Soufflet is an international food and agriculture group of international scope. It operates in the barley, wheat, and rice and pulses sectors and supports vine growers. The largest private on-farm cereal buyer in Europe, it operates on the international markets via its Soufflet Négoce subsidiary. In barley, it is one of the world’s top malt producers in Europe, Asia, South America and Africa.

In wheat, it is one of Europe’s biggest millers and an expert in custom ingredients. It also formulates and manufactures enzymes and sourdoughs. It is an important plant baker in France and Portugal, and it also operates on the fast food market. The Soufflet Group invests in research and innovation to give value to agricultural resources, adopting an approach of sustainable development.

The Group employs 6,851 staff members in 19 countries.
Our business model

Our mission

To enhance the potential of the land in order to sustainably play a part in feeding men and women around the world.

Our ambition

To develop sustainable supply chains in France and the rest of the world, from a spirit of partnership, to offer healthy, high-quality products that respect the environment and the regions, as well as quality of life.

Created value

- We operate at the heart of agricultural areas in both France and Europe.
- We provide a long-term model for farmers, in particular by setting up sustainable supply chains.
- We promote agronomic practices that are increasingly respectful of the environment.
- We limit the environmental impacts of our sites.
- We guarantee food safety and the continuous enhancement of the traceability of our products.

Our CSR objectives

Environment

- 5% fall in energy consumption between 2020 and 2025
- 15% fall in GHG emissions from transport between 2020 and 2025
- 5% fall in GHG emissions in the Group’s industrial carbon footprint between 2020 and 2025
- 20% fall in water consumption by 2020

Safety

- 50% fall in frequency rates over the next 3 years

Quality supply chains

300,000+ tonnes of traceable wheat bought from farms in 2023 (up 100,000 tonnes from 2019)

Links in our value chain

Varietal selection

Identification of the best varietal selections and creation of mixtures (wheat).

Distribution, commerce and restaurants

To artisans, industry, food-away-from-home establishments, supermarkets, exporters, consumers and fast food.

Logistics

Comprehensive logistics services (storage, loading and transport in France and abroad).

Agronomic expertise

Agronomic expertise, new cultivation solutions, and technological innovations to support farmers, R&D.

On-farm procurement and storage

Procurement, analysis, sizing, washing, grading and storage of grains (wheat, barley, rice and pulses, rapeseed, maize, etc.) according to specifications for processing industries.

Processing and R&D

Production of flour, malt, ingredients, rice and pulses, bread, morning goods and pastries.
Key figures and sites

Our international scope

- Soufflet Group head office

Our business lines

Agriculture & Markets
- Wheat sector
  - Milling
  - Ingredients/Biotechnologies
  - Bakery-Morning Goods-Cakes
  - Pomme de Pain
- Rice & Pulses sector
  - Rice & Pulses

- Barley sector
  - Malting

- Agriculture & Markets
  - Agriculture
  - Vines and Green Spaces
  - Trading
  - Port sites

DISTRIBUTION OF SALES
- 34% in France
- 66% abroad

DISTRIBUTION OF PRODUCTION SITES
- 56.9% in France
- 43.1% abroad

DISTRIBUTION OF 6,851 STAFF MEMBERS
- 4,868 in France
- 1,983 abroad

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€4.935 bn in sales
59 production sites
19 countries
“The health crisis that is affecting the global economy in an unprecedented way has obviously left its mark on our Group’s financial year, in multiple respects: our volume of business, organisation, human resources and results.

First, I am delighted that the preventive measures that we rolled out across the Group, both in France and abroad, have allowed us to preserve our employees’ health. The number of people infected was low, given the size of the company. The consequences of the pandemic would have been much worse without the efforts made by our teams.

Our employees all answered the call, wherever necessary, despite the constraints. Our staff’s adaptability to the new organisations and technologies put in place was another positive factor in ensuring our effective management of this singular situation.

So, although it is impossible to know the exact consequences of this unprecedented crisis over time, I am confident in our ability to overcome the challenges and the effects of this unusual economic context.”

“The fact that we have multiple target markets limited the consequences of an unheard-of economic crisis on the Group, as a whole. The diversity of our business lines was a key factor in the Group’s resilience.”

“The economic upheaval engendered by the health crisis, on a global scale, has of course reached our Group. In the midst of the crisis, our businesses were affected unevenly, depending on their target markets: from Soufflet Négoce, which remained highly dynamic, to a complete shutdown of the fast food sector. This atypical quarter – March, April and May – has had an impact on our annual results. That being said, we were able to keep that impact under control, for several reasons.

The terrific commitment of the employees at our plants and silos, and in our support services while working remotely (a very widely adopted practice), as well as their adaptability to new organisations, allowed us to continue serving our customers, whenever possible.”
“Over the course of this financial year, we continued with the Group’s transformation, based on our strategic priorities.”

In addition, the fact that we have multiple target markets limited the consequences of an unheard-of economic crisis on the Group, as a whole. In other words, the diversity of our business lines was a key factor in the Group’s resilience.

However, the stakes in the coming months will be particularly high. In a climate of uncertainty as to how the economic situation will evolve, we will also need to overcome the effects of the crisis and carry on with the company’s transformation.

In addition, we have made changes to our governance. Christophe Passelande, the Group’s Chief Executive, launched a transformation of our Agriculture business. He will now be focusing more on the Group’s General Management.

Over the course of this financial year, we continued with the Group’s transformation, based on our strategic priorities. This has allowed us to take another step towards bolstering our supply chains’ sustainability, with the launch of our new approach, ‘Sowing Good Sense’. We have also accelerated our digital transformation, from a point of view of both customer relations and industrial production, with the foremost objective of adding more value and making us more competitive.

We will stay on this path as we continue to develop our Group.”

—

Pursuing expansion

“The launch of ‘Sowing Good Sense’ marked an important step for the Group’s supply chains, in their move towards excellence.”

It helps to reinforce control over our intra-Group supply chains, on the basis of synergies between our upstream activities — on-farm procurement and trading — and our different processing industries. Soufflet Agriculture has adopted a new strategic plan, which takes the major changes in the agricultural sector into account. It relies on support for agricultural transformation and on value creation for each of the actors along the supply chains, from farmer to consumer. It will be rolled out over the next financial year, in line with Group strategy.

Although the pandemic has delayed the major projects that we have underway, it has by no means diminished our desire to pursue the implementation of the Group’s transformation, which is at the heart of my new function, alongside Jean-Michel Soufflet.”

Christophe PASSELANDE, Chief Executive
Jean-François LÉPY,
Chief Executive of Soufflet Négoce

Didier THIERRY,
Director of External Relations

Strong export dynamics
“France’s outstanding harvests in 2019 galvanised our export business, particularly for wheat. This trend was reinforced by a decline in consumption on the domestic market at the height of the pandemic. This situation benefited Soufflet Agriculture and Soufflet Négoce, which were able to work together in perfect synergy. It also maintained the price of wheat and offered our farmers an outlet for their produce.

In the end, and beyond the boundaries of the Group, it demonstrated the importance of cereal exports to French agriculture and French food sovereignty.”

Proactivity and reactivity during the crisis
“At the outset of the COVID-19 pandemic, the Group activated our crisis unit and each division’s crisis management committee, for both France and abroad. This allowed the Group to organise the rollout of preventive measures capable of protecting the health of our employees, customers and suppliers, and coordinate the new organisation of our activities and services so as to ensure their continuity.

Our teams’ proactivity and reactivity meant we were able to continue to supply the food chain, in accordance with government directives, and, in that way, help to feed the population.”

Rollout of the transformation plan
“The Group has continued to follow our transformation plan, particularly in the fields of safety, sustainable supply chains and digitisation.

The new safety policy, ‘We Do Safe’, boasts some lofty goals. The ‘Sowing Good Sense’ approach commits all our supply chains to enhancing their sustainability.

In terms of our digital transformation, Soufflet Digital Services has developed multiple customer service applications and is currently testing new Industry 4.0 solutions. Lastly, the use of Spring (our new ERP) has continued to modernise our processes. All of these programmes aim to improve the Group’s overall performance.”

Continuous improvements to competitiveness
“The COVID pandemic has demonstrated, once again, that the Group’s geographic and business diversification was an important factor in our resilience. However, this also relies on maintaining and bolstering our competitiveness in the long run. The continuous improvement of our methods and management tools and the ongoing modernisation of our plants and silos contributes to this, as does the efficiency of our support functions. The strategic plans that we have rolled out for each of our business lines all include specific actions plans that target improvements to their own competitiveness.”
Governance

Executive Committee
2019-2020

**Highlights**

**GROUP**

Sowing good sense with a choice of sustainable supply chains

Back in September 2019, to be able to continue offering products that meet consumer expectations and as part of its agro-environmental strategy, AIT initiated a 100% French traceable, responsible procurement approach for all of its improvers’ wheat flour.

In June 2020, the Soufflet Group took the next step in moving our supply chains towards excellence, with the launch of Sowing Good Sense. This sustainable approach, which involves all our different sectors – wheat, barley, rice, pulses and vines – is based on five pillars: provenance, environment, naturalness, distribution of value, and quality.

**AGRICULTURE**

Accelerated digitisation of customer relations

The Group continued to roll out our digital transformation to the benefit of our customers, with new mobile services now available. The Farmi app, which has been adopted by more than 9,000 farmers, has been enriched with new features. It now offers a wide range of services and decision support tools for agronomic use. Soufflet Vigne launched a digital version of Vitivalor Solutions, a platform that offers advice and services to the wine sector. Moulins Soufflet was also innovative, creating maBoulangerie.com, a web app that allows traditional bakers to create their own digital bakeries in just a few clicks.

