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THE PATH TO A RESPONSIBLE AND AGILE **SOCIÉTÉ À MISSION**

A PATH OF
TRANSFORMATION FOR

inVivo

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A RESPONSIBLE
AND AGILE
**SOCIÉTÉ
À MISSION**

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"A company must make profits otherwise it will die. But if we want the company to only run for profit, it will also die since it will have no reason for being..."

Henry Ford

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Projection of the future facade at 83, Grande Armée, the historic head offices of the InVivo Group, currently being refurbished to meet the latest environmental standards.

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Editorial

In 2014, we began an analytical process to give a clearer sense of direction to our governance and activities, built around the transformation of our business model. We therefore closely followed discussions focussing on a new definition of 'company' which were subsequently transcribed into certain provisions of the PACTE law, adopted by the French National assembly in early October 2018. Although our traditions and cooperative values enabled us to anticipate the expectations expressed by our stakeholders to a large degree, we are now striving to implement a significant new process of collective reflection to ensure that we have a clear *raison d'être*. We wish to seize the opportunity presented by legislation to turn our subsidiaries into the first *sociétés à mission* (similar to the US concept of benefit corporation) and, with the agreement of our stakeholders, to publicly announce the commitments that will guide our activities and capacity for innovation over the long term.

As we stated last year, our status as France's largest agricultural cooperative and our leading role in the global food production chain not only constitute an honour, but also an obligation. Agriculture is at the heart of today's great global challenges: how to feed our populations, create jobs, preserve natural resources, promote energy transition and develop our regions. The demographic, environmental and food challenges that lay ahead of us are much more than a simple backdrop against which we conduct our activities. Facing up to these challenges by creating innovative and sustainable solutions that benefit cooperatives, farmers and consumers worldwide constitutes our very *raison d'être*, of which we are all only too aware. But have we taken adequate time to define it sufficiently precisely and to take stock of the challenges and obligations it entails?

Up to now, we have mainly expressed our voluntary commitments via our *CSR Inside* policy, of which we are justly proud. Today, multiple new channels are available to us to reconcile our profit focus with the pursuit of effective social and environmental objectives, without neglecting either side of the equation. We are convinced that it is not only a matter of our responsibilities, but also of our credibility, competitiveness and durability.

Are we ready to clear a path towards a new future? Are we capable of moving from voluntary commitments to legal commitments?

On 20 June 2018, the Board of Directors of Union InVivo confirmed our determination to transform all the Group's subsidiaries into a *société à mission*. Such undertakings are not to be taken lightly, nor can they be implemented overnight. They demand widespread and genuine consensus. This is why we have set out on the path of responsible reflection towards such a transformation, in collaboration with all our stakeholders. This document is intended to provide a shared nucleus of information in support of reflection and action.

Thierry Blandinières, CEO of InVivo,
and **Philippe Mangin**, Chairman of InVivo



Chapter

01



WHY A SOCIÉTÉ À MISSION?

TODAY'S HIGHER EXPECTATIONS
IN SOCIETY RELATING TO COMPANIES
AND THEIR BUSINESS MODELS.

WHY A SOCIÉTÉ À MISSION?

TODAY'S HIGHER EXPECTATIONS IN SOCIETY RELATING TO COMPANIES AND THEIR BUSINESS MODELS.

The Notat-Sénard report, on the corporate world and the collective interest has been the inspiration behind many of the provisions of the PACTE law for growth and corporate transformation, which is scheduled to be adopted in early 2019 and will mark a major milestone in the long march of French companies as they seek to incorporate corporate social responsibility within their strategic direction.

Contrary to various other corporate responsibility models around the world, France is adopting a cohesive approach in terms of the philosophical, legal and practical dimensions which will re-establish the 'company' as the fulcrum of the collective creative process, guided by a mission at the heart of the commercial company.

France is one of the countries where regulatory CSR requirements have been continually developed; it plays a pioneering role within Europe. Despite complaints from some in the corporate sector, in reality it represents a genuine opportunity: the dynamic set in motion has enabled French companies to gain a significant lead

in such matters over their foreign competitors, frequently on a voluntary basis, as we seek to better meet the needs of a society calling for changes to the production paradigm.

SOCIAL RESPONSIBILITY IS HAVING AN EVER
MORE DIRECT IMPACT ON COMPANIES'
COMPETITIVENESS AND INNOVATION POTENTIAL

From now on, with the *société à mission* under the PACTE law, for companies it is no longer a case of philanthropy, of protecting their image or simply of complying with legal obligations, but of making commitments and propelling them to the very core of their productive activities. This significant change of focus has a direct impact on their competitive and innovative potential, and even on their entire business model.

30 YEARS OF SMALL STEPS IN FAVOUR OF SUSTAINABLE DEVELOPMENT

1987: Brundtland report: the term "sustainable development" has spread worldwide.

1992: Rio Earth Summit.

2000: UN Global Compact.

2001: The NRE law requires listed companies to publish social and environmental information within their annual management report.

2010: The Grenelle II law extends the non-financial reporting obligation to companies with over

500 employees posting annual revenue of more than 100 million euros.

2015: Law on energy transition for green growth.

2015: UN Agenda 2030: 17 Sustainable Development Goals (SDGs)

2015: Paris climate agreement.


2017: Law on the duty of vigilance.

2018: PACTE law.

