

## 5.6.5. Market value of financial assets and liabilities other than derivatives

For all other financial assets and liabilities not appearing in these tables, both the market value and the carrying amount are equal to the par value.

	At 2017/06/30		
<i>(in thousands of euros)</i>	Par value	Market value	Carrying amount
<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>

## Notes to the annual consolidated financial statements

	At 2018/06/30		
(in thousands of euros)	Par value	Market value	Carrying amount
<b>Liabilities</b>			
<b>Payables</b>			
Bonds (USPP)	321,124	345,806	332,450
Bonds (EURO PP)	145,000	144,932	144,932
Bank borrowings	148,805	148,805	148,805
Other borrowings and financial debts	3,388	3,388	3,388
Accrued interest	4,697	4,697	4,697
Current bank lines	15,172	15,172	15,172
<b>TOTAL</b>	<b>638,186</b>	<b>662,800</b>	<b>649,444</b>
<i>o.w. debt covered by fair value hedge</i>		248,890	231,632
<i>o.w. debt covered by cash flow hedges</i>		228,514	232,416
<b>Assets</b>			
Cash and securities	23,893	23,893	23,893
<b>TOTAL</b>	<b>23,893</b>	<b>23,893</b>	<b>23,893</b>

**5.6.6. 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	145,000	5,554				145,000	5,554
	2022	145,000	USD	22,612	5,128	90,448	9,117		113,060	14,246
	2022	15,175	EUR	3,035	651	12,140	1,161		15,175	1,812
	2027	150,000	EUR		2,633		10,553	150,000	6,604	150,000
	2027	50,000	USD		1,647		6,600	42,889	4,131	42,889

\* Amounts expressed in euros and before any rate hedging.

**At June 30, 2018**

Issuances 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, 2018, the group complied with these financial covenants.

**5.6.7. Liquidity**

At June 30, 2018, no drawdowns had been made on 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 4 years, bringing the amount of confirmed bank lines (including RCF) to 440 million euros (same as June 2017), and which were unused at June 30, 2018 (128 million euros at June 30, 2017).

The sums drawn from bank loans (including RCF) confirmed beyond a year are reported in the consolidated balance sheet under non-current financial liabilities.

The bank financing set up for the acquisition of Ready Pac Foods, originally for 200 million US dollars, with final maturity in February 2022 and repayable over five years, stood at 170 million US dollars at June 30, 2018. In addition, the USPP divided into two tranches of 150 million euros and 50 million US dollars respectively, both with final maturity in July 2027, is repayable over five years from July 2023.

## 6. INCOME TAX

### Note 6.1 Income tax

#### 6.1.1. Analysis of net income tax expense

Total income tax expenses are analyzed in the following manner:

	At 2017/06/30	At 2018/06/30
Average tax rate:	27.2%	22.8%

#### 6.1.2. Reconciliation of income tax expenses and profit before tax

(in thousands of euros)	At 2017/06/30	%	At 2018/06/30	%
Group net income	59,868		72,435	
Non-controlling interests	(60)		(107)	
Share of net income from associates	(138)		(9)	
Income tax expense	22,308		21,399	
<b>PROFIT BEFORE TAX</b>	<b>81,978</b>		<b>93,718</b>	
Theoretical tax expense <sup>(1)</sup>	28,225	34.43%	32,267	34.43%
Reconciliation				
Permanent differences	(2,227)	-2.7%	(2,674)	-2.9%
Difference in tax rates (outside of France) <sup>(2)</sup>	(7,050)	-8.6%	(8,352)	-8.9%
Impact of tax loss carryforwards and other	3,360	4.1%	157	0.2%
<b>ACTUAL INCOME TAX EXPENSE</b>	<b>22,308</b>	<b>27.2%</b>	<b>21,399</b>	<b>22.8%</b>

(1) In France, the extraordinary tax contribution for which the group is liable is 3.3% for 2017-2018.

The theoretical rate of tax, including this extraordinary contribution, was 34.43% in 2017-2018.

(2) The main contributors to the tax rate difference are Canada and Russia.

At June 30, 2018, tax paid amounted to 17,667 thousand euros.

#### 6.1.3. Deferred taxes

(in thousands of euros)	At 2017/06/30	At 2018/06/30
Provisions and non-current assets	2,288	295
Margin in inventory	499	439
Tax loss carryforwards*	16,096	12,286
Accelerated depreciation and regulated provisions	(14,336)	(14,302)
Other**	2,748	3,088
<b>NET DEFERRED TAX ASSETS (LIABILITIES)</b>	<b>7,296</b>	<b>1,805</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>	<b>At 2017/06/30</b>	<b>At 2018/06/30</b>
<b>OPENING BALANCE</b>	<b>(1,000)</b>	<b>7,296</b>
Acquisitions and disposals of subsidiaries	8,614	0
Tax recognized in the income statement	1,458	(4,579)
Taxes recognized directly through equity	(1,317)	(1,043)
Other variations <sup>(1)</sup>	(458)	130
<b>CLOSING BALANCE</b>	<b>7,296</b>	<b>1,805</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 current rates, at 219.1 million euros at June 30, 2018, compared with 215.2 million euros at June 30, 2017.

**7. EARNINGS PER SHARE****Note 7.1 Earnings per share**

A dividend of 0.50 euro per share will be proposed to the Shareholders' Meeting to be held on December 6, 2018.

At June 30, 2018, Bonduelle SCA's share capital comprised 32,281,118 shares with a par value of 1.75 euros per share (see 5.4 - Changes in consolidated Shareholders' equity).

<i>(in thousands of euros)</i>	<b>At 2017/06/30</b>	<b>At 2018/06/30</b>
<b>Group net income</b>	<b>59,868</b>	<b>72,435</b>
Number of shares used to calculate:		
• Basic earnings	31,526,820	31,850,987
• Diluted earnings	31,763,973	32,039,653
<b>Earnings per share (in euros)</b>		
• Basic	1.90	2.27
• Diluted*	1.88	2.26

\* 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 given the allocation of 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 2016/06/30	Acquisitions or charges <sup>(1)</sup>	Disposal, sale or reversal	Other <sup>(2)</sup>	At 2017/06/30
<b>GROSS AMOUNT</b>	197,269	290,407	0	(17,243)	470,434
Impairment					
<b>NET AMOUNT</b>	197,269	290,407	0	(17,243)	470,434

<i>(in thousands of euros)</i>	At 2017/06/30	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(2)</sup>	At 2018/06/30
<b>GROSS AMOUNT</b>	470,434	0	0	(8,634)	461,800
Impairment					
<b>NET AMOUNT</b>	470,434	0	0	(8,634)	461,800

(1) Acquisition of Ready Pac Foods.

(2) Translation adjustments.

Cash Generating Units (CGUs) presenting indications of impairment or comprising goodwill underwent impairment testing in 2018.

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 1.

The 2018 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 amounts and impairment:

<i>(in thousands of euros)</i>	At 2016/06/30	Entry into scope of consolidation <sup>(1)</sup>	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(2)</sup>	At 2017/06/30
<b>Gross amount</b>						
Trademarks, patents and licenses	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 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>

<i>(in thousands of euros)</i>	At 2017/06/30	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(2)</sup>	At 2018/06/30
<b>Gross amount</b>					
Trademarks, patents and licenses <sup>(3)</sup>	26,298	0	0	(522)	25,775
Software	61,576	4,146	(192)	1,164	66,693
Other	8,364	370	(21)	(187)	8,527
Property, plant and equipment under construction	1,681	1,622	(3)	(1,308)	1,992
	<b>97,919</b>	<b>6,139</b>	<b>(217)</b>	<b>(854)</b>	<b>102,988</b>
<b>Depreciation, amortization and impairment</b>					
Trademarks, patents and licenses	2,197	9	0	(430)	1,777
Software	52,282	4,104	(192)	113	56,307
Other	553	17	(21)	(40)	510
	<b>55,033</b>	<b>4,130</b>	<b>(213)</b>	<b>(356)</b>	<b>58,593</b>
<b>Net amount</b>					
Trademarks, patents and licenses	24,100				23,998
Software	9,295				10,387
Other	7,809				8,017
Property, plant and equipment under construction	1,681				1,992
	<b>42,886</b>				<b>44,394</b>

(1) At June 30, 2017, the amount entering the scope of consolidation corresponded to other intangible assets of Ready Pac Foods.

(2) Translation adjustments and transfers between lines.

(3) Carrying amounts of trademarks in thousands of euros are as follows: Cassegrain (20,215), Arctic Gardens (2,081), Globus (1,500).

## Note 8.3 Property, plant and equipment

Analysis of changes in gross amounts and impairment:

<i>(in thousands of euros)</i>	At 2016/06/30	Entry into scope of consolidation <sup>(1)</sup>	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(2)</sup>	At 2017/06/30
<b>Gross 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>(3)</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	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	(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 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) At 2017/06/30, the amount entering the scope of consolidation corresponds to property, plant and equipment of Ready Pac Foods.

(2) Change in scope, translation adjustments and transfers between lines.

(3) Of which 69% was in the Europe Zone in 2016-2017.

