



**DECLARATION OF  
EXTRA-FINANCIAL PERFORMANCE  
GROUPE ROQUETTE  
2018**

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## DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

The medium- and long-term development plan of the Roquette Group is founded on a sustainable approach that is based on economic, social and environmental pillars.

Since 2008, Roquette has initiated a specific approach concerning Sustainable Development within the Group. This approach is based on four pillars: *Innovating Sustainably*, *Acting Sustainably*, *Biorefining Sustainably* and *Sourcing Sustainably*. These pillars make it possible to favor the innovation of proposed solutions and the performance of the actions implemented at the service of customers and of all of the other stakeholders. Each one of them has been associated with precise commitments, supplemented in 2016 with performance indicators. These pillars, commitments and performance indicators are presented in this report.

This year marks a significant change for extra-financial reporting, induced by the transposition of the European Directive on extra-financial information (2014/95/EU), into French law, which modifies article 225 of the French Code of Commerce in its version that was initially amended by the Grenelle II law. This new approach is an opportunity for Roquette to bring its Sustainable Development approach to the forefront.

Thanks to a description of the Group's business model, of the main stakes concerning Corporate Social Responsibility (CSR) and of the actions implemented in order to respond to this, this report reflects the way in which Roquette responds to the expectations of all of its stakeholders, creates value for the Group, its shareholders, its customers, its employees and interacts with its ecosystems.

### REGULATORY FRAMEWORK

The corporate, social and environmental information of a Group scope has been defined, consolidated and analyzed at December 31, 2018. In order to respond to the new regulatory framework, the Roquette Group describes in this extra-financial performance declaration the company's business model, the main stakes identified pertaining to CSR and linked to its activity or to the use of its products and services, as well as the policies applied in order to manage these stakes and their results (including selected performance indicators). In accordance with the new regulation, this report will be available on the Group's internet site.

The verification of this information has been entrusted to KPMG, as an independent third-party body and Co-Auditor, and has given rise to a reasoned opinion attached to this report concerning the compliance and the sincerity of the extra-financial performance declaration. The procedures for measuring and reporting, inspired by good practices, have been defined by a team of experts representing

the various functions and professions of the Group. The latter were shared and distributed in order to consolidate the qualitative and quantitative information as at Monday, December 31, 2018. These methodologies are part of an continual improvement approach internal to the Roquette Group.

This report meets the requirements of article R 225-105-2 of the French Code of Commerce on the Declaration of consolidated Extra-Financial Performance concerning the period ended December 31, 2018, in application of the provisions of article L 225-102-1 V of the French Code of Commerce and of decree no. 2012-557 of April 24, 2012 such as modified by order no. 2017-1180 of July 19, 2017 and of decree no. 2017-1265 of August 9, 2017.

The consolidation scopes concern all of the activities in the world for which Roquette Frères has operational control. Any scope limits are described hereinbelow.

### 1. Social Scope

Depending on their type, indicators and social data pertain to one or the other of the following consolidation areas (except for special cases):

- **Group perimeter:** Roquette Frères and all of its subsidiaries, controlled directly or indirectly at more than 50%, on December 31 of the reference year.
- **Restricted perimeter:** Roquette Frères and its industrial subsidiaries with a workforce of over 50 employees, controlled directly or indirectly at more than 50% and counted as part of the Roquette Group for at least one full year on January 1 of the reference year. The existence of this Restricted Perimeter is justified by the operational complexity of reporting certain social indicators and data.

The Group scope of 2018 changed compared to that for 2017, due to the various acquisitions that took place: Sethness Product Company (US, India, France, China), Roquette TPP B.V.(Netherlands) and Crest Cellulose (India) and of the consolidation in this report of the entities of Lignoterma (Lithuania), PlantTec Medical (Germany) and Alliance Gums & Industries (A.G.I.-France). The Restricted Perimeter of 2018 also changed compared to that for 2017: Itacel Farmoquímica (Brazil) and Roquette Asia Pacifique (Singapore) were included.

In 2018, the workforce of the Roquette Group included 8,599 employees, including 333 temps (fixed term contracts and in alternation). Recall that the workforce in 2017 was 8,399 employees.

As at Monday, December 31, 2018, the Restricted Perimeter represents nearly 93% of the Group's permanent workforce (7,692 employees out of 8,266).

For the collection of information, the Roquette Group proceeds as follows:

- The data required for social reporting is extracted from the Group's Human Resources Information System (HRIS), set up in 2017 for the main subsidiaries. The management and the updating are decentralized at the Human Resources Division of the main subsidiaries.
- The social data that is not managed in the Group's HRIS is collected by the Human Resources Divisions of each of the countries. The latter are in charge of collecting the social data for their respective organizations based on a standard form.

The Group's Human Resources (HR) Division as well as the Group's HSE (Health, Safety and Environment) provide for the consolidation of the social data based on the information contained in the Group HRIS and feedback from the various countries, after a coherency check conducted by them.

An HR Group manual was also published explaining the management of human resources within the Group and in particular presents the organization, the processes and the directives that apply throughout the Group.

The various HR expertise centers around the world focus on three areas of intervention, of which two are directly related to the extra-financial social reporting of Roquette Group:

- The compensation, social welfare benefits and the HRIS (see sections on compensation);
- The development of employees and training (see sections on training);
- Change management.

## 2. Societal Perimeter

The activities of the Group's sites generate direct employment for 8,599 people and also develop a local fabric of companies, which very often are subcontractors of Roquette Group. The impact of the local companies is important and involves open, transparent and responsible exchanges. All of the production sites maintain permanent exchanges with the local authorities (town halls, local governments, etc.). In addition, many support actions are conducted with local communities by the Group or thanks to the Roquette Foundation for Health.