**Agriculture**

Supporting the development of soil conservation agriculture

Soil conservation agriculture (SCA), which is based on the ecosystem’s natural dynamics, increases soil fertility and biodiversity and reduces greenhouse gas emissions. In France and the rest of Europe, it is part of the Group’s sustainable supply strategy. To promote and support the development of SCA, Soufflet Agriculture launched a far-reaching training programme for its teams and a series of online conferences for its agricultural customers.

**TRADING**

Renovation of the port site in Rouen

To improve its competitiveness, and following the work that was done to deepen the Seine’s channel fairway (completed in 2019 by HAROPA - Port of Rouen), SOCOMAC launched plans for a new container crane, to be fitted with the latest dust control technologies. This new equipment will be able to load 2,000 tonnes of cereals per hour compared to 1,200 today.

**RICE & PULSES**

Setting our sights on plant proteins

The Soufflet Group and INRA (French National Institute for Agricultural Research) have launched a multiannual research programme on plant proteins. The objective is twofold: to identify the best cultivation techniques to fight the pests that attack lentils and field beans, and to gain an understanding of the mechanisms that create aftertastes in plants in order to improve the taste of flour that is rich in plant proteins.

In parallel, Soufflet Alimentaire released its new brand, VP Ingredients, and Protéinel, its range of flours. Those legume flours, created by a unique process, are very rich in natural plant proteins and are in line with the latest consumer trends.

**GROUP**

Sowing Good Sense

www.youtube.com/watch?v=DwWlgpOCfFM
Agricultural produce: A fantastic year

2019 was a memorable year, with the volume of wheat and barley collected on the rise worldwide. With 39.55 million tonnes of wheat harvested, France was the no. 1 producer in the EU and 5th in the world, after China, India, the US and Russia. The EU and France regained a territorial spike, with an all-time record for French exports (13.6 million tonnes), more than half of the EU’s exports.

The decline in demand on Europe’s domestic markets, a result of the pandemic, was offset by export markets outside the continent. The smooth operation of ground transport was also a real asset. In the barley sector, France’s harvest of 13.75 million tonnes consolidated its position as the European leader for production and exports, which was further bolstered by favourable exchange rates and a very satisfactory quality level.

However, the leading market for cereals remained the Black Sea, which accounted for 40% of global wheat exports. As concerns prices, the MADIEF average rate was lower than for 2018/19, at €132.85/tonne (compared to €195.68/tonne in 2018/19). In wine-growing, with 42.4 million hectares produced, the French harvest of 2019 suffered a 15% reduction compared to 2018 and was down 7% compared to the average for the last five years.

This decline was due to poor weather conditions that affected all of the country’s wine regions, as well as the main wine-making countries in Europe. France retained its place as the no. 2 European producer, with 27% of Europe’s total grape crop.

Milling: A confirmed trend in food value chain products

In France, the pre-COVID flour market had been on a 1% downward trend. The erosion of the traditional bakery market in favour of chains continued, with the total traditional bakery market shrinking 4%. Mass-production bakeries improved slightly, with other mass-production segments (soups, broths, etc.) coming out slightly positive. Exports were stable from the previous year, despite heavy price competition with flour from Turkey.

The pandemic significantly affected the traditional bakery market, which dropped off by around 20% during the lockdown. Chains did not come out unscathed, but they were able to reopen in June, limiting the impact of the shutdown on the entire year. Mass-production bakeries, affected by the shutdown of food-away-from-home locations, lost one growth point but remain on the rise, while other industries fell by close to 30% over the year.

The initial trends since the end of the lockdown have revealed a gradual resumption of business across all of the market’s segments, while the main millers are promoting their food value chain and organic products.

BMGC: Premiumisation continues

The global bakery-morning goods-cakes (BMGC) market, driven by the diversity of its products and the rise in their consumption, remains strong, with 3-5% annual growth, depending on the product and the market.

During the pandemic, demand in the sector plummeted 40-70% at the height of the crisis, which varied as a function of the products and distribution channels, with morning goods affected more than bread. The food-away-from-home and bakery outlet sector was severely affected, while the mass retail sector experienced high demand due to the shift from dining out to dining in, particularly for pre-packaged products.

The pandemic also reduced international demand for French products.

However, the premiumisation of products is a known priority for operators should ramp up following the COVID crisis and the increasing force of arguments for food sovereignty should enable the sector to gradually return to its pre-crisis levels.

In consumer, the consumer quest for quality, naturalness and transparency has been confirmed, while French provenance and biodiversity remain highly attractive to consumers abroad.

Supermarket purchases from the mass-production bakery-morning goods-cakes sector rose account for one-third of all bread-buying in France.

Barley-malt-beer supply chain: Dynamic and sustainable

In 2019, the global barley harvest grew significantly, with a 20% rise in spring barley in Turkey. As a result, production and consumption continued to enjoy an upturn in 2019, before being capped by the shutdown of on-trade outlets (bars, restaurants and events) due to COVID-19, with sales dropping off 10-30% between March and June 2020, depending on the region.

However, the market remains energised by the craft beer movement, with some 300 new breweries each year in France (source: Brassuress France brewers’ association). 2019 was also marked by new, more responsible methods of consumption, including non-alcoholic beer, which currently enjoys a 5.5% market share in France, or roughly 2 litres per year per person (source: Brassuress France), as well as the recent enthusiasm for organic beer. In terms of consumption, the United States lead the market, followed by Europe, Asia/ Pacific and Africa/Middle East.

France is still the world’s top malt exporter, with 80% of the volume produced being exported to the far corners of the world (SouthEast Asia, Japan, Africa, Latin-America, etc.) (Source: Malteurs de France maltsters’ association).

Rice & Pulses: Consumption on the rise

With nearly 509 million tonnes of rice produced around the world in 2019, for consumption levels totalling 501 million tonnes, production has followed the rise in consumption and even supplemented carry-over stock.

Consumption in France remains stable, but there is an instability in the ratio of production to consumption, in favour of imported rice – primarily aromatic rice.

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Barley harvest, France

2.3 million hectares of organically cultivated land, France (83.5% of its agricultural land).

COVID-19 has changed eating habits and shaken up both retail trade and the food-away-from-home sector. As restaurants and cafeterias (users of steamed rice in mid-sized packaging) were shutting down, the number of meals eaten at home increased dramatically. There was extremely high demand for aromatic rice in small packages. Manufacturers found themselves unable to keep up the sudden spike in demand for rice.

Organic products and plant proteins: Still trending strong

COVID-19 has boosted appetites for local, natural and organic products. In 2019, more than 9 out of 10 French people consumed organic products and nearly three-quarters consume them regularly. The French organic market rose once again, by 5.7%, and now accounts for 5% of food purchases. Plant proteins, which are notably found in pulses and seeds, produce extremely positive image: the majority of French consumers believe they are healthy (52%), environmentally friendly (64%) and of good quality (73%) (Source: GfK – Scope for the Study and Promotion of Vegetable Proteins).

In the context of COVID-19, there was a significant increase in the popularity of plant-based proteins, with an all-time high of 5.5 million tonnes of rice produced around the world in 2019. For consumption levels totalling 501 million tonnes, production has followed the rise in consumption and even supplemented carry-over stock. Consumption in France remains stable, but there is an instability in the ratio of production to consumption, in favour of imported rice – primarily aromatic and basmati rice, which account for nearly 50% of rice sales in supermarkets.

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Built on the expertise of each of the Group’s business lines, the “Sowing Good Sense” approach was created to respond to consumer expectations of products that are healthy, tasty, high-quality, meaningful and respectful of the environment.

The approach is based on five pillars (Provenance, Environment, Naturalness, Shared Value and Quality), designed to take the expectations of all the actors into account, from the farmer to the consumer.

Five pillars of Sowing Good Sense

- **Provenance**
  guaranteeing the provenance and traceability of our products

- **Environment**
  guaranteeing products cultivated to reduce their carbon footprint and that respect biodiversity, soil life cycles and water quality

- **Naturalness**
  guaranteeing healthy products and working towards “zero residue”

- **Distribution of Value**
  promoting products that pay fair remuneration to the actors along the supply chains

- **Quality**
  producing authentic, flavourful products

A new step for sustainable supply chains

Offering consumers products of a guaranteed provenance, cultivated using environmentally friendly methods, with fair pay for the different actors: this is the pioneering spirit of the strategy launched by the Soufflet Group several years ago for sustainable cereal and agri-food supply chains.

Today, the Group is taking this a step further, by including all of its supply chains (wheat, barley, rice, pulses and vines) in a shared approach to excellence, called “Sowing Good Sense”.

The approach is based on five pillars (Provenance, Environment, Naturalness, Shared Value and Quality), designed to take the expectations of all the actors into account, from the farmer to the consumer.

A progress-based approach

Sowing Good Sense sets up or reinforces agri-food supply chains that guarantee their products’ provenance, traceability, authenticity, taste quality and naturalness, so they can offer healthy, tasty and meaningful products. This approach is being applied with each actor along the supply chain, in conjunction with our customers and consumers. It makes use of our business expertise, from upstream to downstream: agronomic advice, collection and preservation of grains, and mass production (primary and secondary processing). It contributes to the transition of the French agricultural model and supports farmers in their efforts to improve the sustainability of their production processes, with a commitment to guaranteeing long-term outlets along the agri-food chain.