## Notes to the annual consolidated financial statements

<i>(in thousands of euros)</i>	At 2017/06/30	Acquisitions or charges	Disposal, sale or reversal	Other <sup>(1)</sup>	At 2018/06/30
<b>Gross amount</b>					
Land	52,946	15	(10)	(101)	52,849
Building	481,425	8,193	(1,197)	(3,122)	485,298
Industrial plant, tools and equipment <sup>(2)</sup>	909,518	43,431	(10,990)	252	942,211
Other	62,219	4,385	(3,140)	(613)	62,851
Property, plant and equipment under construction	30,897	36,379	(34)	(22,784)	44,458
	<b>1,537,005</b>	<b>92,403</b>	<b>(15,370)</b>	<b>(26,368)</b>	<b>1,587,668</b>
<b>Depreciation and amortization</b>					
Land	11,427	907	0	(26)	12,307
Building	303,539	22,254	(1,067)	(4,599)	320,127
Industrial plant, tools and equipment	670,342	56,527	(10,730)	(10,667)	705,471
Other	45,732	4,977	(3,106)	(642)	46,961
Property, plant and equipment under construction	0	0	0	0	0
	<b>1,031,040</b>	<b>84,666</b>	<b>(14,903)</b>	<b>(15,935)</b>	<b>1,084,866</b>
<b>Impairment</b>					
Land	162	0	0	0	163
Building	223	(156)	0	0	66
Industrial plant, tools and equipment	355	(26)	0	0	331
Other	0	0	0	0	0
Property, plant and equipment under construction	190	(27)		(1)	162
	<b>930</b>	<b>(208)</b>	<b>0</b>	<b>(1)</b>	<b>722</b>
<b>Net amount</b>					
Land	41,357				40,379
Building	177,662				165,105
Industrial plant, tools and equipment	238,821				236,409
Other	16,488				15,891
Property, plant and equipment under construction	30,707				44,296
	<b>505,036</b>				<b>502,080</b>

(1) Change in scope, translation adjustments and transfers between lines.

(2) Of which 68% was in the Europe Zone in 2017-2018.

The gross and net amount of assets acquired or refinanced under finance leases totaled 42.6 and 3.7 million euros respectively at June 30, 2018, compared with 42.6 and 4.2 million euros at June 30, 2017.

## 9. OTHER PROVISIONS AND CONTINGENT LIABILITIES

### Note 9.1 Other provisions

(in thousands of euros)	2017/06/30	Charges	Reversal used	Reversal unused	Other <sup>(3)</sup>	2018/06/30
Sales related risks	3,153	478	(819)	(235)	(6)	2,570
Tax-related risks <sup>(1)</sup>	2,279	242	19	(1,098)	(122)	1,320
Employee-related risks <sup>(2)</sup>	13,583	373	(3,335)	(1,446)	161	9,336
Restructuring and reorganization	3,745	239	(1,951)	0	0	2,034
Agro-industrial risks	5,097	2,435	(2,586)	(1,579)	(110)	3,257
Other risks	2,753	156	(448)	(649)	(13)	1,799
	<b>30,610</b>	<b>3,923</b>	<b>(9,119)</b>	<b>(5,007)</b>	<b>(90)</b>	<b>20,316</b>

(in thousands of euros)	Current	Non-current	2018/06/30
Sales related risks	1,498	1,072	2,570
Tax-related risks <sup>(1)</sup>	49	1,271	1,320
Employee-related risks <sup>(2)</sup>	3,505	5,831	9,336
Restructuring and reorganization	410	1,623	2,034
Agro-industrial risks	2,445	812	3,257
Other risks	310	1,489	1,799
	<b>8,217</b>	<b>12,098</b>	<b>20,316</b>

(1) 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.

(2) The provision mainly relates to a provision for the workers' compensation scheme. See Note 1.2.12.

(3) Translation adjustments 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. Conditional immunity will mean exemption from any fine or penalty and will be subject to absolute confidentiality and cooperation with the authorities. 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.

At June 30, 2018, there were no new disputes to report, other than those relating to ordinary business.

## Note 9.3 Contingent liabilities

<i>(in thousands of euros)</i>	At 2017/06/30	At 2018/06/30
<b>Commitments given</b>		
Guarantees and security deposits given (net of uses)	40,216	55,939
<b>Commitments received</b>		
Guarantees and security deposits received (net of uses)	2,915	6,010

The commitments correspond to our current activities.

### Operating leases

<i>(in thousands of euros)</i>	2018/06/30	2019/06/30	2020/06/30	2021/06/30	2022/06/30	2023/06/30 and later
Commitments under operating leases	36,929	21,064	16,900	10,740	7,488	15,775

### 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.

Bonduelle Group's certified and reported emissions stood at 18,857 TCO<sub>2</sub>e for 2017.

As a result of energy savings at its sites since 2008, for example, the use of biomass steam in 2015 at the Estrées-Mons (France) site halved the group's greenhouse gas emissions subject to the Emission Trading System (ETS). Bonduelle has surplus allowances available in its account and so did not have to make purchases on the carbon allowance market.

No significant provisions for guarantees or environmental risks had been recognized at 30 June 2018.

## 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 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 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.

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 2016-2017 and 2017-2018.

	Mazars				Deloitte & Associés				Total			
	2016-2017		2017-2018		2016-2017		2017-2018		2016-2017		2017-2018	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(in thousands of euros)</i>												
Certification of consolidated and statutory financial statements	703	96%	784	93%	867	87%	948	82%	1,570	91%	1,732	87%
Other certification-related services	0	0%	0	0%	36	4%	38	3%	36	2%	38	2%
<b>Total fees for audit-related services</b>	<b>703</b>	<b>96%</b>	<b>784</b>	<b>93%</b>	<b>903</b>	<b>91%</b>	<b>986</b>	<b>85%</b>	<b>1,606</b>	<b>93%</b>	<b>1,770</b>	<b>89%</b>
Tax services	33	4%	53	6%	86	9%	135	12%	119	7%	188	9%
Other	0	0%	2	0%	6	1%	37	3%	6	0%	39	2%
<b>Total fees for non-audit services</b>	<b>33</b>	<b>4%</b>	<b>55</b>	<b>7%</b>	<b>92</b>	<b>9%</b>	<b>172</b>	<b>15%</b>	<b>125</b>	<b>7%</b>	<b>227</b>	<b>11%</b>
<b>TOTAL</b>	<b>736</b>	<b>100%</b>	<b>839</b>	<b>100%</b>	<b>995</b>	<b>100%</b>	<b>1,158</b>	<b>100%</b>	<b>1,731</b>	<b>100%</b>	<b>1,997</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 French Commercial Code.

## Note 10.2 Related party transactions

### 10.2.1. 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.

These transactions are for the supply of raw materials and finished products as well as for the provision of services, notably IT and human resources, and for financial interest.

The group's transactions with Huerta Gama and Bonduelle Española were not material.

For OP OASI, recognized using the equity method, the main transactions carried out, as well as its receivables and debts, are as follows:

<i>(in thousands of euros)</i>	At 2017/06/30	At 2018/06/30
<b>Balance sheet</b>		
Customers	5,162	4,318
Suppliers	20,071	15,962
<b>Income statement</b>		
Sales	14,908	4,105
Purchases	(92,951)	(78,384)

Transactions with other related parties were not material.

### 10.2.2. 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, 2018.

The current account with Pierre et Benoît Bonduelle SAS is 298 thousand euros in debit.

There are no other significant commitments to the latter.

### 10.2.3. 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 1,497 thousand euros was paid for the fiscal year 2017-2018;
- the directors' fees received by the members of the Supervisory Board during the 2017-2018 fiscal year,

amounting to 56.1 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 and the Chief Executive Officer is set by the Board of Directors 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 and profitability.

As part of the succession plan for Christophe Bonduelle, representative of the Managing company of Bonduelle SCA and Chairman and Chief Executive Officer throughout the 2017-2018 fiscal year, Bonduelle SA's governance method was changed by the Board of Directors with effect from July 1, 2018. As a result, Christophe Bonduelle retains his position as Chairman of the Board of Directors and Guillaume Debrosse has been appointed Chief Executive Officer. Christophe Bonduelle's compensation has therefore been adjusted accordingly, notably by removing the variable compensation and revising the fixed compensation, which includes a role supporting the new Executive Management.

<i>(in euros)</i>	2016-2017	2017-2018
Number of Executive Committee members	8	8
Gross compensation paid to the members of the Executive Committee	4,385,130	4,520,066

## Post-employment benefits

In application of the Decree of January 9, 2012, the group has established a supplementary, defined contribution pension plan (so-called 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.

Please note 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 14,282 euros per year. This estimate is based on savings built up since the plan was set up.

As regards tax and social security contributions payable by the Company, please note that:

- tax is limited to 8% of gross annual compensation limited to 8 times the annual social security ceiling (PASS). Employer and employee contributions are both to be taken into consideration;
- social security contributions are 5% of gross annual compensation limited to 5 times the PASS. Only the employer's contribution is taken into consideration;
- the additional employer's contribution of 20% is payable on that part of the contribution that falls within the social contribution limit. Beyond this, the contribution is incorporated into the salary and is subject to social security charges.

The Company contribution in respect of this plan in fiscal year 2017-2018 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 2017-2018 fiscal year, these totaled 1,375 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 members of the Executive Committee: at June 30, 2018, 2,400 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 Afepe-Medef Code regarding compensation.

