

2nd CHEREAU CSR REPORT

2021



A voluntary approach to share our vision of Corporate Social Responsibility and formalise our commitments.



INNOVATION DRIVES YOU FORWARD

Key figures

> 2021

CHEREAU, body manufacturer of custom-made refrigerated vehicles since 1953.



Almost 1,000
employees



€203 million
in turnover
(+ 6.8%)



Over 3,600
vehicles manufactured
(+5.8%)



49%
of export sales
(+6 points)



49% market share
in France
(-2 points)



15% market share
in Europe
(stable)



€5.1M of investments in our production
equipment (+ 2%)



€3.3M in fundamental and customised
research and development (+27%)



A shareholder base
committed to CSR

Majority shareholders



Editorial



One year ago, we unveiled our first voluntary Corporate Social Responsibility report. And here is the second for 2021, which is more concise. It describes our purpose and all of what we call our beliefs and commitments. For each of our four convictions, we offer you a presentation of the key actions of the year, in order to help you discover how CSR is embodied within CHEREAU.

As last year, witnesses from inside and outside the company comment on our achievements.

We also offer you a "follow-up", through a "They said it, did they do it?" section which takes up our planned actions and compares them with our achievements. You will also be able to discover our new objectives linked to each conviction.

Beyond this report, **CSR is taking us on an unprecedented turn**, both from an environmental and societal point of view, making us aware of the profound changes - even mutations - necessary to maintain our leadership and the future growth of the company.

CHEREAU has been confronted in recent months with a difficult economic situation resulting from the consequences of the COVID crisis, causing disruptions in the supply of certain components and a rise in the price of raw materials. Despite this, CSR is more than ever a **managerial and strategic guide, which helps us to stay the course of** who we are and what we want to become.

Enjoy your reading.



Damien Destremau
Chairman
and CEO,
THE REEFER GROUP
and CHEREAU.

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Our purpose



Every day, our enthusiastic, committed teams imagine, propose and produce the premium and durable customised vehicles and solutions for temperature-controlled transport which make CHEREAU the brand that everyone loves.

Our 4 beliefs

#01

Customers are at the heart of our actions.

#02

Each employee is a cornerstone in our value creation process.

#03

Our growth is driven by **innovation**.

#04

Protecting our environment and preparing the future is our choice.

16 commitments give concrete form to our four convictions: customer, employee, innovation and environment.

Like our purpose, they have been slightly revised during this year, because we consider CSR to be a living subject that needs to be adjusted according to changes in our environment, and also transparently, because we are becoming more mature as we practice it.

#01

CUSTOMERS ARE AT THE HEART OF OUR ACTIONS

- Understand their needs to provide tailor-made solutions that create added value.
- Provide premium and top-quality services and products that are both competitive and sustainable.
- Formalise and respect our commitments.
- Cultivate straightforward, friendly, trust-based relationships with our customers and partners.

#02

EACH EMPLOYEE IS A CORNERSTONE IN OUR VALUE CREATION PROCESS

- We cultivate exemplary behaviour and high standards in a caring, respectful working environment.
- We value teamwork and collective success.
- We foster enthusiasm and commitment by encouraging the growth and development of each employee.
- We encourage initiative and allow room for error.

#03

OUR GROWTH IS DRIVEN BY INNOVATION

- Go for added-value breakthrough innovation.
- Make life easier for the users of our products by simple, practical developments.
- Promote eco-design for more sustainable products.
- Reduce carbon impact with more fuel-efficient vehicles and new energy sources.

#04

PROTECTING OUR ENVIRONMENT AND PREPARING THE FUTURE IS OUR CHOICE

- Reduce the carbon footprint of our industrial activity.
- Hunt down wastage and reduce our emissions.
- Promote the reuse and recycling of our products.
- Set high CSR ambitions and measure our performance regularly.



CSR management

Our first "voluntary" CSR report was intended to formalise our commitments and ambitions in terms of sustainable development. One year later, the objective has been achieved, and many of our stakeholders have adopted this document, which has become a standard in the management and construction of the company's systems. In particular, our staff use it to prioritise our projects and evaluate our investment decisions.



Nicolas Lehericey
QSE & CSR Director

You may say that the game is won! The day-to-day reality is quite different, as the management of CSR in the medium and long term has had to be combined with repeated heavy blows: COVID episodes, component supply disruptions, soaring costs and other successive crises, which require us to fight constantly and to make major efforts to deliver our vehicles and serve our customers!

Fortunately, sustainable development issues are well anchored in everyone's mind. The teams know how to take a step back despite the ups and downs of everyday life, and get back to work, day after day, to build, align and achieve the roadmap that will enable us to collectively reach our ambitious goals.

