

AN-  
NUAL  
REPORT  
2012 - 2013



*invivo*

Developing solutions for agriculture

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# VALUES

Alongside the values upheld by our cooperative DNA – fairness, solidarity and transparency – expressed notably in our governance, five identity-based values inform all InVivo's actions: Humanism, Commitment, Innovation, Team Spirit, and Enthusiasm. The first three guide the group's strategy and initiatives, while the last two, more behaviour-linked, are manifested in our business culture. InVivo, France's leading farming cooperative group, is changing, adapting and transforming, but firmly intends to remain a cooperative enterprise, one with which its members, customers and employees can identify, now and in the future.



# EN- THU- SIASM

The primary driver of InVivo's performance is the enthusiasm of its members.



# INNOVA- TION

Innovation is one of the Group's strategic focuses.



# TEAM SPIRIT

When each individual's talents serve the success and performance of the Group as a whole, everyone is a winner.



# HU- MANISM

InVivo supports the human values that characterise agricultural cooperatives.



# COMMIT- MENT

At the crossroads of environmental, social and economic challenges, InVivo's promise to "develop solutions for agriculture" is more strategic than ever.

# KEY FIGURES

REVENUE

€6.1

BILLION

GROUP  
WORKFORCE

6,663

REBATES  
TO MEMBERS  
(PRE-CLOSE)

€81.4

MILLION

EQUITY  
ATTRIBUTABLE  
TO THE GROUP

€412

MILLION

CONSOLIDATED  
NET INCOME

€0.1

MILLION

MEMBER  
COOPERATIVES

223

# INVIVO, DEVELOPING SOLUTIONS FOR AGRICULTURE

InVivo is a union of agricultural cooperatives working in four activities: seeds and agricultural supplies, animal nutrition and health, international grain trading, and green distribution.

Our goal is to help agriculture reach its full potential by developing products, services and innovations that meet objectives on productivity and quality, environmental respect and territorial development.

Harnessing the diversity of its skills and employees, InVivo is committed to creating value for its member cooperatives and for customers, the farming world and society as a whole.



Thierry Blandinières (left)  
and Philippe Mangin (right)

# MESSAGE

## FROM THE CHAIRMAN AND THE CEO

It has been over a year now since the first International Summit of Cooperatives was held in Quebec. Wrapping up the United Nations' International Year of Cooperatives, the event placed our business model firmly in the global limelight. Some people were surprised to discover the enormous diversity that separates – but also ensures the coexistence of – players qualified as cooperatives, from micro-businesses working in local development to multinationals in production, processing, distribution and credit.

People often ask us if InVivo, with revenue of over €6 billion, 42% of which generated internationally, and over 6,600 employees in 17 countries, is still a cooperative.

The answer quite clearly is Yes. The history of farming cooperation is the history of InVivo. To get a clear picture of that, all you need to do is read the book "From the roots of InVivo in 1945 to the present day: The singular history

of a major cooperative player in French agriculture" published in May this year. As it forges ahead with international growth and restructures to meet new challenges in world agriculture, InVivo felt the need to take a comprehensive look back over its history, exploring its roots to underpin its identity, deepen its values, send a message to new generations, and fuel its thinking for the future.

The special status of farming cooperatives predisposes them to positive public opinion in terms of how they work, the quality of their produce and even the prices consumers pay for their goods. But the general public's ideal image of the cooperative is undermined by the fact that the definition also includes powerful businesses and brands. People in France tend to hold to the tenet whereby "small is beautiful". These findings, taken from a fascinating study commissioned from Ipsos on how cooperatives are perceived in France, reveals not a misunder-

# "OUR AIM IS TO SHOW HOW FARMING COOPERATION SERVES AS A STRUCTURING FORCE."

standing but a lack of understanding of the reality and diversity of our companies in terms of economic and social aspects and the activity sectors they cover.

To bridge this gap between perception and reality, agricultural cooperatives have finally decided to invest in communication on a significant and long-term basis. To raise awareness of the modernity and efficiency of a universal economic model that has meaning and in which people play the central role. To express the depth and diversity of the goods produced and the farming and agri-food sectors in which cooperatives, small, medium and large, are involved. And to underline the contribution cooperatives make to local development in rural areas and the international recognition of French expertise, their ambitious environmental policies, and the quality and security of the food they produce. Proactive on innovation, France's 2,500 agricultural cooperatives are also an asset for the country's economy. It is time that decision-makers fully realised that fact. But in our media-saturated era, where opinion shapes influence, you have to make yourself heard before you can make yourself understood.

As France's leading farming cooperative group, InVivo is duty bound to embody and express the performance and relevance of the cooperative model for citizens and stakeholders. As an initiator of and key actor in the collective campaign, InVivo will play a unifying and galvanising role, one legitimated by its status as a Union of cooperatives. Through our actions and initiatives, our aim is to show how farming cooperation serves as a structuring force, how it spurs progress and how able it is to win new markets in France and internationally. And we will do so while respecting our values and without losing sight of the primary interest of our member cooperatives and their member farmers.

Our difficult 2013-2013 financial year confirmed several of our convictions:

- The motivation, involvement and passion of InVivo's managers and all its employees are an outstanding force that many companies could only dream about.

- While our results are unsatisfactory, the trust of our board of directors and, more largely, our member cooperatives is intact. But everyone is expecting InVivo to make a significant and speedy recovery and take initiatives that foster new values.

- The diversity of InVivo's activities is a source of wealth but also of complexity. We have to strengthen our cross-functionalities and boost the visibility of the differential advantage constituted by the overarching nature of the relationship cooperatives enjoy with InVivo.

Our history, values and mission, along with the size of our business, place us among the leading agricultural economic players in France and Europe and require from us not just performance but excellence.

This is the ambition targeted by the "InVivo 2025" company project that will over the next few months crystallise the thinking and proposals of the management team and to which all of the group's vital forces will be asked to contribute.

How would it be possible to conclude this message without expressing our deepest gratitude to Patrice Gollier? As chief executive officer of InVivo, he will have marked our group through his vision and strategic decisions, the scale and reach of which are recognised across the board.

**Philippe Mangin and Thierry Blandinières**  
Chairman and Chief Executive Officer of InVivo

# HIGHLIGHTS IN 2012-2013

## JULY 2012

InVivo Animal Nutrition and Health signs a technical partnership agreement with Jeil Feed in South Korea

**InVivo AgroSolutions obtains ISO 9001 certification for its environmental studies and development activity**



## AUGUST 2012

**InVivo Animal Nutrition and Health acquires the Star Asia company in Vietnam**



## SEPTEMBER 2012

InVivo partners the Paralympic Games in London

**Twelve group innovation prizes are presented at the "Managériales" awards**



## OCTOBER 2012

InVivo AgroSolutions introduces framework contracts for the purchase of energy savings certificates

InVivo Animal Nutrition and Health and DLA (Denmark) set up a joint structure in Russia

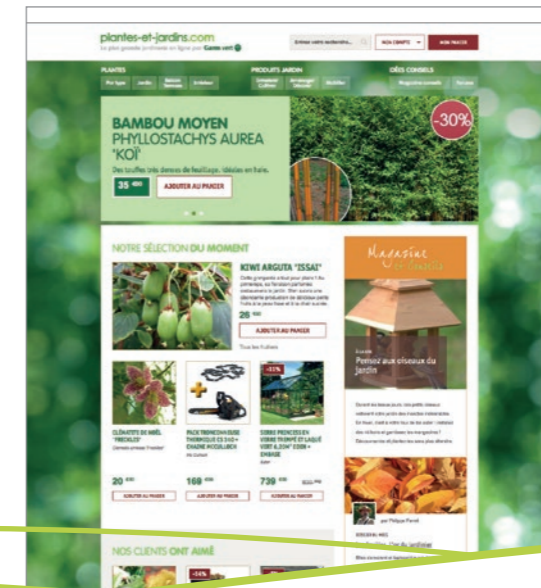
## NOVEMBER 2012

The group sets up Atrial, a regional animal feed cluster in the southwest and Auvergne (France)

Sicapa joins the Partners crop protection network

InVivo takes a stake in Solar Ener Jade

**Gamm vert acquires Plantes et Jardins, France's largest online gardening retailer**



## DECEMBER 2012

InVivo Grains increases its share in Mass Céréales (Morocco)

SFPS and Inzo° obtain "GPB Prémélanges" certification for best practices in premixes

**The Nantes, Montoir and Blaye silos join InVivo following the merger of Sonastock and Semabla**



## JANUARY 2013

Inauguration of the Dong Thap feed plant in the Mekong Delta in Vietnam



## FEBRUARY 2013

**Inauguration of the maltaCleyton pet food plant in Morelos state, Mexico**

The group sets up Solevial, a regional animal feed cluster in southwest France

The Noriap cooperative group joins Gamm vert

InVivo Grains obtains Good Trading Practice (GDP) certification

InVivo and ACOOA (Agricultural Cooperative Alliance) take part in the Paris International Agricultural Show (SIA)



## MARCH 2013

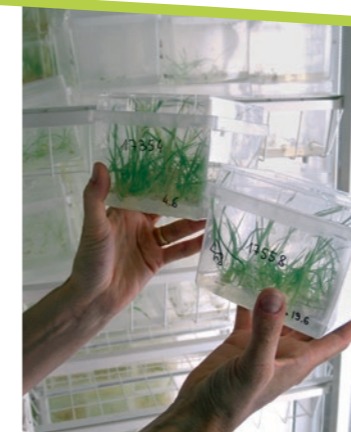
**InVivo Labs opens a new laboratory in Saint-Nolff, France**

Publication of the book, *From the Roots of InVivo in 1945 to the Present Day*

The 1,000th Gamm vert store opens

InVivo Agro signs the biocontrol framework agreement

Gamm vert launches its first TV advertising campaign



## APRIL 2013

**InVivo joins six competitiveness clusters**

The framework cooperation agreement between InVivo and the Inra agronomy research institute is extended to include livestock production



## MAY 2013

**The InVivo Agro cooperative network organises its first national FERMEcophyto day**



## JUNE 2013

**Inauguration of the N'Goro feed plant in Indonesia**



From left to right: Thierry Blandinières, chief executive officer, Jérôme Calleau, deputy chairman, and Philippe Mangin, chairman



The Executive Committee  
From left to right: Jérôme Duchalais, Loïc Desselas, Hubert de Roquefeuil, Bertrand de Launay, Jean-Pierre Dassieu, Thierry Blandinières

# GOVERNANCE

## BUILDING TOMORROW'S STRATEGY

### Board of Directors

The main remit of the Board of Directors is to:

- set out the Group's strategic policy directions;
- make decisions on external growth transactions, equity investments, alliance agreements, and investment and financing programmes.

The Board of Directors has 24 members and 8 specially qualified members who play an advisory role. The Board is chaired by Philippe Mangin, who is also chairman of ACOOA, Coop de France and the EMC 2 cooperative based in northern France. Jérôme Calleau, chairman of Cavac in western France, serves as deputy chairman.

Key discussions have begun over the future shape of relationships between member cooperatives and their Union.