Mistrust of large multinationals

For the French, the company is an omnipresent reality from which they expect progress, inventions and pleasure to be generated in compliance with their values. However, a survey conducted by Elabe in January 2018 for the *Institut de l'entreprise* showed that 'mistrust' is the first term cited by the French when speaking of their attitude towards companies. Such mistrust is fed by the numerous health-related incidents and ecological or social scandals involving companies, such as Rana Plaza, dieselgate and horsegate, and by the debates and controversies surrounding the pressure exerted by industrial lobbyists in order to maintain a favourable legislative environment for products nevertheless judged to pose a high level of risk to consumer health. Mistrust rises in line with the size of the company and the youth of the respondent. Such a situation undermines companies, especially the largest; it affects their ability to attract and retain talent and to establish customer loyalty.

'MISTRUST' IS THE MAIN TERM CITED BY
THE FRENCH WHEN SPEAKING OF THEIR ATTITUDE
TOWARDS COMPANIES.



Younger generations in search of meaning

The younger generations are expressing new sets of needs with regard to work and companies. For 56% of young people in employment between the ages of 20 and 30 surveyed by Cegos¹, their main objectives in the workplace are self-fulfilment and skills development. Young people view the company as a collective adventure and wish to democratise management by making it more participative.


¹ April 2017.

Demands for independence in the workplace, which rise with the level of education, go hand-in-hand with values such as trust, honesty, integrity and ethics – just some of the demands young people make of their company and management. Respecting such values both internally and externally is becoming a prerequisite for commitment among all employees, especially younger age groups.

YOUNG PEOPLE VIEW THE COMPANY
AS A COLLECTIVE ADVENTURE. 

Ever increasing consumer demands

According to a study conducted by SAP/Hybris Consumer Insights in 2017, French consumers are among the most demanding in the world. Well-informed, requiring short lead times and highly demanding in terms of service, personalisation, product quality and the customer experience, not to mention the propensity to quickly switch loyalty when dissatisfied, the French consumer is also one of the most demanding regarding the social commitments of their brands. Commitments which must go further than fine words and declarations of intent; commitments that must be credible, proven and verifiable. According to the barometer issued by the Reputation Institute², the most important expectations of the French concern product and service quality, the company's responsibility beyond its products, ethics and the positive influence of the company on society. Conversely, 46% of consumers declare their readiness to abandon a brand should it fail to respect human rights or the environment, 41% declare that they would switch in the event of any unfair practices vis-à-vis suppliers or service providers, and 43% place great value on the consideration given by the employer to well-being in the workplace³.

THE FRENCH CONSUMER IS AMONG THE MOST DEMANDING
WORLDWIDE IN TERMS OF THE SOCIAL COMMITMENTS EXPRESSED
BY THEIR BRANDS. 

² Reputation Institute, reputation barometer of French companies, 2018.

³ 2016 Customer Effort Barometer, produced by AFRC and Médiamétrie.

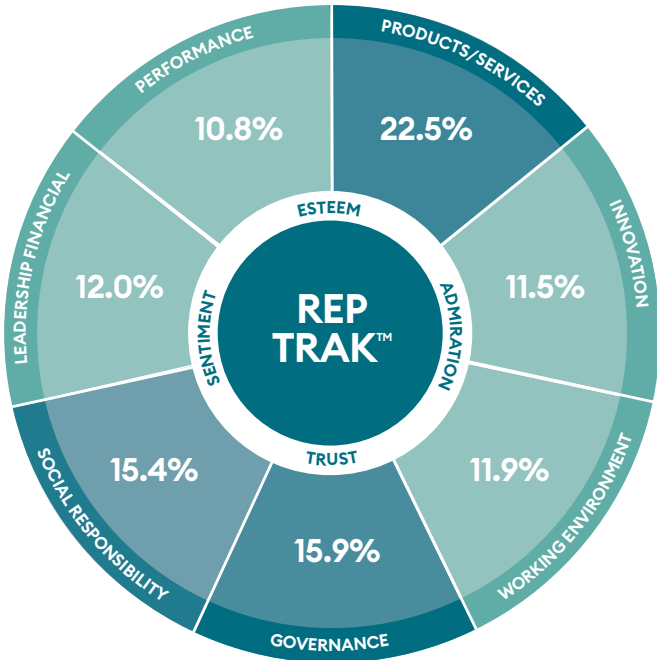
Corporate reputation in the social media spotlight

Reputation exerts an influence on the propensity of investors to invest in a given company, on customers' likelihood of buying its products and on young graduates' desire to join the company. In 2018, the *Reputation Institute* assessed CSR as constituting 43% of a company's overall reputation, in three distinct areas: governance, working environment and social responsibility. This level of weighting of CSR is specific to France.

IN 2018, THE REPUTATION INSTITUTE ASSESSED CSR AS
CONSTITUTING 43% OF A COMPANY'S OVERALL REPUTATION. 

In an era of social networking and hyper-communication, companies are constantly under the microscope. They are under the ever more vigilant gaze of public opinion, NGOs, trade unions, the media and ratings agencies. Any ethical transgression, any inconsistency between word and deed, or simply a rumour or malicious act may give rise to phenomena of amplification and resonance which, right or wrong, are able to sustainably undermine the image of the company and its competitive position. The best defence against such risks lies in establishing a durable relationship of trust with communities and stakeholders upstream of any potential event.

Trust based on transparency, ongoing dialogue and proof of commitments made and respected, time and time again. Trust is the best form of crisis communication, as such stakeholders become allies of the company.



WEIGHTING OF THE VARIOUS REPUTATIONAL DIMENSIONS

Source: Reputation Institute, reputation barometer of French companies, 2018.