We have also been able to count on a new pool of investors who are very committed to corporate social

responsibility and who have enabled us to maintain the necessary objectivity by raising CSR issues to the highest level of governance in the TRG Group.

With these strengths in mind, we can look forward to a robust future for the company. We are ready to meet the major challenges ahead, in particular the adaptation of our industry to climate change.

Scan the QR-code



Use this QR code to learn more about the Sustainable Development Goals.

SUSTAINABLE DEVELOPMENT GOALS



Crossed perspectives on CSR

Through these testimonies from the members of our management committee, we would like to present the CHEREAU CSR steering team and share how each person perceives the place and role of CSR within the company, depending on their job.



» **Damien Destremau,**
Chairman and CEO

Beyond the classic aspects, CSR is a great way to unite the management team around common projects full of positive meaning.



» **Nicolas Lehericey,**
QSE and CSR Director

CSR is a fresh boost for the management of companies. This framework makes it possible to give meaning to the work of the teams, including the managers who can now combine the interests of the company with Sustainable Development. CSR is no longer an alternative for companies, it is obvious!



» **Christophe Danton,**
Marketing and Communication Director

While CSR is a great opportunity for positive communication, it is above all meaningful and allows each person to make an active contribution to the construction of a better world through their role in the company.



» **Bruno Etting,**
Director of Product Development

CSR commits us to review our innovation plan and to set ourselves new ambitions. We need to project ourselves towards breakthrough solutions that will make our products even more sustainable and preserve our environment.



» **Albéric de Torcy,**
Administrative and Financial Director

Companies that, like CHEREAU, will give CSR issues the place they deserve are those that will have preferential access to financing from investment funds and banks in the future.



» **Jean-Yves Dubarry,**
Director of Business Development Services

CSR invites us to think more and more about the entire life cycle of our vehicles in terms of second life and recyclability.



» **Frédéric Levesque,**
Director of CHEREAU Services

CSR leads us to find new and original solutions: for example, reusing our old bodywork to transform it into high-quality, super-insulated offices that consume very little energy. This CSR focus opens up new fields of creativity.



» **Frédéric Thiblet,**
Director of Human Resources

The implementation of our CSR approach enhances the CHEREAU employer brand and contributes to improving our attractiveness. It commits us collectively, gives meaning to our actions and involves all of our employees and management teams around shared values.



» **Éric Pflugbeil,**
Purchasing Director

It is a challenge to switch to a CSR-based Purchasing management mode but also a great opportunity to involve and highlight our partners who are the most active in this corporate approach.



» **Vincent Masse,**
Project Director

In a company where ideas and initiatives abound - and so much the better - CSR commitment has become one of the predominant criteria in the prioritisation of our projects; very enlightening and a guarantee of future-oriented choices for the company.



» **Benoit Vasseur,**
Industrial Director

CSR is an essential prism for designing our industrial process of tomorrow. If our products are to be more virtuous, we as producers must be too.



» **Xavier Wilkie,**
Commercial Director

CSR is a useful tool for sales teams. It commits us to offering ever more innovative and disruptive solutions to help our customers decarbonise and save money.

An atypical year full of dilemmas and paradoxical situations

The context of unprecedented increases in raw material costs has profoundly challenged our convictions and commitments.



▲ Jean-Baptiste Djebbari, Minister of Transport during his visit to our stand at Solutrans.

Everything had been looking good since January 2021. Our order book kept filling up with great export successes, giving us exceptional industrial visibility. At this stage, our main concern was to protect our historical French customers - and there are many of them - so that we could offer them suitable delivery times.

And then, as a collateral effect of COVID-19, **supply difficulties and increases in the cost of raw materials all arrived at once**. The Russian-Ukrainian war in early 2022 will only reinforce these factors. Our Purchasing, Logistics and Production teams have done a fantastic job of continuing to manufacture vehicles despite these headwinds and enabling us to deliver them in a timely manner. On the price side, we have **passed on the increases progressively** to new orders with three increases over the year for a total of +20%!

With such high levels of increase over the months, one question kept coming up in our various steering committees, including the management committee: **are we going to be able to protect our customers for much longer by bearing the increases in the cost of materials** and sharply reducing our margins for all the orders taken months earlier under the old price conditions? Clearly, passing on these increases to the entire order book would hit two of our customer commitments hard: "respecting our commitments" and "cultivating relationships of trust". We have met these commitments throughout 2021 at the cost of a significant financial impact. However, in March 2022 the situation became untenable and we had to renegotiate with our customers.