### Board of Directors

**Chairman**  
Philippe Mangin\*

**Deputy chairman**  
Jérôme Calleau\*

### The cooperatives

- Régis Serres\*, ARTERRIS (11)
- Arnaud Degoulet\*, AGRIAL (14)
- Michel Grenot\*, CHARENTES ALLIANCE (16)
- Marc Patriat\*, DIJON CEREALES (21)
- Christian Veyrier, DROMOISE DE CEREALES (26)
- Philippe Voyet, SCAEL (28)
- Jean-Claude Peyrecave, VAL DE GASCOGNE (32)
- Roland Primat\*, LA DAUPHINOISE (38)
- Dominique Graciet, MAISADOUR (40)
- Marcel Placet\*, TERRENA (44)
- Bruno Bouvat-Martin, AXEREAL (45)
- Patrick Grizou, TERRES DU SUD (47)
- Hugues Dazard, ACOLYANCE (51)
- Pascal Prot\*, VIVESCIA (51)
- Jean-Claude Orhan, CECAB (56)
- Christian Sondag, LORCA (57)
- Bertrand Hernu, UNEAL (62)
- Thomas Thuet, CAC (68)
- Jean-Jacques Prevost\*, CAP SEINE (76)
- Jean-François Gaffet, NORIAP (80)
- Jacques Hilaire, CAPL (84)
- Gérard Delagneau, 110 BOURGOGNE (89)

### Leadership team

The Executive Committee has six members.

- **Thierry Blandinières**, chief executive officer. The Human Resources, Communications and DMSI (marketing, strategy and innovation) divisions report to the chief executive officer.
- **Jérôme Duchalais**, deputy chief executive officer. Mr. Duchalais oversees the Group's functional divisions – Administration and Finance (DAF), Information Systems (DSI), Legal and Tax, Goods and Services Procurement (DABS), and Mergers and Acquisitions – as well as the HSEQ division.
- **Hubert de Roquefeuil**, deputy chief executive officer is also chief executive officer of InVivo Animal Nutrition and Health.
- **Bertrand de Launay**, director of InVivo Agro.
- **Loïc Desselas**, director of InVivo Grains.
- **Jean-Pierre Dassieu**, director of InVivo General Public.

The remit of the Executive Committee is to establish long-term Group policy and implement the strategy decided on by the Board. The Committee also plays a major role in strengthening Group cohesion and rallying operational and functional teams around the Group's strategic goals. To that end, it is supported by a 26-member Leadership Committee.

The Executive Committee's main focus this year was on four key topics: controlling costs, reorganising InVivo Grains, structuring InVivo Agro, and forging ahead with the Group's international development, particularly at InVivo Animal Nutrition and Health.

### Specially qualified individuals

- Franck Clavier, VIVADOUR (32)
- Dominique Dutartre\*, VIVESCIA (51)
- Michel Duvernois, BOURGOGNE DU SUD (71)
- Denis Fend, COMPTOIR ACHAT & VENTE (67)
- Bernard François, COREA POITOU-CHARENTES (86)
- Jean-Charles Oisel, LE GOUESSANT (22)
- Bertrand Relave, EUREA (42)
- Denis Rougeaux, TERRES D'ALLIANCES (01)

**Non-cooperative associate**  
Annick Dufau, ADECAPAS (75)

**Honorary Chairman**  
Michel Fosseprez

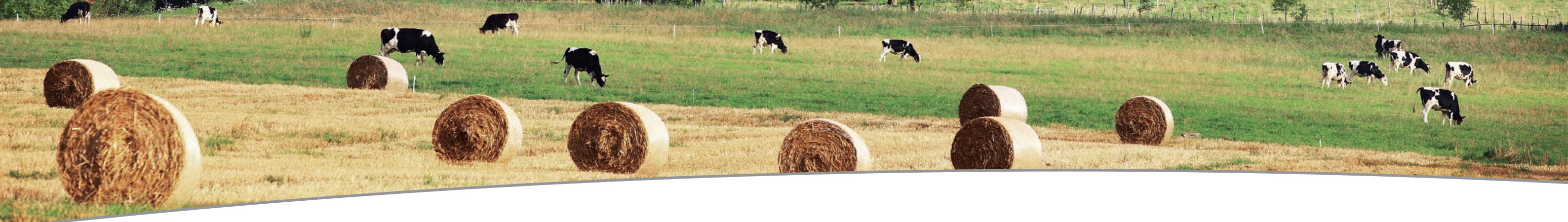
**Representative of the Young Farmers' Association**  
Julien Marre

**Statutory auditors**  
SCP Montiel (75)  
SAS Renaudeau Renou & Associés (17)

\* Members of the Bureau

### Strategic Policy Committees

Consisting of around 15 members each, the two Strategic Policy Committees, working in agri-supplies and grains, assist the Board of Directors in its discussions and strategic decisions. The two Committees are chaired by Roland Primat (La Dauphinoise) and Jean-Jacques Prevost (Cap Seine) respectively.



# STRATEGY

## BUILDING A NEW BUSINESS MODEL

The InVivo group grew its revenue 8.3% to a total €6.1 billion in 2012-2013, 42% of which was generated internationally. The singular market environment complicated position taking in international grain trading and the management of the related risks. InVivo Grains' difficulties in this area were the primary cause of the group's low net income, which came out at €0.1 million. However, InVivo Agro, InVivo Animal Nutrition and Health and InVivo General Public all posted satisfactory results. The disappointing net income figure should not obscure the outstanding amount of the rebates paid to member cooperatives before closing. The total came to €81.4 million, up 12.6% year on year and nearly 75% in the last four years.

### Rethinking how we create and share value

InVivo group results in 2012-2013 call for a two-fold reading. On one hand, the unprecedented amount of rebates to cooperatives demonstrates the extremely strong performance of the central referencing, negotiating and purchasing functions. But trees never touch the sky, as the French saying goes, and the modest net income figure, independently of the difficult situation encountered by one of our activities, prevents us from financing the human, technical and technological resources required in the long term to meet the innovation and differentiation needs that the cooperatives expect from InVivo.

The situation calls for a rethink of InVivo's business model, of the way we create value, and of how we share that value between the cooperatives and their Union, the aim being a more balanced win-win approach.

Group fundamentals remain robust, with equity up 12% in the last five years and financial independence satisfactory at over 70%.

One of InVivo's priorities is to strengthen cost control and profitability. Considerable progress has already been made on optimising inventory and collection times, leading to a reduction in the working capital requirement and in global net debt.

To improve its overly fragile risk profile, InVivo Grains is shifting from a single-product, single-source, single-destination (Algeria/Egypt) business model to a multiple-product, multiple-source, multiple-destination business model. The structuring of export sectors, notably through investments in port facilities in destination and origin countries, is part of the same aim to secure our activities while boosting grain exports to countries with sustained growth in food demand, either for demographic reasons or because of an increase in the population's purchasing power. The same observation applies to animal products, legitimating the need to continue forging ahead with our international sites and our investments in the construction of cattle feed and premix plants, laboratories and R&D stations, together with the development of a strong export policy for animal health and additives products.

### Cost and non-cost competitiveness

With a view to grouping and optimising purchasing conditions among the different entities of the InVivo group, the contracts negotiated by the Goods and Services Procurement department have now been extended to the cooperatives, enhancing collective purchasing power and the quality of the commercial conditions generated. The products and services proposed by the new GigaServices activity concern automotive fleets and handling equipment, the short-term leasing of automobiles and equipment, tyres and packaging, along with regulatory inspections and the supply of energy (gas). The initial approach on grouping and reducing costs has therefore shifted to one that creates shared value.

Creating the value so much in demand across all sectors of the French economy will for InVivo hinge on the combination of cost and non-cost competitiveness.

To rebuild our margins so as to be able to invest in non-cost competitiveness levers, we need to reduce our manufacturing costs, better manage our risks and get maximum productivity out of our resources. It is in this register that we intend to build our future, focusing on three levers in particular:

- Differentiation: proposing in each of our activities adapted and segment-specific solutions that meet the broad range of needs, expectations and profiles of our member cooperatives and customers in France and around the world.

- Quality: the quality of our products, services and expertise is our stock in trade, what we are known for. We have to continue to cultivate this quality, harnessing the skills of top-level employees.

- And, naturally, innovation: a particularly strategic dimension in a sector with an emphatic technical and technological dimension such as agriculture. This is the return we expect from the considerable investments made by InVivo in the plant and animal fields, with the cooperatives, with Inra (Institut national de la recherche agronomique\*), and with the six competitiveness clusters, and in partnership with French and international groups. Innovation also lies behind the in-house dynamic spurred by the second Innovation Awards launched recently.

Gamm vert's new cross-channel offering gives the brand's franchisees and customers a considerable advance on these three levers by combining a virtual store with a real-life point of sale.

Agro-ecology will constitute a strong platform for InVivo in the creation of solutions and new values in France and beyond our borders. The focus here will be on calls for tender for water catchment areas, impact studies on environmental offsetting, life cycle analysis, energy, and water management. Proficiency in these new fields will be co-developed with the cooperatives to help them better defend their members' right to produce more and better. We will also work together with local authorities, water resource management companies, agri-food companies, and retailers, responding to their increasingly frequent requests and those communicated to them by citizen-voters and consumers.

InVivo is determined to transform these constraints, now become requirements, into new growth sources as part of a far more cross-cutting approach and in the spirit of the circular economy and its resource-efficient philosophy.

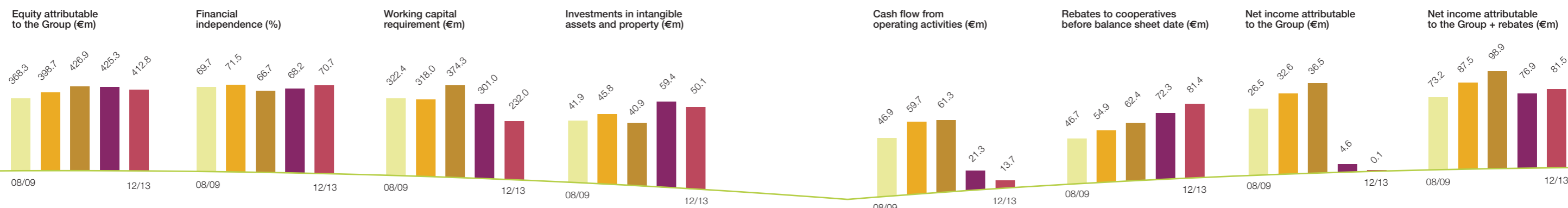
\* National Institute for Agronomic Research

## InVivo 2025

The recently launched "InVivo 2025" project will rally all players around the three pillars of sustainable development: profit, planet and people. The strategic, forward-looking initiative will involve the Executive Committee, senior executives and the cooperative governance bodies. InVivo 2025 expresses our confidence in the future and our determination to continue investing in the strategic sector of agriculture. Ambitious and realistic alike, the project is aimed at ensuring InVivo's future success at the service of a competitive and sustainable agriculture, opening up new perspectives and exploring new territories.



# FINANCIAL HIGHLIGHTS



## BALANCE SHEET

Equity attributable to the group fell 3% to €412.8 million, mainly because of unfavourable exchange rate adjustments arising from foreign currencies depreciating against the euro and the payment of interest on shares in the company. Equity attributable to the group has nevertheless increased by 12% in five years.