Shareholder value vs the corporate interest

Although the French agree that companies create wealth, in their minds such wealth is solely enjoyed by shareholders and company bosses. Similarly, according to the *2016 Deloitte Millennial Survey*, 54% of *millennials* worldwide believe and bemoan the notion that companies' sole objective is to make money. It has to be acknowledged that, since the 1980s, maximisation of shareholder value has frequently become the main (if not the only) yardstick for company managers. The tyranny of *corporate governance*, such as the tendency for short-termism and financialisation, has had serious consequences, with the 2008 financial crisis being the most grave example.

Yet the company exists not only to serve shareholders, it also represents a community of interests which are not restricted to the provision of capital nor to a mesh of contracts. Its very existence relies on a very real collective human effort to create the company's proprietary resources, whether technical, professional, organisational or innovative, a collective effort formed first and foremost by employees, management and shareholders as a whole – economic theory talks about the company's "constituent parts". The concept of 'stakeholders', namely all the individuals and groups exposed to a risk due to the activities of the company, goes beyond this initial circle and responds to the fact that the company contributes to an economic and social system by establishing a network of customers, suppliers and service providers and by integrating itself within one or more local ecosystems.

EACH COMPANY PURSUES A SPECIFIC CORPORATE INTEREST,
SUCH AS ITS OWN DURABILITY, A PRECONDITION OF WHICH
IS PROFITABILITY, YET WHICH CANNOT BE REDUCED TO
SHAREHOLDER PROFIT ALONE.

Accordingly, it must be considered that each company pursues a specific corporate interest, such as its own durability, a precondition of which is profitability, yet which cannot be reduced to profit alone. This corporate interest is distinct from the general interest, a matter of public-sector action, as well as from the interests of shareholders, employees and stakeholders taken individually. The *raison d'être* is much more than simple economic success.

This desire to provide the company with an essence not solely reduced to profit, and to consecrate it in law, has been the inspiration for multiple provisions of the PACTE law.

THE CORPORATE INTEREST⁴

"The corporate interest can therefore be defined as the interests over and above those of the legal entity itself, namely the company viewed as an autonomous economic operator pursuing its own objectives (notably distinct from those of its shareholders, employees, creditors, suppliers and customers), yet which are aligned with their shared general interests, designed to ensure the prosperity and continuity of the company."

⁴ From the Viénot report, *Le conseil d'administration des sociétés cotées* (The company board of directors), 1995.



Chapter

02



**INTEGRATING A MISSION WITHIN
THE CORPORATE PURPOSE: GRADUAL
AND STRUCTURAL INNOVATIONS
INTRODUCED BY THE PACTE LAW**

INTEGRATING A MISSION WITHIN THE CORPORATE PURPOSE: GRADUAL AND STRUCTURAL INNOVATIONS INTRODUCED BY THE PACTE LAW.

For all the reasons developed above, certain provisions of the PACTE law have been devised to develop the place of the company within society via a gradual process, sometimes described as a 3-stage rocket. At the time of writing, the law already passed in the National Assembly is being reviewed by the Senate, and the provisions we are expressing in this document are therefore liable to change. Such provisions concern the Civil Code and the Commercial Code.

Consecrating the concept of the corporate interest

The law proposes amendment of the Civil Code (a new article, no. 1833) designed to oblige *all* companies to be managed "*in the corporate interest, with due consideration given to social and environmental matters*". This means that the company's own purpose shall go beyond those of its shareholders alone (*the corporate interest*) – a major innovation – and that its senior managers must examine all decisions upstream (*in light of any social and environmental effects*) given the issues specific to these domains, yet without the law imposing and

specific legal obligations. Such considerations must provide governance bodies (boards of directors, executive boards, etc.) with a compass for gauging their management decisions in these areas. The changes to the law have above all great symbolic power, as its requires governance to take into account the impacts of all management decisions.

ARTICLE 1833 OF THE CIVIL CODE: "THE COMPANY IS MANAGED
IN ITS CORPORATE INTEREST, IN LIGHT OF THE
SOCIAL AND ENVIRONMENTAL IMPACT OF ITS ACTIVITIES."



**REDEFINING THE PLACE OF THE COMPANY WITHIN SOCIETY:
A 3-STAGE ROCKET**

Establishing a raison d'être: What are we doing, why, and for whom?

A second amendment of the Civil Code is designed to break fresh ground. It introduces into law a concept which, without being completely new in practice, as advertising agencies having been working for many years now on the "why" in the form of brand mission statements, it represents without doubt a potentiality disruptive driver of change. **It consists of enabling every company to integrate a raison d'être within its articles of association.** Or, to put it more simply, to provide an answer to the question: "What are we doing, why and for whom?"

ARTICLE 1835 OF THE CIVIL CODE: "THE ARTICLES OF ASSOCIATION MAY SPECIFY A RAISON D'ÊTRE COMPOSED OF THE PRINCIPLES THE COMPANY HAS ADOPTED, IN PURSUIT OF WHICH IT INTENDS TO ALLOCATE OPERATIONAL RESOURCES."

The raison d'être is intended to give meaning to the stated corporate purpose, which is most frequently limited to a hotchpotch of activities frequently far from the reality of the company's actual activities. The raison d'être defines the "fundamental meaning of the company's activities and the objective of the corporate project it is developing, which associates stakeholders with objectives freely entered into and expresses its contributions vis-à-vis the latter"⁵.