A strategic approach

To be able to meet the current and future needs of our customers and consumers, the Soufflet Group decided to develop its own guidelines, with a coherent range of high-quality, high-standard products. As a result, Sowing Good Sense is a fundamental approach for the development of all of the Group’s activities. The goal is to work with stakeholders to add value to each link on the supply chains, from downstream to upstream.
Sowing Good Sense

8,500 farmers involved in Soufflet’s sustainable supply chains in France

17,000 test plots to experiment with new varieties and cultivation practices

300,000 tonnes of wheat flour produced by traceable supply chains in 2019

80% of barley certified sustainably by 2020

8,000 tonnes of lentils whose value was enhanced by the Group

Boosting supply chain sustainability

Launched in June 2020, Sowing Good Sense encompasses all of the actions that are already in progress or in place, particularly in the wheat sector (in 2005, Fleuriére was the first traceable flour for traditional bakers). The development of traceable supply chains began to ramp up in 2010, in response to the specifications of our industrial customers (like LU Harmony and Harrys-Bakery) and the expectations of our consumers. Nowadays, 50% of Moulins Soufflet flour sold in France comes from traceable supply chains. With Sowing Good Sense, Soufflet is taking another step towards product sustainability with all of the actors in its supply chains: farmers, processors, distributors and consumers.

Benchmarks

- 300,000 tonnes of wheat flour produced by traceable supply chains in 2019
- 8,000 tonnes of lentils whose value was enhanced by the Group
- 80% of barley certified sustainably by 2020

Sowing Good Sense: Four wheat supply chains

- The “Transparency” supply chain guarantee 100% French wheat, selected for its agroecological, sensory and bread-making qualities, and cultivated as per the good agricultural practices set out in standard NF V 30-001.
- The “Responsible” supply chain also covers the integration of practices that preserve biodiversity and apply no post-harvest treatments.
- Launched in 2020, the “Excellence” supply chain relies on agroecological practices that reduce its impact on people and the environment: preservation of biodiversity, improved soil fertility and life cycles, protection of plants and water, and reduction of its carbon footprint. It also stands out for the traceability of the wheat, a commitment to work towards zero residue and remuneration for farmers based on a guaranteed fixed price and a three-year contract.
- The “Organic” supply chain utilises Soufflet’s expertise in collecting and storing organic French wheat in its dedicated silo in Arcis-sur-Aube, and the production of traditional and stone-ground flour that is additive-free and certified organic, at its dedicated mill in Lozanne.

Highlight

A first: SCA for the wheat sector

Since 2018, the Soufflet Group has been a member of the association PAND (Pour une Agriculture du Venant, “For a Living Agriculture”), which aims to organise and promote agro-environmental supply chains in order to foster the emergence of a new agricultural and dietary model.

The partnership forged with Brioche Pasquier (see opposite) as part of this has led to the creation, for the 2020 crop, of the first wheat supply chain in France to be based on soil conservation agriculture. A three-year supply chain agreement has been signed with our wheat producers, who are committed to soil conservation at their farms. The contract includes a guaranteed minimum price range. A similar approach will be tested for organic farming, and discussions are underway to incorporate the low carbon label into the world of field crops.

A verified guarantee

Our sustainable supply chains are based on verified specifications and recognised guidelines, such as standard NF V 30-001, the Red Label specifications, organic (AB) certification, the Sustainable Agriculture Initiative (SAI) platform, the High Environmental Value (HEV) label, protected designations of origin (PDO) and protected geographical indications (PGI).

For wheat, its complete traceability (from grain to bakery) and NF V 30-001 provide a guarantee of transparency at each link along the chain. All the actors on the supply chain are inspected by an independent outside organisation.

“In the space of 10 years, we increased our tonnage of flour from traceable supply chains tenfold, thanks to our partnership with 2,500 engaged farmers.”

FACE TO FACE WITH…

Pascal Pasquier
CEO, Brioche Pasquier

Protagonists in the agricultural transition

“We want to be real protagonists in the agricultural transition, so we can contribute to sustainable agriculture. The word ‘sustainable’ has multiple meanings, with positive results for both our planet – such as carbon footprints, biodiversity and water quality – and for our health, because our goal is to produce healthy food for consumers. To support this agro-environmental transition, we decided to become a pilot member of the association PAND (‘For a Living Agriculture’), alongside Soufflet, in order to co-build a supply chain that aims to promote soil conservation through SCA.

New, Soufflet supplies Brioche Pasquier with flour from the Responsible supply chain, made using wheat that is not treated after harvesting. The supply chain is a subject on which we are working with Soufflet, with whose teams we have regular, concrete discussions. We will get things done over – and with – time, not by chasing the latest fads. ‘Nature and time’ is our vision of naturalness. My employees and I are committed to this vision, which aims to make products that are simple, healthy and easy to eat, while creating less to the upstream end of the supply chain, the agricultural world.”

FACED TO FACE WITH…”

23
Malteries Soufflet set up its sustainable supply chain several years ago. Its CSP programme, Ambition 2030, marks the next step in this process. Under that programme, by 2030, 80% of its barley should be sustainably cultivated, as per SAI* guidelines. These guidelines cover respect for the environment, the soil, water and biodiversity. They concern the production of malting barley in Argentina, Bulgaria, the Czech Republic, France, Serbia and Ukraine. Malteries Soufflet is also working on its ambition of achieving zero residue from barley storage and on controlling its greenhouse gas emissions, with the goal of using 30% renewable energies in 2021, out of its total consumption. Its sales strategy includes this responsible approach, with the development of roasted and organic malt and the sensory characterisation of its malt.

* Sustainable Agriculture Initiative

Malting: Ambition 2030

Soufflet Alimentaire: Growing organic

Soufflet Alimentaire, the leading French processor of “Made in France” rice, has signed multiannual contracts with manufacturers and rice growers in Camargue, securing them outlets for their product, at a guaranteed price. To meet consumer expectations and its customers’ corporate and environmental commitments, the Pulses sector is developing Made in France products (i.e. PGI and AOCs) for green lentils, chickpeas, quinoa, Camargue rice, split peas and navy beans. For nearly 20 years, Soufflet Alimentaire has also been producing organic ranges, whose volumes continue to enjoy strong growth. In 2019, PGI steamed organic rice marked a first. All of its legume flour, a high-growth sector, is guaranteed gluten-free.

Highlight

Lentils: Seeds and flours

In 2018, Soufflet Alimentaire launched “our farmers’ green lentils” under its brand, Vivien Paille, in response to consumer expectations of local produce and guaranteed provenance. The launch of VP Ingredients was a highlight of 2019. This new brand offers ranges of legume flour (quite high in protein) for industrial use. Those ranges, including Léguminel and Protéinel, rely on the mastery of Soufflet Alimentaire’s supply chains (both conventional and organic) and on its expertise working the seeds. The first sales contracts backed by cultivation commitments are already in place.

“Malteries Soufflet helps its large brewery customers achieve their carbon neutrality goals.”

Camargue rice: Collaboration that makes sense

“Malteries Soufflet helps its large brewery customers achieve their carbon neutrality goals.”

“Kellogg Company strategy. For our Coco Pops and Rice Krispies breakfast cereals, made from puffed rice, we wanted to diversify our sourcing to supplement our purchasing in Italy and Spain. With Soufflet Alimentaire’s Camargue rice, we found a product that was a perfect match for our production and responsibility specifications. We have been using it since early 2020. Our ‘Cultivating Simplicity’ approach, from field to table, is very similar to the Soufflet Group’s ‘Sowing Good Sense’ approach, and we hope to further expand the ties between our two companies.”

FACE TO FACE WITH... Géraldine Bernard
Sustainability Lead – Raw Materials, Heineken Global Procurement

FACE TO FACE WITH... Laurence Braure
CSR Manager, Kellogg’s France
The Group is rolling out its digital transformation strategy along two lines: the customer experience, on the one hand, and our production systems, on the other.

As concerns the customer experience, the Group is developing a variety of digitised web and mobile services for its agricultural, vine-growing and traditional bakery customers, designed to improve their businesses’ productivity and performances.

On the production side of things, the Group is working to optimise some of its industrial processes, by means of blockchain, artificial intelligence and data science technologies. Soufflet Digital Services has been leading this digital transformation for the past two years. After launching multiple customer service apps, new Industry 4.0 solutions will be rolled out, first in France and then internationally.

Digital technologies are a vector for transforming agriculture. Soufflet Agriculture launched its app, Farmi, back in 2017. In 2019, it was enhanced with new features (like procurement contracts) and now offers a wide array of services (including paperless delivery slips) and decision support tools, for agronomic purposes. Whether developed in-house or through a partnership, these tools cover subjects like weed control and disease prevention. For example, Crop Observer is a collaborative tool that geolocates the diseases identified by Soufflet experts. The pace of the international rollout of Farmi, which began in 2019, will accelerate in the months to come.

Soufflet Vigne launched a digital version of Vitivalor in February 2020, two years after the creation of Vitivalor Solutions, which offers a range of advice and services. Unique on the market, that platform incorporates multiple innovations, including cutting-edge weather forecasts based on smart-weather stations and a decision support tool relating to the agronomic risks of mildew. New agronomic functionalities and, more broadly, vineyard management features, will be added to the platform on a regular basis.

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Digital transformation…

… in the service of performance

Digital transformation is forging ahead with the digital transformation of customer relations, which has already established roots in our Agriculture, Vines and Milling activities.

On the production side of things, the Group is working to optimise some of its industrial processes, by means of blockchain, artificial intelligence and data science technologies. Soufflet Digital Services has been leading this digital transformation for the past two years. After launching multiple customer service apps, new Industry 4.0 solutions will be rolled out, first in France and then internationally.

In 2019, Moulines Soufflet redesigned its website, ruedesboulangers.com, which has been connecting buyers and sellers of bakeries since 2015. The website has become an essential tool for its digital services strategy for traditional bakery customers. Moulines also launched the web app, maBoulangerie.com, in late 2019. That e-commerce platform, dedicated to bakers, offers an online ordering and payment service, plus a variety of functionalities that allow users to run special offers.