Non-controlling interests were relatively stable at €68.3 million.

Financial independence (equity/permanent capital) remained strong at 70.7%, a similar level to previous years.

Total net debt was down €52.9 million on last year, mainly owing to a €69 million reduction in the working capital requirement, causing the gearing (net debt to equity) ratio to improve to 70.4%.

Net fixed assets remained relatively stable at €651.8 million.

The ratio of intangible fixed assets to total fixed assets remained a modest 16.4%.

Non-current financial assets, which represent 37.8% of net fixed assets, include investments in associates totalling €158.5 million (consisting mainly of Toepfer and RAGT Semences).

Accounting provisions totalled €37.8 million, broken down as follows:

- €12.4 million in provisions for liabilities
- €22.4 million in provisions for charges (including €16 million in pension liabilities)
- €2 million in provisions for deferred taxes
- €1 million in provisions for impairment of goodwill.

### Assets

In millions of euros	06/30/2012	06/30/2013
Intangible assets	103.6	106.9
Tangible assets (PPE)	303.3	298.3
Financial assets	253.3	246.6
<b>Net fixed assets</b>	<b>660.2</b>	<b>651.8</b>
WCR (working capital requirement)	301.0	232.0
<b>Capital employed</b>	<b>961.2</b>	<b>883.8</b>

### Liabilities and equity

In millions of euros	06/30/2012	06/30/2013
<b>Equity attributable to owners of the parent</b>	<b>425.3</b>	<b>412.8</b>
Non-controlling interests	65.2	68.3
Provisions	52.9	37.8
Net debt <sup>(1)</sup>	417.9	365.0
<b>Invested capital</b>	<b>961.2</b>	<b>883.8</b>
<sup>(1)</sup> Of which medium- and long-term debt	253.9	215.3
<b>Gearing (Debt-to-equity ratio)</b>	<b>76.9%</b>	<b>70.4%</b>
<b>Working capital</b>	<b>137.0</b>	<b>82.3</b>

Provisions fell €15.1 million relative to the previous year, mainly as a result of a reversal of an international provision for liabilities for €7.5 million and net reversals of provisions for deferred taxes totalling €6.4 million.

Working capital stood at €82.3 million, down €54.7 million on the previous year, primarily owing to a €38.6 million reduction in medium- and long-term debt and a €15.1 million reduction in provisions for liabilities and charges.

The group's robust balance sheet enables it to continue to grow and meet the risks inherent in its activities.

## INCOME STATEMENT

The 2012-2013 financial year was characterised by a singular market environment, which made the task of managing risk and entering into positions on grain markets singularly complex. The Group's disappointing results are mainly accounted for by the difficulties encountered in this one area of activity. Meanwhile, InVivo Agro, InVivo Animal Nutrition and Health and InVivo General Public posted satisfactory results overall. Revenue totalled €6.1 billion, €2.6 billion of which (42%) was generated outside France.

InVivo Agro posted revenue of €1.7 billion, up 6.1%, while its profits improved slightly on the previous year thanks to continued strong performance by the Seeds business. Returns to cooperatives in the form of rebates once again rose sharply in the year to €43.2 million, up 8.5%.

InVivo Animal Nutrition and Health posted stable revenue of €1.4 billion, with 59% of the total generated outside France. Strong organic growth outside France (4%) made up for the 6% decline in revenue in France caused by an acceleration in the creation of regional alliances with InVivo member cooperatives in nutrition. This performance was very satisfactory given the challenging operating environment.

InVivo Grains posted revenue of €2.5 billion, up 15% mainly as a result of a 19% increase in exported grain volumes (8.6 million tonnes in 2012-2013, 7.2 million in 2011-2012). International revenue accounted for 69% of total revenue. While these results are disappointing, adjustments to the economic model with the aim of balancing the group's risk profile should see performance return to positive territory.

InVivo General Public revenue rose 7.6% to €0.5 billion, driven by the arrival of new franchisees (Sicap and Charente Coop) in

### Consolidated income indicators

In millions of euros	2011/2012	2012/2013
Revenue	5,669.1	6,137.9
Value added	294.9	298.3
% of revenue	5.2%	4.9%
Gross operating profit	49.7	45.8
<b>Net operating profit</b>	<b>14.3</b>	<b>2.6</b>
<b>Consolidated net profit</b>	<b>4.6</b>	<b>0.1</b>
Cash flow from operating activities	21.3	13.7

### Rebates to cooperatives before balance sheet date

In millions of euros	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Parc Services	0.9	0.8	1.3	1.2	1.6
Gamm Vert	21.9	24.8	28.1	31.3	36.6
Crop protection	23.9	29.3	33.0	39.8	43.2
<b>Total</b>	<b>46.7</b>	<b>54.9</b>	<b>62.4</b>	<b>72.3</b>	<b>81.4</b>

the Gamm vert network, and despite extremely poor weather throughout spring 2013. The Gamm vert network now has 1,026 stores. Returns to cooperatives in the form of rebates continued to rise, up 17.2% to €36.6 million.

Overall, the group reported income before tax and non-recurring items of €2.6 million and consolidated net profit of €0.1 million.

A photograph of two men standing in a field of golden grain under a blue sky with white clouds. The man on the left is older with white hair and glasses, wearing a blue plaid shirt. The man on the right is younger with brown hair, wearing a light blue button-down shirt. They are both looking down at something in their hands, possibly a sample of grain. The word 'ACTIVITIES' is overlaid on the left side of the image in large, colorful, bold letters. The background shows a vast field of grain stretching to the horizon.

# ACTIVITIES

12

13

InVivo Agro, InVivo Animal Nutrition and Health and Gamm vert posted satisfactory results. InVivo Grains business developed but income was down. InVivo's fundamentals remain robust, enabling the group to pursue its growth momentum, harnessing all its expertise and innovative abilities. In all our activities, we bring our member cooperatives and customers solutions that create value and differentiation, in the interest of agriculture and society as a whole.



# InVivo Agro

A leadership position  
in agro-ecology



## → STRATEGY

**InVivo Agro designs, develops and markets innovative solutions, products and services** to enhance the economic value of the agro-environmental potential of agricultural production for the benefit of farmers and their cooperatives.

**InVivo Agro aims to become a European agro-environmental leader.** It intends to do so by improving the creation of value in the agronomy and agricultural supplies sectors and by developing new growth sources for environmental services.

Mindful of the inestimable value of soil, water and biodiversity, **InVivo Agro leads an ambitious research and development policy.** InVivo Agro is also strengthening its expertise in the advice it provides to cooperatives to rally farmers individually and collectively around these challenges.

### A three-fold commitment

At InVivo Agro, increasing agricultural production goes hand in hand with improving environmental performance and making and keeping farms profitable. Meeting this three-fold commitment hinges on bringing farmers ever stronger agronomic, environmental and economic expertise via their cooperatives.

To that end, InVivo Agro has structured its activity into two main units:

- An agricultural supplies purchasing centre (for fertilisers, hybrid seeds, crop protection and agri-equipment) that generates rebates for InVivo Union member cooperatives.
- A services centre, InVivo AgroSolutions, that proposes a broad range of solutions to help and support cooperatives and their farmers to produce more and better and capitalise on the opportunities offered by their environmental assets.

Two subsidiaries, Semences de France and Biotop (the latter specialised in alternative crop protection), share the same objective of producing more and better and develop offers to achieve that end.

### A satisfactory year for agricultural supplies

The agricultural supplies unit (hybrid seeds, fertilisers, crop protection and agri-equipment) posted a satisfactory performance this year, with consolidated revenue of €1.61 billion, growth in income and an increased return for the cooperatives, totalling €43.2 million.

The hybrid seeds centre (RDS) had an excellent year, with the arrival of a new member, Alliance Régionale Est Appro (AREA), and an increase in

sales and economic return to network cooperatives. RDS posted revenue of €190 million.

Fertiliser revenue rose slightly to €314 million. Selling 1.3 million tonnes of fertilisers, over half of which through the Rouen and La Pallice import purchasing centres, InVivo Agro confirmed its ability to bring cooperatives value added in market analysis, pooled purchasing and logistics optimisation. That expertise was also borne out by the results of the Loudéac and La Sica de Gouaix sites, which increased the production of blended fertilisers and the provision of services.

In crop protection, with revenue of €956 million, InVivo's leadership position underscores its economic and environmental responsibilities. InVivo seeks to ensure the competitiveness of the cooperatives in crop protection and improve performance by working closely with regional cooperative groups. Noteworthy this year was the arrival of Sicapa (northern France) in the Partner network. Marketing momentum was also confirmed by the network's prowess in supporting the development of innovative solutions, particularly in the campaign for the new cereal fungicides from Bayer and BASF and the maize herbicides from Bayer.

The Partner Plus purchasing centre met its objectives on the scope of negotiations and financial results. Contributing to those achievements was the European Agricultural Marketing Alliance, which is expanding its activity from crop protection to seeds, agri-equipment and services.

Agri-equipment business was down slightly, but the three regional distribution centres (RDCs) confirmed their strong momentum.



1 InVivo AgroSolutions has developed an IT tool to characterise the nectar and pollen available for pollinating insects on farm land.

2 The member cooperatives of Club Colza 20 g are involved in the progress policy initiated by the French rapeseed biodiesel industry.

3 Precision agriculture opens up all-new possibilities to produce more and better.



### InVivo AgroSolutions enters a new phase

The broad set of initiatives taken over the last three years in the management and monetisation of the environmental performance of agriculture has now passed from the experimental phase to large-scale rollout, reflecting the expertise acquired and the reliability of the results obtained. Evidence of these skills, InVivo AgroSolutions obtained ISO 9001 certification for its research and development activities in the environment, agriculture and environmental economy.

The skills ramp-up at InVivo AgroSolutions is demonstrated in the scale of the work carried out as part of the Ecophyto national plan, the number of contracts won on diagnostics and the introduction of action plans to improve water quality, work in life cycle analysis, and the signature of its first contracts in environmental offsetting. InVivo AgroSolutions is now a standard-setting player in France.

InVivo AgroSolutions entered a new phase this year, with environmental concerns taking an increasingly central place in farming production and with the compensation of farmers for environmental services becoming a reality. Looking beyond imperatives on reducing the impact of agricultural practices, InVivo AgroSolutions is determined to help farmers produce positive externalities on a collective basis. It is already making full use of existing systems, including carbon credits, energy savings certificates and environmental offsetting. The advances made in farming progress policies by the leading agri-food and retail players are paving the way for a range of monetisation possibilities for environmental assets.

InVivo AgroSolutions is a pioneer in the acquisition of environmental references and the design and implementation of competitive and sustainable production systems. It is also

### Crop protection – Hybrid seeds

#### A network of multi-business expertise

InVivo's "Partner" network for crop protection and hybrid seeds brings together some 100 cooperatives and cooperative groups representing over 250,000 farmers and 2,700 crop advisors. The network harnesses its broad presence in numerous segments and regions to provide the right solutions to the different needs of its members. Seeds and crop protection products are referenced on the basis of the results in the InVivo cooperative test network. Referencing suppliers involves joint technical work on the agronomic issues in question, namely resistance management and prevention and the defence of alternative practices in crop protection. Promoting policies on reducing the environmental impact of the crop protection products and protection equipment of users is an integral part of the network's sales policy.