## 3. Environmental Perimeter

Various perimeters were retained for the reporting of environmental indicators:

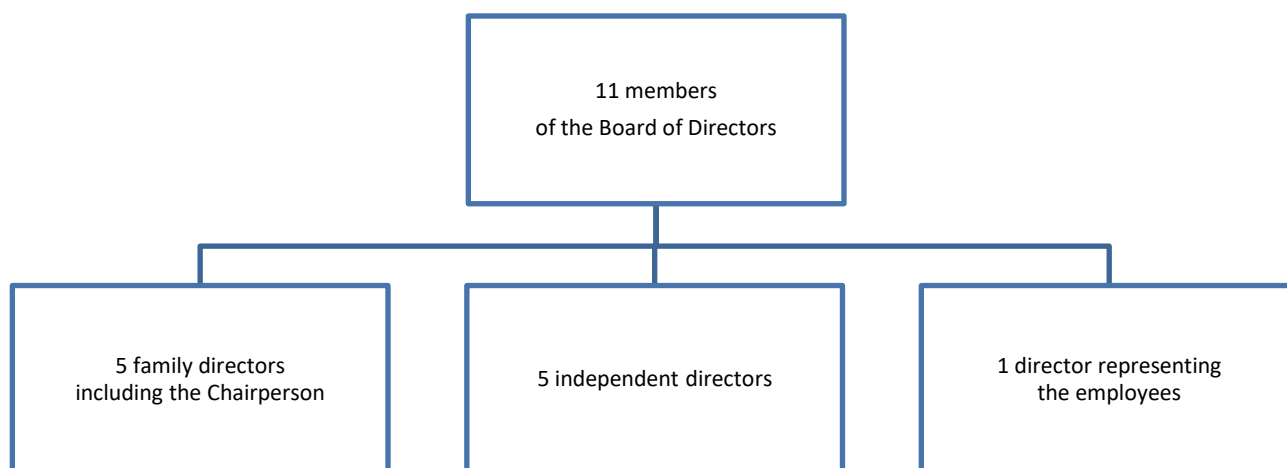
- The performance indicators for centralized heat production installations and the performance indicators for avoided CO2 emissions are calculated for all of the Roquette Group's industrial sites for which the total annual power consumption exceeds 5,000 TOE (tons of oil equivalent) during the two years before 2018, and for which the capital is owned by more than 50% for at least 3 years;
- The performance indicators for process water consumption are calculated for all of the Group's corn and wheat starch plants, for which the nominal unit capacity exceeds 400 commercial tons of cereals per day, and for which the capital is held for at least 3 years by more than 50%;
- All of the other energy and environment indicators stem from all of the industrial sites for which the power consumption exceeds 1,000 TOE per year and for which the capital has a majority holding for more than 3 years.

Consequently, for the tables presented in this report, the industrial site of Itacel Farmoquímica, located in Brazil (acquired in 2017), and the acquisitions made by the Group in 2018, are excluded.

## GOVERNANCE

The governance of the Group changes regularly in order to adapt to the circumstances and the ecosystem in which it operates, thus preparing the Roquette Group's future in a responsible manner. The Board of Directors, which mainly determines the strategic orientation, is particularly keen on societal issues. The Group strives to promote sustainable human practices and draws its strength in

respecting its values of Authenticity, Excellence, Forward-looking and Well-being. These core values enable the entities of the Group, around the world, to reconcile financial performance and environmental concerns with the development of the men and women who form the Group.



There are four committees formed of persons from the Board of Directors:

- Appointments and Compensation Committee
- Strategy Committee
- Audit Committee
- Ethics and Sustainable Development Committee

The ethics and sustainable development committee has a mirror committee formed of employees from the Group and coordinated by the "Communication and Public Affairs" department. This operational Sustainable Development committee takes account of the main functions of the company and works very closely with the Ethics and Sustainable Development Committee of the Group's Board of Directors. The operational committee meets every 2 months and forwards the main CSR themes to be treated to the Ethics and Sustainable Development committee, which meets 3 to 4 times a year.

## BUSINESS MODEL

### 1. Methodology

Roquette, a world leader in plant-based ingredients for the food, nutrition and health markets, is presenting for the first time its business model for financial 2018. The latter aims to describe the way in which the company creates value and maintains it over the long term, by presenting its activity and its global operation in interaction with a wider business environment. To do this, its definition and its content stem from the regulatory framework of the extra-financial performance declaration (law of August 9, 2017) and of the crossing of the recommendations of the main guides and current reference systems relative to business models (IIRC - International Integrated Reporting Council, MEDEF guide, Business Model Canvas, etc.). As such, it presents five major categories of interdependent information and proper to Roquette:

- **the indispensable resources on which its activity is based ("what we rely on"):**

The activity is based on several capital items: on the one hand the potential of plant resources and of the farming world; on the other hand, a global customer-oriented organization, rich with 8,599 employees representing more than 45 nationalities, 25 industrial sites equipped with technologies, innovation capacities with more than 300 persons dedicated to R&D, as well as 250 family shareholders.

- **a proposition of unique value (what makes us unique):**

The conviction according to which Nature has the response to the various needs of men and women in terms of Food, Nutrition and Health, values of the company (Authenticity, Excellence, Anticipation and Well-Being), combined with 85 years of history, creates a uniqueness in the Roquette Group's business model to date.

- **the description of the activity and of the markets served via the product and services offering ("what we do and why we matter"):**

Using plant-based resources, Roquette collaborates with our customers and partners to imagine and offer ingredients to better feed and cure people. Each of our ingredients responds to unique and essential needs. They enable healthier lifestyles. The products and solutions proposed by the Group serve the pharmaceutical industry, cosmetics, food and nutrition and animal nutrition markets and other industrial sectors.

- **the strategy through which the company generates value ("how we create value"):**

The Group's Sustainable Development approach is based on 4 pillars: Innovating, Acting, Biorefining and Sourcing. This can be broken down through commitments, thus making it possible to favor the innovation of proposed solutions and the performance of the actions implemented at the service of customers and of all of the company's other stakeholders.

- **the way in which the added value created is distributed among the various stakeholders of the company (who we create value for):**

Thanks to its activities, the Group serves more than 5,000 customers in the world, maintaining close relations in order to innovate with them and develop high-quality ingredients, while still contributing its market expertise and its regulatory support. The company favors long-term partnerships with its suppliers and all of its other partners. It is committed to developing its employees and in empowering them. Preserving the environment and working very closely with the ecosystem is essential for the company. Together, the Group is as such committed, involved and anchored in the local committees. The family heritage of the Roquette Group and values attached to it are at the heart of its organization. They guide its growth vision in the long term, for the benefit of everyone.

Maintaining this process of creating value over the long term is illustrated by Roquette's capacity to create a dynamic feedback loop, wherein the value that is redistributed is reinvested in order to

provide new resources as well as material and immaterial capital for the company.

This representation of the business model is the result of the collaboration of the communication team with the operational sustainable development committee and the various functions of the company, with support from the governance bodies and validation by the management.