## Note 10.3 Subsequent events

### Completion of the Del Monte acquisition in Canada

Bonduelle announced on July 4, 2018, that with Conagra Brands Inc., it has finalized the acquisition of the Del Monte processed fruit and vegetable business in Canada.

The acquisition, effective on July 3, 2018, includes the right to use the Del Monte brand on different segments of processed fruits and vegetables and inventories of products for a value of 43 million of Canadian dollars. The acquired business excludes all industrial assets and human resources as co-packers and Bonduelle's existing production capabilities will be used.

The Del Monte processed fruit and vegetable business in Canada, with revenues of approximately 60 million of Canadian dollars, will complement the Bonduelle Americas Long Life business unit's canned and frozen vegetable business, which is largely operated under retailer's store brands. This highlights the group's desired development in brand activities and expansion beyond vegetables to plant-based products.

## Note 10.4 List of group companies - GRI 102-45

Analysis of group companies by consolidation method:

	Principal activities	% interests 2017/06/30	% control 2018/06/30	% interests 2018/06/30
<b>1. FULL CONSOLIDATION</b>				
<b>France</b>				
Bonduelle SA	Holding/Central corporate treasury	100.00%	100.00%	100.00%
Champiloire SAS	Holding	100.00%	100.00%	100.00%
Sud Ouest Légumes Alliance - Soléal SAS <sup>(1)</sup>	Canned/Frozen	47.85%	100.00%	47.85%
Bonduelle Frais Traiteur SAS	Holding	100.00%	100.00%	100.00%
Bonduelle Frais France SAS	Fresh	100.00%	100.00%	100.00%
Bonduelle Traiteur International SAS	Fresh	100.00%	100.00%	100.00%
Bonduelle Europe Long Life SAS	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Development SAS	Canned/Frozen	100.00%	100.00%	100.00%
SCA Champignonnières de Dampierre	Canned/Frozen	65.00%	0.00%	0.00%
SCA Cultures France Champignon	Canned/Frozen	100.00%	100.00%	100.00%
SAS Champignonnières des Roches	Canned/Frozen	100.00%	100.00%	100.00%
SCA Champignonnières de l'Est	Canned/Frozen	100.00%	100.00%	100.00%
SAS Champignonnières de la Vienne	Canned/Frozen	100.00%	100.00%	100.00%
SCA Champignonnières de Rou Marson	Canned/Frozen	100.00%	100.00%	100.00%
SCA des Champignonnières du Moulin	Canned/Frozen	100.00%	100.00%	100.00%
SCA Culture de la Vienne	Canned/Frozen	100.00%	100.00%	100.00%
SAS Champiland	Canned/Frozen	100.00%	90.00%	90.00%
SAS Euromycel	Canned/Frozen	100.00%	100.00%	100.00%
GIE Champifor	EIG	77.06%	77.06%	77.06%
SCA des Hureaux	Canned/Frozen	65.00%	0.00%	0.00%
COVIJU2 SAS	Holding	100.00%	100.00%	100.00%
<b>Outside France</b>				
Bonduelle Northern Europe, Belgium	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Nederland, Netherlands	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Deutschland GmbH, Germany	Fresh	100.00%	100.00%	100.00%
BFP GmbH, Germany	Fresh	100.00%	100.00%	100.00%
Bonduelle Österreich, Austria	Fresh	100.00%	100.00%	100.00%
Bonduelle Nordic, Denmark	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Limited, UK	No activity	100.00%	100.00%	100.00%
BUKH Limited, UK	Holding	100.00%	100.00%	100.00%
Bonduelle Italia, Italy	Fresh	100.00%	100.00%	100.00%
Agricola Lombarda, Italy	Fresh	100.00%	100.00%	100.00%
Bonduelle Iberica SAU, Spain	Canned/Frozen	100.00%	100.00%	100.00%
BF Agrícola 4C, Spain	Fresh	100.00%	100.00%	100.00%
Bonduelle Portugal, Portugal	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Polska, Poland	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Ceska Republika, Czech Republic	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Central Europe, Hungary	Canned/Frozen	100.00%	100.00%	100.00%

(1) See Note 1.1.

	Principal activities	% interests 2017/06/30	% control 2018/06/30	% interests 2018/06/30
Bonduelle Kuban, Russia	Canned/Frozen	100.00%	95.00%	100.00%
Coubanskies Conservi, Russia	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Kazakhstan, Kazakhstan	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle USA Inc., USA	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle US Holding, USA	Holding	100.00%	100.00%	100.00%
Bonduelle Argentina, Argentina	Canned/Frozen	100.00%	100.00%	100.00%
Primeurop Argentina, Argentina	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Do Brasil Produtos Alimenticios, Brazil	Canned/Frozen	100.00%	100.00%	100.00%
Bonduelle Canada Inc, Canada	Canned/Frozen	100.00%	100.00%	100.00%
Ready Pac Foods Inc, USA	Fresh	100.00%	100.00%	100.00%
Ready Pac Produce Inc, USA	Fresh	100.00%	100.00%	100.00%
Missa Bay, LLC, USA	Fresh	100.00%	100.00%	100.00%
Ready Pac Florence, Partnership, USA	Fresh	100.00%	100.00%	100.00%
Salad Time, LLC, USA	Fresh	100.00%	100.00%	100.00%
Agro-Rost, Russia	Canned/Frozen	-	100.00%	100.00%

## 2. EQUITY METHOD

### Outside France

OP OASI, Italy	Fresh	35.00%	35.00%	35.00%
Huerta Gama SC, Spain	Fresh	16.66%	16.66%	16.66%
Bonduelle Española, Spain	No activity	50.00%	50.00%	50.00%

## 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, 2018**

To the general meeting of Bonduelle

### 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, 2018.

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, 2018 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.

### 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, 2017 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.

### 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.

## Measurement of goodwill (see Note I.2.A "Goodwill" and "Monitoring of goodwill values" and Note 8.1)

### *Risk identified*

Goodwill amounted to 462 million euros at June 30, 2018 (470 million euros at June 30, 2017), 267 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 matter.

### *Our response*

We have read about the controls put in place by the company as part of the preparation of the strategic plans on which the depreciation tests of each of the UGT are based.

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 evaluation specialists, the selected discount rates (WACC) in their different components;
- We have obtained and examined the sensitivity analyses carried out by the management. We also conducted our own sensitivity calculations to ensure that only unreasonable variation in assumptions could lead to a significant depreciation of goodwill.

## 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 subject to provision on 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 related to 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 20.3 million euros at June 30, 2018 (up from 30.6 million euros at June 30, 2017).

This is a key audit matter 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 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 interviewed the company's lawyers directly to confirm our understanding of closed or ongoing litigation as well as levels of claims in order to assess the adequacy of the amount of provisions recognized.

## Verification of the Information Pertaining to 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.

## 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, 2018, Deloitte & Associés was in its 12<sup>th</sup> year  
of uninterrupted engagement

#### Mazars

Was appointed statutory auditors of Bonduelle SCA  
by the General Meeting of December 20, 1989

As of June 30, 2018, Mazars was in its 29<sup>th</sup> year  
of uninterrupted engagement and its 20<sup>th</sup> year since  
securities of the Company were admitted to trading  
on a regulated market.

## 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.

## 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 28, 2018

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



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## 6.1 Income statement

<i>(in thousands of euros)</i>	2017/06/30 12 months	2018/06/30 12 months
Revenue		
Reversal of depreciation, amortization and provisions and capitalized costs	2,068	2,068
Other operating income	0	0
<b>Operating income</b>	<b>2,068</b>	<b>2,068</b>
Other purchases and external charge	1,878	2,110
Taxes and duties	15	9
Allocations to provisions for risks and expenses	2,068	1,891
Other charges	75	223
<b>Operating expenses</b>	<b>4,036</b>	<b>4,233</b>
<b>Operating profit</b>	<b>(1,968)</b>	<b>(2,166)</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		259
Income from interest on bonds		
Reversal of provisions and capitalized costs		
Net gain on disposals of securities	15	3
<b>Financial income</b>	<b>30,064</b>	<b>30,312</b>
Allocations to provisions on financial assets		
Interest and similar expenses	710	585
Interest expense on bonds	5,554	5,554
Net expense on disposals of securities	0	5
<b>Financial expenses</b>	<b>6,264</b>	<b>6,143</b>
<b>Financial result</b>	<b>Note 9</b> <b>23,801</b>	<b>24,169</b>
<b>Operating income</b>	<b>21,833</b>	<b>22,003</b>
On revenue transactions	14	
On capital transactions	231	611
Reversal of provisions and capitalized costs		
<b>Non-recurring income</b>	<b>Note 10</b> <b>245</b>	<b>611</b>
On revenue transactions	3	
On capital transactions	118	706
Non-recurring charges to depreciation, amortization and provisions		
<b>Non-recurring expenses</b>	<b>Note 11</b> <b>121</b>	<b>706</b>
<b>Non-recurring income</b>	<b>124</b>	<b>(96)</b>
Income tax	<b>Note 13</b> <b>(10,481)</b>	<b>(311)</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>32,438</b>	<b>22,218</b>