## “Meet the two-pronged challenge of economic competitiveness and environmental transition.”

a frontrunner on farming performance management tools and methods, together with decision-support tools for agricultural consultants. Harnessing a full range of skills, it helps farmers and cooperatives to meet the two-pronged challenge of economic competitiveness and environmental transition.

InVivo AgroSolutions' environmental services offering covers all the key issues in environmental protection, from soil fertility, water management and biodiversity to renewable energy sources and the fight against climate change. It possesses all the skills for designing and rolling out production practices and systems scaled to plots, holdings, territories and sectors.

Having won over 30 contracts covering 73 priority drinking-water catchment areas (34 of which under the French government's "Grenelle" environmental initiative) for a total surface area of 456,000 hectares, InVivo AgroSolutions is now France's number-one private operator in the sector.

InVivo Agrosolutions and the cooperative network have been fully engaged in the French government's Ecophyto 2018 initiative from its inception in 2008 and are driving forces in the implementation of the plan. More than 300 agricultural holdings in the FERMEcophyto cooperative network are committed to the DEPHY national farm network (demonstration, experimentation and production of crop protection-light farming systems) comprising a total 1,900 holdings. The FERMEcophyto network aims not just to reduce the use of crop protection products but also, and above all, to reduce the impacts of agricultural practices. Twenty of the cooperatives involved organised a national communication initiative on 23 May 2013 consisting of an "open day" event at 19 FERMEcophyto farms.

With over 2,000 farmers in attendance, the organisers presented their results and showed their determination to engage French agriculture in a strong agro-ecological momentum.

The initial environmental offsetting contracts were signed this year. For one of them, with CDC Biodiversité on the protected European Hamster in Alsace, InVivo created a programme on restoring favourable environments for the species. The programme has been recognised as eligible for biodiversity offsetting. The other contract was signed with a wind power developer, which called on InVivo AgroSolutions to manage environmental offsetting for its farms. For each one, InVivo AgroSolutions is responsible for project management, which consists in devising offsetting measures with the cooperatives, gaining the approval of the authorities and drawing up contracts for farmers.

InVivo AgroSolutions' expertise in data acquisition, eco-design and the supervision of collective initiatives is also gaining greater recognition, with the coordination of the Sofiprotéol progress policy in the diester sector and several projects with agri-food companies.

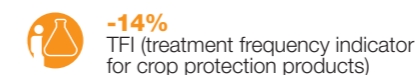
Additional resources have been implemented in the acquisition of agronomic and environmental data via the test networks, particularly on emerging issues. New agronomy workshops were set up this year to focus on alternative techniques in sowing, grass growing and mildew control in vineyards, and sunflower broomrape strategies.

InVivo AgroSolutions is growing in stature by strengthening its proprietary skills and its collaborative ventures with research institutes, further-education establishments and competitiveness clusters.

### FERMEcophyto, 2012 results

#### Profitability, productivity and performance

The results of the FERMEcophyto network, grouping 316 agricultural holdings at which 20 agro-environmental indicators were measured, show that profitability, productivity and environmental performance are compatible.



The key challenge today is fostering innovation and strengthening the ability of farmers and their cooperatives to bring their practices into line with a sustainable approach to land development. The framework cooperation agreement signed with INRA in 2012 serves this objective.

To meet the challenge, farmers and cooperatives need support in the implementation of the proposed solutions. The individual and collective involvement of farmers hinges on the organisation of strategic consultancy (on economics, regulation and agro-ecology) at the cooperatives, along with the training of farming consultants and the broader rollout of decision-support tools. These objectives can be reached only by mobilising and pooling skills.

The implementation of the Epiclès and Phytènes decision-support tools and the reinforcement of partnerships with plot diagnosis and crop observation companies (including Farmstar and Defisol Services) and agricultural information systems publishers (Maferme and Néotic) strengthen the synergies between the consultancy approaches proposed to the cooperatives and plot management tools.

InVivo AgroSolutions recently made a further important step forward by signing a framework agreement with Arvalis-Institut du Végétal and Cetiom. By combining their expertise, the three partners will be able to support, tool and train the engineers responsible for strategically advising the farmers. The aim is to encourage the greatest number of farmers to move towards “doubly efficient agriculture to balance competitiveness and environmental respect”, as recommended in a report by Marion Guillou, president of Agreenium.

### Semences de France posts an excellent performance

Semences de France posted an excellent performance this year, with consolidated revenue of €94 million, up 13% on last year and 34% on two years ago. Long distribution sales of straw cereal rose 100,000 quintals to a total 850,000. Those of hybrid barley and maize also increased.

Semences de France achieved this performance by strengthening its technical and sales expertise and by forming partnerships with plant breeders. Following the strategic agreement signed by InVivo and RAGT in 2010, Semences de France cooperatives benefit from preferred access to RAGT's excellence in wheat genetics. Rubisco, ranking among Semences de France's “Favourites”, this year became the most reproduced wheat variety in France, just two years after launch. In maize, Ronaldinio and Millesim, two of the top three varieties in France, were developed using KWS genetics. Semences de France also enjoys a frontrunner position in hybrid barley thanks to the agreement with Syngenta.

Biotop, specialised in alternative crop protection, continues to develop across all its markets, including cereals, greenhouse crops, and house and garden.



1 InVivo Agro supports, equips and trains engineers and technicians responsible for advising farmers.

2 Semences de France has preferred access to the genetic wheat excellence of RAGT Semences.

3 InVivo AgroSolutions participates in the RMT Fertilisation and Environment technology network.

4 The vegetable production pool proactively seeks out new solutions and defends alternative crop protection strategies.



#### Straw cereals

### Semences de France identifies future varieties to “produce more and better”

As a vehicle for genetic progress, seeds are a key focus in the solutions developed to “produce more and better”. Carrying out over 130 variety tests a year, the Variétoscope network of 35 Semences de France shareholder cooperatives is now the largest in France.

Its tests provide precise assessments of the potential of new varieties of straw cereal seeds. The main selection criteria are yield, quality and disease resistance, along with behaviour in different agronomic contexts and response to crop protection treatment programmes.

## → REVIEW

**The agricultural supplies activity** (hybrid seeds, fertilisers, crop protection, agri-equipment) achieved satisfactory results, with consolidated revenue of €1.61 billion, growth in income, and €43.2 million in rebates to cooperatives.

**InVivo AgroSolutions** has become a benchmark player in France and an emerging force in Europe. The scale of the efforts rolled out for the national Ecophyto plan and the number of contracts won on land diagnostics and water quality improvement action plans, together with its achievements in life cycle analysis and the signature of its first environmental offsetting contracts, reflect the ramp-up of InVivo AgroSolutions' skills set. **Semences de France** had an extremely strong year, with consolidated revenue up 13% to €94 million.



# InVivo Animal Nutrition and Health

Innovative solutions for stockbreeders



## → STRATEGY

**InVivo Animal Nutrition and Health continues to structure its business model** based on a multi-business, multi-species and multi-zone approach. The approach is founded on the gradual rebalancing of the company's sources of revenue and relies on a diversified portfolio of activities, species and geographical areas with a complementary fit.

**InVivo Animal Nutrition and Health, a provider of global solutions, aims to become an international benchmark in innovative livestock solutions.** It is determined to strengthen its grassroots presence in local markets and structure strategic partnerships internationally. These ambitions inform each one of its four geographical regions and five business lines. To that end, it has introduced a company project with five main focuses: rolling out a strong identity, reasserting its standard-setting status in France, achieving targeted international development, securing the supply of raw materials, and investing in innovation.

### A standard-setter in France in complete feed and premix

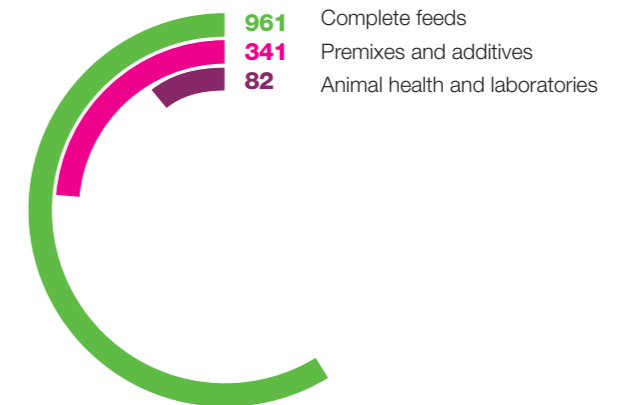
InVivo Animal Nutrition and Health continues to be a major player in the feed and premix market in France, where it generated 41% of global revenue in the 2012-2013 financial year. It has become a standard-setter on innovative solutions for French livestock professionals.

InVivo Animal Nutrition and Health's complete feed activity in France produced a total 830,000 tonnes in 2012-2013. Market conditions were tough, with strong pressures on margins resulting from the bullish trend in raw materials prices and the growing concentration and verticalisation of the sector.

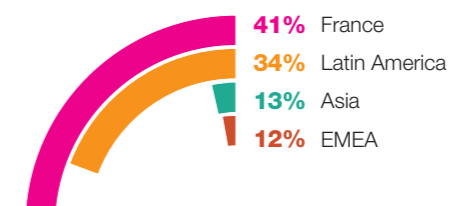
The gradual build-up of strong regional structures across the country, as carried out by Eivalis France since 2008 in partnership with InVivo member cooperatives, constitutes an adapted response to these conditions. The strategy is aimed at establishing lasting regional manufacturing infrastructures and rolling out the Eivalis franchise brand nationwide.

The 2012-2013 year was particularly eventful in this respect, with the set-up and expansion of several major regional units. Solevial was created with Qualisol and Uncior in the southwest and Querial was created with Capel (with a contribution from the Gourdon site). The Eivalis plant in Louchans contributed to Soréal, while Lorial was expanded in Alsace Lorraine (hand in hand with the Hochfelden Comptoir Agricole, Cal and Lorca). Atrial was set up with the Euréa and Ucal cooperatives (contribution from the Saint-Martin site) and an agreement was made with Axéréal at the Montargis site.

### InVivo Animal Nutrition and Health revenue by business line, excl. Holding (€m)



### InVivo Animal Nutrition and Health revenue by geographical region (%)



The Inzo° and SFPS service companies and their subsidiaries confirmed their leadership position. They posted robust results, benefitting in particular from a strong performance by the licking bucket company Nutrilac.

In parallel, the sales and technical teams continued to make headway. Their organisation structure changed with the grouping of the Inzo° and Eialis teams, while the R&D activity was reorganised to become the Scientific and Technical Department, now divided into three main dimensions: scientific and regulatory, technical, and innovation. The new system, combined with the reinforcement of the strategic marketing teams, is aimed at better showcasing French expertise internationally and providing the international businesses with top-level technical and sales support.