THE RAISON D'ÊTRE DEFINES THE PROFOUND MEANING OF A COMPANY'S OPERATIONS.

The raison d'être precedes and guides the strategy, but must not be conflated with it. Here, for example, is the raison d'être of Camif, integrated within its articles of association on 17 November 2017.

⁵ Martin Richer, *La raison d'être : un objet managérial disruptif* (The raison d'être: a disruptive managerial objective), Management&RSE, 17 July 2018.

AN EXAMPLE: THE RAISON D'ÊTRE OF CAMIF

"To offer household products and services, designed to benefit mankind and the planet. To mobilise our ecosystem (consumers, employees, suppliers, shareholders and local operators), to collaborate and to act in order to invent new modes of consumption, production and organisation."

We might even go so far as to say that the *raison d'être* is what enables the company's strategy or potential scope of action to be adapted on an ongoing basis, reaching as far as redefinition of the business model to ensure that it remains consistent with the *raison d'être*. Against this background, it is an especially powerful catalyst for product-market innovation and represents fertile soil to counter the risks of 'uberisation'. If Kodak had established a *raison d'être* (such as 'enabling everyone to create images at the time of their choosing') instead of defining itself by its business activity ('producing products in the field of photography'), perhaps the company would have survived the move from film to digital.

THE RAISON D'ÊTRE WOULD THEREFORE BECOME
THE GUARANTOR OF LONG-TERM STRATEGIC CHOICES,
REGARDLESS OF ANY CHANGE OF SHAREHOLDERS.

As it currently represents a 'non-identified legal object', the legal effects of the *raison d'être* similarly remain uncertain. By providing a framework for the most important strategic decisions, the *raison d'être* *integrated within the articles of association* could be enforceable against senior management in the event of any dispute with the shareholders or, conversely, provide senior management with room for manoeuvre vis-à-vis shareholders seeking to impose decisions contrary to the *raison d'être*. The *raison d'être* would therefore become the guarantor of long-term strategic choices, regardless of any change of shareholders.

The spirit of the law, if not its letter, also implies that the *raison d'être* should be established via a collaborative process consistent with the company's stated values. Its development should ideally involve employees, customers, shareholders, suppliers and representatives of other stakeholders. It should also be noted that a *raison d'être* is neither a brand platform nor a sales slogan produced by an advertising agency, but rather the backbone of the company's identity that gives direction and meaning to its activities.

A RAISON D'ÊTRE IS NOT:

- A sales slogan
- A signature
- A brand platform
- A strategic plan

Lastly, the existence of a *raison d'être* within the articles of association could be extended via the creation of a *CSR Committee*, alongside other *ad hoc* committees established by the board of directors, such as the Audit & Risk Committee, or via a *Stakeholders Committee*, responsible

for advising or guiding senior management in CSR matters to ensure consistent decision-making. However, any company integrating a *raison d'être* within its articles of association would remain at liberty to adopt the suggestion set out in the Notat-Sénard report, or to adapt it to its own context.

Becoming a *société à mission*

Stage 3 of the rocket. Recognising a specific legal framework that enables companies to voluntarily reconcile the pursuit of profitability with social and environmental objectives was one of the original suggestions of the Notat-Sénard report, which was duly taken up within the PACTE law. The concept of *société à mission* or SAM, similar to the US concept of benefit corporation, was not initially included within the bill presented by the government; it was subsequently reintroduced by the Lescure committee in its proposal submitted to parliament. At the time of writing, the precise wording to be retained remains unknown, as the Senate is yet to deliver its pronouncements for the drafting of the final text.

DRAFT ART. L. 210-10 OF THE COMMERCIAL CODE

Art. L. 210-10. A *société à mission* exists when a company has a raison d'être within the meaning of Article 1835 of the Civil Code and where its articles of association:

- 1. Define a mission that requires the company to pursue social and environmental objectives aligned with its raison d'être;
- 2. Specify the composition, functioning and resources of the corporate body responsible for monitoring the implementation of the mission set out in 1. above and which is distinct from the bodies set out in this paper.

The concept of *société à mission* had a number of forerunners prior to the publication of the Notat-Sénard report. The movement was born in the USA in order to enable companies to pursue one or more objectives in addition to value creation for shareholders, creating hybrid vehicles lying somewhere between commercial companies and the social economy. It has developed in various forms such as *B-Corp* certification or the benefit corporation with special articles of incorporation in Maryland and Vermont, or the flexible purpose corporation in California⁶, depending on the more or less open definition of the corporate purpose (the 'mission') In France, a research programme at Collège des Bernardins in collaboration with a research team at Mines ParisTech⁷ is studying these various forms and has synthesised them within the concept of the SOSE (company with an extended corporate purpose), a voluntary and non-restrictive system designed to integrate specific scientific, social or environmental objectives within the corporate purpose. Nutriset was the first company to adopt it in 2012; it decided to place the SOSE at the heart of its mission: "To provide effective proposals to combat nutrition/malnutrition issues worldwide." Reflections based on the SOSE were one of the sources of inspiration for the Notat-Sénard report and subsequently the PACTE law, which ultimately adopted the status of *société à mission*.

⁶ Prophil, *Les entreprises à mission : panorama international des statuts hybrides au service du bien commun* (The *société à mission*: international overview of hybrid articles of incorporation in pursuit of a common good).

⁷ Armand Hatchuel, Blanche Segrestin, Kevin Levillain, Stéphane Vernac and Errol Cohen. See, for example, Blanche Segrestin, Armand Hatchuel, *Refonder l'entreprise* (Overhauling the company), La République des idées, Seuil, 2012.