## 6.2 Balance sheet

### Assets

			2018/06/30	
			Depreciation and amortization &provisions	
(in thousands of euros)		2017/06/30 Net	Gross	Net
Property, plant & equipment	Note 2	12	4	4
Land		12	4	4
Buildings				
Non-current financial assets	Note 3	590,857	600,230	600,230
Investments in subsidiaries		582,429	592,429	592,429
Loans to subsidiaries and affiliates		15	4	4
Other non-current securities held		8,414	7,798	7,798
Loans				
Other non-current financial assets				
Fixed assets		590,869	600,234	600,234
Receivables		15,810	9,625	9,625
Trade and related receivables				
Other receivables	Note 4	15,810	9,625	9,625
Securities	Note 5	517	101	101
Cash		13		
Prepaid expenses	Note 4	44	43	43
Current assets		16,384	9,768	9,768
TOTAL ASSETS		607,252	610,003	610,003

### Liabilities and Shareholders' equity

		2017/06/30 Before allocation	2018/06/30 Before Allocation
<i>(in thousands of euros)</i>			
Shareholders' equity	Note 6	392,089	409,455
Share capital		56,000	56,492
Additional paid-in capital		22,646	31,838
Reserves			
Revaluation surplus		947	947
Legal reserve		5,600	5,600
Regulated reserves			
Other reserves		28,280	28,280
Retained earnings		246,177	264,080
Net income for the period		32,438	22,218
Provisions for risks and expenses	Note 7	36,842	36,839
Payables		178,322	163,708
Bonds	Note 8	145,000	145,000
Bank borrowings and other liabilities to bank	Note 8		
Miscellaneous borrowing and financial debt	Note 8	1,704	1,704
Trade and related payables.	Note 8	231	202
Tax and social security payables	Note 8	9	7
Other payables	Note 8	31,377	16,795
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>607,252</b>	<b>610,003</b>

## 6.3 Statement of cash flows

<i>(in thousands of euros)</i>	2017/06/30 12 months	2018/06/30 12 months
<b>Operating activities</b>		
Net income for the period	32,438	22,218
Depreciation and amortization		
Allocations to/Reversals of provisions for risks and expenses	479	(177)
Allocations to/Reversals of provisions on non-current financial assets and marketable securities		
Allocations to/Reversals of tax provisions	(4,425)	175
<b>Gross cash flows from operating activities</b>	<b>28,493</b>	<b>22,216</b>
Gains on disposals of assets		
<b>Cash flows from operating activities</b>	<b>28,493</b>	<b>22,216</b>
Change in trade and related receivables	(3,667)	6,186
Change in provisions for risks and expenses		
Change in accounts payable and other payables	(11,689)	(14,614)
Change in accrued interest on borrowings		
Change in WCR	(15,356)	(8,427)
<b>Net cash flow from/(used in) operating activities</b>	<b>13,137</b>	<b>13,788</b>
<b>Investing activities</b>		
Acquisitions of property, plant and equipment and intangible assets		
Acquisitions of non-current financial assets	(5,116)	(14,471)
Disposals of property, plant and equipment and intangible assets		8
Disposals or repayments of non-current financial assets	5,890	5,098
<b>Net cash flows from (used in) investing activities</b>	<b>774</b>	<b>(9,366)</b>
<b>Financing activities</b>		
Dividends	(13,792)	(14,536)
Dividends to be paid		
Changes in Shareholders' equity		9,685
New borrowings (including bank lines)		
Repayments of borrowings		
<b>Net cash flows from (used in) financing activities</b>	<b>(13,792)</b>	<b>(4,851)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>119</b>	<b>(429)</b>
Cash and cash equivalents - closing balance	530	101
Cash and cash equivalents - opening balance	410	530
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>119</b>	<b>(429)</b>

## 6.4 Notes to the annual parent company financial statements

### Contents

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## 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 SA, in accordance with the decision of the Ordinary Shareholders' Meeting of December 6, 2017.

### Note 1 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 financial statements 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:

#### 1.1 Change in methods

No notable change in method was applied over the period

#### 1.2 Property, plant & equipment

Property, plant and equipment were recognized at their purchase or contribution cost.

Depreciation is calculated on a straight-line basis over expected useful life.

#### 1.3 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.

## 1.4 Receivables

Receivables are recognized at their face value. A provision is set aside, if needed, to cover any risk of default.

## 1.5 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.

## 1.6 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.

## 1.7 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.

## 1.8 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.

## 1.9 Events after the reporting date

None



## Note 2 Property, plant and equipment

Analysis of changes in gross amounts and accumulated depreciation:

<i>(in thousands of euros)</i>	At 2017/06/30	Acquisitions or charges	Merger and contribution	Disposals or reversals	At 2018/06/30
<b>Gross amount</b>					
Land	12			(8)	4
Buildings					
	12			(8)	4
<b>Depreciation</b>					
Land					
Buildings					
<b>Net amount</b>					
Land	12			(8)	4
Buildings					
	12			(8)	4

## Note 3 Non-current financial assets

Analysis of changes in gross amounts and provisions:

<i>(in thousands of euros)</i>	Gross amount at 2017/06/30	Acquisitions	Disposals	Repurchases, reclassification and other	Gross amount at 2018/06/30
<b>Investments in subsidiaries</b>	582,429	10,000			592,429
Bonduelle SA	582,429	10,000			592,429
<b>Other non-current receivables</b>	15		(11)		4
Loans to subsidiaries and affiliates					
Other - Cash account with Exane	15		(11)		4
<b>Other non-current financial assets</b>					
<b>Loans</b>					
<b>Treasury shares held:</b>					
• under a liquidity contract <sup>(1)</sup>	282	4,471	(4,133)		620
• in relation to an acquisition	3,507			(837)	2,670
• coverage of securities conferring rights to allocations of Company shares					
• coverage of share purchase options and free share plans	4,624		(954)	837	4,508
	590,857	14,471	(5,098)		600,230

(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 amount at 2018/06/30	Provisions at 2017/06/30	Charges	Reversals	Net amount at 2018/06/30
Investments in subsidiaries	592,429				592,429
Other non-current receivables	4				4
Other non-current financial assets					
Treasury shares held:					
• under a liquidity contract	620				620
• in relation to an acquisition	2,670				2,670
• coverage of securities conferring rights to allocations of Company shares					
• coverage of share purchase options and free share plans	4,508				4,508
	600,230				600,230
Value at year-end:					
Treasury shares					13,313

<i>(in number of shares)</i>	At 2017/06/30	Increase	Decrease	Reclassification	At 2018/06/30
Treasury shares held:					
• under a liquidity contract	8,603	121,739	110,306		20,036
• in relation to an acquisition	199,424			(47,582)	151,842
• coverage of securities conferring rights to allocations of Company shares					
• coverage of share purchase options and free share plans	265,153		54,482	47,582	258,253
	473,180	121,739	164,788		430,131
Average price of transactions over the period		€36.73	€30.34		

### Note 4 Receivables

<i>(in thousands of euros)</i>	Gross value	≤ 1 year	> 1 year
Current assets			
Other client receivables			
O.w. accrued income			
Group and associates			
O.w. accrued income			
Taxes and duties	7,732	7,732	
Other – Receivables from suppliers	2	2	
Group and associates			
Current account Tax consolidation			
Other – Miscellaneous receivables <sup>(1)</sup>	1,891	1,335	555
Other – Prepaid expenses	43	43	
	9,668	9,112	555

(1) Stock-options and free share allocation plans: 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 2017/06/30	At 2018/06/30
Securities held under terms of the liquidity contract (EXANE)	517	101
	<b>517</b>	<b>101</b>

## Note 6 Shareholders' equity

<i>(in thousands of euros)</i>	At 2017/06/30	Allocation to net income 2016-2017	Change	At 2018/06/30
Share capital	56,000	492		56,492
Additional paid-in capital/merger premium	22,646	9,193		31,838
Revaluation surplus	947			947
Legal reserve	5,600			5,600
Regulated reserves				
Other reserves	28,280			28,280
Retained earnings	246,177	17,903		264,080
<b>Net income for the period</b>				
2017/06/30	32,438	(32,438)		
2018/06/30			22,218	22,218
Dividends		4,851		
	<b>392,089</b>		<b>22,218</b>	<b>409,455</b>

Dividends totaling 14,211 thousand euros were paid out to Shareholders as a whole.

10,049 thousand euros of this dividend was paid in shares, including a balancing payment in cash of 364 thousand euros, and 4,163 thousand euros of it was paid in cash.

324 thousand euros were paid out to the General Partner, in accordance with Article 25 of the Articles of association.

### Share capital

At June 30, 2018, the share capital was composed of 32,281,118 shares with a par value of 1.75 euros per share, as follows:

- 14,168,710 common shares;
- 18,112,408 shares with double voting rights.

The 32,281,118 shares comprising the Company's share capital represent 49,851,683 voting rights.