InVivo Animal Nutrition and Health draws on 60 years of expertise in animal nutrition and health and boasts internationally recognised know-how. The new organisation of the marketing and R&D activities – relying on presence in 19 countries and a global network of 13 test farms – lends greater visibility to that know-how. This is reflected in the signature of major contracts on technical assistance and expertise transfer with big international players in animal feed (in South Korea, Japan, Côte d'Ivoire and the UK). Combined with the reinforcement of technical and sales teams at local level, the new organisation system also contributed to considerable growth in premix exports (tonnage up 25%), and spurred Neovia's additives and ingredients business (revenue up 30%) and animal health exports (revenue up 60%).

#### Five new plants in Asia and Latin America

The Asia region increased revenue by nearly 5% to €174 million. But results were contrasted, with lower than expected tonnage and margins in Vietnam and Indonesia. This phenomenon was largely the result of a strong decline in the Vietnamese feed market and the shrimp market

**1** The new pet food plant in Mexico has a 12,000-tonne production capacity.

**2** InVivo Labs analyses over 200,000 samples a year. Its fields of excellence are human food and animal feed along with nutraceuticals.

**3** InVivo NSA in Vietnam has five feed plants, three R&D centres and an analysis laboratory.



crisis (outbreak of early mortality syndrome). The situation was difficult in the first half-year in the two countries but improved gradually in the second half, with a rise in fish margins and the shrimp business.

The company achieved excellent results in India and China, and the premix export businesses Neovia and Qalian both reported strong growth.

In a sign of InVivo Animal Nutrition and Health's confidence in the Asian growth dynamic, the company opened two feed plants, for land animals and fish, in Vietnam and Indonesia this year.

In Latin America, the year was marked by two main aspects: excellence in Mexico and the successful business reorganisation in Brazil, where the market was unfavourable.

Results were excellent in Mexico in terms of volumes and margins, equal or superior to expectations in all businesses apart from the shrimp activity, which was impacted by

a health crisis. The performance was driven by a powerful and structured sales force in feed and by the vitality of the pet food activity, as well as a dynamic and profitable market, in which maltaCleyton strengthened its position as the number-three player and opened a new plant in February 2013.

Performance in Brazil was not as good as expected. The Brazilian feed market suffered from a difficult macro-economic situation, with a fall in agri-food GDP over the period. The reorganisation and integration of the Malta do Brasil and Vitagri businesses impacted results in the first half of the year but started producing significant results in terms of synergies in the last quarter.

InVivo Animal Nutrition and Health remains confident in the medium-term outlook in Brazil. Two new plants, Descalvado and Inhumas, opened this year should enable the company to strengthen its positions in the growing aquaculture market.

#### Contrasted results in the Europe-Middle East-Africa region

The Europe-Middle East-Africa region is characterised by the diversity of its markets and highly contrasted growth dynamics. While global revenue for the region was once again slightly down, at €145 million, the result conceals major differences from one part of the region to the next.

The European market was marked by a difficult economic environment and fierce competition, despite considerable resilience in Spain. In contrast, the Export activity posted strong growth, in volumes and income alike, with a near 25% increase in tonnage and successful rollout in over 40 countries.

The creation of a joint venture in Russia with the Danish cooperative group DLA (with InVivo Animal Nutrition and Health holding a minority share of 40%) and the strengthening of the teams in South Africa should enable the company to

#### International

### Global services, French know-how

With its history, the complementary fit of its five activities and its strong international presence, InVivo Animal Nutrition and Health is uniquely qualified to provide technical, sales and production support to major global groups in animal feed. Drawing on recognised French know-how, support may take the form of technical assistance or knowledge transfer contracts and is grounded on multi-species expertise (with 140 animal nutrition experts), a world network of 13 experimental farms, a robust production structure and dynamic export presence.

Several major contracts were signed this year with leading world and regional players in animal feed, including Nosan in Japan and Jeil Feed in South Korea.

#### Investments

### Modernised, high-performance production base

InVivo Animal Nutrition and Health opened five feed plants worldwide in 2012-2013, in Vietnam, in Indonesia (fish and poultry food), Brazil (two extrusion facilities) and Mexico (pet food).

It also inaugurated a new, ultra-modern analysis laboratory at the Saint-Nolff site in France – a sign that France remains an essential investment focus.

Above and beyond the sums involved, these investments underscore the company's strong international development, considerable industrial expertise and determination to equip itself with high-level production resources corresponding to the increasing expectations of growth markets in Asia and South America.

take better advantage of growth in the animal nutrition market in both countries. InVivo Animal Nutrition and Health is also confirming its determination to strengthen its positions in the Maghreb countries and Africa.

#### Brisk business for additives

The natural ingredients and additives activity headed by Neovia confirmed its strong growth in sales. More than ever, it is one of InVivo Animal Nutrition and Health's major sources of growth.

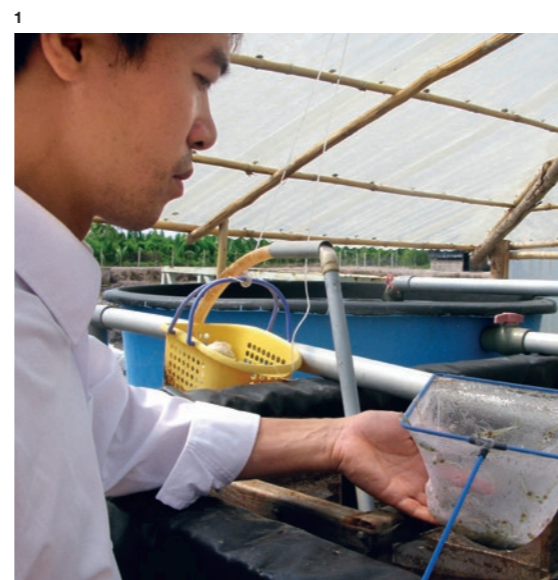
The sharp, 30% rise in the company's revenue reflects its ability to provide the right responses to the growing expectations of the market and also testifies to the quality of its products. The performance largely owes to the continuous reinforcement of Neovia's technical teams and the buoyancy of its international network, with presence in 60 countries. It also results from the ramp-up in InVivo Animal Nutrition and Health's marketing and R&D activities, which ensure the rapid development of solutions and products marketed around the world, including B-Safe, T5X and Powerjet. Rollout was stepped up this year with the strengthening of Neovia's positions in several key countries (including Brazil and China) and the development of innovative marketing ideas.

A further key event in 2013 was the opening of the new analysis laboratory in Saint-Nolff, France in March. Representing an €8 million investment, the new, ultra-modern facility demonstrates InVivo Labs' determination to strengthen its positions in France, where it now has three top-level laboratories. Through such investments, InVivo Labs is set to confirm its position as a key player in its traditional fields – crops, agriculture and agri-food – and is now building up positions in related fields, such as pharmacy and cosmetics, where its expertise is recognised.

#### Animal health, a fast-growing export activity

Qalian successfully repositioned its activities internationally in 2012-2013, strengthening its teams and posting a 60% rise in revenue. The year also saw a significant development in the hygiene and dietary offer (the Meriel and Sanicoopa veterinary laboratories).

The revamped animal health strategy, reflected in considerable investments in hygiene, immunology, parasitism and aquaculture, will enable Qalian to effectively respond to the growing de-medication trend in France and Europe.



1 InVivo NSA has developed a special shrimp breeding method.

2 In aquaculture, InVivo NSA has successfully launched a 100% plant-fed pangasius business.

3 The service companies in France provide the poultry sector with two decision-support tools, Gallilé and Skipper.

4 Major research has been carried out in rationalised demedication in pig breeding, particularly in the post-weaning phase.



#### Consolidation continues for the laboratories department

InVivo Animal Nutrition and Health continues to structure its laboratories department and strengthen its team and expertise sets to rapidly position itself as a world leader in food and agriculture analysis. The company is developing its analysis business in growth markets in Latin America and Asia, starting up a new laboratory in Brazil, gradually harmonising analysis standards, and ramping up the laboratories in Vietnam and China.

#### Raw materials

### Enhanced purchasing power and the rollout of major strategic partnerships

The weight of the cost of raw materials in feed production, combined with the need to secure supply and use alternative raw materials, calls for the implementation of an original and wide-ranging procurement strategy.

Mindful of these issues, in early 2013 InVivo Animal Nutrition and Health set up a shared purchasing structure for micro-ingredients in China with two major market players – the DLA and Agavis cooperatives – the aim being to strengthen its powers of negotiation and establish a clear vision of the needs and resources of the Chinese market. InVivo Animal Nutrition and Health intends to pursue this policy of targeted partnerships on a case-by-case basis, and in a more comprehensive manner where necessary, for all group purchases worldwide.

## → REVIEW

**InVivo Animal Nutrition and Health posted revenue of €1.38 billion.** The performance was similar to last year's but conceals a more complex reality, consisting of strong international growth and a removal of a part of complete feed revenue from the reporting scope owing to the accelerated implementation of regional alliances with InVivo member cooperatives. **The result, in line with the budget, was achieved in an unfavourable environment** in Europe and a complex environment worldwide, marked by strong volatility in the Forex and raw materials markets. That volatility was reflected in contrasted results for the different geographical areas and businesses.

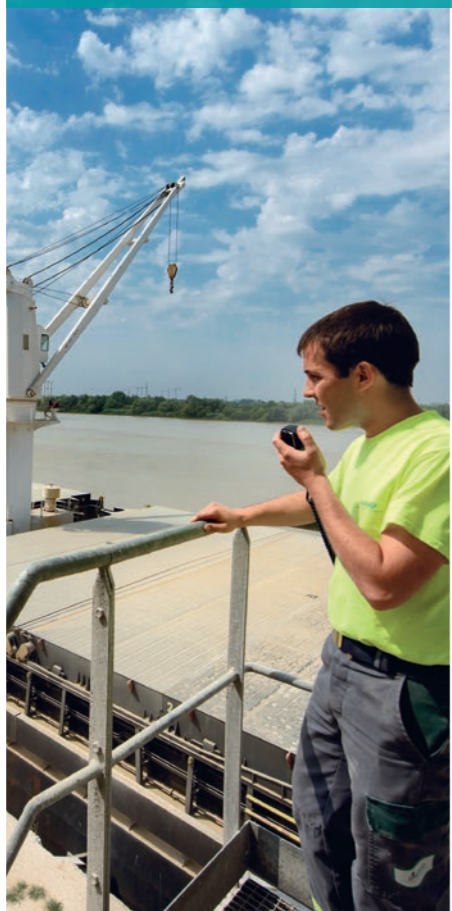
**InVivo Animal Nutrition and Health continues to structure its organisation system and build a more balanced and resilient business model,** in particular by stepping up revenue diversification to better distribute the weight of major countries and complete feed in its results.





# InVivo Grains

Creating  
export outlets



## → STRATEGY

**InVivo Grains secures long-term outlets** for the grain and oil-and-protein crop production of partner cooperatives. It has three priorities:

- **Develop and consolidate its presence in destination countries** while optimising its risk profile
- **Build high-performance export logistics chains**
- **Devise innovative services and solutions** to help cooperatives manage volatility-related price risks

To successfully implement this strategy, InVivo Grains has organised its activities in three branches: Trading, Storage and Logistics, and Services and Risk Management.