3 DIMENSIONS OF THE SOCIÉTÉ À MISSION:
MISSION, GOVERNANCE, ASSESSMENT

As the law currently stands after first reading in the National Assembly, although the *société à mission*, or SAM, is a separate module enshrined in Article L. 210-10 of the Commercial Code, it is not a legal form such as the SA, SARL or SAS, but a phrase following its legal form. All companies may become a SAM, including mutuals, cooperatives and SCOP. Every company is at liberty to define its own *raison d'être* and mission; there is no set yardstick for measuring the nature or quality of the objectives a company may set itself.

To be recognised as a SAM, however, a company must meet a number of conditions:

- A *raison d'être* has been recorded within its articles of association;
- The company must pursue additional specific social and environmental objectives consistent with its *raison d'être* and translated into a mission set out in its articles of association;
- The company must have a corporate body distinct from the board of directors which is responsible for monitoring the implementation of the mission – typically a Mission Committee or Stakeholders Committee;
- The company must have the implementation of its mission assessed by an independent third-party body.

Should any of the above conditions be breached, the company may lose its right to add the phrase *société à mission* after its legal form.

These provisions cover the three general dimensions applicable to a *société à mission*, namely mission, governance and independent assessment of the impact.

A LAWYER'S OPINION

Questions to Errol Cohen, a lawyer at the firm LePlay, who collaborated in the work creating the *société à mission* conducted at Mines ParisTech.

From your point of view, what are the most significant innovations in the PACTE law adopted by the National Assembly vis-à-vis corporate social responsibility?

The *société à mission* is by a long way the most significant, as it heralds a bright future for those wanting to change established thinking about modes of collective action covered by the word 'company', given the scientific, humanitarian, social and environmental challenges we are currently facing. It therefore allows us to resolve the well-known difficulties of transforming the modern economic model and mobilising the stakeholders most directly affected, supported by third-party experts.



The PACTE law will also change the very foundations of decision-making by making all companies take full responsibility for their social and environmental management, therefore creating the *société à mission*, based on commitment and which sets itself apart from other corporate for-profit missions in order to create value.

Finally, an important modification we have been working on will amend Article 7 of the law dated 10 September 1947 on cooperation status, enabling cooperatives to become a *société à mission* provided certain conditions are met.

What are the main advantages of the *société à mission* for companies wishing to adopt the status?

The mission redefines the management framework of the company by introducing social and environmental responsibilities, thereby naturally encompassing the major part of the issues identified, such as CSR.

It above all introduces the desire to place innovation at the very forefront in order to resolve the issues identified. It introduces standards of equity and equilibrium between parties vis-à-vis the developments promised to each, and establishes a standard for discussing and co-devising the strategy with certain parties (participation in governance, partnership structures) and anticipatory standards in the face of the unknown (forecasting, scientific research of all kinds, disruptive innovations, etc.). In this regard, I stress the concept of '*mission lock*' within the subsidiaries in order to create a sort of 'shield' for the company.

The mission will also enable companies to win over Generation Z's quest for meaning and overcome their mistrust of the corporate world.

What are the main points to be borne in mind by a company considering adopting the status?

The process of developing the mission demands great rigour; this is what defines the commitment and the scope as the process significantly enriches the strategy of the company and stimulates innovation (management, customer service, technology, etc.). The process demands an in-depth understanding of the company, its values and history.

The mission must be precise, concrete, objective and measurable, engaging the responsibility of shareholders, management and stakeholders.

The mission must therefore be guided and implemented to avoid action by groups focussed on '*mission-washing*'.

So the opportunity must be seized for what it is: a chance for the company to create its own future.

The upside of the *société à mission*

What would be the benefits for a company deciding to adopt the new status?

Aligning the company with contemporary issues

As stated by Henry Ford, as long ago as the late 19th century: *"A company must make profits otherwise it will die. But if we want the company to only run for profit, it will also die since it will have no reason for being..."* The mission restores a definition of the company fully aligned with contemporary issues. The company is defined as a mechanism for collective creation and not as a simple optimisation of the factors of production or as a means of creating maximum return for invested capital alone.

The company is defined by its collective work conceiving and developing new potential for action (skills, business areas, innovation, communities, etc.), protects and restores the resources used and establishes credible long-term commitment around a common corporate project.

Opening up the strategy and capacity for innovation in the face of unknown future scenarios

The mission opens up the strategy to possible future scenarios, as yet unknown. It favours strategies rooted in patient R&D and in innovation able to contribute to the common good. For example, if the *raison d'être* of Michelin was simply to 'manufacture tyres', hypothetically the company could fell forests of rubber trees without concerning itself about the working conditions within its supply chain or its environmental impact. But when its *raison d'être* becomes 'offering everyone a better way forward', the company sets out on the path of sustainable durability and the functionality economy, simultaneously reviewing its entire world view and modes of operation.

Releasing energy and work

The SAM helps to release work from the straitjacket of rules and procedures. With reference to and in compliance with the *raison d'être*, the manager strives to become a conduit for meaning rather than simply a vehicle for checking and reporting. The *raison d'être* empowers employees operating at the coal face and represents a reference point for dialogue about work, with autonomy and

participation constituting two decisive factors vis-à-vis quality of life in the workplace. "The *raison d'être* and its process of development and subsequent implementation throughout the organisational chain profoundly renew the social contract and enable [...] a form of CSR to be developed that is owned by the entire chain of management and adopted by the employees." ⁸

Enhancing the organisation's flexibility

By spreading *empowerment* and decision-making, the SAM encourages the organisation to become more agile and flexible, enabling it to adapt to the new reality of digital and the pace of change, and to adopt subsequent developments to become a flatter, more fluid organisation (a learning, liberated and holocratic company).