## Note 7 Provisions for risks and expenses

<i>(in thousands of euros)</i>	At 2017/06/30	Charges	Reversals		At 2018/06/30
			Used	Unused	
Provision for risks related to stock option or free share allocation plans	2,068	1,891		2,068	1,891
Provision for taxes – Tax consolidation <sup>(1)</sup>	34,774	1,402	1,193	35	34,949
	<b>36,842</b>	<b>3,293</b>	<b>1,193</b>	<b>2,103</b>	<b>36,839</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)	2017/06/30	2018/06/30		
		Gross value	≤ 1 year	> 1 year and ≤ 5 years
Borrowings <sup>(1)</sup>	146,704	146,704	146,704	
Trade and related payables <sup>(2)</sup>	231	202	202	
Tax and social security payables	9	7	7	
Other payables <sup>(3)</sup>	31,377	16,795	16,795	
	<b>178,322</b>	<b>163,708</b>	<b>163,708</b>	

(1) On September 10, 2012, 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 March 11, 2019.

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 SA.

## Note 9 Financial result

(in thousands of euros)	At 2017/06/30	At 2018/06/30
<b>Financial income</b>		
Financial income from subsidiaries and affiliates		
• Bonduelle SA	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		259
Net gain on disposals of securities	15	3
	<b>30,064</b>	<b>30,312</b>
<b>Financial expenses</b>		
Depreciation, amortization and provisions		
Interest and similar expenses	710	585
Interest expense on the Euro PP	5,554	5,554
Net expense on disposals of securities	0	5
	<b>6,264</b>	<b>6,143</b>
<b>FINANCIAL RESULT</b>	<b>23,801</b>	<b>24,169</b>



## Note 10 Non-recurring income

<i>(in thousands of euros)</i>	At 2017/06/30	At 2018/06/30
<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)	231	611
<b>Recoveries of provisions for risks and expenses</b>		
<b>TOTAL NON-RECURRING INCOME</b>	<b>245</b>	<b>611</b>

## Note 11 Non-recurring expenses

<i>(in thousands of euros)</i>	at 2017/06/30	at 2018/06/30
<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		8
• Disposals of non-current financial assets (loss on treasury shares)	118	699
• Disposals of participating interests		
<b>Provisions for risks and expenses</b>		
<b>Non-recurring charges to depreciation, amortization and provisions</b>		
<b>Total non-recurring expenses</b>	<b>121</b>	<b>706</b>
<b>TOTAL NON-RECURRING INCOME</b>	<b>124</b>	<b>(96)</b>

## Note 12 Information on related parties and investments

<b>Items</b> <i>(in thousands of euros)</i>	<b>Amount concerning companies</b>	
	<b>Related parties</b>	<b>With which the Company has a capital relationship</b>
<b>Investments in subsidiaries:</b>		
gross amount	592,429	
net amount	592,429	
<b>Loans to subsidiaries and affiliates</b>		
Other receivables	1,891	
Other payables	16,754	
Operating liabilities	3	
<b>Financial income from subsidiaries and affiliates</b>		
Financial income	30,309	
Financial expenses	401	

## Note 13 Tax breakdown

<i>(in thousands of euros)</i>	Operating income	Non-recurring income	Total
<b>Profit before tax</b>	<b>22,003</b>	<b>(96)</b>	<b>21,907</b>
Theoretical income tax			
Tax credit			
<b>Total theoretical income tax</b>			
Impact of tax consolidation			485
Provision for taxes			(175)
<b>Total income tax expense</b>			<b>311</b>
<b>NET INCOME AFTER TAXES:</b>			<b>22,218</b>

## Note 14 Tax consolidation

As parent company, Bonduelle SCA is the head of a tax consolidation group that includes:

Name	Address
Bonduelle SA	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)
SAS Champiloire	Chantemerle - Bagneux - 49400 Saumur (France)
Euromycel 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)
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 for the year 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, 2018.

### Taxable income for the tax consolidation group as a whole

Taxable income for the entire tax-consolidated group amounted to a profit of 4,195 thousand euros.

Tax loss carryforwards: None.



## 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 2016-2017	FY 2017-2018
<b>Christophe BONDUELLE<sup>(1)</sup></b> <i>Legal representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA</i>		
Compensation due in respect of the fiscal year (details provided in table 2)	1,128,171	687,053 <sup>(3)</sup>
Value of variable multi-year compensation granted during the fiscal year	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>(2)</sup>	475,862	448,288
<b>TOTAL</b>	<b>1,604,033</b>	<b>1,135,341</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.  
Maximum number of shares and valuation assuming targets are exceeded.

(3) 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 2016-2017		FY 2017-2018	
	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:	680,000	680,000	680,000	680,000 <sup>(1)</sup>
• Annual variable compensation <sup>(2)</sup>	443,190	443,190	Not calculated	Not applicable
• Multi-year variable compensation	None	None	None	None
Non-recurring compensation	None	None	<sup>(3)</sup>	<sup>(3)</sup>
Directors' fees	None	None	None	None
Benefits in kind: car	4,981	4,981	7,053	7,053
<b>TOTAL</b>	<b>1,128,171</b>	<b>1,128,171</b>	<b>687,053</b>	<b>687,053</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 changed in the last two fiscal years.

(2) The components of variable compensation are determined by the Bonduelle SA Board of Directors acting on a proposal from the Compensation Committee after the date the present document was issued and are primarily based on changes in revenue and profitability. The expected level of attainment for qualitative and quantitative 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) On a proposal from the Compensation Committee, the Bonduelle SA Board of Directors decided, at its meeting of July 6, 2018, and on the occasion of the Bonduelle Group's change of governance, effective from July 1, 2018, as a result of which Christophe Bonduelle's term of office as Chief Executive Officer of Bonduelle SA has ended up, to award him a one-off compensation payment of 500,000 euros for services rendered over 26 years as an executive officer.

**Table 3 : Directors' fees and other compensation received by directors and non-executive Corporate Officers**

<i>(in euros)</i> Non-executive Corporate Officers	Amount paid during the fiscal year 2016-2017	Amount paid during the fiscal year 2017-2018
<b>Isabelle DANJOU</b>		
Directors' fees	8,800	9,900
Other compensation		
<b>Laurent BONDUELLE</b>		
Directors' fees	4,400	5,500
Other compensation		
<b>Martin DUCROQUET</b>		
Directors' fees	8,800	9,900
Other compensation		
<b>Matthieu DURIEZ</b>		
Directors' fees	4,400	3,300
Other compensation		
<b>Elisabeth MINARD</b>		
Directors' fees	4,400	5,500
Other compensation		
<b>Yves TACK<sup>(1)</sup></b>		
Directors' fees	8,800	9,900
Other compensation		
<b>Marie-France TISSEAU</b>		
Directors' fees	4,400	5,500
Other compensation		
<b>Marie-Ange VERDICKT</b>		
Directors' fees	8,800	8,800
Other compensation		
<b>Pierre et Benoît BONDUELLE SAS</b>		
Directors' fees		
Other compensation <sup>(2)</sup>	1,341,800	1,496,700
<b>TOTAL</b>	<b>1,394,600</b>	<b>1,555,000</b>

The major share of directors' fees is paid according to attendance rates at Supervisory Board and specialized committees meetings.

(1) Mr. Yves Tack's term of office ended upon his death during the fiscal year.

(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 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 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 the 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 company in the group (nominative list)	No. and date of plan	Number of shares granted during the fiscal year	Valuation of shares according to the method used for the consolidated financial statements (in euros)	Acquisition date	Availability date	Performance conditions
Christophe BONDUELLE	Plan 7 2017/10/06	13,922	448,288 *	2020/10/06	2020/10/07	**
<b>TOTAL</b>		<b>13,922</b>				

On October 6, 2017, the General Management decided to grant free ordinary shares, including 13,922 to 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 fixed compensation at target and contingent on employment on the payment date of each plan.

**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
Christophe BONDUELLE	Plan 3 2015/12/07	6,380	
<b>TOTAL</b>		<b>6,380</b>	

**Table 8 : Historical information on share purchase option grants**

Information on share purchase options	
Date of Shareholders' Meeting	
Date of the 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, General Manager of Bonduelle SCA</i>	See Note 18
Start of option exercise period	
Date of expiration	
Purchase price	
Exercise conditions (when the plan has several portions)	
Number of shares purchased at June 30, 2018 (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	21,600

**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
Date of Shareholders' Meeting	2015/12/03/	2015/12/03	2015/12/03
Date of the General Management decision	2015/12/07	2015/12/07	2016/09/16
Total number of free shares granted	61,868	61,868	76,801
including the number granted to <i>Christophe Bonduelle</i> <i>Legal representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA</i>	19,141	19,141	22,617
including the number of shares granted to the Executive	61,868	61,868	76,801
Date of share acquisition <sup>(1)</sup>	2017/12/07	2018/12/07	2019/09/16
End of holding period	2017/12/07	2018/12/07	2019/09/16
Number of shares definitively acquired at June 30, 2018	22,682	0	0
Total no. of shares canceled or expired	39,186	0	0
Remaining free shares granted at fiscal year-end	0	61,868	76,801

(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 payment date of each plan.  
In accordance with the provisions of the Afep-Medef Code, Corporate Officers do not benefit from any hedging arrangements.