Digital technologies are a vector for transforming agriculture. Soufflet Agriculture launched its app, Farmi, back in 2017. In 2019, it was enhanced with new features (like procurement contracts) and now offers a wide array of services (including paperless delivery slips) and decision support tools, for agronomic purposes. Whether developed in-house or through a partnership, these tools cover subjects like weed control and disease prevention. For example, Crop Observer is a collaborative tool that geolocates the diseases identified by Soufflet experts. The pace of the international rollout of Farmi, which began in 2019, will accelerate in the months to come.

SPRING: a new information system to support the Group’s transformation

“The Group’s new ERP will provide a shared repository for all our business lines in France and abroad. This will significantly boost control over our supply chains. In addition, it is designed to interface with e-commerce and customer follow-up apps, allowing it to integrate data from different systems and smart objects (factories, inventory, maintenance, etc.), as well as cybersecurity and compliance rules. The first phase of installation of the Group’s financial base with the holding company is in progress and is paving the way for the programme to roll out the new system to industry.”

Benoit FERRARI
Head of Transformation
In the service of industrial performance

Soufflet Digital Services: towards the optimisation of the Group’s production processes for Industry 4.0.

Blockchain traceability

Traceability has long been part of the lifeblood of Soufflet, as it guarantees the provenance and quality of our products in the wheat sector. The development of food value chain contracts (Jeeds Li’Harmony, Baguépi Farine Responsable, etc.) has enabled the rollout of a comprehensive traceability solution, encompassing in particular the food transparency platform created by Connecting Food, a French FoodTech company.

It uses blockchain* technology to trace all operations in real time and authenticate production data. This system will trace more than 200,000 tonnes of cereals in 2020/21. By the end of 2021, all our mills will be fitted with this technology, and the system will cover all our wheat supply chains.

"A blockchain is a secure, transparent technology for the storage and transmission of information, that functions with no centralised controlling body. More information is available at connecting-food.com.

Malting: Digitised audits

Malteries Soufflet recently digitised the weekly audits of its eight silos in France. Now performed on a smartphone (3-5 minutes per storey), it takes just a few clicks to generate health and safety ratings. The system will be rolled out on tablets, across the entire germinator production perimeter.

Corbeil: A new 4.0 tech mill

After being delayed due to COVID, building work on the new mill in Corbeil has resumed. It is slated to open in autumn 2021. It will produce 200,000 tonnes of flour annual for traceable supply chain customers. Industry 4.0 technologies, such as predictive maintenance and energy recovery systems, will optimise the management of performances and environmental quality. The new facility in Corbeil will be France’s first mill to achieve such capacities using this kind of technology.

Optimising production control and management processes

Digital solutions have been tested for milling and malting in order to improve production control and optimise energy consumption and productivity in real time. These solutions have also allowed us to set up predictive maintenance. The full rollout to our Milling and Malting business lines will take place in 2021, first in France and then internationally.

We have also digitised management processes using RPA (robotic process automation) technology, which improves responsiveness in services provided to customers and partners, as well as productivity. It also contributes to a better quality of work by reducing the need to perform repetitive tasks. These uses will be expanded to other processes within the company.

Highlights

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Artificial intelligence in the service of harvests…

The Soufflet Group has incorporated artificial intelligence into the real-time processing and analysis of data from its production processes. For example, Soufflet Digital Services used this technology to optimise harvest plans for 2020/21. Drawing from historical data and event simulations, the system determines the most likely scenarios to improve the preparation of Soufflet Agriculture’s Farm services.

… and of malt recipe formulations

The use of artificial intelligence has also been tested at one of Malteries Soufflet’s sites in France. The AI examines past production levels, the available quality of barley and the customer’s specifications, and then proposes the most appropriate malt recipe. This solution offers four key advantages: secure industrial knowledge, faster decision-making, improved quality consistency and optimised material and energy costs. It will be rolled out to all our malting plants in France, beginning in 2021.

Data: Promising prospects

The digital solutions which were tested in 2019/20 will be rolled out in 2020/21. The data will be structured, stored and developed with the assistance of data scientists. Soufflet Digital Services will offer new solutions based on data correlation, to optimise performances and better serve our markets.

A dedicated, agile organisation

The Group created Soufflet Digital Services to accelerate its digital transformation, in collaboration with the Information Systems Organisation Department.
This past year was characterised by excellent collection numbers, further enhanced by our export outlets, and strong activity in our support for farmers and the sale of seeds.

In addition, and despite the health crisis, Soufflet Agriculture enjoyed sustained business during this period.

In France, the 2019 harvest came in strong, better than 2018 in terms of both volume and quantity. The cereals collected after the harvest and over the course of the year were sold under good conditions, thanks to a vigorous export market. This international demand, managed in close synergy with Soufflet Négoce, made up for the slowdown in deliveries to our industrial customers, who were affected by the coronavirus crisis beginning in springtime.

“Agriculture was one of the Group’s business lines which were the least troubled by the pandemic, because the agricultural world continued to function, as did transport (by rail and river), despite some initial logistical issues. On the ground, our teams were very active and quickly...”

“Soufflet Agriculture’s new strategic roadmap focuses our supply chain policy and the adaptation of our organisation on their development. It is based on support for our agricultural customers in adapting to the major changes that are occurring in farming and on the creation of value all along the chain.”

Christophe PASSELANDE, Chief Executive of Soufflet Agriculture

Our Activities

Agriculture

5.9 mn tonnes bought from farms in 2019 with 4.3 mn tonnes in France and 1.6 outside France

x 3 organic crops bought from farms by Soufflet Agriculture in 2019 (as in 2018)
SOUFFLET GROUP
2019/20 ANNUAL REPORT

OUR ACTIVITIES

AGRICULTURE

Highlight

Digitisation of customer relations
In response to the new rules as a result of the pandemic, Soufflet Agriculture replaced the tours of its test platforms, which it usually offers to its customers, with a series of videos it has produced and shared, called "Souffl’Essais 2.020". The videos present the results of agronomic tests conducted on 17,000 micro-plots spread across 12 areas in France. This innovative approach is an illustration of how digital evolution can be reinforced in the service of customer relations. In addition, for the 2020 harvest, the Farmi app’s latest features are speeding up paperless processes for a number of operations, such as silo delivery slips and delivery reports (tonnage, characteristics, etc.).

Benefits of soil conservation agriculture
“...we practice conservation agriculture, which offers a multitude of benefits. Reduced tillage boosts soil fertility, and the cover crops act as carbon sinks. On one of our plots, we grow wheat according to the “For a Living Agriculture” approach, an association of which Soufflet Agriculture is a member, which only reaffirms our action. Soufflet Agriculture’s expertise in soil conservation farming is a source of added value for growers. Responsible production for responsible food is the heart and soul of our business.”

Thibaut LUGNIER
Farmer in Haute-Marne, growing rapeseed, wheat, winter and spring barley, sunflowers, lentils and spring field beans.

FACE TO FACE WITH...

Thibaut LUGNIER
farmer in Haute-Marne since 2016, age 26, converted to organic in 2017

Organic farming for a better understanding of my outlets
“...to help me convert to organic farming, I was supported by the Ile-de-France Chamber of Agriculture, which conducted an economic conversion study for me, and also by Soufflet Agriculture, thanks to its agronomic expertise and its excellent knowledge of outlets for my produce. I am able to sell my crops thanks to a food value chain contract with Soufflet Agriculture, which gives me visibility and a guaranteed sale price. The move to organic farming has given me a better understanding of my outlets, with increased transparency, while satisfying consumer expectations and ecological transition requirements.”

Vincent BAILLY
Farmer in Les Yvelines since 2016, age 28, converted to organic in 2017

FACE TO FACE WITH...

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Farmer in Les Yvelines since 2016, age 28, converted to organic in 2017

Internationally, 2019 collection volumes remained stable from the previous year, despite the undistinguished quality of the harvests, particularly in Romania and Ukraine. In Eastern Europe, which also shut down in the spring, Soufflet Agro maintained a good level of procurement and customer service activity.

Supplies business: Solid adaptability
The regulatory elimination of rebates, discounts and reductions compelled us to apply a single price for all our customers, across the board, for the first time. Soufflet Agriculture’s new sales policy allowed us to protect our market share on a declining domestic market. The weather influenced sales of seeds, with a decrease in autumn for wheat seedlings, offset by a strong spring, yielding overall satisfactory results on the whole. The results on our other markets (fertilisers and fuel) remained stable. Internationally, the year was marked by business development. For example, Soufflet Agro restructured its activities in Poland, a highly competitive market, on the procurement of barley for our malting plants and on the distribution of seeds under its own brand name, Soufflet Seeds. A new sales office opened in Slovakia, working in synergy with our activities in the Czech Republic. Construction of the production plant for Soufflet Seeds maize in Brăila has begun in Romania. The plant will be operational in autumn and will start supplying maize seeds to Eastern Europe in spring 2021.

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Supply chain strategy to bolster competitiveness
Soufflet Agriculture has developed a new roadmap to account for changes in its businesses, its markets and societal trends. This strategic plan reinforces the supply chain policy which was instituted in recent years. Soufflet Agriculture is the first link in the Soufflet Group’s commitment to the comprehensive “Sowing Good Sense” approach: traceable supply chains, products made in France, no post-harvest treatments, and respect for the environment and our partners. “Today, we are seeing strong demand for wine from consumers, which is then relayed by our industrial assignments to help farmers with their agro-environmental transitions. We make sure our farmers adapt to these outlets so they can get more value out of the process. It is a demand pull system, from farm to table,” explains Christophe Passerandé, Chief Executive of Soufflet Agriculture.