Building trust with stakeholders

The collective construction of the *raison d'être* followed by creation of the Mission Committee or Stakeholders Committee establish renewed trust between partners and create a socially responsible value chain, based on a shared and freely consented commitment.

Acting for the long term

A governance model dominated by shareholder interests is frequently focussed on short-term returns. Increasingly, however, the sustainable growth of companies depends on an ambitious long-term vision and on financing progress through ongoing innovation programmes in fields such as energy transition, the bio-economy and new lifestyles. Yet such programmes can always be threatened should shareholders believe that the strategy being followed does not comply with their interests or should the shareholders change. The mission enables all of the company's constituent parties to be aligned with a path of action focussed on the long term.

⁸ Martin Richer, *La raison d'être : un objet managérial disruptif* (The *raison d'être*: a disruptive managerial objective), Management&RSE, 17 July 2018.



Chapter

03



INVIVO, AN SOCIÉTÉ À MISSION
NOT (YET) OPENLY SPEAKING ITS NAME

INVIVO, AN *SOCIÉTÉ À MISSION* NOT (YET) OPENLY SPEAKING ITS NAME

In many respects, InVivo is already aligned with the characteristics of the *société à mission*.

The cooperative model, forerunner of the *société à mission*

As clearly stated in the Notat-Sénard report, "The Caisses d'Épargne, private public-interest bodies, mutual companies and **cooperatives** are a few examples of the historic nature of this movement towards companies pursuing a collective interest [...]." InVivo therefore quite naturally propounds the cooperative identity, the 'collective interest' DNA at the heart of its founding and which continues to inspire it, forming the backbone of its values and ethics.

An already hybrid organisational and governance model

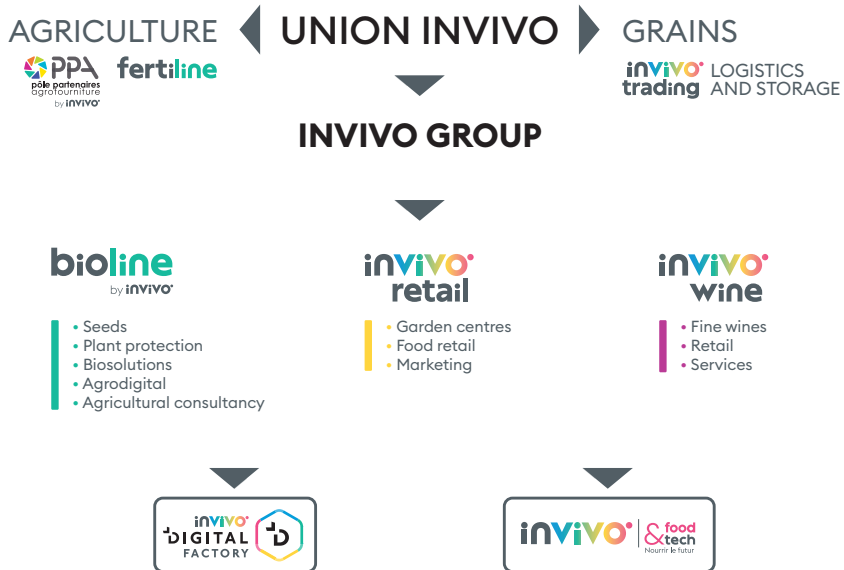
We have already seen that the *société à mission* constitutes a hybrid of the profit-driven market economy and the social economy (to which cooperatives belong). In order to meet its development challenges, finance its projects in the businesses

of the future and, ultimately, to guarantee its profitable growth and durability, in 2014 InVivo decided to adapt its organisational structure and governance to the new reality of global markets and digitalisation. This has defined the current strategic plan, *2025 by InVivo*, to be followed very soon by *2030 by InVivo*.

Consequently, the various businesses have become commercial company subsidiaries under the banner of InVivo Group, a *société par actions simplifiée* and itself a subsidiary of Union InVivo, with the Union remaining a union of agricultural cooperatives owned by its cooperative members.

We are therefore able to state that InVivo already occupies a place within the framework opened up by the SAM, namely a responsible market economy able to reconcile the profit motive with the collective interest as defined by the company itself.

LEGAL AND FINANCIAL ORGANISATION



The conscience behind our mission

An integral part of our planning and strategic choices since 2014. Given the global demographic, environmental and food challenges of today's world, and increasingly so in the world of tomorrow, our objective is to take up the challenge of transforming agriculture and food quality by exploiting innovative, responsible and sustainable solutions that benefit cooperatives, farmers, consumers and our regions. We have decided to create, structure and promote food intelligence throughout the value chain in order to strengthen links between the soil, those who cultivate it and those who are nourished by it, with a threefold objective of economic, social and environmental performance vis-à-vis all of our stakeholders.

The conscience of this *raison d'être* underpinning our fundamental decisions is generally shared yet remains somewhat diffuse and, ultimately, ill-defined. Together we must therefore define, specify and broadcast our *raison d'être* in order to consolidate it within our articles of association and to turn it into the guarantor of our long-term strategic decision-making.