Information on free share grants	Free Share Plan 6	Free Share Plan 7
Date of Shareholders' Meeting	2015/12/03	2015/12/03
Date of the General Management decision	2016/10/27	2017/10/06
Total number of free shares granted	2,415	47,582
including the number granted to <i>Christophe BONDUELLE</i> <i>Legal representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA</i>	0	13,922
including the number of shares granted to the Executive	2,415	47,582
Date of share acquisition <sup>(1)</sup>	2018/10/27	2020/10/06
End of holding period	2018/10/27	2020/10/06
Number of shares definitively acquired at June 30, 2018	0	0
Total no. of shares canceled or expired	0	0
Remaining free shares granted at fiscal year-end	2,415	47,582

(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 payment date of each plan.  
In accordance with the provisions of the Afep-Medef Code, Corporate Officers do not benefit from any hedging arrangements.

**Table 11**

	Employment contract <sup>(1)</sup> <sup>(2)</sup>		Supplementary retirement plan <sup>(2)</sup>		Indemnities or benefits due or likely to be due for termination of appointment or change in current function <sup>(3)</sup>		Indemnities related to a non-competition clause <sup>(3)</sup>	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>Executive Corporate Officers</b>								
<b>Christophe BONDUELLE</b>								
<i>Legal representative of Pierre et Benoît Bonduelle SAS, General Manager of Bonduelle SCA</i>								
<b>Chairman of Bonduelle SA</b>		X	X		X		X	
<b>Appointment start date<sup>(4)</sup></b>								
<b>Appointment ends date<sup>(4)</sup></b>								

(1) Mr. Christophe Bonduelle's employment contract with Bonduelle SA was suspended with effect from December 31, 2009.

(2) The group has established a supplementary, defined contribution pension plan (Article 83 plan)(See part 5, Note 10.2.3 to the Section entitled "Post-employment benefits").

(3) Indemnities or benefits due or likely to be due for termination of appointment or change in current function 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 shall be received in full if the average variable compensation paid over the last three years is 25% or more of the target variable compensation;
- the indemnity shall be received on a pro rata basis if the average variable compensation is between 20% and 25% of the target variable compensation;
- the indemnity is not payable if the average variable compensation is nil.

Severance pay includes indemnities under the non-competition clause, which the Company does not have the option to waive. Bonduelle SA employees are granted termination benefits and long-service awards. For Mr. Christophe Bonduelle, these amount to 643,562 euros.

(4) Open-ended appointment since his appointment at the Bonduelle SA Shareholders' Meeting on December 28, 2010.

## Note 17 Off-balance sheet commitments

	At 2018/06/30
Off-balance sheet commitments	None



## Note 18 Information regarding stock option and free share allocation plans

### 18.1 Stock option plans

	Plan 16
Date of Shareholders' Meeting	2009/12/03
Date of the General Management decision	2011/12/15
Initial number of shares that may be purchased	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	23,600
<b>Number of shares canceled<sup>(1)</sup></b>	<b>(34,801)</b>
Total number of shares that may be purchased	172,799
Start of option exercise period	12/16/2015
Date of expiration	12/15/2017
Purchase price	15.73
Share price (basis for employer contribution on stock option plans)	2.74
<b>NUMBER OF SHARES PURCHASED AT JUNE 30, 2018</b>	<b>172,799</b>
Total number of shares that may be purchased at June 30, 2018	

(1) Cancellations represent shares allocated to persons who have left the group prior to the exercise period or that had not been purchased by the time the plan expired.

### 18.2 Free share allocation plans

	Plan 3	Plan 4	Plan 5
Date of Shareholders' Meeting	2015/12/03	2015/12/03	2015/12/03
Date of the General Management decision	2015/12/07	2015/12/07	2016/09/16
Initial number of shares allocated	61,868	61,868	76,801
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	22,617
Including number of shares granted to the Executive Committee	61,868	61,868	76,801
<b>Total number of free shares allocated</b>	<b>61,868</b>	<b>61,868</b>	<b>76,801</b>
Effective allocation date <sup>(1)</sup>	2017/12/07	2018/12/07	2019/09/16
Date from which shares can be sold	2017/12/08	2018/12/08	2019/09/17
Share price (basis for employer contribution on stock option plans)	39.85	32.39	32.39
<b>NUMBER OF SHARES DEFINITELY ACQUIRED AT JUNE 30, 2018</b>	<b>22,682</b>		
Total no. of shares canceled or expired	39,186	0	0
Outstanding free shares granted at fiscal year-end	0	61,868	76,801

	Plan 6	Plan 7
Date of Shareholders' Meeting	2015/12/03	2015/12/03
Date of the General Management decision	2016/10/27	2017/10/06
Initial number of shares allocated	2,415	47,582
Including number of shares granted to Mr. Christophe BONDUELLE, legal representative of Pierre et Benoît Bonduelle SAS, itself General Manager of Bonduelle SCA		13,922
Including the number of shares granted to the Executive Committee	2,415	47,582
<b>Total number of free shares allocated</b>	<b>2,415</b>	<b>47,582</b>
Effective allocation date <sup>(1)</sup>	2018/10/27	2020/10/06
Date from which shares can be sold	2018/10/28	2020/10/06
Share price (basis for employer contribution on stock option plans)	32.39	32.39
<b>NUMBER OF SHARES DEFINITELY ACQUIRED AT JUNE 30, 2018</b>		
Total n°. of shares canceled or expired	0	0
Outstanding free shares granted at fiscal year-end	2,415	47,582

(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 target and contingent on employment on the payment date of the plan.

## 18.3 Other information on stock option plans

### 18.3.1 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.

### 18.3.2 Contingent liabilities:

A provision for risks and expenses was recorded at the end of the fiscal year, at June 30, 2018, in the amount of 1,891 thousand euros (Free Share Plans 4,5, 6 and 7).

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 free share plans.



## 6.5 Information regarding subsidiaries and affiliates

(in thousands of euros) Companies	Number of shares held	Curren- cies	Capital <sup>(n)</sup>	Sharehol- ders' equity other than share capital and net income for the period <sup>(n)</sup>	Capital interest (in %)	Carrying amount of shares		Advances made by the Company	Security deposits given	Revenue for the year ended, exclud- ing tax	Previous year-end result	Dividends received by the Company during the fiscal year
						Gross	Net					
A/Holdings with a gross value in excess of 1% of the parent's share capital												
1/ Subsidiaries (>50% held)												
Bonduelle SA	2,348,048	EURO	234,806	408,460	100	592,429	592,429			35,950	30,145	30,049
2/ Between 10 and 50%												
B/Holdings with a gross value not in excess of 1% of the parent's share capital												
1/ French subsidiaries												
2/ Foreign subsidiaries												
3/ Investments in French companies												

(1) In the Company's local currency.

## 6.6 Five year financial summary

<i>(in thousands of euros)</i>	2014/06/30	2015/06/30	2016/06/30	2017/06/30	2018/06/30
<b>Financial position at year-end</b>					
Share capital	56,000	56,000	56,000	56,000	56,492
Number of shares issued in units	32,000,000	32,000,000	32,000,000	32,000,000	32,281,118
<b>Total income from operations</b>					
Revenues of subsidiaries	30,015	30,002	30,049	30,049	30,049
Revenue excluding tax					
Income before taxes, employee profit-sharing, depreciation, amortization and provisions	23,633	21,632	23,493	22,437	21,730
Income tax	58	(5,701)	(2,187)	(10,481)	(311)
Employee profit-sharing					
Earnings after taxes, employee profit-sharing, depreciation, amortization and provisions	24,210	27,739	24,538	32,438	22,218
Dividends paid	12,000	13,760	13,760	14,400	16,141
<b>Earnings from operations per share <i>(in euros)</i></b>					
Earnings after taxes and employee profit-sharing but before depreciation, amortization and provisions	0.74	0.85	0.80	1.03	0.68
Earnings after taxes, employee profit-sharing, depreciation, amortization and provisions	0.76	0.87	0.77	1.01	0.69
Dividend paid per share	0.38	0.43	0.43	0.45	0.50 <sup>(1)</sup>

(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 22,218,052.81 euros as follows:

– profits for the fiscal year	22,218,052.81 euros
– retained earnings	<u>264,079,861.23 euros</u>
– distributable income	286,297,913.80 euros
– allocation to the General Partner	222,180.53 euros
– Shareholder dividend	14,526,503.10 euros
– retained earnings	271,549,230.17 euros

And to approve payment of a dividend for fiscal year 2017-2018 of 0.50 euro per share, combined with an option to receive the dividend in cash or in shares; 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, 2019.



## 6.7 Statutory Auditors' report on the financial statements

*This is a 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 statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.*

*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, 2018**

To the annual general meeting of Bonduelle SCA

### I. Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Bonduelle SCA for the year ended 30 June 2018.

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 30 June 2018 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 Auditors Responsibilities for the Audit of the Financial Statements section of our report.

#### Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1<sup>st</sup> of July 2017 to the date of our report and specifically 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 relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

We determined that there was no Key Audit Matters to report in our report.

## IV. Verification of the Management Report and of the Other Documents Provided to Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

### *Information given in the management report and in the other documents provided to Shareholders with respect to the financial position and the financial statements*

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 of the Board of Directors and in the other documents provided to Shareholders with respect to the financial position and the financial statements.

### *Report on corporate governance*

We attest that the Supervisory Board's report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 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, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observation to make on this information.

## Other 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

We were appointed as statutory auditors of Bonduelle SCA by the annual general meeting held on 7<sup>th</sup> of December 2006 for Deloitte & Associés and on 20<sup>th</sup> of Decembre 1989 for Mazars.