To become more competitive, Soufflet Agriculture initiated work to optimise its organisation and its supply chain. Soufflet Agriculture will also be speeding up the digitisation of its processes and its customer relations. The goal is to simplify transactions on the sales force can focus more on advisory and support assignments to help farmers with their agro-environmental transitions. Long-term investments
Targeted investments
Soufflet Agriculture has adapted its human resources and production facilities to reinforce its supply chain policy. Investments have been made in refrigeration equipment to ensure the proper conservation of cereals in silos and to guarantee that they undergo no post-harvest treatments. New silos have also been certified for the storage of organic cereals, in support of that supply chain’s development. Lastly, the expansion of the grain elevator at the river port in Metz, with a new 40,000-tonne silo, will be up and running in time for the 2020 harvest. The purpose of that investment was to continue to promote French cereal goods for export and to improve logistical efficiency.

Within the stressed wine sector, Soufflet Vigne managed to strengthen the range of advice and services it offers, chiefly in digital mode, and rolled out its new concept store. The Green Spaces business suffered from the shutdown at the height of the season. At the end of February the Green Spaces business had risen 5.5%, but it ended the financial year down 9% due to the lockdown during the two biggest months of the year. The market is still moving in the right direction though, and the division continues to bolster this business line.

Soufflet Vigne embarked on the transformation of its distribution sites with the rollout of its new concept store, an innovative way to promote its product portfolio and its expertise in the fields of wine (cellar equipment, oenology, packaging, etc.) and green spaces. Its first shop opened in Vitrolles, in the south of Burgundy, followed by a second in Calcauciac, in the Bordeaux region.

Within the stressed wine sector, Soufflet Vigne has continued to advance in the transformation of its activities, with the aim of becoming the French leader in advice and services for Vines and Green Spaces. In the meanwhile, the pandemic had a significant impact on its business. “In anticipation of changes to our markets, Soufflet Vigne has continued to advance in the transformation of its activities, with the aim of becoming the French leader in advice and services for Vines and Green Spaces. In the meanwhile, the pandemic had a significant impact on its business.” Thierry BERGER, Chief Executive of Soufflet Vigne et Espaces Verts.

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Highlight
Vitivalor Solutions: An innovative approach
The Vitivalor digital platform was launched this spring to give our customers access to the best digital agriculture tools on the market (crop management, milk flow risk, aerial maps, etc.). Discussions are underway for the incorporation of additional features relating to wine making, sales and vineyard management. Since the start of 2020, Vitivalor has also been offering vine growers assistance with the definition and implementation of their sales and marketing strategies. To develop these new services, with their high growth potential, Soufflet Vigne created the dedicated structure, Vitivalor, which draws its strength from 10 experts (agronomists, oenologists and specialised consultants).
**Trading**

“Energetic exports contribute to competitiveness upstream and constitute one of the Group’s strengths. The records which we hit this year are the result of synergies between Soufflet Négoce and Soufflet Agriculture, and of our shared ability to adapt to our markets.”

Jean-François Lépy, Chief Executive of Soufflet Négoce

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An excellent harvest, strong demand and less intense pressure from the Black Sea galvanised the export business, which the pandemic in no way obstructed. Soufflet Négoce beat sales and fobbing records for our sites.

The solid French harvest of high-quality wheat and barley in 2019 resulted in substantial quantities available for export, whose activities kicked off quickly and dramatically in North and West Africa. The good milling qualities of our common wheat helped us to reclaim our markets in Cameroon, Mali and Senegal, which had sourced their supplies from Russia the previous year. We also benefited from less intense competitive pressure from the Black Sea, and wheat prices remained competitive throughout the year,” recounts Jean-François Lépy, Chief Executive of Soufflet Négoce.

Sales of malting and feed barley were very sustained, with large volumes exported to China, as France took advantage of the Australian ban.

An effective logistics chain

Traditionally, the export business has two peak periods: right after the harvest and especially between February and April, which coincided with the pandemic this year. “We were worried about the supply chain for our port sites. In France, after a slack period and following the joint trade organisation’s intervention, public and private rail and river transport operators made the necessary arrangements to allow for the movement of goods. And it worked very smoothly”, explains Jean-François Lépy, Chief Executive of Soufflet Négoce. On the other end, the importing countries had also instituted measures to facilitate the unloading of ships, namely including some flexibility in terms of document exchange procedures.

Outlook: Vigilance and adaptation will be necessary

“The 2020 harvest, which will be smaller than in 2019, is expected to be less than 30 million tonnes for wheat (compared to 39 million tonnes in 2019) and 11.8 million tonnes for barley (compared to 13.8 million tonnes in 2019). To offset the decline in French procurement options, we are preparing to work more around the Black Sea this year. Our presence in Ukraine will allow us to keep serving our traditional customers in West Africa, any time that France’s products are insufficient in terms of quality or quantity. We will also be exporting other cereals like maize and barley”, reports Jean-François Lépy, Chief Executive of Soufflet Négoce.

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**Highlight**

**Rouen: Renovation of the loading berth**

To improve its productivity, SOCOMAC is installing a new container crane to increase its cereal loading capacity to 2,000 tonnes/hour (compared to the current 1,200). In addition, the new crane will be fitted with the latest dust control technologies.

The entire power circuit will also be renovated and adapted to the equipment’s loading rates, to make the site’s operations more flexible and to respond to growing demand for quality control of exported goods.

This investment is a complement to the work done by HAROPA - Port of Rouen to deepen the channel fairway in order to accommodate Panamax ships.
“We have maintained our objective of becoming the top supplier of flour from traceable wheat supply chains. These kinds of flour now account for 50% of our production. This upmarket positioning is an asset for us, which will help us stand firm in a competitive climate and also satisfy consumer expectations.”

Erick ROOS, Chief Executive of Moulins Soufflet

The COVID pandemic slowed the strong momentum of the first half of the financial year on the markets for both traditional bakeries and user industries, but it did not curb growth in products from our supply chains. The quantities sold over the course of the year were up 2.6% on the whole. However, that result is the fruit of a mix of widely varying situations, as concerns both the markets and the period. “Before COVID, our traditional bakery business was stable, despite having a market that was down 2% overall. And we had 5% growth among our industrial customers. At the end of the financial year, that growth had shrunk to 2%, and we had lost 3% on the traditional bakery market”, as summarised by Erick Roos, Chief Executive of Moulins Soufflet. And yet, despite the effects of the health crisis, Moulins Soufflet managed to maintain its positions on a slowly eroding traditional bakery market, thanks to the work done to move upmarket and the sustainability efforts launched in recent years.

Lastly, the production of 1-kg bags, in response to a sharp rise in demand, hit a wall with the limited bagging capacity available in France. Moulins Soufflet increased its production level by 30% on this niche market (which represents 3% of the French market).

Effective positioning

The value added by Baguépi Farine Responsable (BFR) has improved the volume of business and profitability of traditional bakers who use that responsible flour to meet consumer expectations. This partially explains the strong growth in sales over the course of the year (up 50%). Flour sales from the 10 traceable wheat supply chains increased by 15% overall. In keeping with the objective that was set at the beginning of the financial year, these sales now account for half of Moulins Soufflet’s business.

In parallel, the ramp-up of the mill in Lozanne, which has been dedicated to the production of 100% organic French flour for the past year, doubled our Organic business for the year, with a range of five organic flours.

Objective: 100% food value chain

Having proved its effectiveness, we will be expanding our strategy of concluding food value chain contracts. The goal now is to have 100% of the volumes produced by food value chains, particularly as defined by our Sowing Good Sense approach.

The new mill in Corbeil, whose opening was postponed by a few months to autumn 2021, could produce up to 200,000 tonnes of specific, high-quality flour annually in response to customer expectations of traceable supply chains.

Highlight

COVID: Personalised support

During the lockdown in France, 10% of bakeries shut down, and 70% shortened their opening hours. The overall decline in the sector over the course of that period exceeded 25%, while the mass-production bakery sector lost 19% of its business during that same timeframe (primarily from sales to food-away-from-home establishments). In those trying times, Moulins Soufflet offered support to its traditional bakery customers, as noted by Erick Roos: “We designed a sheath that covered an entire baguette to reassure their consumers and offered them services via our web app, maBoulangerie.com. That personalisable app gives consumers the option to place and pay for orders online.”
**Ingredients/Biotechnologies**

“Although the pandemic did not have a significant impact on our activities, it did force us to pay attention to changing consumer expectations and create value through our R&D project. We are already developing new growth levers, especially abroad.”

Laurent Guérindon,
Chief Executive of the Ingredients Division

Neither of the new division’s activities were too heavily affected by the health crisis, which they managed with skill thanks to their employees’ dedication.

While still building up its organisation, AIT Ingredients had a good year, driven in particular by sustained business in South Africa, West Africa, Asia and Argentina. For its part, after a strong year in 2018/19 for non-Group business, Soufflet Biotechnologies, hit by the crisis, that was already plaguing the wine sector. It was unable to make up for the time lost in the first quarter, or offset it against other activities, so a cost-cutting plan was instituted.

**Research and innovation**

The division rolled out a major research and innovation activity, with the support of the Group and with intra- and inter-division synergies, for multiple product ranges:

- Creation of new sourdoughs made using raw materials from other parts of the Group
- Launch of a project with Malteries Soufflet for the creation of a range of enzymes that meet the demands of craft brewers
- Development of Clean Label product ranges at AIT and Biotechnologies.

**Rénovation of the plant in Creil**

To support this development, the division has expanded its teams in South Africa and South America.

In Madrid, it has strengthened its presence with a new warehouse designed to improve its customer service on the Iberian Peninsula. Dedicated teams have also been recruited to handle Asian markets.

The marketing and R&D expertise at the Pôle Bakery Soufflet played a part in rolling out traceable supply chains for the Wheat sector and the Sowing Good Sense approach. The Pôle also increased its product development for its customers, as well as for the different Group business lines, particularly the Clean Label brand.