TESTIMONIAL



Pierre Joly,
Regional Sales Manager
for Ile-de-France,
Nord and Normandy

"Last year, at the age of 27, I took over my sector following the retirement of my predecessor. It's not easy to meet customers for the first time in this context of rising prices!

Some people even said to me "you are more expensive than your previous colleague". However, I was impressed by the warm welcome I received. The customers were delighted to see me and it made me realise how powerful the CHEREAU brand is.

In return for their trust, they demand top product quality."



Our other achievements in 2021

Solutrans: doing better together!



In this tense economic context, we naturally questioned our participation in Solutrans, which we revisited to make it more economical. This is how the term **'Slowlutrans' came about internally, with a simple challenge: to do as well as usual with fewer resources.** We achieved our goal with a more streamlined stand but with more space for reception, which allowed us to share enjoyable moments with our customers and suppliers. We were able to present all of our solutions for making the energy transition in refrigerated transport a reality that we hope will soon become a reality.

Factory tours.

2021 will have been a record year in terms of factory tours. We welcomed 81 groups for a total of 230 visitors.

In addition to discovering how a CHEREAU vehicle is built and why it will last a long time (**97% of semi-trailers' FRC approval renewed after 12 years are CHEREAUs** according to CEMAFROID data), these tours are also a way of forging links through meetings and exchanges with all the company's contacts. Seeing and talking to each other is essential in our profession.



Agathe Cacquevel,
Customer Experience Manager

"These factory tours, or should we say company visits, have several facets and are all tailor-made, like our products, according to the type of visitor: customers, driver training schools, manufacturers, institutions, etc. For our customers, they are a real immersion in the CHEREAU culture and product, and offer many opportunities for exchange."



Nicolas Brevet,
Manager, Transports Brevet

"Once again, a huge thank you for your welcome, top notch as always. Through these tours, we can appreciate the attention paid to the construction of your bodywork. Each companion puts all their know-how and heart at the service of the company, these are the beautiful values of CHEREAU."



They said it, did they do it?

Performance achieved with regard to the 2021 Objectives

→ **Increase customer satisfaction:**
87% in 2020, 86% in 2021.

Although we did not improve the satisfaction rate, maintaining it at such a level is remarkable given the context of the year and is a sign of a true partnership with our customers.

→ **Increase the service rate:**
this rate falls from 68% to 57% in 2021.

A drop of 11 points on a key area for progress. This is disappointing, even though we really did our best to make up for the delays and shortages of components that disrupted our flows.

Many thanks to our teams for their constant efforts and to our customers for their patience and trust.

→ **Improve our Net Promoter Score:**
The NPS increased by 9 points from 49 to 58; a very good score and proof that our customers appreciated all the efforts we had to make to serve them.

→ Further development of factory tours:

while many trade fairs were cancelled due to the pandemic, we increased our tours to keep in touch with our customers and all our stakeholders.

2022 Target

Improve our service rate.

Give everyone a chance to get involved in environmentally friendly actions

A very promising first edition for the CHEREAU environmental challenge.



▲ Christopher and Hervé, from the winning team, at their workstation.

On 21 December, a jury composed of a representative of our partner Biocoop, two representatives of the CSE and two members of the management committee selected the winning team of the first CHEREAU environmental challenge.

This first edition brought together more than **50 employees for 25 initiatives**, 15 of which were selected by the jury.

Congratulations to Pascaline Dumont, Hervé Ozenne and Christopher Léger for the completion of their project “Optimisation of the cutting of skins on partitions in the front panel sector”, which enables the elimination of 3.8 tonnes of skin waste per year, an annual saving of 91 hours of use of the edger and savings on materials.

This project came out on top ahead of the “Bike to work”, “Plastic collection and can recycling” and “Reduce the carbon footprint of emails” projects.

The teams were given food baskets donated by Biocoop and the winners of each category were given the opportunity to go on a guided nature walk in the Bay of Mont Saint-Michel. On the occasion of this challenge, the CHEREAU QSE/CSR team developed a **new communication tool called “Flash environment”** to highlight the various achievements throughout the year.



TESTIMONIAL



Pascaline Dumont,
Production Operator

“Beyond winning the first edition of this competition, we are happy to be able to participate, at our level, in the reduction of waste, because the environment is an important subject for everyone. This competition is a good way to get all employees involved.”



▲ Once again this year, many premises were refurbished for the well-being of the employees.

Our other achievements in 2021

Women in industry operation.