## 2. Context - Future trends

The Group creates value by echoing the needs and societal stakes of today and tomorrow. The world is changing and is confronted with many challenges such as demographical growth, the increase in the middle classes, urbanization, new food habits, the aging population, allergies and food intolerances, preservation of the health capital, and sustainability. By 2050, the world population should reach 9 to 10 billion inhabitants, involving significant health and food stakes. We are seeing increasing demand from consumers for ingredients of plant origin, foods that benefit health, pharmaceutical products of very high quality and industrial solutions that respect the environment.

By unlocking the potential of Nature in order to offer the best ingredients in the Food, Nutrition and Health markets, Roquette's ambition is to respond to the needs of consumers, today and in the upcoming decades.

## 3. Description (see the next page)

## What we rely on



## What makes us unique



## How we create value



## Who we create value for



## IDENTIFICATION OF THE EXTRA-FINANCIAL STAKES

### 1. Methodology

The materiality matrix defined in this extra-financial performance declaration presents the analysis of the environmental, social and societal stakes linked to Roquette's activity.

These stakes have been identified according to their gross risk, in line with the Group's activities and the expectation of the stakeholders. They have been defined based on the information mentioned in Decree no. 2017-1265 of August 9, 2017, which was supplemented with the principles of actions of standard ISO 26 000 (standard concerning the Corporate Societal Responsibility) and a sector benchmark, as well as the commitments of the Roquette Group.

For each one of the stakes identified, coming from 40 themes completed beforehand and mentioned in article 22( and the adding of stakes specific to the activity of Roquette, the associated risk being evaluated (impact and likelihood of occurring) and crossed with an assessment of the level of expectations of the stakeholders. These levels were estimated through quotes, taken via 21 interviews with internal strategic stakeholders representing the various functions present within the Group. The assessment of the level of risk is based on the internal methodology used by the Risk Management department, as well as on standards ISO 31 000 (standard relating to the management of risk).

Following this notation, the upper right-hand third of the matrix presented hereinafter (dark blue area) defines the 14 CSR stakes identified according to their gross risk and stakeholder expectation.

Challenges	Number in the matrix	Pillars of Roquette's Sustainable Development approach
Product quality and food safety	1	Innovating
Customer satisfaction	2	Innovating
Innovation	3	Innovating
Data protection (security and cyber security)	4	Innovating
Health and safety	5	Acting
Training	6	Acting
Work organization	7	Acting
Activities with local communities	8	Acting
Water preservation	9	Biorefining
Energy efficiency	10	Biorefining
Adaptation to climate change	11	Biorefining
Sourcing of raw materials	12	Sourcing
Selection of suppliers	13	Sourcing
Human and environmental rights in the value chain	14	Sourcing

### 2. Pillars and commitments of the Sustainable Development approach

The stakes have been classified according to the four pillars of the Group's approach to Sustainable Development.

Indeed, as mentioned in the introduction, Roquette's development plan in the medium and long term is based on a sustainable approach that is based on four pillars: Innovating, Acting, Biorefining and Sourcing. These four pillars, as well as the associated commitments and performance indicators, are explained hereinbelow.

#### INNOVATING

# Understand customers' needs and anticipate consumers' expectations by developing pharma, nutrition, food and industrial innovative solutions that help improve our consumers' health and well-being.

# Develop a sustainable development journey inspired by the customers' expectations by offering them environmentally friendly, innovative, sustainable and competitive solutions.

# Strengthen sustainability in our innovation processes by including sustainable development criteria as a key element in our innovation projects.

- **KPI (Key Performance Indicator):** Innovating for our customers is in our genes. In 2025 we are committed to ensuring that 70%



of our projects meet the criteria of “sustainable” chemistry and that 80% of the new solutions offered to our customers from the same projects meet the Sustainable Development Goals of the UN.

## ACTING

# Put Health, Safety and well-being at the heart of our concerns by continuing the implementation of a world-class HSE (Health, Safety, Environment) management system and developing a culture in which people safety is a core value.

# Empower employees by promoting dialog, fostering engagement and developing skills.

# Build on our diversity by valuing our differences and promoting the sharing of best practices in a multicultural network.

# Develop our activities with the local communities by partnering with our local communities and contributing to their development through sustainable relationship.

- **KPI:** Safety is one of our priorities. In 2025 we are committed to achieving a Frequency Rate 1 of 0.5 and a Frequency Rate 2 of 1.5. Every year, we implement our commitment to local populations and communities by supporting a minimum of 20 projects or activities.

## BIOREFINING

# Optimize our energy consumption by installing energy-efficient solutions and using competitive renewable energies.

# Preserve water by optimizing our processes to minimize consumptions and installing efficient treatment technologies.

# Further reduce other environmental impacts by implementing the most relevant solutions based on local specificities.

- **KPI:** Our industrial performance is at the heart of our concerns. In 2025 we are committed to ensuring that, compared to 2015, our energy efficiency improves by 10% and our water consumption per product ton reduces by 20%. At the same time, we are committed to implementing technical installations that produce less CO<sub>2</sub> thereby preventing 1 million tons of CO<sub>2</sub> emissions by 2025.

## SOURCING

# Source sustainably and responsibly: by encouraging local supply and optimizing means of transportation to combine economic profitability and low environmental footprint.

# Continuously improve our raw material quality: by clearly specifying our needs, strictly selecting our suppliers and reinforcing quality control chains from fields to biorefineries.

# Reinforcing the ties with our raw materials suppliers by building partnerships with breeders and farmers to select and use the more suitable agricultural resources.

- **KPI:** We recover all of our raw materials in their entirety. They are derived from agriculture and as such renewable annually. Our goal is to ensure that 20% of our supplies are certified or evaluated as “sustainable or responsible” by 2025.





The CSR stakes identified thanks to the materiality matrix are therefore naturally included in this Sustainable Development approach initiated for more than 10 years by the Group. The policies, actions and results linked to the CSR stakes that have major risks are described in the following sections and they are supplemented with

the additional mandatory information described in article 225 of the French Code of Commerce (themes not listed with an asterisk): responsible, fair and sustainable food, social dialog diversity, respect of animal well-being, fight against food insecurity, food waste, circular economy. This information is noted with asterisks.

## EXTRA-FINANCIAL STAKES

### 1. INNOVATING

#### Product quality and food safety (1)

In order to guarantee the satisfaction of its customers and of the final consumers in a sustainable manner, Roquette undertakes to significantly change the rate of complaints from its customers directly in line with the quality of the manufactured product.