**Rollout of traceable supply chains in the Wheat sector**

The tonnages of traceable wheat delivered to the mills increased by 58% in the space of a year, thanks to growth in the Responsible supply chain. This growth was based in the ramp-up of Baguépi Farine Responsable and the shift to the procurement of 100% of supplies for the Responsible supply chain from AIT and Neuhauzer. The financial year was also marked by the launch of the Excellence supply chain, based on sustainability implemented throughout each farm, rather than on a single plot. The Pôle Bakery Soufflet also put its expertise to work on innovative projects, like the implementation of a blockchain to guarantee wheat traceability along the supply chain and our partnership with La Heine Gobiet (“The Global Rating”). It was also actively involved in launching the Sowing Good Sense approach.

Development of new products and services

For Milling, over and above its contribution to the development of Baguépi Farine Responsable and Farines de Nos Régions, the Pôle Bakery Soufflet worked on updating the Mérôr range of mixes and improvers, in line with consumer expectations of wellness and naturalness. For AIT, it developed Clean Label and Nutrition solutions for the Europe Industry markets, with the launch of the Eat Free range and the “Nutrition Coaching” approach, which offers advice and solutions for optimising the Nutri-scores of our customers’ products. Lastly, for Neuhauzer, the Pôle Bakery Soufflet continued its work to update and enhance the value of the company’s products in order to adapt them to new consumer expectations. This included the launch of its low-sodium (-25%) bread range, the Vienna half-baguette, this included the launch of its low-sodium (-25%) bread range, the Vienna half-baguette, the revamping of the Doughnuts range, rollout of the brand Le Petit Français in the United States and an expansion of its range.

**Pôle Bakery Soufflet**

26% international sales out of total turnover for the division in 2018/2020

5 number of subsidiaries abroad (5th created in 2019: AIT Berisa in Madrid)

Highlights

- Creation of new sourdoughs made using raw materials from other parts of the Group
- Launch of a project with Malteries Soufflet for the creation of a range of enzymes that meet the demands of craft brewers
- Development of Clean Label product ranges at AIT and Biotechnologies.

**Development of Clean Label product ranges at AIT and Biotechnologies.**

Biotechnologies

**Structure for international business**

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**The Sowing Good Sense approach.**

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**Development of Clean Label product ranges at AIT and Biotechnologies.**

Biotechnologies
**Bakery-Morning Goods-Cakes**

“In early 2020, our activities enjoyed renewed growth. The pandemic temporarily put the brakes on that trend, although it demonstrated the relevance of the strategy we put in place two years ago.”

Marc AUCLAIR, Chief Executive of Neuhauser

In the space of three months, changes to consumption patterns due to COVID led to a sharp decline in business, particularly in food service and exports, wiping out the strong results achieved up until that point. But prospects are once again looking up.

Over the course of the year, Neuhauser continued to roll out its strategic roadmap, built on five pillars: having the right organisations and the right skill sets; basing decisions on customers and consumers; developing product quality to conquer new markets; aiming for industrial excellence; and optimising logistics. Neuhauser decided that all of its products would be made using French wheat from 100% traceable supply chains.

“We are the first manufacturer in the sector to adopt this approach, which not only meets the market’s expectations but also our ambition of becoming the benchmark for BMGC”, proclaims Marc Auclair, Chief Executive of Neuhauser. Before the pandemic struck, the company’s hard work had paid off, leading to a return to growth on each of its markets.

**Investments in industrial excellence**

In the space of two years, major investments were made to develop the business and the industrial excellence of multiple Neuhauser production sites. The activation of the new, fully automated doughnut line in Ploërmel will double the site’s capacity. The plant in Bréal-sous-Vitré has been modernised so that all fresh product ranges can be produced there after the closure of the Furst unit. At Panpor, work has begun on a new Pastel de Nata production line, in response to growing demand. A quality improvement project was launched for morning goods, in synergy with the Pôle Bakery. New contracts were signed on the strength of the initial strong results, the fruit of that collaboration.

Prospects for growth

In Marc Auclair’s analysis, “Despite the temporary slowdown caused by the pandemic, the efforts made to implement our five strategic pillars and the new markets we have penetrated in France and Europe will allow us to ensure the rate of growth we enjoyed before the crisis.” The supply chain strategy, the launch of new upmarket products and the continuous improvement of product quality will all contribute to this growth trend. International development will be bolstered by the new sales office in Miami and a logistics investment in Italy to serve Southern Europe.

**Highlight**

**COVID: Strong impact, agile response**

During the lockdown, all of Neuhauser’s sites continued to operate, at different levels depending on the type of product. At the height of the crisis, it experienced a 40% decline overall, with morning goods affected more than the rest. Conversely, there was sustained demand for packaged goods – like brioches and milk bread from the plant in Bréal – as well as for doughnuts from the Ploërmel plant.

During this period, thanks to its employees’ dedication, Neuhauser was able to adapt to customer expectations in an efficient, agile way, in spite of significant fluctuations in demand, in terms of both quantity and the types of products.
Fast Food

“The closure of our restaurants for two months and a slow recovery had a major impact on the financial year, the year of the 40th anniversary of Pomme de Pain. We carried on with our revamp of the brand and our products to support the development of a market which has confirmed its growth and its upmarket shift.”

Bernard SARGIS, CEO of Pomme de Pain

Gradual reopening

“After the shutdown that was decreed on 15 March, our business came to a complete halt, and all our staff were reduced to part-time work. Since then, we have reopened all our restaurants, in stages”, Bernard Sargis explains. However, this return to business has been very gradual, in the absence of foreign tourists and given the changes to consumer habits. In all likelihood, the sector will not be back to business as usual before next spring. Consequently, the brand will focus much of its efforts on developing its digital services.

Highlight

Upmarket shift and new products

Pomme de Pain formed an innovative one-year partnership with Stéphane Pitré, the Michelin-starred chef at the Parisian restaurant Louis, for the quarterly creation of new recipes for a sandwich, a main course and a dessert, all using seasonal products. This action, which was initially scheduled to begin in April and will now be launched in September, is part of a policy of upgrading the brand’s image and products. In that same spirit, Pomme de Pain is developing its delivery services: it launched a corporate catering range and is creating a new line of Italian products (Pasta Bella), dedicated to delivery.

Barley-Malt

“The health crisis this spring affected our malt sales and delayed certain projects, but it has not shaken the ambition or the momentum of our sustainable transformation and development strategy.”

Jean-Christophe FIGUEROA, Chief Executive of Malteries Soufflet

Despite good collection numbers in 2019 and a promising financial year, Malteries Soufflet nonetheless suffered the effects of the pandemic and adjusted its production downwards. The division has stayed on track with its development projects, based on supply chain control. The collection of malting barley was good, both in quantity and in quality, in France and abroad, with the exception of Romania. In France and Eastern Europe, Soufflet Agriculture remains Malteries Soufflet’s main barley supplier, with the division itself managing the supplies for its other malting plants.

Although the COVID crisis severely affected the last part of the financial year, many development actions had already been initiated to attain the brand’s objectives. Up until the health crisis, the trend in our business was extraordinarily strong, with high demand from large breweries and continuous growth among craft brewers in France and the rest of Europe. We planned to produce 2.3 million tonnes of malt, using 98% of our 27 malting plant’s capacities”, reports Jean-Christophe Figueroa, Chief Executive of Malteries Soufflet. National shutdowns led to a drop in beer consumption and a corresponding production slowdown, affecting the latter part of the financial year. On the whole, malt sales were down from the previous year, even though deliveries to craft brewers increased by 7%.

+ 7% growth in sales to craft brewers

47,000 tonnes record sales of European malt to Brazil

in response to rising local demand

Although the COVID crisis severely affected the last part of the financial year, many development actions had already been initiated to attain the brand’s objectives. With the reopening, new offers will be launched, particularly for delivery.

Out of the first eight months of the year, the network continued to expand on motorways, thanks to a renewed partnership with the concessionaire for BP petrol stations, but also internationally, with the inauguration of two restaurants on Reunion Island and three franchises in Tunisia. As part of the CSR plan, a recycling agreement was signed with the French Ministry for Ecological Transition, which is now in effect at all the branches. To be able to keep satisfying its customers and meeting their requests, Pomme de Pain expanded its ranges of vegan and organic products and continues to develop its digital services. Lastly, the brand’s management was reinforced by the arrival of a recognised fast food specialist.
Investments to adapt to the market

The project in Ethiopia has advanced nicely, despite a delay due to the pandemic, and the project to build a new malting plant in Bulgaria has been postponed. At the site in Litovel, Czech Republic, a floor malting unit (a traditional, craft process) was relaunched in response to customer demand for malt with specific flavours. The roaster that was installed early in 2019 in Saint Petersburg, Russia, is now running at 90% capacity, supplying special malts which are highly popular on the local market.

Lean management and digital technologies to improve performances

In the interest of improving its operational excellence, Malteries Soufflet instituted lean management methods at each of its French plants. A roadmap was defined to roll out the organisational system in Europe in 2020/21 and at all its international sites in 2021/22. This lean management also makes use of digital technologies, particularly to optimise silo audits and improve barley receiving processes. Digitisation, combined with artificial intelligence, is also opening up new possibilities for optimising malt recipes, in both economic and production terms. A test is currently underway at the malting plant in Rouen.

Premiumisation and diversification of ranges: A strategic priority

All around the world, demand from craft and large-scale breweries is continuing to shift upmarket (with the premiumisation of beer boosting the use of malt, particularly in terms of special malts). The roasters at the malting plants in Pithiviers, France, Litovel, Czech Republic, and Saint Petersburg, Russia, are also responding to this demand. The trend on the market remains focused on organic malt produced by the plant in Pithiviers and, more recently, traceable local barley malt. In anticipation of the need for market differentiation, Malteries Soufflet is working with the Pôle Bakery Soufflet and CRIS (Soufflet Research and Innovation Centre) to set up a full sensory panel to add taste and aroma criteria to colour criteria. This work led to the creation of a range of malt made on demand, based on those three criteria, as part of a standardised process at the roasting units in Saint Petersburg, Litovel and Pithiviers. This action falls under the strategic innovation action plan for 2020-2025.