CSR Inside

CSR is one of the foundations of our development. Based on our 3 commitments, namely to produce more and better, to promote access for everyone to better food and to place people at the heart of our activities, CSR is the backbone of our businesses, products and services, acting as a driver of innovation and sustainable growth. Decisive strategic choices such as investing in new technologies in support of precision agriculture, developing biosolutions, promoting experimentation with agro-ecological solutions, opening up close-knit networks at the consumer-farmer interface, seeking out new sources of food and constructing sustainable networks are all the direct result of integrating CSR as strategic performance driver. All of these innovations are conceived and tested in collaboration with our member cooperatives and producers. This is why we talk of CSR *Inside*.

Our actions contribute to attaining the UN's 17 Sustainable Development Goals, 8 of which are directly related to our activities⁹.

Lastly, we establish strong links with a widened circle of stakeholders within our regions and worldwide, as demonstrated by our membership of Coop de France, Entreprises pour l'Environnement (EpE), the Global Compact and numerous partnership initiatives conducted by the InVivo Foundation.

In 2018 we began to conduct a materiality analysis of our CSR issues, the results of which will be available in 2019, enabling us to create pertinent and manageable progress indicators. Created at the same time, the CSR Technical Committee is scheduled to be converted into the Strategy Committee of our Board of Directors.

All these factors lead us to believe that we possess the solid fundamentals that enable us to consider transforming InVivo into a *société à mission*.

⁹SDGs 1 No Poverty, 2 Zero Hunger, 3 Good Health and Well-being, 8 Decent Work & Economic Growth, 12 Responsible Consumption & Production, 13 Climate Action, 15 Life on Land, 17 Partnerships for the Goals.



Chapter

04



THE PATH TO A RESPONSIBLE AND AGILE
SOCIÉTÉ À MISSION

THE PATH TO A RESPONSIBLE AND AGILE *SOCIÉTÉ À MISSION*

On 20 June 2018, the Board of Directors of Union InVivo confirmed its determination to transform all the Group's subsidiaries into a *société à mission*, similar to the US concept of benefit corporation.

On the path of conversion to a responsible and agile *société à mission*, we do not wish to restrict our capacity for movement within an inflexible framework. Such an approach overflowing with meaning cannot be decreed, it must be sought, shaped and constructed collectively in collaboration with our ecosystem and stakeholders.

Consequently, we will limit ourselves here to summarising the main objectives, highlighting the pioneering role of Bioline Group within the process, and setting out a provisional roadmap.

Our objectives

- To place our market-focussed subsidiaries in a position that enables them to respond coherently to the increased demands of their stakeholders and society, each within their own respective fields.
- To place economic, social and environmental considerations at the heart of governance, as set out in law.
- To support the Group dynamic of transformation and innovation sustained by a clear *raison d'être*, including our responses to future scenarios as yet unknown.
- To consolidate our shared corporate project by integrating a clear mission within our articles of association.

Bioline Group: The first building block in the global transformation of the Group

Bioline Group, the subsidiary dedicated to transforming agriculture, would legitimately be the first of the four subsidiaries to adopt the status of *société à mission*. The global umbrella brand uniting the InVivo Group businesses dedicated to agriculture, it constitutes a unique alliance of recognised expertise striving to transform French, European and global farming via:

- **Seeds and plant health**, which form the foundation of its relations with the cooperatives;
- **Digital agriculture and biocontrol**, the sectors of the future in which Bioline maintains the objective of becoming a global benchmark operator;
- **Agro-environmental consultancy**, a cross-functional mission supporting all business activities.

Thanks to its presence across the agri-value chain, Bioline Group offers significant assets and expertise to build the agriculture of the future, making it possible to produce more and better, and to meet the challenges of sustainable development. It is therefore resolutely following in the footsteps of a *société à mission*.

The CSR Committee of Bioline Group has proposed an initial wording for its *raison d'être* which will be tested out with stakeholders.

PROPOSED RAISON D'ÊTRE

Bioline Group is helping to construct a positive and innovative agriculture alongside the cooperatives and producers in order to meet the needs of mankind through healthy food.



Members of the CSR Committee of Bioline by InVivo (from left to right): Eric Seban (Development Director), H  l  ne Doutriaux (CSR & Projects Manager), Rachel Kolbe (CSR Director, InVivo Group), Lionel Gissien (HR Director), Carole Zakine (Public Affairs Director) and Bruno Sterin (QHSE 1 Industrial Director). Absent from photo: Philippe Hamelin (Director of Bioline Innovation)

Provisional roadmap

- Extensive consultation with our stakeholders via electronic means. Analysis and iteration.
- Experimentation with conversion, commencing with our market-focussed subsidiary, Bioline Group, in order to master all facets of the process:
 - Definition of the raison d'être
 - Definition of the mission
 - Modification of the articles of association at Extraordinary General Meeting of the Shareholders
 - Creation of the Mission Committee responsible for monitoring implementation of the mission
 - Review
- Extension of the mechanism to other market-focussed subsidiaries, or directly to InVivo Group SAS.

THE VIEWS OF THE HR DIRECTOR

Questions to Sébastien Graff, HR Director of the InVivo Group.



As HR Director, what benefits do you believe will be obtained from the *société à mission*?

I can see many right from the start. Firstly, with a strategic project based on a *raison d'être*, it becomes easier to obtain the commitment and motivation of the employees, who will find meaning in their work and understand why they do what they do. This holds true for all employees, and even more so for the younger generations, who have relatively firm views on commitments and values and frequently wish to make a personal contribution. Secondly, it is a powerful means of developing management

in a more participative direction. It goes without saying that the *raison d'être* will 'infiltrate' the whole managerial chain, which will seek conviction rather than obedience, initiative and autonomy rather than control, openness rather than compartmentalisation, trust rather than authority... Such a transformation of management modes and the consequent release of energy are an absolute prerequisite for an agile contemporary organisation.