### Unique market conditions

The 2012-2013 harvest, like previous ones, featured some particularities that made managing risks and taking positions in grain markets more complex.

While in February 2012 the big concern was the damage caused by the cold wave and rains across all of Europe, in April nothing seemed to be threatening crops. In late May, however, the outlook suddenly darkened. Both Russia and the United States suffered high temperatures and drought. Winter and spring grains as well as soya beans were in danger, and prices shot up. The surge was spectacular and brief, lasting just six weeks. Grain prices then fluctuated in a wide band until December 2012, with no steady trend emerging, making it virtually impossible to build market positions. At the end of the summer, two outsiders stepped in and eased the pressure on grain markets. India was prompted by the lure of high prices to begin selling off its stockpiles of wheat, while Brazil's good production levels enabled it to become the world's number-one maize exporter, despite continually strained logistics systems. Meanwhile, the United States made up for a very disappointing soya bean harvest in South America by ramping up exports. It was not until the very end of 2012 that a downward trend in grain prices set in.

### A new business model

These developments seriously disrupted InVivo Grains' international activities. Export volumes rose, but margins failed to keep pace. Losses were recorded on July trading positions due to a sharp upturn in prices. Performance improved in the second half, but not enough to yield the expected profits.

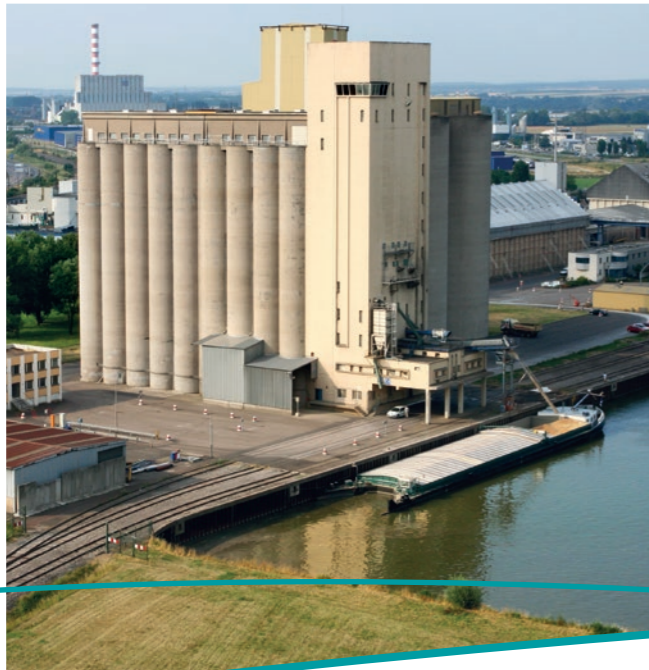
The consolidated revenue of InVivo Grains came to €2.53 billion. Net income attributable to the Group was negative owing to lagging international sales and the poor performance of trading companies in which the Group has financial holdings. The results of the logistics and storage activities and of Sigma Terme were satisfactory. Adaption of the business model and readjustment of the risk profile are being counted on to improve InVivo Grains' results.

InVivo Grains is mobilising its resources to strengthen its overall performance. As part of this effort, further investments are being made in the means to monitor, control and manage risks and in the information system. Development of the logistics activities and the service offering is particularly important in strengthening the business model.

- InVivo Grains is organised in three divisions:
- International trade: exportation and delivery of grain to destination customers
  - Storage and logistics: organisation and development of a high-performance export logistics chain
  - Services and price risk management: relations with the cooperatives

The three-pronged organisation structure meets the essential needs of preserving value along the entire chain and improving operational performance.

Two subsidiaries, Sigma Terme, a clearing agent and futures trader, and Magestiv, a rail transport forwarder, round out InVivo Grains' business organisation.



**1** With more than 6 million tonnes loaded, InVivo Grains is the leading French operator in logistics and storage.

**2** The 12 silos are located on the Atlantic coast and the main waterway routes.

**3** InVivo Grains places considerable importance on the traceability and guarantee of the health quality of grain.

**4** InVivo Grains is always ready to help its customers to develop local industries.

taking stakes in port silos in producer regions (e.g. Hungary) and destination regions (e.g. Morocco). This energetic trade development effort is being supported with serious traceability and grain health policies. InVivo Grains is the first French operator to obtain Good Trading Practice (GTP) certification for multiple sites, having previously signed on to the Food Safety Charter (Charte sécurité alimentaire – CSA) and the Biomass, Biofuel Sustainability Voluntary Scheme (2BSvs).

#### Grain volumes of InVivo Grains



#### 2012-2013: Export volumes by region



\* 25% physically traded and 13% FOB for resale in the destination countries (Algeria, Morocco, Syria and Egypt)

#### Trading: a multi-source and multi-destination strategy

With 8.6 million tonnes of grains exported from the 2012-2013 harvest, including 4 million tonnes of soft wheat, InVivo Grains remained the number-one French exporter.

The primary export regions are located south of the Mediterranean, i.e. Africa and the Near and Middle East, destinations where the demand for wheat and maize is on the rise. With deliveries to more than ten countries, 2012-2013 brought further progress in the customer diversification strategy pursued in recent years.

Prospecting in sub-Saharan Africa, the region ranking third in French grain consumption, is yielding results, with new business developed in Senegal, Côte d'Ivoire, Cameroon, Mauritania

and Mali. In this harvest period, InVivo Grains also contributed a significant share of the maize exported to Japan and South Korea. Traditionally customers of North American grain producers, these two countries turned to France for supplies owing to the poor harvest in the United States.

This multi-destination strategy goes hand in hand with the multi-source strategy, which is essential to maintaining long-term commercial relations with traditional buyers of French grains as well as to satisfying the diverse requirements of multiple industries. The development of other sources is focused first on the Black Sea and the Balkan regions, which customers fall back on when French grains do not match their expectations and vice-versa.

Besides diversifying its commercial relations, InVivo Grains is reinforcing its trade flows by

#### Storage and Logistics: a leading operator

The Storage and Logistic activity had a good year, with more than 6 million tonnes of grains loaded, up 15% on the previous year. There was very strong growth in loads at silos on the Atlantic coast, with gains of 34% to 1.57 million tonnes at Bordeaux-Blaye and 27% to 1.22 million tonnes at Nantes-Montoir. Propelling these increases were InVivo Grains' aggressive commercial efforts in other countries.

Improved logistics performance was the key factor in these excellent results. At Nantes-Montoir, the loading rate for Panamax ships rose to 1,000 tonnes/hour. At Bordeaux, a new, 150,000-tonne rail shuttle serving the Aquitaine and Poitou-Charentes regions has boosted the volumes arriving at the port. A record for wheat at the port of Bordeaux was set this year with the loading of 500,000 tonnes.

#### Destination development

### A larger shareholding in Mass Céréales in Morocco

In line with its development strategy for destination countries, InVivo Grains has increased its shareholding in Mass Céréales to 20%.

A port handling subsidiary of Holmarcom, Mass Céréales unloads almost 50% of Morocco's grain imports. It has two terminals, at Casablanca and Jorf.

InVivo Grains has three objectives with this partnership:

- To acquire more knowledge of the Moroccan market and operators
- To boost sales in Morocco, a longstanding trading partner of France, which is Morocco's largest supplier of wheat and barley
- To expand its presence in grain handling operations at African ports by capitalising on the two companies' expertise.

#### Rail takes off

### Magestiv links production regions to ports

With the more than 450 wagons owned by its rail forwarding subsidiary Magestiv, InVivo Grains can provide optimal solutions for supplying silos with block trains. Magestiv's performance is outstanding in several aspects. It transported over 800,000 tonnes, a 25% increase driven by the start-up of a rail shuttle to Bordeaux. This same system of draining grain volumes for export from the hinterland to port silos is being copied at Nantes.

Increased reliance on rail transport also addresses other concerns – environmental, economic (lower transport costs) and qualitative (better traceability, uniform lots of 1,000 tonnes).

1



2



3



1 The growth in rail transport also meets objectives in sustainable development.

2 InVivo Grains provides customers with advice and consultancy on price risk management.

3 InVivo silo services meet the highly diverse expectations included in customer specifications.

“InVivo Grains aims to boost its market positions by developing product-service offers and outlet partnerships”

30

The introduction of a river shuttle on the Seine between La Grande-Paroisse, located southeast of Paris in the heart of the French grain-growing basin, and Rouen, Europe's top port for grain exports, has given a further boost to international shipments.

As for silos in the Rhine basin, loads were up at Ottmarsheim and stable at Metz (1.35 Mt), despite the smaller collection in the Lorraine. Also notable was InVivo's first shipment by container, which left from the Moselle and was transhipped at Rotterdam, with China its final destination. This first was hailed by all producers in northeastern France, who are eager to see new outlets opened for their crops and the development of multimodal transport.

In Hungary, where the maize harvest shrank by 50% in 2012, activity at the Baja silo was down.

#### Services and Risk Management: solutions for partner cooperatives

The services and risk management offering is increasingly personalised, whether in the realm of grain supply contracts, consulting and training, or the services of Sigma Terme.

The final result on commitment contracts for grain volumes with member cooperatives for the 2012-2013 harvest was positive. InVivo Grains offered cooperatives a wheat

price of €235.56/tonne FOB shipping port Rouen, a level never previously attained and one in line with the prices seen for this harvest. Considering the trends in agricultural commodities markets, this contractual relationship is being reviewed.

Services offered in the areas of information and training are being expanded, with particular emphasis on the sharing of market analyses and risk management. Training in the cooperatives, conducted jointly with Services Coop de France or in the framework of the Clubs Marchés with the sales teams, is going strong. Even with volatility decreasing, interest in the Clubs Marchés remains keen, and more people are participating.

Teams from InVivo Grains are now running more than fifty Clubs Marchés.

While Sigma Terme's trading activity fell off slightly due to declining price volatility in the second half, its clearing business grew. New clients, including about ten cooperatives, opened accounts with it. The promotion of Sigma Terme's activities, initiated two years ago, and its new, distinctive service offering are yielding results.

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#### Futures markets

### Sigma Terme's distinctive services

Sigma Terme is a trader and clearing agent in futures markets and as such is regulated by French authorities. It provides a full range of services to cooperatives looking to use futures markets to hedge their physical operations. These services include:

- Transactions in structured products and hedging instruments in over-the-counter markets
- Consulting and auditing services in partnership with Coop de France, in particular to assist cooperatives in the implementation of the new Best Practices Charter and price risk management
- Account management aimed at optimising prices for the buyers and sellers of commodities.

## → REVIEW

**InVivo Grains posted consolidated revenue of €2.53 billion.** Sales volumes remained strong, with a total of 8 million tonnes of grain exported from the 2012-2013 harvest.

International sales and returns from financial holdings in trading companies were weak, while **the results of the Storage and Logistic activity and Sigma Terme were satisfactory.**

**InVivo Grains will be able to turn its results around by adapting its business model.** To have a better-balanced risk profile, InVivo Grains needs to move from a single-product, single-source, single-destination business model to a multiple-product, multiple-source, multiple-destination business model.