COVID: An international impact

The coronavirus pandemic caused a drop-off in beer consumption worldwide, especially in countries where it is chiefly enjoyed away from home. Malt orders were reduced by more than 20% in April, May and June. Production was adjusted accordingly: some plants temporarily shut down production, in the United Kingdom, India, Rouen and Pithiviers. Those sites took advantage of their shutdown to perform maintenance on their facilities. Demand resumed once the lockdown was over, at different rates depending on the country, but it has not offset the cancellation of major events that involve the consumption of beer.

Organic malt sales volumes over the past year

+ 34%

Ethiopia: A promising first collection

The very first collection by our teams yielded the solid result of 15,000 tonnes of barley. In April, and in spite of the shutdown, a mobile seed station was sent from France to Ethiopia to develop barley farming and ensure growth for the malting plant. The malting plant building project, managed by the Soufflet Group, had to be partially halted for two months. The unit is now scheduled to come into service in Q2 2021.

A new ERP for increased agility

As part of the Spring project, to change the Group’s information system, the Malting division’s needs were defined in the fields of commerce and industry, supplemented by its needs in terms of repositories, finance and purchasing (excluding commodities). “This ERP, which was designed to work across the board for all the divisions, will be a tool for competitiveness, agility, precision and reliability of information. Malteries Soufflet will be the Group’s first industrial division to migrate over to it in the first half of 2021”, mentions Jean-Christophe Figueroa, Chief Executive of Malteries Soufflet.
CSR: Ambition 2030

In response to its customers’ CSR commitments and to accelerate its own social and environmental transformation, Malteries Soufflet developed Ambition 2030, a dedicated strategic programme, to begin on 1 July 2020. That plan defines virtuous objectives for the next 10 years, as concerns corporate responsibility, carbon footprints, energy, water consumption and the production of sustainable barley. The first actions have already been launched:

- a carbon footprint study and life cycle analysis (LCA) were initiated for all of the division’s sites, with a view to reducing its activities’ carbon footprint by 50% in the next 10 years;
- heat pumps have been installed at the Rouen site to reduce energy consumption and greenhouse gas emissions;
- as a complement to this, the expanded use of green energy and the transformation of sewage sludge into biogas by means of anaerobic digestion should allow the division to achieve consumption of 30% renewable energy in 2021;
- Malteries Soufflet also decided to invest in a process, patented by the Soufflet Group, to recycle the water used in malting, which would help to reduce its water consumption, with staggered implementation at all of the division’s sites;
- lastly, Malteries Soufflet is raising the awareness of its partner farmers in France, the rest of Europe and South America about agriculture that is respectful of the environment, the soil, water and biodiversity, in order to meet its target of 80% malt produced from sustainably farmed barley.

“This orientation has been fully incorporated into our business relationships with our brewhery customers, with whom we are launching pilot actions to reduce their carbon footprints. Our CSR commitment is now a part of our Webio2+, emphasises Jean-Christophe Figueroa, Chief Executive of Malteries Soufflet.

The fire at the warehouse in Valenciennes, immediately followed by COVID-19, disrupted the site’s distinct momentum and required major adjustments to the teams, without the need to reconsider any of the projects in progress.

The first half of the financial year saw strong momentum in both the domestic and the export business, on the sector’s three main markets: supermarkets, supermarkets, food away from home and user industries.

In December, the division launched the VP Ingredients brand for the industrial market, namely including a range of legume flour concentrates containing 60% legume protein will be produced beginning in September 2020. The division has also adopted the Sowing Good Sense approach, creating a HEV2 pulse supply chain to supplement its portfolio of organic products made in France for the food-away-from-home market. This brings it in line with the EGalim law on balanced trade relations for food and agriculture.

The rest of the year was marked by the fire at the Valenciennes warehouse and the COVID shutdown. “The different reactions observed on our markets allowed us to limit the impact of the crisis without damaging our bottom line: industrial demand remained stable, and food away from home dropped 70%, which was offset by sustained supermarket demand”, Thierry Liévin explains.

On 22 February, a fire broke out at a raw material and packaging storage warehouse at the plant in Valenciennes and destroyed some of the units. The worst-case scenario was avoided thanks to the site’s safety infrastructure. The incident stirred up shock and a multitude of emotions in the employees.

More than 40 companies busied themselves getting the site back in working order, as soon as possible. On 4 March, two of the units reopened. By the end of April, with employees and companies alike rallying together, the entire industrial process resumed. Rebuilding should begin in September.

Highlight

Fire in Valenciennes: Exemplary mobilisation

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€2.5 mn

Invested in the air classification unit for VP Ingredients (for protein-concentrated flour)
Our Commitments

Maintaining our objectives despite the pandemic

“The unprecedented health crisis posed by COVID-19 has proved the Group’s ability to:

- ensure the continuity of all our activities with no deterioration in quality,
- protect our employees’, customers’ and suppliers’ health,
- implement remote work on a massive scale,
- maintain our connections with all our stakeholders.

As a result, we were still able to pursue the main objectives of our CSR commitment:

- support the agricultural sector in its shift towards agronomic practices which are ever more respectful of the environment and promote these practices,
- develop partnerships with agrifood industry.

This entails establishing a more resilient value chain and measuring and reducing the environmental impact of our activities. Building on these foundations, we develop healthy products whose nutritional and taste qualities are continuously being improved, thanks in particular to the attention we give our customers.”

Olivier CLYTI
Head of Operations

Our five CSR challenges: Aiming for continuous improvement

Soufflet’s CSR commitments are aligned with the UN’s 17 Sustainable Development Goals. With the aim of continuous improvement, they are based on five main challenges:

1. Ecosystem and climate protection

Production practices and transport: moderation and impact reduction.
ISO 14001 certification of the Group’s sites with the greatest potential impact is the rule.

Reducing our energy consumption

The Group’s energy policy, which had been in place since 2015, was revised in 2020. The target for reducing our industrial consumption was set at 5% for 2020-2025.

Reducing greenhouse gas emissions

To accurately measure our emissions and be more efficient in our efforts to reduce GHG, the Group upgraded its carbon footprint management tool, in consideration of Scopes 1 and 2.

The Group continues to work to reduce its GHG emissions from the transport of its goods, prioritising the use of river and rail modes, as well as transporters that have earned an ecolabel. The target of reducing emissions by 15% over 2017-2025 was maintained. Our support for agricultural practices that help reduce GHG took another step forward with the Sowing Good Sense approach, the promotion of soil conservation agriculture (SCA) and the strengthening of our Organic supply chains.

“Target for transport activities: 15% reduction in GHG emissions between 2017 and 2025.”

At our malting plants in France:

90% of waste is recovered
TARGET: ZERO WASTE SENT TO LANDFILLS BY 2020

30% renewable energy
OUT OF TOTAL ENERGY CONSUMED, BY 2021
2. A sustainable, responsible economy

From seed production to new technologies

Soufflet Agriculture continues to develop
Moulins Soufflet mixes that are resistant
to disease, produce more consistent yields
and have guaranteed, enhanced-value outlets
under food value chain contracts.

Reducing post-harvest grain treatments

The Group is expanding its availability of grains
marketed without the application of any
post harvest treatments. It is also investing
in increased dedicated storage capacities.

The Agronomic Conseil Innovation service
offers farmers support in reducing
soil degradation and the consumption
of inputs, in particular.

The Farmi app helps with agronomic
management for the reduction of inputs.

Developing plant proteins

The objective of the plant proteins plan
for 2014-2020 in France is to promote
the development of pulse crops to improve
the environmental and economic performance
of French agriculture and to meet the market’s
demands. On this basis, the Group launched
VP Ingredients, a range of protein-rich
legume flours. In addition, the cultivation
of pulses improves farms’ carbon footprints.

The goal is to achieve 80% engagement
among strategic suppliers, accounting for 80% of
purchasing expenses, by the end of 2023.

The new responsible purchasing programme
will first endeavour to assess our suppliers
of goods and services. The goal for that group
is to cover 60% of purchasing expenses by
the end of 2023.

Circular economy: Incorporated into business models

The recovery of Milling, Malting and BMGC
co-products is an integral part of those
activities’ business models. The co-products
are transformed into animal feed, energy
or fuel for biomass and biogas boilers.

This circular economy helps to restrict waste
production. Malters Soufflet has a target
of recycling 90% of its waste, and the Group
is committed to stopping generating waste
that is sent to landfills by 2030.

Soufflet Agriculture collects waste from
its agricultural customers and routes
them to ADIVALOR’s dedicated recycling
chain. The COVID pandemic considerably
reduced collections over the financial year
(from 1,301 to 154 tonnes), so this has been
deferred to autumn 2020.

Animal welfare

Purchases of animal products are
gradually taking this factor into account.
100% of our eggs and egg products will
be sourced from non-battery-reared hens.
All chicken meat will come from French
farms beginning in 2021 and then, by 2026
at the latest, from farms which have signed
the European Chicken Commitment.

The animal feed business adheres to the SNA/
SYNCPAC Best Practices Guide (HACCP,
ISO 9001 and ISO 22000).

In 2018, the Pomme de Pain brand rolled out
a programme to fight food waste, in partnership
with Too Good To Go, through which it offers
its customers surprise baskets of unsold items.
The annual results were affected
by the temporary shutdown of restaurants
due to the health crisis. The programme
was reactivated when they reopened.
3. Attention to consumer expectations

Traceable supply chains
In building our sustainable supply chains, the Group uses blockchain technology in particular to promote the French provenance of its products, from the raw materials to the prepared products. The first app was launched on the wheat supply chain, for the production of LU Véritable Petit Beurre biscuits, with a complete solution including the food transparency platform created by Connecting Food, a French FoodTech company. Consumers can learn about the journey taken by the raw materials, via a mobile interface and a QR code on the packaging.