As at 30<sup>th</sup> of June 2018, Deloitte & Associés and Mazars were respectively, in the 12<sup>th</sup> year and 29<sup>th</sup> year of total uninterrupted engagement, which is for Mazars the 20<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 operations.

The Accounts Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the General Management.



## VII. Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is 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 in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- Obtains 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses 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. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report to the Accounts Committee

We submit a report to the Accounts Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Accounts 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 that we are required to describe in this report.

We also provide the Accounts Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Euralille and Courbevoie on the 28 of September 2018

The statutory auditors

**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

We have been informed of no agreements and commitments authorized during the last year and requiring the approval of the Shareholders' Meeting by virtue of article L. 226-10 of the French commercial code.

### 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 Bond issued by Bonduelle SA (Ex Bonduelle SAS) (USPP 2010)

##### Companies involved:

- Bonduelle SA, for which Bonduelle SCA directly or indirectly holds over 10% of the voting rights;
- Pierre & Benoit Bonduelle SAS, General Partner of Bonduelle SCA and Chief Executive Officer of Bonduelle SA.

**Nature, corporate purpose and terms:** On August 3 and September 2, 2010, Bonduelle SA issued a 12-year bond into 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.



## Bonduelle SCA's guarantee of a Bond issue by Bonduelle SA (Ex Bonduelle SAS) (USPP 2017)

### Companies involved:

- Bonduelle SA, for which Bonduelle SCA directly or indirectly holds over 10% of the voting rights;
- Pierre & Benoit Bonduelle SAS, General Partner of Bonduelle SCA and Chief Executive Officer of Bonduelle SA.

**Nature, corporate purpose and terms:** On July 6, 2017, Bonduelle SA 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.

Those agreements were reviewed by your Supervisory Board at its meeting on September 28, 2018. Noting that the economic conditions of those agreements have not changed, it is not necessary to resubmit them for approval to the next General Assembly.

Euralille and Courbevoie, on October 9, 2018

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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## 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
At 01/01/1993 (in French francs)				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 (in euros)	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'Angevine	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
2018	Capital increase following the distribution of a dividend of 0.45 euros per share, with the option granted to Shareholders for the payment of their dividends either in shares or in cash	491,956.50		56,491,956.50	32,281,118



## 7.1.2 Amount of the share capital

At August 31, 2018, the share capital amounted to 56,491,956.50 euros.

It is divided into 32,281,118 common shares of 1.75 euros each, all fully paid up and of the same class, representing

50,385,640 theoretical voting rights and 49,847,820 voting rights exercisable at the Shareholders' Meeting. This difference relates to the 537,820 shares that do not carry voting rights.

In addition, 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	Term of the delegation/ authorization granted to the General Management	Date of expiration	Observation	Use during previous fiscal years	Use during the fiscal year 2017-2018
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*). (11 <sup>th</sup> resolution)	2016/12/01	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*). (12 <sup>th</sup> resolution)	2016/12/01	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. (13 <sup>th</sup> resolution)	2016/12/01	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. (14 <sup>th</sup> resolution)	2016/12/01	26 months	2019/01/31		-	-

\* On the date of the Shareholders' Meeting.

# 7 INFORMATION ON THE COMPANY AND THE SHARE CAPITAL

Information regarding the share capital

Type of resolution	Date of Shareholders' Meeting	Term of the delegation/ authorization granted to the General Management	Date of expiration	Observation	Use during previous fiscal years	Use during the fiscal year 2017-2018
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.	2017/12/07 (13 <sup>th</sup> resolution)	26 months	2020/02/07		-	-
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		202,952	47,582





## Information regarding the share capital

Type of resolution	Date of Shareholders' Meeting	Term of the delegation/ authorization granted to the General Management	Date of expiration	Observation	Use during previous fiscal years	Use during the fiscal year 2017-2018
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, 2018

Convertible instruments	Maximum No. of shares that may be issued	Maximum potential dilutive effect (as a % of the share capital)
<b>FREE SHARES GRANTED</b>	<b>188,666</b>	<b>0.58*</b>

\* Based on capital of 32,281,118 shares.

## 7.2 Shareholder structure – GRI 102-5

### 7.2.1 Analysis of share capital and voting rights

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 agreement 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 agreement for all shares held.

**At June 30, 2018**

2018	Number of shares	%	Theoretical voting rights	%	Voting rights exercisable at Shareholders' Meetings	%
La Plaine SA <sup>(1)</sup>	7,340,423	22.74%	14,496,327	28.77%	14,496,327	29.08%
Pierre et Benoît Bonduelle SAS <sup>(2)</sup>	2,815,114	8.72%	4,510,486	8.95%	4,398,774	8.82%
<b>Total Pierre et Benoît Bonduelle SAS</b>	<b>10,155,537</b>	<b>31.46%</b>	<b>19,006,813</b>	<b>37.72%</b>	<b>18,895,101</b>	<b>37.90%</b>
Other family Shareholders – Acting in concert <sup>(3)</sup>	5,875,549	18.20%	11,727,784	23.27%	11,727,784	23.53%
<b>Sub-total concert</b>	<b>16,031,086</b>	<b>49.66%</b>	<b>30,734,597</b>	<b>60.99%</b>	<b>30,622,885</b>	<b>61.43%</b>
Other family Shareholders – Not acting in concert	1,903,448	5.90%	3,762,628	7.47%	3,762,628	7.55%
<b>Total family Shareholders</b>	<b>17,934,534</b>	<b>55.56%</b>	<b>34,497,225</b>	<b>68.46%</b>	<b>34,385,513</b>	<b>68.98%</b>
Total treasury shares	430,131	1.33%	430,131	0.85%	0	0.00%
Total mutual funds	1,088,566	3.37%	2,145,852	4.26%	2,145,852	4.30%
Total free float	12,827,887	39.74%	13,320,318	26.43%	13,320,318	26.72%
<b>TOTAL</b>	<b>32,281,118</b>	<b>100%</b>	<b>50,393,526</b>	<b>100%</b>	<b>49,851,683</b>	<b>100%</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 agreement 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 SA;
- 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 29, 2018. This study involved 10,044 bearer Shareholders. It revealed that 22% of the share capital is held by bearer Shareholders residing in France and its overseas departments, while 16% 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 8% of the share capital is held by private individual bearer Shareholders and 30% 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. The Code, which is available at [www.bonduelle.com](http://www.bonduelle.com), was updated in 2018.

## 7.2.3 Shareholder agreements

### Shareholder 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.

## Shareholder structure

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, 2018 for 49.66% of the Company's share capital and 60.99% of the 50,393,526 theoretical voting rights.

### Threshold crossings

On July 11, 2017, Pierre et Benoît Bonduelle SAS declared that it had crossed in the upward direction, on a direct and indirect basis, through La Plaine, a company it controls, the threshold of 30% of the capital of Bonduelle and that it held, as of that date, directly and indirectly, 9,635,124 Bonduelle shares representing 18,476,064 voting rights, *i.e.* 30.11% of the Company's capital and 36.95% of its voting rights. This threshold crossing resulted from an off-market acquisition of Bonduelle shares. It did not cause the concert party comprising Bonduelle's family Shareholders to cross any thresholds. The family Shareholders accordingly declared that, as of July 11, 2017, they held 15,464,932 Bonduelle shares representing 30,128,890 voting rights, *i.e.* 48.33% of the Company's share capital and 60.26% of its voting rights (AMF Opinion No. 217C2749 of November 27, 2017).

For this threshold crossing, the *Autorité des marchés financiers* (AMF) examined, at its meeting of December 12, 2017, a request for exemption from the obligation to file a public offer for the shares of Bonduelle, which applies in the framework of a change in the Company's shareholding structure. Between June 30, 2017 and July 11, 2017, Pierre et Benoît Bonduelle SAS acquired 100,000 Bonduelle shares (of which 64,348 shares acquired on July 11, 2017). As a result of these purchases, on July 11, 2017, Bonduelle's family Shareholders held

15,464,932 Bonduelle shares representing 30,128,890 voting rights, *i.e.* 48.33% of the Company's capital and 60.26% of its voting rights. This caused Pierre et Benoît Bonduelle SAS to cross in the upward direction, directly and indirectly, through La Plaine SAS, a company it controls, the threshold of 30% of the capital of Bonduelle, thereby triggering the obligation to file a public offer for all Bonduelle shares, in accordance with Article 234-2 of the AMF General Regulation [...]. Considering that Bonduelle's family Shareholders already held, prior to the above-mentioned purchases, 60.06% of the voting rights of Bonduelle, representing the majority of the voting rights of the Company, the *Autorité des marchés financiers* granted the requested dispensation on the regulatory ground cited (AMF Opinion No. 217C2910 of December 13, 2017).