# InVivo General Public

Customer satisfaction  
continues to rise



## → STRATEGY

**With 1,026 stores and sales of €1.1 billion, the Gamm vert chain is the undisputed garden centre leader in the French market.** Its three complementary brand and formats – Comptoir du Village, Gamm vert, and Gamm vert nature – enable it to serve all market segments.

**Néodis**, with its pet food, pet supplies, house and garden and pest control brands intended for sale in garden centres, is now growing throughout the specialised retail sector.

**Sepeco** is using its knowledge of the agricultural and cooperative worlds to offer a diverse range of solutions in communication, studies, events, and training.

### Gamm vert: a very robust business model

The weather was terrible throughout spring 2013, the period when the French are eager to begin gardening. As a result, the garden market suffered an unprecedented 8% decline. Gamm vert managed to stabilise its per-store sales on a like-for-like basis, testifying to the robustness of its original business model built around four product areas: garden and plants, animal feed, local “terroir” produce, and clothing and footwear. It also continued with the diversification strategy implemented over the past several years.

These results attest to the dynamics of the network and to the steadily growing appeal of its promotional activities like the kitchen garden festival, the 10-day “coup de pousse” campaign, and low seasonal prices. They also reflect the brand’s ability to respond to customers’ desires and to capitalise on the skills of its salespeople.

Overall revenues of Gamm vert SA increased by 9%, thanks to the recruitment of several new networks. The pace of development did indeed remain strong last year, with the opening of new stores in all three formats and the addition of new franchisees: Sicap, a subsidiary of Noriap, with 21 stores, and Charente Coop, with 15 points of sale. Altogether, 63 new points of sale are now operating under the Gamm vert banner.

The market shares of all Gamm vert product lines increased.

Sales growth in the animal feed business was driven by the retailer brand’s good performance and the repositioning of the premium dog and cat food brands. The introduction of the retailer brand for farmyard animal feeds has given a lift to this market segment, in which Gamm vert is the undisputed leader.

The local “terroir” produce sections and the clothing and footwear boutiques are boosting the stores’ appeal and profitability.

Awareness of the brand continued to grow, aided by an intense communications effort in the media and points of sale. Each month there were new promotional activities, usually reinforced with radio or television advertisements. Gamm vert’s arrival on television did not go unnoticed, either. The new campaign triggered a stir and generated a high level of audience response.

Two major action plans are being carried out to boost the brand’s appeal:

- A store renovation programme, which is moving along well. This upgrading effort should be completed within three years.

- Work at a fundamental level that has been done for several years to improve the operational performance of the network and of each store. Over the past year, this action plan has focused on the implementation of tools to measure customer satisfaction. A customer satisfaction barometer created from the results of an online survey is given to store managers each quarter. This assessment covers about fifteen items related to the upkeep of the store, the personnel’s knowledge, and the product offering.

The acquisition of Plantes et Jardins, France’s leading online gardening retailer, is a crucial step for the Gamm vert network, a move into multi-channel marketing that will enable it to serve customers at every moment of the purchasing process.

## Key figures of the Gamm vert network at 30 June 2013

**1,026** stores

**1.3** million m<sup>2</sup>  
retail space

**6** million customers

**€1.1** billion  
in revenue

**35** million  
cash register transactions

## Satisfaction survey\*

**Overall satisfaction**  
**84/100**

**Customer satisfaction**  
**51%** Very satisfied  
**44%** Satisfied

**Will buy again**  
**68%** Yes, definitely  
**30%** Yes, probably

**Recommendation rate**  
**66%** Yes, definitely  
**30%** Yes, probably

\* Results of an online survey of 70,000 customers conducted between March and July 2013



1 Plant sales for hothouses, flower markets and nurseries are on the rise.

2 Néodis is growing its share of the dog food market with the ultra-premium Exigence range.

3 The network has 17 Gamm vert nature leisure garden centres.

### Néodis: leveraging the brands to create more value

Néodis' consolidated revenue increased to €45 million owing to stronger sales, notably in the animal feed and care ranges and pest control products. However, net income suffered from the impossibility of passing on to customers in a very short time the sharp increase in the prices of raw materials for dog and cat foods, its main source of profit.

The policy of fully exploiting the brands, which began several years ago, is being pursued more actively than ever with the development of high-quality product lines marketed under strong labels: Exigence and Canicaf dog and cat foods, Agrinet and Hesperia home hygiene and cleaning products, Myriad household insecticides, and the Plume & Compagnie range of housing and equipment for farmyard animals.

The success of the Miss Poule online contest, the first communications operation carried out to heighten awareness of the Plume & Compagnie brand, got this very innovative product range off to a very promising start.

By committing to the ISO 26000 social responsibility standard, Néodis is making sustainable development a central component of its strategy. The first initiatives – participating in the nationwide environmental labelling programme and taking environmental factors into account in creating the Exigence and Hesperia product lines – have shown that consumers are interested in “responsible” products. Néodis intends to capitalise on their sensitivity to this issue in the development of future products.

Last, Néodis has made a notable breakthrough in the Gamm vert garden centres with strong growth in Exigence dog food sales.

It is also scoring points in other garden store chains, which are stocking the Plume & Compagnie and Biotop (biological products for house and garden care) product lines.

### Sepco: a leading agency for agricultural cooperatives

Sepco's revenues increased once again this year. It won the bidding for several contracts and strengthened its reputation thanks to its compelling offering of advertising events. Sepco's clear ambition is to become a top consultancy for agricultural cooperatives. Its training activity also had a very good year.

### Exigence

#### A mark of excellence

With Exigence, a range of dry dog foods, Néodis is gaining market share in the specialised retail sector. Sales rose 15% last year even though this is a mature market. Its positioning in the super-premium segment, the fastest-growing in specialised distribution, is a definite asset, and the sales and marketing teams are exploiting it. Néodis' “Responsible Foods, Sustainable Development” initiative in connection with its Exigence product range received an Eco Trophée d'or award in the Eco-management category.

### Gamm vert network

#### The 1,000-store mark topped

Gamm vert now has over 1,000 stores following the opening of two new Gamm vert nature outlets, one at Seclin in northern France with Vertdis, and the other at Cholet in western France with Terrena General Public.

In its 5,000-m<sup>2</sup> outlet at Seclin, Vertdis added a grooming parlour for dogs and a space for selling cut flowers to the standard selection of gardening products, as it had already done in the Gamm vert nature stores at Beaurains and Saint-Maximin. At Cholet, Terrena General Public opened its first Gamm vert nature outlet and extended its customer catchment area by locating in this town.

These two openings prove that the brand's growth strategy is sound. Traditionally present in rural and rural-urban communities with its Gamm vert and Comptoir du Village stores, it is now expanding its coverage of France by opening Gamm vert nature garden centres in major urban areas. As of 30 June 2013, there were 1,026 stores in the network: 17 Gamm vert nature, 656 Gamm vert and 353 Comptoir du Village.

## → REVIEW

### The strong appeal of the Gamm vert brand was confirmed in every way.

New franchises – Sicap, a Noriap subsidiary, and Charente Coop – joined the network, generating a 9% increase in revenues. Despite very poor weather in the spring, Gamm vert maintained steady sales on a like-on-like basis. Strong brand awareness and energetic commercial policies brought gains in market share. **The acquisition of Plantes et Jardins, the leading online gardening retailer in France, is a crucial step for Gamm vert.**

Néodis was hurt by its inability to pass on to customers the sharp increase in the prices of raw materials for dog and cat foods, its main source of profit. The policy of fully exploiting the brands, which began several years ago, is being pursued more actively than ever.

Sepco further demonstrated its know-how in organising advertising events.



# RES- PONSI- BILITIES

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The increase in world food demand is a source of growth opportunities for the group's activities in France and internationally. Our cooperative model enables us to build long-term relationships with our customers and partners. Mindful of our economic, environmental and social responsibilities, we are applying ever more rigour to cost structure management and are well equipped to take up the challenges of the group and its activities.

# TO BALANCE OUR FINANCIAL AIMS WITH OUR SOCIAL CONVICTIONS

As a developer of agricultural solutions, InVivo adapts and innovates so as to encourage everyone – staff, partner cooperatives and customers – to respond together to agriculture and food challenges. InVivo is building a new future while

Despite a growth in revenue, pointing to strong momentum in InVivo's business lines, income did not live up to expectations. But InVivo ended the year with robust fundamentals, which are essential for taking on the challenges of the next few years. The group remains on course with an acute awareness of its corporate responsibilities.

At the top of InVivo's priority list are the safety of people and premises, food security and the creation of new sources of value added for our member cooperatives and customers. We are also committed to listening to our stakeholders, as hearing what they have to say inspires us to adapt and develop new products and services.

Drawing on strong cooperative values, InVivo, a union of farming cooperatives, is building its future in consultation with all the stakeholders in its ecosystem.

With agriculture regaining its strategic importance and enormous food challenges to be faced, InVivo is inventing and implementing solutions to meet challenges in relation to food and the environment. It allocates substantial resources to R&D and forms partnerships with higher education institutions and research organisations in France and internationally with a view to finding solutions to help farmers and stockbreeders produce more and better while taking account of the local environment and local challenges.

To pursue profitable growth, InVivo rigorously manages its cost and procurement structures. This is one of the responsibilities assigned to the Goods and Services Procurement department, which achieves substantial savings by pooling purchases, negotiating group contracts and extending those contracts to cooperatives.

As a trusted long-term partner, InVivo aims to be a driver of progress for all its stakeholders, particularly its member cooperatives, employees and customers. As a good corporate citizen, InVivo pursues financial performance without ever losing sight of its corporate and social commitments.

## Ten initiatives

- 1 *The Roots of InVivo: the book*
- 2 **InVivo: an attractive place to work**
- 3 **Research: InVivo joins six competitiveness clusters**
- 4 **Personal safety: a key priority**
- 5 **Goods and services procurement: "Giga" teams on all fronts**
- 6 **Management guidelines: an ethical commitment**
- 7 **Food safety: acutely aware of our responsibilities**
- 8 **Employment for people with disabilities: from intention to action**
- 9 **Working together to invent the future of agriculture**
- 10 **Agricultural cooperation: producing together**

# 1

## The Roots of InVivo: the book



The roots of InVivo, France's first farming cooperative group, go back to 1945, though its name is much more recent, having been coined just ten years ago. In the midst of expanding in a globalised industry sector that has regained its strategic importance, InVivo decided to go back to its roots so as to place its activities in their historical context, underpin its identity, clarify its values and anchor points, and fuel its thinking for the future. The aim was to address both internal and external audiences.

The informative history book draws on the study of previously untapped sources and investigative research on key figures in the cooperative world using academic methods. Adopting an attractive editorial style and an informative structure, it can be read at several different levels, making the story it tells accessible to all.

This book is intended not so much as a finished product, but rather as a starting point: its digital format (available online via the InVivo website), a free mobile application and a DVD provide access to a large amount of additional content. The book itself is interactive, with QR codes allowing readers to unlock bonus content.

On 19 March 2013, all of InVivo's employees in France, at the group's 50 sites, were invited by their managers to find out about the book and watch a trailer including a message from the chief executive officer. Each employee was then given a copy of the book.