We have long been convinced that gender diversity is an undeniable asset for the company. However, it must be said that all too often, our industrial professions are little known to women and do not attract them. However, **those who take the step of joining the company flourish.** From production operators to managers and team leaders, CHEREAU can offer them many opportunities. So, in order to raise awareness of the opportunities available to them,

we organised the Women in industry operation with the Pôle Emploi agency in Avranches in October 2021. During one morning, about fifteen potential employees came to discover the company and its activities through a presentation, testimonies from employees and a tour of the factory. Although **this operation has enabled us to recruit two people**, there is still a long way to go, starting with getting women on our management committee, which, as you will have noticed from page 7 of this report, is still entirely male.



TESTIMONIAL



Virginie Huc,
Recruitment Officer

"We were 8% in 2019 and 10% in 2021. The proportion of women is increasing, including in managerial positions, where we also have 10% women. The integration of female employees into the teams, particularly in production, is a real success that we must expand. In the opinion of our production managers, women contribute to a calmer team atmosphere. There is more togetherness and cohesion, as people help each other when tasks are very physical. They also bring rigour and extra care to certain operations."



They said it, did they do it?

Performance achieved with regard to the 2021 Objectives

→ **Reducing the physical strain of workstations:** the major advance in 2021 was a new, fully digital metalworking 4.0 facility that will increase the performance of this production sector and offer optimal working conditions. This project represents an investment of more than 3 million euros.

In addition, the system of "risk hunts" continues to operate at full capacity (79 in 2021) and contributes greatly to the improvement of the working environment.

→ **Deploying the Sustainable Performance programme:** numerous actions have been carried out as part of this important project: the setting up of rationalisation workshops in target sectors, the creation of a performance coordinator post, a training campaign for around twenty people in lean management, the definition of improvement projects to be deployed, etc.

→ **Become an approved training centre:** we are still a Qualiopi-certified training centre for the "vehicle maintenance and repair" part and our project to become an internal training centre for the company's other trades is currently being defined. We should be ready in 2024.

→ **Develop initiatives and awareness through proposals from the field:** the ideas box we came up with in 2020 is not yet in place, but two new actions have been carried out: the reporting of points for improvement in production thanks to the "F2IR" tool for "Fast Internal Issues Registration", an application that allows anomalies and improvements to be reported in real time and as close to the field as possible. The second action was our environmental challenge.

2022 Target

Increase the number of women in the company.

Safeloading-C safety system to prevent unexpected vehicle movement

An innovation dedicated to the safety of dock operators who load and unload vehicles.



Safeloading-C wins Solutrans 2021 innovation award ▶

The worst nightmare of any operator loading a vehicle at the dock is the unexpected departure. Imagine yourself behind the wheel of a forklift with a pallet weighing several hundred kilos. You are about to enter the vehicle and it unexpectedly leaves the platform... The truck, pallet and driver plunge almost 1.2 metres to the ground... Every year, accidents like this take place, sometimes with dramatic consequences.

To avoid this type of accident, many solutions exist, from various physical wheel locking systems to “confiscating” the driver’s keys. All these systems are restrictive in terms of operation, degradation of the vehicles and systems themselves, driver discomfort, etc. not to mention the **high financial cost of certain solutions requiring road works.**

In close collaboration with STEF (for the testing part), which is particularly concerned due to the fact that its personnel load

and unload vehicles at its various bases, we tested a patented CHEREAU solution, developed with the support of partner suppliers. In concrete terms, this is a **fully automatic system that locks the brakes of the trailer or carrier as soon as the dock door is opened.**

After equipping the STEF base in Quimper (boxes installed on the platforms and vehicles equipped with Safeloading-C) and conducting several months of conclusive tests, we are now going to deploy this solution. This deployment, which we hope to carry out in conjunction with the pension and occupational health insurance fund (CARSAT in France), will most probably also be carried out in partnership with other body builders. An initial pilot on the scope of the cold chain in France is under study. Indeed, it is a safety system that we would like to see installed everywhere and for that there is **nothing better than to share our innovation!**



TESTIMONIAL



Laurence Quéré,
Director of the Quimper site,
STEF

“Safety is a priority for our employees. Our site receives and dispatches goods with approximately 120 entries and exits per day and as many risks of unexpected departure. We have already experienced a few cases of near misses. Working with CHEREAU and in conjunction with CARSAT allows us to test a new, easy-to-implement solution in routine operations.

The CHEREAU teams on the ground have been attentive throughout this project.

After 8 months of testing, the efficiency is proving to be convincing and the daily use is totally transparent for our employees who can load and unload the vehicles with complete peace of mind.

I would like to thank all the STEF Quimper teams for their commitment to the success of this project guided by “safety first”.”

Scan the QR-code



Use this QR code to discover Safeloading-C on video.

Our other achievements in 2021



Data as a Service: the connected vehicle at the heart of customer operations.