At its meeting of May 15, 2018, the *Autorité des marchés financiers* examined a request for exemption from the obligation to file a public offer for the shares of Bonduelle, which also applies in the framework of a change in the Company's shareholding structure. Between July 11, 2017 and April 26, 2018, Pierre et Benoît Bonduelle SAS acquired 420,414 Bonduelle shares directly and indirectly, through La Plaine SA, a company it controls. As a result of these purchases, on April 26, 2018, Bonduelle's family Shareholders held 15,928,431 Bonduelle shares representing 30,602,032 voting rights, *i.e.* 49.34% of the Company's capital and 60.73% of its voting rights. This means that Bonduelle's family Shareholders, together with Pierre et Benoît Bonduelle SAS, between July 11, 2017 and April 26, 2018, increased their equity holdings, initially between 30% and 50%, by more than 1% over less than 12 consecutive months, thereby triggering an obligation to submit a public offer for all of Bonduelle's shares, in accordance with Article 234-5 of the AMF General Regulation [...]. Considering that Bonduelle's family Shareholders already held, prior to the above-mentioned purchases, 60.26% of the voting rights of Bonduelle, representing the majority of the voting rights of the Company, the *Autorité des marchés financiers* granted the requested dispensation on the regulatory ground cited (AMF Opinion No. 218C0885 of May 16, 2018).

(1) *Autorité des marchés financiers* opinion No. 214C0595.

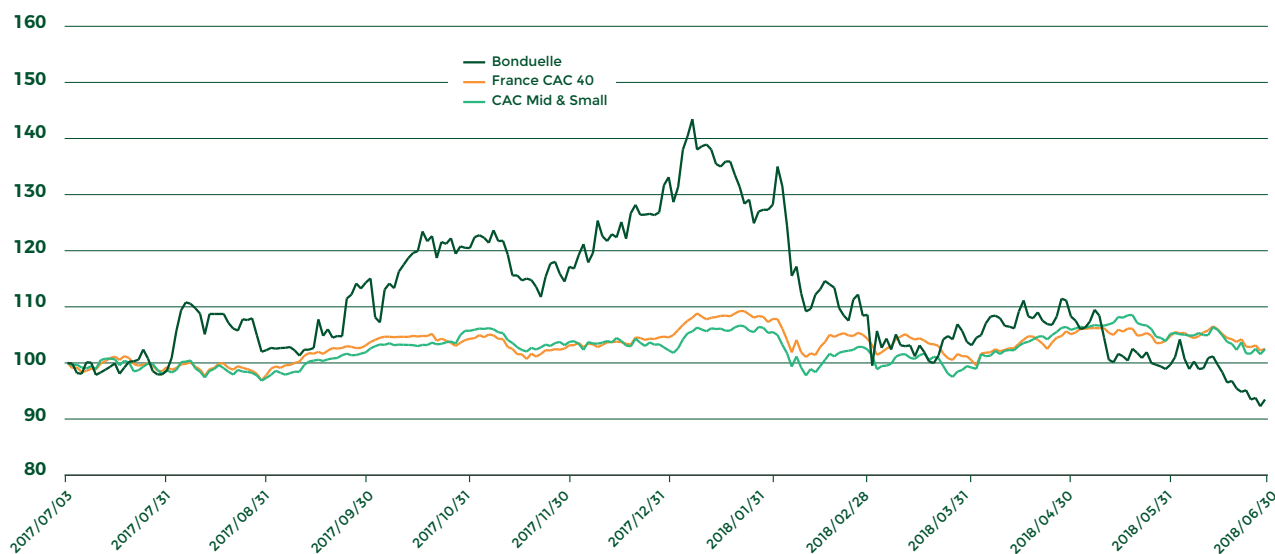


## 7.3 Bonduelle share and dividend information

### 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 2017)



## Bonduelle share and dividend information

### Stock market data

Share price	2014-2015	2015-2016	2016-2017	2017-2018
High (in euros)	26.52	27.-	33.94	47.50
Low (in euros)	18.-	21.1	20.03	30.55
Last share price (in euros)	22.80	21.68	32.82	30.95
Market capitalization at June 30 (in millions of euros)	729.60	693.76	1,050.24	999.1
Average daily trading volume (in euros)	257,382	316,323	493,653	642,083

Stock Exchange: Euronext Paris  
 Market segment: Euronext French stocks  
 Type: Compartment A  
 ISIN code: FR 0000063935  
 Reuters code: BOND.PA

Bloomberg code: BON FP  
 Shares outstanding: 32,281,118  
 Indexes: CAC Mid & Small, CAC All Shares, CAC Food Producers  
 Eligible for: deferred settlement service (SRD)

### 7.3.2 Dividends

The following dividends were paid during the previous five fiscal years:

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Dividend per share (eligible for tax credit) (in euros)	0.375	0.43	0.43	0.45	0.50
Total dividends paid (in thousands of euros)	12,000*	13,760*	13,760*	14,400*	16,141*

\* 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 6, 2018. The notice of the meeting is to be published in the BALO of October 29, 2018.

### 7.4.1 Analysis by intended use of treasury shares held at August 31, 2018

Number of shares held directly and indirectly: 426,108 shares representing 1.32% of the Company's share capital.

Number of shares held by intended use:

- ensure liquidity of Bonduelle shares under an AMAFI-compliant liquidity contract: 16,013;
- acquisition-related transactions: 151,842;
- coverage for share purchase option plans and other types of share allocations to employees: 258,253;
- 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 6, 2018
- **Securities involved:** common shares
- **Maximum portion of the share capital that may be repurchased under the authorization:** 10% (or 3,228,111 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, 2018 (426,108 shares or 1.32% of the share capital), the maximum number of shares that may be purchased will be 2,802,003 (i.e. 8.68% 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:** 193,686,660 euros
- **Methods used:** These share purchases may be made using all available methods, including block purchases, and at such times as the General Management chooses.

The Company reserves the right to use options or derivative instruments in accordance with all applicable regulations.

The General Management will be given full powers to repurchase shares, decide on the terms and conditions, enter into any agreements and complete all necessary formalities, subject to the approval of the Shareholders' Meeting of December 6, 2018.

- **Objectives:**
  - ensure secondary market trading or liquidity for Bonduelle shares through an investment service provider on the basis of a liquidity contract compliant with regulatory practice, 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;
  - cancel any shares purchased, in accordance with the approval granted by the twelfth resolution of the Extraordinary Shareholders' Meeting of December 7, 2017.
- **Term of the program:** 18 months from the Shareholders' Meeting of December 6, 2018, i.e. until June 5, 2020.

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 102-1

Bonduelle

### Registered office – GRI 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 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



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".

General information regarding the Company

## **Double voting right (established by the Extraordinary session of the Combined Ordinary and Extraordinary Shareholders' Meeting of October 24, 1997 in its 10<sup>th</sup> – 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.





## 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.

General information regarding the Company

## 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.



## 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.

## General information regarding the Company

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 at 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 Brasília 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.





## 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 transformation plan, the aim of VegeGo! is to position the Bonduelle Group as “the world reference in ‘well-living’ through plant-based food”, 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.

### 2017-2018

#### An all-time high, 20 years of being publicly traded and a new governance structure

With the acquisition of Ready Pac Foods (now Bonduelle Fresh Americas), the Bonduelle Group celebrated 20 years of being publicly traded on the Paris Stock Exchange, with revenue and profitability both at an all-time high.

The group held a meeting of its 1,300 Managers and announced that the roles of Chairman and Chief Executive Officer would be split to make the governance structure more commensurate with the group's size and challenges. The focus would be on ensuring a seamless management transition. The new governance structure came into effect on July 1, 2018.





# 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"-Renescure (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 in section 8.4.3, 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 in section 5.6.

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, 2017 and the corresponding historical data found in the financial report included in registration document No. D. 17-1001, which was filed with the *Autorité des marchés financiers* (French financial markets authority) on October 18, 2017;
- 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.

On October 19, 2018

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 activity and corporate responsibility report, 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 the share prices, as well as access to data relating 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.



### 8.3.1 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 Twitter  @Bonduelle\_Group, and its financial news on @BonduelleCFO.



### 8.3.2 Financial releases schedule

#### For fiscal year 2017-2018

2018/12/06	Annual Shareholders' Meeting
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#### For fiscal year 2018-2019

2018/11/05	Q1 revenue
2019/02/04	H1 revenue
2019/03/01	H1 results - the embargo* period will commence on 2019/02/14
2019/05/02	Q3 revenue
2019/08/05	Annual revenue
2019/09/30	Annual results - the embargo* period will commence on 2019/09/15
2019/12/05	Annual Shareholders' Meeting

\* 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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French Commercial Code	L. 225-184	Options granted, subscribed to or purchased during the financial year by Corporate Officers and each of the first ten employees who are not Corporate Officers, and options granted to all beneficiary employees, by category	240, 243-244	6
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French Commercial Code	L. 225-197-1	Holding conditions of free shares allocated to directors and Corporate Officers	241-244	6
French Monetary and Financial Code	L. 621-18-2	Transactions on Company shares by directors and persons connected with them	159	4

N/A Not applicable

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French Commercial Code	L. 225-102	Status of employee shareholding in Company share capital on the last day of the financial year and proportion of share capital represented by shares held by employees under the company savings plan and by employees and former employees under mutual funds	159	4
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N/A Not applicable

## 8.4.4 Corporate governance report cross-reference table

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French Commercial Code	L. 225-37-4	Application of the principle of balanced representation of women and men on the Board	146-149	3
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This document was prepared jointly by the Finance Department and the External Communication and CSR Department.

We would like to thank our farmer partners and our employees for their contributions to this document.

**Photos credit**

Nicolas Blandin, Barbara Crossman, Julien Pebrel, Offset.com, Photothèque Bonduelle

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