For several years, the Group has already set up several actions in this direction:

- The creation of a Global Function devoted to Quality in 2015 with a change in the management of the Quality system
- The reinforcing of the Quality master plans in the sites
- Continuous improvement of the processes and the setting up of operational excellence in order to satisfy customers
- In 2017 the systematic reinforcement of the analysis of the causes of complaints and the production of monthly Group reports including the action plans that stem from it
- The attaching of the Global Quality function to the General Management in 2018

At the end of 2018, the Group had already changed this rate substantially compared to 2016 and the teams will work on the elaboration of an external follow-up indicator.

As for food safety, Roquette makes use of the HACCP system (Hazard Analysis Critical Control Point), a recognized method for controlling the health safety of food and that makes it possible to guarantee the safety of the products during the final application thereof. The latter is applied all throughout the manufacturing and supply chain, from the receiving of raw materials and packaging to deliver to our customers.

As such in response to the increasing demand in the market for health ingredients, the Roquette Group has developed the plant origin soluble fiber NUTRIOSE®, which preserves the original flavor of the products and of which the digestive tolerance is clinically proven. It is easy to use, whether as a nutritional supplement in the existing formulations or to replace sugars and fat. Adapted to the food applications and to drinks, this is a key ingredient of innovation that can be used in practically all of the processes. The FDA (US Food and Drug Administration) recently confirmed that NUTRIOSE® is a dietary fiber.

In addition, in order to meet the requirements of the markets in the pharmaceutical and biopharmaceutical sectors, Roquette has for example reinforced its expertise by opening a new application center in Singapore in 2018, to develop new products and solutions that offer an optimum level of quality, safety and reliability.

#### Responsible, fair and sustainable food\*

Following the increased concerns pertaining to health, the environment or animal well-being, many consumers diversify their supply sources with proteins benefiting sources coming from plants. Anticipating this demand, Roquette has been investing for several years in order to develop solutions with a plant protein base, in particular coming from peas. Peas need very little water and fertilizers and enrich the soil for future crops. Pea protein is an excellent source of plant protein. It offers multiple nutritional and function properties. Excluded from the list of major allergens (EU), and possessing excellent digestibility, it forms a supplement to animal proteins.

Pea proteins have many applications in vegetarian, flex, dietetic food or for athletes, clinical nutrition and traditional food.

In 2018, Roquette continues its research and investments in pea protein so as to always best anticipate consumer demand. The new pea protein production workshop that is specific to Vic sur Aisne (France) now makes it possible to reinforce the Group's expertise to adapt the use of plant proteins in daily food. The acquisition with Texpall of a workshop specialized in extruding proteins of plant origin and the investment in Equinom, an innovating Israeli company in varietal selection, reinforcing the strategy that the Group is developing around plant proteins coming from peas.

#### Food insecurity\*

Roquette is developing close relationships with its neighboring local communities. As such, at Keokuk (US), the teams collected last April more than 680 kg of food to help the local underprivileged communities. The employees of the Geneva site (US) packaged more than 2,800 kg of sweet potatoes during the month of August, benefiting families in a situation of high food insecurity. Through these initiatives, Roquette is involved in contributing to the fight against insecurity around its locations.

#### Customer satisfaction (2)

The Group undertakes to better understand its customers' needs and anticipate their expectations by developing innovative solutions that are adapted for pharmacy, nutrition, food and industrial sectors; and this in order to contribute to improving our consumers' health and well-being.

As such, Roquette wanting to go beyond all of the actions that have been set up to satisfy its customers (second CSR stake of the Innovating pillar), many meetings have been organized this year in various regions of the world. Responding to the increasing concern from customers and markets on this subject, the Group strives to reinforce its CSR approach in the process of innovation, by integrating sustainable development criteria.

The UN's Sustainable Development Goals (SDG) give the approach to follow in order to respond to these requests. They echo the global challenges that everyone is confronted with. Three of these SDGs form an opportunity for transformation and innovation for the Group: "Good health and well-being" (SDG 3), "Clean water and sanitation" (SDG 6), and "Responsible consumption and production" (SDG 12). For each one of these goals, the company has developed internally specific criteria that make it possible to check that the new solutions proposed to customers also provide a benefit in terms of sustainability. Roquette undertakes that, in 2025, 80% of the new solutions supplied to its customers, coming from projects that meet the criteria of sustainable chemistry (see the stake hereinbelow), meet the UN's Sustainable Development Goals.

Innovating Indicator	2017	2018	2025 Goal
% of the new solutions offered to customers from the same projects meet the Sustainable Development Goals of the UN	85%	92%	80%

The internal directive of the Group "Sustainability Assessment of Innovative Developments" aims to set up the tools required to assess the sustainability of the Group's development projects as well as that of the new innovating solutions intended for customers or final consumers.

## Innovation (3)

As mentioned hereinabove, the Group undertakes to develop a sustainable development approach inspired by the expectations of its customers by providing them with solutions that respect the environment, are innovating sustainable and competitive, and complying with the Group's internal directive "Sustainability Assessment of Innovative Developments".

Two products can be mentioned in terms of examples for 2018.

- The pea protein NUTRALYS® presents advantages to all stakeholders in the sector, from farmers to consumers: nutritional, functional and environmental benefits. The new ingredient NUTRALYS® S85 makes it possible more particularly to optimize and to improve the formulations of customers in a sustainable manner for example for beverages, or for specialized nutrition;
- For the biopharmaceutical market, Roquette has also developed a unique quality solution: KLEPTOSE® Biopharma. This product provides notable benefits to its customers and to patients, while still responding to the sustainability criteria.

The Group undertakes that in 2025 70% of its projects will meet the criteria of "sustainable" chemistry.

Innovating Indicator	2017	2018	2025 Goal
% of projects meet the criteria of "sustainable" chemistry	54%	61%	70%

In order to define this indicator, Roquette has developed internal criteria based on the 12 principles of green chemistry that in particular take account of the prevention of waste, atom economy, reducing risks and energy efficiency. This approach makes it possible to quantify the sustainability of innovation projects.

Innovation, the third stake in the Innovating pillar, is in Roquette's genes. It is for this reason that the Group is undertaking to go further and reinforce its sustainable development approach for these innovation processes by integrating sustainable development criteria as key elements in its innovation projects.

## Data protection—Security and cyber security (4)

As emphasized in the [Roquette Code of Conduct](#), the Group ensures that it complies with the laws that govern the protection of the private life of its employees and of its partners. The internal manual "Personal Data Protection" defines the main principles that govern the management system of personal data protection within Roquette, in order to guarantee the protection thereof, in accordance with the legal and regulatory requirements in effect.