For many years, vehicle data has been at the heart of our customers' organisation and operations, starting with the cold, which must be monitored throughout the supply chain. The data will also be used to anticipate workshop operations, optimise rounds, better control the risks associated with punctures and improve the fuel consumption of the vehicle. Thus, **the forthcoming mandatory introduction of the Tyre Pressure Monitoring System (TPMS) on new semi-trailers is an opportunity to connect all CHEREAU semi-trailers** with an almost immediate return on investment for the customer. Indeed, tyre manufacturers estimate the extra consumption linked to poor tyre pressure to be around 4%.

Based on the average mileage and data from the National Road Committee (CNR), the savings achieved with tyres that are always at the right pressure are almost 2,000 euros and 3 tonnes of CO₂ per year and per vehicle.

Remarkably, and rather disruptively in the market, we will not impose a telematics system on our customers, and for the good reason that they are generally all already equipped. We are going to offer **an open data platform on which telematicians will be able to retrieve information** related to customers' vehicles and return it to them in their usual format, enhanced with additional data.

Finally, the heart of the operation is not only the operator's office, it is also the driver. An application for controlling and steering the semi-trailer will accompany our offer, including new functions and offering greater safety.



TESTIMONIAL



Sébastien Lemoine,
Founder and CEO,
visible.digital

" We are partners of CHEREAU, with whom we share many common values, such as the customer at the heart of our actions or innovation for the benefit of the customer and the environment. CHEREAU's Data as a Service approach appealed to us because it is both pragmatic and disruptive. Who better than the manufacturer to gather all the vehicle data and make it available to the customer, not through a proprietary system as is the case everywhere, but through an open system that telematics operators can easily exploit. This data will allow us to optimise the monitoring and activity of the equipment, limit fuel consumption, etc., in short, to promote compliance with the CSR commitments of our joint customers."



They said it, did they do it?

Performance achieved with regard to the 2021 Objectives

→ **Offer Energy Savings Certificates (EEC) to our customers** while this new service is operational for some of the latest generation refrigeration units, we are still working with our partner Co2 Service to have two new sheets included in the national CEE programme: aerodynamic systems to reduce the consumption of semi-trailer tractors and super-insulated bodies (VIP) to reduce the energy requirements of refrigeration units.

→ **Broaden the base of contributors to innovation:** the real novelty in this area, pending the introduction of the "ideas box" for employees, is the wider and deeper involvement of external partners, and in particular customer business experts, in our innovation process. This is why we have established a partnership with visible.digital, announced at Solutrans, for our future connected semi-trailer.

→ **Standardise the production of customised options:** work has started, but is not yet complete. Over the course of a week, our sales team scanned the list of 5,000 non-standard

creations (tailor-made solutions) available and prioritised those to be promoted as future options at the CHEREAU tariff. This project continues in 2022.

→ **Review our manufacturing processes to integrate non-polluting technologies:** given the accelerated deployment of "new energy" vehicles, we have decided to dedicate a new building to the prototyping of these vehicles (electric and hydrogen). It will be operational by the end of 2022.

2022 Target

Realise our project for a building dedicated to new energy vehicles.

Better preservation, better consumption

A double approach for more environmentally friendly refrigerated vehicles.

Scientific reality requires us to react to the acceleration of global warming and its impact on life on earth. Our aim is not to polemicise on this subject, but to provide concrete solutions to contribute to a better world. At Solutrans 2021, the slogan that summed up our stand was: doing better together. But we could have written, "always doing better together", because at the end of the day that is what it is all about.

This better is expressed in two complementary ways: **better preservation by limiting the energy needed to operate our vehicles and better consumption, by moving away from "all diesel"** towards more virtuous energies. It is worth noting that our latest innovations are closely linked to our environmental conviction.

We must and will, as soon as possible, move towards the generalisation of vacuum insulation by deploying our patented process based on VIP (Vacuum Insulated Panel) technology, which reduces the energy required for cold production and the associated greenhouse gas emissions by up to 25%. Coupled with the latest generation of refrigeration units, we should be approaching **a consumption divided by 2 compared to the equipment delivered in 2020**, i.e. around 1.25 to

1.5 litres per hour on average compared to 2.5 to 3 litres/h (respectively in fresh and frozen) according to the CNR. In addition, the arrival of Vecto, which takes into account the impact of the semi-trailer's aerodynamics, should encourage the deployment of aerodynamic systems that limit the tractor's consumption by up to 2 litres per 100 kilometres according to our long-distance tests carried out in 2020.

Finally, the widespread use of the TPMS (Tyre Pressure Monitoring System) and its connectivity to ensure that tyre pressure faults are taken into account by the driver will make it possible to **optimise the tractor's consumption and therefore its emissions by around 4%**.