You also oversee CSR. How will you manage to interface these two dimensions within the *société à mission*?

It will naturally be much easier. In a *société à mission*, you immediately know that performance is not only a function of economic and financial results but also of the social and environmental dimensions. A recent study conducted by France Stratégie showed that there is some 20% performance differential between employees of companies implementing CSR practices and those that do not. Furthermore, whole swathes of CSR concern HR practices, such as parity, non-discrimination, gender equality, health, training and quality of life in the workplace.

Postscript

By Laurent Alexandre, Urology Surgeon & Neurobiologist,
Member of Académie des Technologies,
Founder of Doctissimo.fr,
Director of DNAVision, a DNA sequencing company.

Food Intelligence, to feed 11 billion human beings



Our agriculture with a human face, so dear to the French, is in deep crisis. The current economic strategies of our competitors are unquestionably effective. 20% of French farmers are struggling to draw a salary. France has been left behind in its obsolete model of medium-sized producers who practice very little coordination. In an era of NBIC, namely Nanotechnologies, Biotechnologies, Information Technologies and Cognitive Science (covering artificial intelligence, robotics and the neurosciences), which are on the verge of transforming the world of agriculture, isolationism is untenable.

France only has two agricultural options: either to copy the capital-intensive foreign models that produce bland and standardised products in large industrial operations, or to modernise its family-based social model in order to preserve its regional diversity while making its products competitive. Nobody wants the US 'dairy factories' of 5,000 cows. Yet Brussels is planning to reduce Common Agricultural Policy subsidies by 15% from 2022, due to Brexit and the necessity of funding new community missions. We are going to have to change 'on the hoof'.

The world of agriculture has to answer a crucial question: how can we reconcile farmers' deep regional roots, general-interest missions and economic efficiency with the emergence of unstable and demanding globalisation?

There are a number of traditional methods of achieving convergence between economic development and the general interest: The philanthropic model, cooperative and mutual companies or even structures based on associations

But all such methods have their limits. They were constructed before globalisation at a time when economic rivalry was more gentle and competition to attract the best managers and scientists was much less fierce. The creation of the *société à mission* would fill this void by offering greater flexibility without repudiating the vision and philosophy on which your cooperative world is based.

The numerous business activities of InVivo enable the value of a wide range of French agricultural production to be developed. Yet they operate in an ocean of 'globalised sharks': seeds, plant genetics, big data, and artificial intelligence are at the heart of today's industrial and technological warfare. While the talent war rages unabated.

Agriculture is becoming a hi-tech industry where the various missions are expanding with the battle against climate change and the need to increase yields, at a time when reducing malnutrition in the world is stuttering. Increasing agricultural production is essential if we are to halt the migratory flows which could become an inundation, as the population of Africa alone, for example, is set to reach 4 billion by 2100.

We must now train farmers in the use of artificial intelligence, drones and robots, such as self-operating tractors, help them to overcome climate risks by means of innovative insurance policies, enable them to exploit social networks in order to improve the exchange of good practices and invent new dietary concepts.

At a time when you are at the heart of the major challenges of the 21st century, your industry is unjustly accused by ecologists inhabiting the 'Twittersphere', yet without even getting their hands dirty. I have regularly denounced the media frenzy surrounding phytosanitary products, while a return to ploughing would worsen soil erosion, degrade biodiversity and reduce the carbon storage that helps to combat climate change.

You must continue to offer the immense service you render to society by fully exploiting the new economic and managerial tools you currently have at your disposal. My latest book concludes with a cry from the heart: Save the Michelin Guide! Our gastronomy would not exist without you. There is no fine cuisine without quality products. To a significant extent, France is the fruit of your labour: beautiful landscapes, ecological equilibrium, wine and the culinary arts. Spending a few days in North America reminds us of the superiority of our way of life, which is largely down to your work. Let us hope that throughout the world, when people think of France, they think of the culinary arts. I want my grandchildren to enjoy the incredible luck we enjoy of benefiting from the fine products and incredible landscapes you have been creating day after day throughout the centuries.

The world needs the two forms of intelligence, namely artificial intelligence and food intelligence. These are the two keys of the 21st century. Yet human beings cannot gain nourishment from the microprocessor, but from the products for which we are in your debt. Preserving our cultural heritage and helping to feed 11 billion people calls for a harmonious marriage between the two forms of intelligence.

Your change in status and new corporate vision are projecting you into a fascinating century where humanity must construct a virtuous society that ensures the future of all beings, not only mankind. A world where agriculture will be at the heart of our common interest.

Communications Department.

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In 2014, InVivo began the process of transforming its business model and governance in order to build sustainable growth in support of agriculture and the agri-food industry and to better meet the food challenges of an ever more globalised and connected world. In many respects, InVivo is already a *société à mission*.

Today, the group is embarking on a new phase of collective reflection to transform its subsidiaries into the first *société à mission* and to consolidate its growth dynamic via effective social and environmental commitments that will guide its action and innovation capacity over the long term.

The conversion of the InVivo Group into a responsible and agile *société à mission* calls for widespread and genuine consensus. This white paper constitutes the shared nucleus of information required to build this inspirational project with all its stakeholders.