The Group's internal directive "Management of Cyber Security", published in 2018, describes the principles and the requirements of cyber security. It describes the roles and responsibilities of the teams and provides those responsible for cyber security with rules for implementing suitable standards, organizations, processes, procedures and controls for the Group as well as for its partners. The Group is fully aware of the stakes in its activities. A structured team was set up and in 2019 will work on elaborating follow-up indicators.

## Respect for animal well-being\*

Roquette solutions are committed to complying with the regulatory requirements, in particular on the conducting of tests on animals for various industrial applications, in particular for the cosmetics market.

The Group has many ingredients that are not dedicated to a single application. It is therefore essential that the products be compliant

with the minimum regulatory requirements according to each target application.

In certain cases, Roquette can as such be bound to conduct on its products a limited number of tests on animals, for several reasons:

- compliance with regulations such as REACH (Registration, Evaluation, Authorization and restriction of Chemicals), laws on foods, pharmacopoeia, etc.
- maintain the commitment in terms of safety, health and environment;
- and characterize or prove the health or nutritional properties of the ingredients.

The Group is very sensitive to animal well-being. As such, it favors alternative methods that minimize recourse to tests on animals, each time that this produces equivalent results.

## 2. ACTING

### Health and safety (5)

Roquette places health, safety and well-being at the heart of its concerns by continuing the implementation of a world-class HSE (Health, Safety, Environment) management system and developing a culture in which people safety is a core value. The final objective of this first CST stake of the Acting pillar is to reach zero accidents. For this purpose, the Group has set up a Health and Safety policy and has made substantial investments. As in 2017, the principles of OSHA (Occupational Safety & Health Administration) were this year applied to record the accidents, everywhere in the Group, as such making it possible to standardize the rules.

In 2025, Roquette committed to achieving a Frequency Rate 1 (FR1) of 0.5 and a Frequency Rate 2 (FR2) of 1.5, which corresponds to a level of excellence.

Acting Indicator	2017	2018	2025 Goal
Frequency rate of work accidents with stoppage per million hours worked (FR1)	1.24	1.49	0.5
Frequency rate of accidents declared per million hours worked (FR2)	3.44	2.72	1.5

Thanks to substantial work under way for several years, the Frequency Rate FR1 concerning work accidents with stoppage remains in the objectives set by the Group for 2018, even if this rate is slightly more compared to 2017, in particular due to a month of November that was particularly unfavorable with five accidents.

In India, one accident occurred in January 2018 on a production site where a subcontractor died after falling from a roof. The health and safety of employees and subcontractors is at the core of the Group's concerns and each person must constantly ensure that the activities are operating the safest way possible throughout the world.

With regards to FR2, which represents accidents without stoppage, the target goal for 2018 was largely exceeded, and is down sharply compared to the preceding year. This indicator reveals the good change in safety performance.

### Training (6)

Faced with this second stake in the Acting pillar, the Group empowers employees by promoting dialog, fostering engagement and developing skills. Training forms a key axis in professional and personal development for employees and allows the company to perform better. At the crossroads between what the company needs and what its employees need, it makes it possible to respond to the

requirements of internal and external change (technological changes, organizational changes, professions...) and to support the company's development, while still maintaining and developing the employability of the employees.

The objective is to encourage a culture of performance and fair development among the employees, worldwide as well as locally. For this, a "Learning Strategy" will be deployed soon, in order to provide all employees with the opportunity to learn and to constantly share attractive information content. This allows them to keep their skills

and knowledge up to date, to develop and to progress, as such contributing to the strategy and the performance of the company.

The need to invest in training can vary from one geographical zone to another. In 2018, the total number of hours of training in the restricted perimeter is 164,264 hours (160,255 hours in 2017).

The process for monitoring and declaring training hours remains mostly manual in 2018 but will be included in the Group's HRIS next year, in order to improve this monitoring and the access of employees to training available for their development.

#### Number of hours of training and average per employee ("Restricted Perimeter – Permanent workforce")

	2017		2018	
	Total H/employee	Average H /employee	Total H/employee	Average H /employee
Europe	79,071	17.5	83,857	18.7
Americas	11,796	21.7	20,215	23.4
Greater Asia	11,603	8.4	6,388	4.6
China	57,785	59.0	53,804	55.3
<b>Group</b>	<b>160,255</b>	<b>21.6</b>	<b>164,264</b>	<b>21.4</b>

#### Work organization (7)

The work organization, third CSR stake in the Acting pillar, can differ from one country to another according to the company's needs, which can vary according to the nature of the activities of the sites (industrial and/or commercial). It also takes the rules, agreements and practices at a local level into account. This also concerns the number of days worked per year, the number of hours worked per day, or the number and the days of paid vacation, etc.

However, common points do exist:

- Most of the Roquette Group's industrial sites operate continuously or over several shifts. Shift workers work during the day, at night and on the weekend.

- Internal regulations that are proper to each site govern shift work as well as the other working systems while still incorporating the required legal and regulatory provisions.
- Moreover, the company regularly informs its employees on the main changes in terms of organizing the work.

The Group's internal directive "Design and Manage Organization" assists in structuring, implementing and managing the organization in a coherent, simple and transparent way; and this in adequacy with the main keys defined by the Group and the Functions in accordance with the local laws and regulations.

As at December 31, 2018 ("Restricted Perimeter"), nearly 45% of the employees work in shifts compared to 43.1 % in 2017, demonstrating the stability of the production activities.

#### Organization of the workforce by Day/Shift work ("Restricted Perimeter – Permanent workforce")

	2017					2018				
	Total	Day schedule		Shift schedule		Total	Day schedule		Shift schedule	
		Men	Women	Men	Women		Men	Women	Men	Women
Europe	4,515	1,899	991	1,561	64	4,474	1,831	989	1,601	53
Americas	543	157	100	260	26	865	221	141	479	24
Greater Asia	1,381	538	37	806		1,380	475	69	833	3
China	979	307	194	418	60	973	314	192	414	53
<b>Group</b>	<b>7,418</b>	<b>2,901</b>	<b>1,322</b>	<b>3,045</b>	<b>150</b>	<b>7,692</b>	<b>2,841</b>	<b>1,391</b>	<b>3,327</b>	<b>133</b>

#### Organization of the Full Time/Part Time workforce ("Restricted Perimeter – Permanent workforce")

	2017					2018				
	Total	Full time		Part time		Total	Full time		Part time	
		Men	Women	Men	Women		Men	Women	Men	Women
Europe	4,515	3,433	793	27	262	4,474	3,403	781	29	261
Americas	543	417	126	-	-	865	700	165	0	0
Greater Asia	1,381	1,344	37	-	-	1,380	1,307	72	1	0
China	979	725	254	-	-	973	728	245	0	0
<b>Group</b>	<b>7,418</b>	<b>5,919</b>	<b>1,210</b>	<b>27</b>	<b>262</b>	<b>7,692</b>	<b>6,138</b>	<b>1,263</b>	<b>30</b>	<b>261</b>

The company also offers the possibility the employees who make the request to work part time. The systems that govern part-time work can vary from one country to another according to the possibilities authorized by legislation, such as for example parental leave in France.