We now need to finalise our offer of new energy vehicles in order to switch from diesel to electric. After the hydrogen trailer, we are testing new battery-powered versions, powered by mains and/or axle with optional generator and/or solar panels. We are at the stage of qualifying each configuration for the different businesses and types of use of our customers. The year 2022 should allow us to finalise the tests and communicate the first results.



TESTIMONIAL



Yannig Renault,
Technical Director,
Delanchy Transports

"CHEREAU allows us to test new technologies to prepare for the future, on mature and reliable vehicles.

The "new energy" semi-trailer demonstrates the relevance of the axle-mounted generator, without penalising consumption thanks to the aerodynamic accessories."

Scan the QR-code



Use this QR Code to discover the
CHEREAU Performance VIP insulation

Our other achievements in 2021



Waste reduction: 8% gain over the year

Thanks to our method (called MFCA for those in the know) and the efforts of each individual, well supported by our CSR animation programme and our environmental challenge (see chapter on employee conviction), we have succeeded in **significantly reducing the weight of waste per vehicle** produced, from 918 to 830 kg. Of this waste, about 40% can be recycled (wood, metals, cardboard, plastics) and the rest is final waste which unfortunately has to be buried.

This is reduced from 535 to 488 kg per vehicle. Of course, we are not going to leave it at that,

because in our view it is still too much. We continue to raise awareness among our employees with our partner Les Champs Jouault, which, as a reminder, welcomes us to its landfill site so that we can **open our eyes to the impact of final waste**. 76 employees have already had the opportunity to visit the site and all our new team leaders, the first link in the management chain for our production teams, are now doing so as part of their integration programme. This is an important and necessary realisation in order to take action.



TESTIMONIALS



Séverine Udo,
Environmental and
Chemical Risk Manager

"I sometimes accompany groups of employees to visit the landfill site. What amazes me every time is the size of the huge pit (called an alveolus) that receives the waste, and the speed at which it fills up between each visit. Avoiding final waste must be a priority."



Alicia Dauleux,
Logistics Methods
Engineer

"Visualising the volume of waste buried and discovering the slow process of decomposition made me aware of the amount of waste generated in both my professional and personal life. This makes projects such as the introduction of reusable packaging, which helps to reduce these volumes, more meaningful."



They said it, did they do it?

Performance achieved with regard to the 2021 Objectives

→ **Develop waste reduction projects:** the achievement of this target is well on track with a gain of 8% this year (see article above).

→ **Identify new ways to recover and recycle our products:** we have found new outlets for recycling more wood from production. For the offices of our

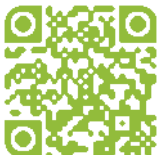
new metal workshop 4.0, we reused two old refrigerated bodies which were converted into offices. Our photo room for the spare parts catalogue was also made from an body.

→ **Industrialising the Hydrogen (H2) range:** the industrialisation stage has not yet been reached and we have fallen behind in relation to our 2019 vision. However, we have continued our product development with a new version of the H2 box presented at

Solutrans. Two new semi-trailers will be in customer operation before the end of 2022.

→ **Publish a first CSR report:** this has been done and thank you for your positive feedback after reading our first report, which aimed to be original and pragmatic, describing who we are and what we want to do.

Scan the QR-code



2022 Target

Identify new ways to recover and recycle our products. Launch a life cycle analysis programme for our products.

Use this QR code to discover
CHEREAU Hydrogen Power H2.

Compilation of indicators

Domain	Indicators	Results
ENV	Energy consumption by volume in MWh/vehicle	6.62 MWh/veh
ENV	Annual evolution of gas and electricity consumption on total production volume	+5.75%
ENV	Scope 1 & 2 GHG emissions Teq CO ₂	3836 Teq CO₂
ENV	VOC emissions	354 tonnes
ENV	Total volume of water consumed in litres/vehicle	4221 L
ENV	Total weight of waste	3055 tonnes
ENV	Recovered waste rate	43%
ENV	Number of alternative energy vehicles produced in the year	52

SOC	Workforce by type of contract (fixed-term/permanent)	108/832
SOC	Percentage of men/women in the company	90%/10%
SOC	Number of work-study students	32
SOC	Number of promotions	38
SOC	Number of agreements signed	5
SOC	Training contribution in euros	€250,000
SOC	Number of employees trained in safety	603
SOC	TF2 (Number of accidents with and without sick leave per million hours worked)	47

GOV	Classification of CHEREAU as an employer in its territory	2
GOV	Share of purchases made with regional producers (Grand Ouest)	18%
GOV	Share of purchases from domestic producers	48%
GOV	Investments over 3 years	€15,106,471
GOV	Total value of local tax contributions (regional scope)	€1,009,000