Developing storage solutions do not use post-harvest treatments
With the goal of achieving zero residue, the Group is developing its storage capacity for grains that receive no post-harvest treatments. This point is covered in the supply chain sustainability approach, Sowing Good Sense.

Continuously improving quality and naturalness.
All our production units have earned certifications that apply the strictest standards in the sector. ISO 9001 and/or BRC are in place at all our industrial processing plants. A dedicated IT management team which is shared by all the divisions makes sure that practices are consistent and centralises their experiences.

4. Skills development and safety

“Experienced, stable employees constitute real value for the Group. Good onboarding, good training and, more broadly, a good social policy can all contribute to the Group’s overall performance.”

Laurent Gasse
Head of Human Resources

Developing skill sets
The Human Resources Department continued to roll out the action plans begun during the previous financial year, based on four key aspects.

Improving the three-year retention rate of new hires
To improve the retention of new recruits, our job descriptions have been updated, and an integration process was created and rolled out. The follow-up performed before the end of a trial period makes it possible to take corrective action as needed, so that the new employee can be fully integrated into the new work environment. Given the scope of the project, it will initially concern mainly new managerial staff. The integration process will then be implemented for all personnel, following an initial review after 12 to 18 months.

Improving the competitiveness and attractiveness of the Group’s compensation and benefits policy
The HR Department conducted a compensation survey which led to a new healthcare expense reimbursement policy for all employees, which now offers a more attractive scheme for managers who are responsible for continuity of service.

Making training into a tool to serve Group strategy
The new process for developing the training plan was designed to provide a better vision of the training policy and its objectives, including the definition of strategic priorities for each division. Work still remains to be done though to better calibrate the number of hours to be taken to achieve the stated completion rate of 80%.

Ensuring continuity of service when an employee leaves the Group. This objective cannot be achieved without planning ahead as part of skills management. For this reason, the HR Department has mapped out all the Group’s functions. This tool is meant to contribute to discussions of action plans to be put in place so that the available skill sets can provide for continuity of service.

Improving the competitiveness and attractiveness of the Group’s compensation and benefits policy

DISTRIBUTION OF PROJECTED TRAINING HOURS VS COMPLETED HOURS IN 2019

<table>
<thead>
<tr>
<th>Hours</th>
<th>Projected</th>
<th>Completed</th>
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<td>126,152</td>
<td>125,318</td>
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</tr>
<tr>
<td>70,646</td>
<td>68,904</td>
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</table>

Supporting La Note Globale’s product rating project
Giving consumers clear, complete information about the food they eat is the mission of La Note Globale (“The Global Rating”), of which the Soufflet Group is a founding member. The products are evaluated and rated based on six issues: the environment, animal welfare, nutrition and human health, provenance, equity and contribution to the French economy, corporate social responsibility, and traceability and transparency. This tool helps producers and other actors on food supply chains to identify the actions they can implement to improve their products’ results.

Multiple products from the Baguépi Farine Responsable brand (marketed by Moulins Soufflet and Neuhauser’s Origine baguette) have already been rated.

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Improving the competitiveness and attractiveness of the Group’s compensation and benefits policy
The HR Department conducted a compensation survey which led to a new healthcare expense reimbursement policy for all employees, which now offers a more attractive scheme than the average company, as well as a supplementary pension scheme for managers which is better than the market standard.
Guaranteeing safety

We Do Safe: A strengthened organisation with ambitious objectives

Personal safety is a stated imperative in the Group’s Corporate Charter. In fact, it is a driver of our performance. To improve our results, the Group decided to launch a true transformation plan under the banner, “We Do Safe”. This new policy, which relies on enhanced commitments and organisation, has defined ambitious goals.

Safety trophies were awarded at the staff meeting where a spotlight was shone on the stability of our strong results.

The development of this policy and these tools should help to boost our employer brand among the Group’s different target audiences. It is bolstered by a variety of communication actions:

• participation in various trade shows (10 in total), to give young adults the chance to get to know the Soufflet Group and its PSI professors;
• an overhaul of the Group’s LinkedIn account and the creation of child pages for multiple divisions that showcase Soufflet’s career options and working world;

We Do Safe: The four pillars of our transformation

After being announced at the staff meeting in October 2019, the new safety policy was slated to be launched in spring 2020. In view of the health crisis, this was postponed to autumn. Now, it will take place as part of the Group’s Safety Day on 15 October 2020, across all divisions, both in France and abroad.

We Do Safe is based on four pillars: executive engagement, reinforced stewardship, assimilation of the approach and manager involvement.

1) Executive engagement

Each division commits to setting up a safety policy with clear targets. Beginning in 2020, those targets will be included as a criterion of one-to-one interviews at every hierarchical level.

2) Reinforced stewardship

A Division Safety Steering Committee is now in charge of:

• managing the indicators, making decisions and establishing orientations;
• defining a safety action plan for the division and its sites;
• performing management reviews at committee meetings;

3) Assimilation of the approach

To achieve a good level of buy-in by everyone and to lead the transformation, safety coordinators will keep the We Do Safe programme alive.

Several aspects of safety training have been enhanced:

• the integration programme for new managers now includes training on the Group’s Safety standards;
• safety training is being rolled out to all employees and the members of each division’s Occupational Health and Safety Committee;
• a specific project management system is being put in place to ensure major building sites run smoothly;
• in addition, the safety and new projects services are working together to qualify outside firms that regularly perform repairs and maintenance at our facilities.

4) Manager involvement

Safety is managed in a spirit of cooperation and dialogue in the interest of continuous improvement, with managers involving their teams in assessing risks and monitoring the results. For this, they have a variety of tools at their disposal:

• security behaviour inspections, which are to be performed regularly, will be monitored for their quality and quantity;
• routines at the plants and in the regions (short interval controls, meetings on the shop floor, etc.);
• major events (accidents, near misses, fires, etc.) will be addressed in-depth (by means of root cause analyses, corrective mechanisms, monitoring, etc.).

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5. Involvement in local communities

The Soufflet Group contributes to the development of local communities thanks to its close ties to the agricultural sector and its facilities at more than 200 sites, primarily in rural areas.

COVID-19 solidarity

Multiple solidarity actions were led during the pandemic, in support of people and institutions: food donations (flour, morning goods, bread, doughnuts, lentils, etc.) and PPE for healthcare personnel (hospitals, nursing homes, nurses, home helpers, pharmacies and paramedics) and humanitarian aid organisations (Red Cross, Secours Catholique, Society of St. Vincent de Paul, child protective services, food banks) for healthcare institutions: food donations (flour, morning the pandemic, in support of people and town halls.

Many local actions

* In 2019/20, 170 farmers came to participate in 11 days of awareness about organic farming and soil conservation agriculture, organised by Soufflet Agriculture.
* Some 20 Group partner farmers attended meetings run by the Barilla-Harrys Club in January, which aimed to provide a better understanding of the agro-environmental and industrial challenges facing the “Fluffy and Responsible” wheat supply chain and to reinforce ties between the different actors on the supply chain.
* Soufflet Alimentaire holds Rice Day each year, bringing customers and growers together at its plant in Arles (Camargue).
* The Group is also heavily invested in the community: in Nogent, where our head office is located, we support 16 associations, including sports clubs (football, cycling, rowing, running, etc.) as well as humanitarian and cultural groups.

Relations with our stakeholders

As an open enterprise, the Soufflet Group maintains close ties and a partnership attitude with all of our stakeholders. We listen to our customers who are our top priority for ensuring their satisfaction, with maximum effort and stringency, which we then evaluate on a regular basis. We build long-term relationships with our suppliers and service providers, from a standpoint as partners, always seeking a fair distribution of value. We are active in organisations with ties to businesses and are proactive in cultivating those ties. We have forged a multitude of partnerships with research institutions (INRA, URCA, IAR and more), so we can contribute to the advancement of our supply chains, whose different links will eventually benefit us.

Management of the COVID crisis

Business continuity:
- continued operations at the vast majority of our production sites
- 3,000 employees working remotely
- beginning on 18 March
- 600 video conferences daily

Protection of employees, customers and partners:
- 6,000 litres of hand sanitiser
- 17,800 washable face masks
- 660,000 surgical masks

Internal solidarity:
-330 days of leave shared by employees with colleagues reduced to part-time

Benchmarks and outlook

Energy

The new energy plan set a target of a 2% reduction in the Group’s consumption by 2025. The ISO 5001 certifications of our production sites have been maintained.

Water

Water management is driven by the goal of reducing our consumption by 20% between 2017 and 2030. Malteries Soufflet has maintained its commitment of including 30% renewable energies in its mix, while investments in equipment to reduce greenhouse gas emissions are ongoing.

Reduction of GHG and carbon capture

- The process to move towards Scope 3 assessment (indirect activities) has been launched.
- The Matling business line is currently piloting FIRE21, a climate-friendly system for freighters, developed by ADEME (French Agency for Ecological Transition).
- Carbon neutrality has been adopted as a theme for product differentiation. Malteries Soufflet will conduct the first Product Life Cycle analyses at the end of 2020 before they are gradually rolled out to our industrial divisions.

Supply chain sustainability

Seeking Good Sense falls under the Group’s strategy for developing high-quality, sustainable supply chains (see below).

Responsible purchasing

A responsible purchasing approach has been adopted, committing all of our divisions for an initial period from 2020 to 2023. After completion of the supplier critically study in 2020, their CSR assessments will be taken into account in our purchasing processes. For this project, Soufflet will rely on the expertise of the international platform EcoVadis.