## Number of employees

- Number of permanent employees ("Group perimeter")

	2017					2018				
	Total	Men	Women	Managers	Employees	Total	Men	Women	Managers	Employees
Europe	4,685	3,541	1,144	758	3,927	4,744	3,585	1,159	815	3,929
Americas	878	690	188	137	741	1,006	800	206	153	853
Greater Asia	1,488	1,392	96	166	1,322	1,537	1,431	106	179	1,358
China	979	725	254	158	821	979	733	246	153	826
<b>Group</b>	<b>8,030</b>	<b>6,348</b>	<b>1,682</b>	<b>1,219</b>	<b>6,811</b>	<b>8,266</b>	<b>6,549</b>	<b>1,717</b>	<b>1,300</b>	<b>6,966</b>

- Number of temporary workers ("Group perimeter")

	2017					2018				
	Total	Men	Women	Managers	Employees	Total	Men	Women	Managers	Employees
Europe	346	229	117	6	340	274	174	100	2	272
Americas	17	11	6	0	17	18	12	6	0	18
Greater Asia	6	2	4	0	6	9	5	4	1	8
China	0	0	0	0	0	32	23	9	7	25
<b>Group</b>	<b>369</b>	<b>242</b>	<b>127</b>	<b>6</b>	<b>363</b>	<b>333</b>	<b>214</b>	<b>119</b>	<b>10</b>	<b>323</b>

## Recruiting

Recruiting, which consists in hiring personnel for identified work stations, forms one of the means that allows the Roquette Group to constantly adapt its strategy, its organization and its needs in terms of the workforce and expertise.

In 2018, 540 permanent employees were recruited within the Group. Number of recruitments ("Group Perimeter" – permanent workforce)

	2017					2018				
	Total	Managers	Men Employee s	Women Employee s	Total	Managers	Men Employee s	Women Employee s	Total	Managers
Europe	227	23	144	7	171	17	103	5	46	17
Americas	134	22	71	3	169	6	131	3	29	6
Greater Asia	84	9	59	5	91	9	58	2	22	9
China	114	5	78	3	109	1	73	1	34	1
<b>Group</b>	<b>559</b>	<b>59</b>	<b>352</b>	<b>18</b>	<b>540</b>	<b>33</b>	<b>365</b>	<b>11</b>	<b>131</b>	<b>33</b>

In the system for permanently adapting the organization, internal mobility is always favored. This results in the assigning of an employee to a new position as well as in long-term efforts which consist in definitively contractualizing employees who already held a temporary position in the company.

## Departures

Number of departures ("Group Perimeter" – permanent workforce)

2017								
	Total	Resignations	Lay-offs	Joint agreement	Retirement	Death	Other	
Europe	209	92	20	38	39	10	10	
Americas	82	48	18	1	5	4	6	
Greater Asia	104	83	4	5	8	-	4	
China	118	72	21	14	3	-	8	
<b>Group</b>	<b>513</b>	<b>295</b>	<b>63</b>	<b>58</b>	<b>55</b>	<b>14</b>	<b>28</b>	

2018								
	Total	Resignations	Lay-offs	Joint agreement	Retirement	Death	Other	
Europe	208	88	18	59	28	6	9	
Americas	133	60	36	19	7	1	10	
Greater Asia	137	114	4	14	3	2	0	
China	111	67	15	13	6	-	10	
<b>Group</b>	<b>589</b>	<b>329</b>	<b>73</b>	<b>105</b>	<b>44</b>	<b>9</b>	<b>29</b>	

## Social dialog\*

The social relations within the company, between the representatives of the management and the representatives of the personnel, have many forms and are governed by legislation, whether regarding the exchanging of information, consultations or negotiations.

These regular exchanges between the representatives of the personnel and the management contribute to the quality of the management-staff dialog. They not only make it possible to inform the employees on economic, social and organizational subjects, but also to define and decide, jointly, internal rules, solutions that are concrete, precise and adapted to the specific circumstances of the Roquette Group and which are suitable to the parties in both the individual as well as collective aspects.

On the Group's French sites, the company dialogs with the personnel representative bodies, such as the Social and Economic committee (CSE) and the health and safety and working conditions committee (CSSCT)

Any employee can adhere freely to a union or be a candidate in the professional elections for the staff representative bodies. In the world (restricted perimeter), 11 agreements were signed in 2018 with the social partners in France, Italy, India, Spain and in the United States.

Faced with the performance stakes of the Group, a Quality of Work Life agreement (QVT) was signed at the end of 2017, in France for in particular to remote work and favor a balance between professional life and personal life.

## Diversity\*

Roquette makes use of its wealth in diversity by valuing the differences and promoting the sharing of best practices in a multi-cultural network. In adequacy with the company's values and in accordance with its ethics charter, Roquette Group ensures strict equal opportunity among its employees as well as compliance with the principle of equal treatment between the latter. This desire is reflected in the integration of this dimension into all of the Human Resources processes, whether in terms of recruiting, training, professional development and compensation. In 2018, the proportion of women represented 21.4% of the total workforce compared to 21.5% in 2017. Female managers represent 15.4% of the female workforce (permanent workforce), a rate that is slightly less than percentage as for male managers (15.8 % male managers out of the permanent male workforce). The Women@roquette initiative allows female workers to be a part of an internal network to favor change in feminine activity at Roquette.

The definition and the taking into account of the regulations on people with disabilities is specific to each country, and is especially regulated in France. This results in that the quantitative reporting on this theme is for the France perimeter only. As such, the rate of employment of the disabled in France was 4.7% in 2017 (data for 2018 is not available to date).

In order to reinforce its insertion actions in partnership with the SACHA association (Support for Each Disability), the Group distributes a quarterly newsletter in France. In 2017, Roquette received the RSE diversity label for GEIQ Emploi et Handicap (Employer Group for insertion and qualification).