ENV: environment
SOC: social
GOV: governance

Our ambitions

Domain	Ambitions	2022 Targets
ENV	Develop the bodywork of clean energy vehicles	75
ENV	Increase the number of vehicles equipped with VIP reinforced insulation	15
ENV	Identify new ways to recover and recycle our products (Number of vehicles reused)	3
ENV	Increase the amount of recovered waste from our manufacturing processes	45%
ENV	Reduce our scope 1 & 2 emissions Teq CO ₂	< 3836 Teq CO ₂
ENV	Reduce our consumption of fossil fuels (gas & fuel/diesel)	< 15,848 MWh

SOC	Increase the number of women in the company	> 10%
SOC	Rate of female managers versus proportion of female staff in the company	> 10%
SOC	Improve working conditions (Working conditions satisfaction rate)	> 74%
SOC	Continue to develop work-linked training	> 32
SOC	Develop the contribution of improvement ideas by our employees (Number of improvement ideas/employee)	1
SOC	Develop the contribution of improvement ideas by our staff (Total number of improvement ideas)	300
SOC	Reduce the number of risks in the activities (Number of risk hunts offered in the year)	120
SOC	Reduce employee turnover to ensure employee well-being and a good social climate	< 4%
SOC	Reduce the number of accidents (TF2)	< 43
SOC	Reduce the severity of accidents (Severity level)	≤ 1

GOV	Increase customer satisfaction	> 87%
GOV	Increase the service rate	70%
GOV	Improve our net promoter score (NPS)	> 58
GOV	Continue factory tours	> 52
GOV	Develop the number of Soleau envelopes	Minimum 3
GOV	Develop the number of co-patents in partnership	Minimum 1

CSR

a key issue for our shareholders

#01



"ESG issues are at the heart of Amundi Private Equity Funds' investment strategy. CHEREAU is a company that completely shares our vision of these issues and is committed to the environmental transition and the acceleration of societal challenges. This report is the materialization of a deep conviction carried by the management of CHEREAU, and beyond that, of concrete objectives and actions in the company."

#05



"Companies like CHEREAU, leaders in their sector, show that the energy transition is possible, whatever the type of activity, as long as it is accompanied by a strong desire to develop and propose innovative solutions. This commitment is reflected in CHEREAU's overall CSR policy: it is a commitment to the future and sets an example for others. Being a shareholder in CHEREAU allows the Caisse d'Épargne Normandie, a cooperative bank that is 100% Norman, BCorp certified and committed to its territory, to support it in this societal approach."

#02



NORMANDIE BPI FRANCE

"Despite the uncertain environment, the Group is actively pursuing its CSR commitments in line with the United Nations Sustainable Development Goals. This is the best answer for its long-term development."

#06



"Normandie Participations is particularly keen to support companies that wish to commit to ESG criteria. We defend a vision of positive impacts of our investments, on the organisation itself, on society and on the environment. It is a thoughtful, long-term approach which impacts choices, decisions and behaviour at the very heart of the company. In a complex and uncertain global and competitive environment, CSR has become a fundamental criterion to demonstrate a company's commitment to sustainable and responsible growth. As a regional fund, we pay particular attention to these aspects. The Reefer Group (TRG) has made CSR a central part of its growth strategy."

#03



"The CHEREAU Group is committed to deploying a CSR approach that is compatible with our vision of the role of the company in its societal, economic and human dimensions. We particularly appreciate the continuous improvement and innovation approach to serving users and combating climate change."

#07



"CSR is an opportunity for each company to ask itself about its impacts, both positive and negative, on its ecosystem (internal and external stakeholders, environment, etc.) and to implement actions to reduce its negative impacts and maximise its positive impacts. The TRG Group is one of the companies that are fully committed to this approach, in particular through several projects to reduce the carbon impact of the vehicles produced. Sodero Gestion, as a regional investor in Western France, is delighted to support the group in its efforts in this area."

#04



"CHEREAU, a leader in its market, has always relied on permanent innovation to develop and grow. Thanks to this, it is leading its sector in energy-saving technologies by being a forerunner in the development of hydrogen. This is also reflected in its ongoing reflection on team building to recruit and retain skills and to grow its employer brand for the benefit of all employees. As a long-term shareholder, UNEXO is attentive to all these actions. We will be at the side of its CEO, Damien DESTREMAU, and the management in the years to come to support them in their CSR approach."