# 2

## InVivo: an attractive place to work

In its 2012-2013 financial year, InVivo recruited 200 staff, organised 100 job transfers in France and abroad, and invested almost €2 million in training. With agriculture once again becoming a major global issue, growing InVivo means having an ambitious HR policy with a particular focus on developing employee skills.

**Joining InVivo.** To meet the needs of new and high-growth businesses, InVivo is moving into social media, which now play a key role in promoting its brand as an employer. In contact with young graduates, InVivo has entered into relationships with major schools not only in France but also in Brazil, Mexico, Vietnam and Indonesia – four countries that play an important part in InVivo Animal Nutrition and Health's international expansion strategy.

**Progressing and developing at InVivo.** The group offers its employees a wide range of opportunities and supports them in their career decisions. Job mobility now forms an integral part of the corporate culture. The company continues to invest significantly in training to build up business expertise. The pace of management training has been stepped up over the past two years, including special training for team leaders. Careers Committees play a fundamental role in ensuring a professional approach to the management of employee training.



# 3

## Research: InVivo joins six competitiveness clusters

Research and development lie at the heart of InVivo's strategy, particularly for InVivo Agro and InVivo Animal Nutrition and Health in their quest to become a European agro-environmental leader and a global leader in animal nutrition, respectively.

To increase its ability to innovate, InVivo develops research partnerships focused on strategic projects with players within its ecosystem: higher education institutions, research organisations and industrial companies.

Having put in place a school relations policy across France, InVivo is now rolling it out internationally. Initial agreements have been signed with universities in Brazil and Indonesia.

InVivo took a major step forward this year by joining six competitiveness clusters aligned with its areas of strategic focus.

- **Industries et agro-ressources (Laon)** is a global competitiveness cluster whose research focuses on biomolecules, ingredients and active substances arising from plant byproducts (human and animal nutrition) and bioenergy.

- **Végépolys (Angers)** is another global cluster whose main research fields are varietal innovation, crop protection and plant life.

- **Mer Bretagne (Brest)**, also with a global reach, focuses on aquaculture and algae – subjects of particular interest to InVivo Animal Nutrition and Health.

- **Valorial, l'aliment de demain (Rennes)**. InVivo Animal Nutrition and Health was already involved with this cluster, which specialises in egg products and meats, food microbiology, functional ingredients and nutritional health.

- **Qualiméditerranée (Montpellier)** focuses on Mediterranean agriculture.

- **Agrimip Sud-Ouest Innovation (Toulouse)** carries out research into agri-chain engineering and the management of product characteristics.

# 4

## Personal safety: a key priority



For the past two years, InVivo has been rolling out a proactive policy of improving health and safety at work with the aim of significantly reducing workplace accidents.

Because everyone in the group needs to be mindful of their roles and responsibilities in relation to safety and safeguarding against the risk of accidents, efforts this year were focused on management and individual behaviour, particularly at industrial sites.

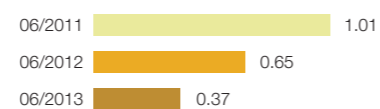
Safety awareness days were held at all group silos, in the form of a rally. At one of the Gamm vert platforms, physiotherapists showed operators the best movements and postures to adopt in manual handling. A programme of safety behaviour visits was launched at InVivo Animal Nutrition and Health, to be rolled out across all French sites over the next two years.

Internal safety management systems are periodically assessed by measuring achieved performance against predefined progress targets. Procedures designed to deal with various types of accidents are tested via regular exercises that form part of the group's crisis management policy.

### Workplace accident frequency rate



### Workplace accident severity rate



# 5

## Goods and services procurement: "Giga" teams on all fronts

The Goods and Services Procurement department (DABS) was formed in May 2012 to ensure that InVivo adopts best practices in procurement and to conduct balanced negotiations with suppliers. The department covers the procurement of all goods and services needed by the company – namely overheads, computer hardware and software, energy and consumables, telecommunications, transport and service providers.

### "GIGASERVICES: €1.6 MILLION IN REBATES TO COOPERATIVES"

A year after DABS was formed, significant progress has been made on rationalising and optimising procurement, generating substantial savings for the group.

Fresh momentum has been injected by creating "Giga" group procurement cells, intended to form a national network of "SWAT" teams with a reputation for fast, effective action.

## GIGASERVICES

The 22 specialist elite units, each of which operates within a tightly defined scope (handling equipment, industrial supplies, fire services, short-term vehicle leasing, energy, temporary staff, etc.), bring together staff from DABS and the business lines to identify areas for improvement and rationalise procurement.

DABS also aims to promote the work of the "Giga" teams among cooperatives by broadening the Parc Services offering, rebranded "GigaServices" for this purpose.

By pooling purchasing requirements, GigaServices is able to offer InVivo's member cooperatives preferential pricing and offers. GigaServices already has a proven strong track record on vehicle fleets, handling equipment, packaging and tyres. This year, total rebates to cooperatives once again increased, up 29% to €1.6 million.

Initially, "Giga" teams formalise contracts for the InVivo group. Once arrangements have been tried and tested, they can be offered to cooperatives via GigaServices. An umbrella agreement has been signed with Hertz for short- and medium-term car and utility vehicle leasing, available to cooperatives since April. Fourteen cooperatives have already signed up for this service. Similarly, a gas supply agreement has been formed with ENI, aimed in particular at optimising the cost of drying grain in silos. Several cooperatives have already signed up for this service, which is particularly well suited to the constraints of grain drying.

# 6

## Management guidelines: an ethical commitment

InVivo's management guidelines, put together in consultation with the group's management committee, set out the framework governing managers' professional behaviour. It is up to each manager to bring to life the group's values and ten associated principles of management action.

### Humanism

- Fair treatment, respect for employees' integrity and ethical practices
- Support for employees' professional development

### Innovation

- An openness to new approaches and change, to maintain a pioneering spirit and encourage everyone to dare to try new things
- Generating ideas and initiatives within the team to help it move forward and improve



### Commitment

- A sense of responsibility, keeping one's word, and the ability to make decisions and ensure they are properly implemented
- Methodological rigour and a focus on customers and results

### Team spirit

- Team cohesion and the development of collaborative and cross-team working
- Sharing collective aims and promoting the general interest

### Enthusiasm

- Highlighting team progress and success and fostering a positive atmosphere and job satisfaction
- Creating a sense of confidence for the future and developing pride in belonging to InVivo



# 7

## Food safety: acutely aware of our responsibilities

InVivo places the highest importance on ensuring the traceability and hygiene quality of agricultural and food products. The Union is committed to providing customers and consumers with safe, healthy products.

Given its positioning between farmers and the food industry in three of its major business lines (agri-supplies, grain trading, and animal nutrition and health), InVivo is all the more attentive to the quality of raw materials, as well as to social expectations in this area. "Produce more and better" sums up the path chosen by the company to meet consumers' needs, both quantitatively and qualitatively.

InVivo Agro and InVivo Animal Nutrition and Health provide effective food safety solutions and develop alternative solutions to the use of pesticides on crops and the use of antibiotics

by stockbreeders. These solutions may be preventive or curative, but always form part of an overall approach that is both economically viable and ecologically sustainable.

InVivo Grains is the first French operator to have secured multi-site GTP (good trading practice) certification. GTP certification covers the rollout of a method for identifying dangers, analysing health risks and applying best practices in the collection, storage, trading and transport of cereal, oil and protein crops used in human or animal foods.

InVivo Animal Nutrition and Health continues to roll out its quality policy, with three new ISO 22000 certifications (for food safety management systems) secured this year at its Romanian and Belgian production sites. In total, InVivo Animal Nutrition and Health applies nine sets of food quality/safety standards in its 33 international animal food and premix plants.

As a marketer of own-brand products and food products, Gamm vert has put in place an action plan aimed at securing the store supply chain and ensuring that consumers are provided with healthy products. The HACCP approach has been rolled out across its logistics platforms.

Gamm vert has also stepped up its actions in support of franchisees (by producing a food safety management plan and a guide to interpreting analysis reports).

# 8

## Employment for people with disabilities: from intention to action

In 2011, InVivo clearly demonstrated its commitment to promoting equal opportunities. The group's equality and diversity policy is structured around three themes: professional equality, diversity in the workplace and employment for people with disabilities.

There is significant room for improvement in employment for people with disabilities. This is now one of the company's priorities, mobilising management and many employees.

After negotiating and signing an agreement on this key theme, the HR department and representatives of management and the workforce are playing a key role in driving the promotion of this approach.

Various awareness-raising and communication activities have been undertaken, a highlight being the 2012 London



Paralympics. InVivo supported athletes through Fédération Française Handisport. Joining the supporters' club and sending an employee – himself a former paralympic champion – to the games gave InVivo's employees a real and personal connection to the event. Following the games, meetings with two athletes were organised at group head office and the head office of InVivo Animal Nutrition and Health. Sponsoring the Paralympic Games underlines InVivo's commitment to the shared values of humanism and team spirit.

# 9



## Working together to invent the future of agriculture

As a developer of agricultural solutions, InVivo places innovation at the heart of its strategy. Our innovation strategy is dictated by our social commitments to "Feed the world" and "Produce more and better".

Our two R&D units – one in animal nutrition and health and the other in crop production – play a major role in this strategy. As a corporate value, however, innovation is a state of mind, a day-to-day quest involving every single employee. InVivo's biennial innovation awards reward employees behind exemplary achievements. The awards showcase innovative products and services and projects that foster continuous improvement and value added.

By encouraging innovation in this way, InVivo seeks not only to innovate within its various business lines but to create new businesses that help its partner cooperatives achieve greater efficiency, differentiation and innovation.

Twelve prizes were presented at the 2012 awards.

In the "continuous improvement" category, awards were presented to staff from InVivo NSA Brazil and InVivo Agro's seed distribution network, the first for developing a sales performance management tool and the second for devising a method for making more comprehensive use of test results. In the "product innovation" category, awards were presented to two ranges, Qalian's Act'iz (soluble health products for poultry) and Néodis's Plume & Compagnie (farmyard equipment and animal homes), that have already made remarkable market breakthroughs.

Staff from InVivo AgroSolutions received awards for the various agro-environmental services developed and rolled out to cooperatives and farmers in support of agro-ecological agriculture.

# 10

## Agricultural cooperation: producing together

Almost 600 cooperatives, led by InVivo, have already voluntarily committed to a collective communication campaign in support of agricultural cooperation. The campaign has two key aims:

- To promote the cooperative model by focusing on people and regional economic and social action
- To embed the model by injecting fresh momentum and raising its profile in society and public debate.


The agricultural cooperation logo embodies the "people" aspect and the commitment to "produce together" throughout the country's regions, expressed in the form of a symbolic and contemporary handshake. Serving as a spearhead, standard and collective banner for the campaign, the logo is used by all the cooperatives involved in this key project in all their national and regional communication tools.

The communication media will include a TV ad based on an innovative film, backed up by a powerful range of events and press and digital activities, including a website and social media. Content will revolve around the diversity of agricultural cooperatives of all sizes and from all regions and sectors, and the wealth of initiatives and real-life achievements delivered by those cooperatives on a day-to-day basis.



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