Moreover, the company complies with the legislation in effect in terms of combating discrimination and implements measures in favor of diversity according to its possibilities. This entails for example recruiting men and women with varied profiles, through the insertion of people with disabilities and internal reclassification for employees in a situation of incapacity in their job. The Group wishes to continue

making progress on these subjects which require continuous work, over several years, involving all of the stakeholders in the company.

## Activities with local communities (8)

For this fourth CSR stake in the Acting pillar, Roquette commits to developing its activities with local communities by working jointly with them and by contributing to their development through sustainable relationships.

The objective of the Group's internal directive "Support to Local Community involvement process" is to harmonize and formalize the guidelines for all support (financial, technical, human, etc.) in the local communities around Roquette's locations. Every year, the company is committed to the local populations and communities, with for objective to lend support to a minimum of 20 projects or actions in food, nutrition health and the environment.

In 2018, Roquette totaled 55 projects or action in food, nutrition and health, distributed into 5 categories in the various regions:

- 19 for health
- 7 for nutrition
- 2 for nutritional education
- 13 for the environment
- 14 for local needs.

On the site of Keokuk (US), the employees came together to provide various fun activities concerning the themes of science and health, in particular on cleanliness and food hygiene to be complied with. In Portage La Prairie (Canada), the subsidiary partially financed the "Roquette After School" program, which allows underprivileged children to participate after school in various activities, homework help and nutritional education. In the same way, in Benifaio (Spain), more than forty employees got involved in various activities such as visits to schools, orphanages and underprivileged children hospitalized in Valence, on World Volunteer Day.

### *Roquette Foundation for Health*

Launched in November 2017, the [Roquette Foundation](#) for Health, under the impetus of the Fondation de France, is fully dedicated to the areas of food, nutrition and health. It perfectly complements the Group's Sustainable Development approach and is particularly in line with the "Acting" pillar. The Roquette Foundation for Health supports innovative or educational programs in the areas of food and nutrition. The question a healthy and balanced diet is concerns everyone, from the newborn to the elderly. The company is convinced that a balanced diet, combined with a healthy lifestyle and sufficient activity, is essential for being in good health and prevent or fight diseases. For this purpose the Foundation supports innovating and educational projects as well as studies on the impact of food on diseases.

## 3. BIOREFINING

[The environmental policy](#) of the Group aims to prevent any type of pollution and reduce the environmental footprint of our business. It is incorporated all throughout the production process and can be broken down into general objectives. Deployed at the factory and workshop level, these objectives are controlled and are audited on a regular basis. The four French sites (Lestrem, Beinheim, Vecquemont and Vic/Aisne) are subject to ICPE authorization and are integrated into the reporting.

This year, on the occasion of "Environment World Day", a day of awareness was organized in many offices and plants of the Group, in particular in France, Germany, Spain, Italy, Lithuania, India, China, and the United States.



The major stakes in the environmental approach are directly in line with customer satisfaction, employees and communities around the industrial sites. This is primarily based on controlling the environmental parameters, reducing waste, optimizing methods, the search for new "cleaner" technologies and the reduction of the impacts linked to the logistics chain. For each one of the group's industrial sites, the environmental approach is based on ISO 14001 (standard concerning environmental management). The environmental information mentioned hereinbelow is calculated using established methodologies, each defining indicators, calculation or measurement methods and the units retained. The information is collected using a standard spreadsheet via the network of correspondents of the Global Process Performance Department, then consolidated by site (for significant sites), by region, and finally for the Group as at Monday, December 31, 2018.

The Roquette Group devotes a substantial amount of resources and investment for preventing environmental risks and pollution.

## Water preservation (9)

For the first CSR stake of the Biorefining pillar, the Group is committed to preserving water by optimizing its processes in order to minimize consumption and by installing high-performance purification technologies. The objective is to achieve a reduction of 20% on its consumption of freshwater worldwide that is specific in 2025 with respect to the reference values of 2015. Water is an essential resource that has to be preserved. The extraction and manufacturing methods of Roquette's industrial units require the use of an aqueous solution. Certain locations are seeing their taking authorizations for water go down due to increasingly strict regulations. This therefore needs to be anticipated and new methods of working need to be implemented. The actions that stem from this revolve around two major lines:

- treating the pollution at the source in order to reduce treatment circuits;
- recycling water without however reducing the quality or modifying the characteristics of the finished products, (for example, the sites of Gokak and Pantnagar, in India, have set up Reverse Osmosis systems allowing for the recycling of about 70% of the water).

In 2018, the pumping of water (total rivers + water tables + urban network) is about 63.4 million m<sup>3</sup> compared to 63.9 million in 2017. In terms of controlling the volumes consumed and prevention for the quality of the water, many investments have been made and high-yield internal treatment plants make it possible to treat most of the takings carried out before discharging into the natural environment. Some of these infrastructures are provided with a methanization unit of the effluents before biological treatment, which makes it possible to combine the purification treatment with the production of Biogaz.

### Process water consumption performance indicators

Set up in 2012, this indicator is based on the water performance of the starch plants. It is defined as the ratio between the average consumption of process water for all of the starch plants and a target consumption. The ratio obtained therefore does not have a unit and the targeted objective is to be less than 1.

	2017	2018
Europe	0.83	0.86
Americas	1.66	3.05 <sup>(a)</sup>
Asia	0.95	0.81
India	1.09	0.99
<b>Group</b>	<b>0.98</b>	<b>1.14</b>

*(a) As data from one site is not available, and in accordance with the calculation methodology of the indicator, a broader information for the water consumption declared at the cost center was retained. This led to a local overestimating and therefore to a global variation.*

## Energy efficiency (10)

The Group undertakes to optimize its energy consumption by installing optimized energy solutions for this second CSR stake of the Biorefining pillar. This year, a new high-efficiency energy evaporator was installed at Lestrem (France). This installation allows the Group to generate a gain of about 24 GWh/year. Moreover, at Wuhan (China), the coal boilers were replaced with gas boilers, which allowed for a reduction in CO<sub>2</sub> emissions and therefore atmospheric pollution.

In 2025, the Group commits to, with respect to the year 2015, an improvement in worldwide energy efficiency of 10%. Roquette is diversifying its energy sources by favoring renewable energies such as geothermal energy, biomass and biogas, the latter making it possible to fight global warming.

The two largest energy consumptions of the Group come from electricity and natural gas. In 2018, electricity consumption for the Group is 2,567 GWh compared to 2,552 in 2017 and natural gas consumption was about 6,526 GWh in 2018 compared to 7,286 in 2017.

### Energy indicators

Set up in 2017, the energy performance indicator compares, workshop by workshop, the actual consumption of energy with a so-called reference energy consumption. This reference energy consumption is based on the specific consumption of the reference year (2015) and the production of the workshop. For a country, the energy performance indicator corresponds to the sum of the effective energy consumption of the sites divided by the sum of the reference energy consumption of the sites. For a region, the energy performance indicator corresponds to the sum of the effective energy consumption of the countries divided by the sum of the reference energy consumption of the countries. For the Group, the energy performance indicator corresponds to the sum of the effective energy consumption of the regions divided by the sum of the reference energy consumption of the regions.

The energies taken into account cover all of the energies used by the process and the utilities: electricity, steam, coal, natural gas, wood, oil, heat, cold, compressed air, etc.

	2017	2018
Europe	0.99	0.99
Americas	1.00	0.98
China	0.99	1.00
Greater Asia	0.88	0.89
<b>Group</b>	<b>0.98</b>	<b>0.98</b>

## Adaptation to climate change (11)

In line with the provisions of the Paris Accord, the Group is aware that climate change is a major concern for the environment, the economy and all of humanity. As such, three main areas of action have been identified: greenhouse gas emissions, water and local communities in which actions will contribute to improving the environmental footsteps of the company and to consequently adapt its activities. Roquette commits to reduce the environmental impacts by continuing the setting up of solutions that most suited to the local specifics and by favoring competitive renewable energies. The Group commits to setting up technical installations that emit less CO<sub>2</sub> and as



such prevent a million tons of CO<sub>2</sub> discharges by 2025 so as to meet this third CSR stake of the Biorefining pillar.

CO <sub>2</sub> emissions	2017	2018
Scope 1 eq t CO <sub>2</sub> /kt of starch	696	692
Scope 2 eq t CO <sub>2</sub> /kt of starch	77	93

This year, an evaluation of the CO<sub>2</sub> emissions was conducted on scopes 1 (direct emissions) and 2 (indirect emissions).

Performance indicators on avoided CO<sub>2</sub> emissions annually

The latter is defined as the sum of the benefits generated by a set of initiatives aimed at reducing the CO<sub>2</sub> emissions (tons of CO<sub>2</sub> avoided per year) equivalent to the Group's industrial facilities (variable speed drives, biofuels, cogeneration, etc.).

	2017	2018	2025 Goal
Europe	499,558	555,448	
Americas	34,933	34,367	
Asia	25,040	44,864	
India	200,586	179,233	
<b>Group</b>	<b>760,117</b>	<b>813,912</b>	<b>1,000,000</b>

The "Environment World Day" was the occasion to exchange on this subject within the Group.

#### Food waste\*

The activity of Roquette is to valorize all of the constituents of the plants and without generating waste. The plant-derived raw materials that come into the site are therefore almost fully recycled and generate less than 0.5% waste.

## 4. SOURCING

### Sourcing of raw materials (12)

The Group's consumption of plant raw materials for the year 2018 is about 7.2 million tons, as in 2017.

All of the plant raw materials used are recycled almost entirely. They are derived from agriculture and as such renewable annually. That is why the company is committed to sustainably and responsibly sourcing by encouraging local supply and optimizing means of transportation to combine economic profitability and low environmental footprint. It also commits to continuously improving its raw material quality by clearly specifying its needs, strictly selecting its suppliers and reinforcing quality control chains from fields to biorefineries. For this first CSR stake of the Sourcing pillar, the company also wants to reinforce the ties with its raw materials suppliers by building partnerships with breeders and farmers to select and use the more suitable agricultural resources.

Roquette undertakes that in 2025, 20% of its supplies be certified or assessed as "sustainable or responsible". These commitments are shared in the supplier code of conduct.

	2017	2018	2025 Goal
% of supplies be certified or rated as "sustainable and responsible".	6.3%	10.2%	20%

### Selection of suppliers (13)

The [Roquette supplier code of conduct](#) is shared with the Group's suppliers. In order to meet this second stake of the Sourcing pillar, this Code of Conduct for Suppliers is based on the Universal Declaration of Human Rights, the principles of the United Nations Global Compact and the conventions of the International Labor Organization (ILO), as well as Roquette's Ethics and Responsibility Charter and Code of Conduct. It does not serve as a substitute for the various regulations, standards and current laws in the different countries. In the framework of its activities, each Roquette supplier is obliged to follow and communicate this Code of Conduct to all employees and to ensure that these or equivalent principles are known and followed by sub-suppliers and sub-contractors.

In 2019, the company wants to go further and will implement thought on acquiring tools that make it possible to select its suppliers in a coherent and responsible way and in particular in relation to the human rights aspect.

### Human and environmental rights in the value chain (14)

Environmental and human rights are a priority for the Group. For this third CSR stake of the Sourcing pillar, these two themes are as such brought to the forefront in the two codes of conduct: the [supplier code of conduct](#) and the [Roquette code of conduct](#). The Universal Declaration of Human Rights and the principles of the International Labor Organization (ILO) are the bases of the values defended by the company as well as respect for the environment and the preservation of natural resources.

### Circular economy\*

The Roquette markets, in particular those of Food, Nutrition and Health, are part of the circular economy. The industrial sites, as ecosystems integrated into the heat of the territories, are an illustration of the strategy of bioeconomy, as they make it possible for optimum recycling of the farming plant resources and are bearers of growth and therefore of jobs.

The Group responds in particular to three key factors of the circular economy: material effectiveness, economic and industrial efficiency, contribution to the territorial ecosystem.

Two examples can be mentioned:

- Material effectiveness, since all of the Group's plant raw materials are valorized almost entirely. As such, for the sector of protein peas, the plant proteins are available to the nutrition and health markets, and the other components of the plant are directed to other markets, such as animal food and nutrition.
- The economic and industrial efficiency, as on the Vecquemont site (France), where the methanization of the starch potato effluents generates biogas used in the boilers. This allows for a reduction of 15% in the use of natural gas.
- The contribution to the territorial ecosystem, thanks to the effluents of our factories which are used for farming fertilizer, by generating economy for the entire sector.

This report reflects the commitments and the actions of Roquette so as to meet the expectations of all of its stakeholders and to create value for the Group, its shareholders, its customers, its employees by interacting with its internal and external ecosystems.