#08



"Since its creation, NCI has approached its activity beyond simply financing regional companies. The companies that NCI supports are key stakeholders in the NCI business and are subject to in-depth study. The analysis of environmental, social and governance risks makes it possible to measure the maturity of a management team and to anticipate specific support needs. In addition, NCI is part of the common effort to promote these issues in the private equity industry beyond the legal requirements"

#09



"Our historical presence in the regions allows us to assert with conviction our desire to anchor decision-making centres in our territories, where production centres are often located. The creation of wealth generates the maintenance and creation of permanent and qualified jobs in the heart of the territories, under fair social conditions. True to its long-standing values, Picardie Investissement encourages sustainable, equitable and shared growth by creating the conditions for a positive impact on the companies it supports and on the region. All the new companies followed by Picardie Investissement are committed to a process of progress, so that they carry out their activities in conditions that reconcile economic interest and corporate social responsibility."

Together, let's decarbonise temperature- controlled transport



▲ Carrier with super insulated VIP body and huckepack road-rail trailer.

In France, the fleet of 30,900 refrigerated semi-trailers with diesel refrigeration units emits 500,000 tonnes of CO₂ every year, just for the production of cold.

At European level, these figures should be multiplied by ten. Since 2016, with ROAD, the world's first prototype refrigerated semi-trailer running on hydrogen, we have been testing numerous solutions to make temperature-controlled transport more virtuous: replacement of diesel by hydrogen, vacuum insulation allowing energy savings of up to 25%, aerodynamic appendages saving 2 l/100 km for the tractor, weight reduction to increase the payload, etc. In parallel, we have also studied a **battery electric version with energy recovery axle and solar panels** for cold production and are preparing electronic tyre pressure monitoring.

All these technologies are in the process of being industrialised and will fundamentally allow a more virtuous cold chain with a view to better preservation whilst reducing energy consumption.

However, there is still a long way to go, because all **this requires major investments, both for us, the manufacturers, and for our customers, the transporters.**

While the State and Europe provide fairly good support for experiments with hydrogen refrigerated semi-trailers through

calls for projects, as far as “battery electrics” are concerned, all of the aid is directed towards tractors and carriers (with respectively 150,000 euros and 100,000 euros of aid per vehicle).

Support for the entire industry is essential so that it can test, validate, then produce and operate the new generations of electric refrigerated semi-trailers.

During the Solutrans 2021 exhibition, we had the pleasure of welcoming the Minister of Transport, Jean-Baptiste Djebbari, to our stand. He listened carefully when we asked for help in setting up a massive demonstration park to test these new materials. Unfortunately, despite a subsequent meeting with one of his advisors, nothing has materialised yet.

As regards our applications for CEE (Certificat d'Économie d'Énergie - Energy Savings Certificate) for “aero” systems and for new-generation insulation, or the approval of energy recovery axles, here too things are taking time, too much time. We are ready to work even more closely with public authorities to gain collective speed.

At the same time, the 25.25 m long trucks, a real solution to the driver shortage, are still not allowed to be tested in France... The LEZs are flourishing and heavy goods vehicles are not welcome in many city centres. Let's work together more closely through the various bodies in which we are active (Transfrigoroute, Fédération Française de la Carrosserie, METI, etc.) to think about the best decisions to be taken.

Through these few examples, I would like to **make a positive call to the public authorities: “Our cold chain industry needs your support”. We are committed**, we have the know-how. Help us and facilitate a voluntary and pragmatic energy transition and it will become reality.

Damien Destremau,
Chairman and CEO,
THE REEFER GROUP and CHEREAU.

CHEREAU, a committed company

This second edition of our Corporate Social Responsibility report is a true continuation to the first, published in June 2021.

It will **enable you to discover our collective successes and achievements, but also our difficulties in implementing certain projects**, as this year 2021 has once again been unusual.

We do not want to paraphrase our back cover from last year, but we must remind you that, beyond our purpose, our convictions and commitments, we are part of a profoundly integrative approach to our environment in the broad sense of the term.

We devote a great deal of time to fulfilling our role as a professional, economic and social player with numerous committees, associations and clubs.

We are convinced that **business has a key role to play in building a better world, as it brings people together and gives them the impetus** to take action. Thus, when CHEREAU makes the decision, through one of its convictions, to “Protecting the environment and preparing the future”, the company involves 1,000 people in this preparation. This is our vision of the company: an essential and powerful societal player that must act for the good of all.



Fédération Française de Carrosserie
Industrie et Services



MOVEMENT DES ENTREPRISES DE VALLE NORMANDE
LES ENTREPRISES DE LONG TERME



LA FABRIQUE
DE L'AVENIR



AGENCE D'ATTRACTIVITE



INNOVATION DRIVES YOU FORWARD

JEAN CHEREAU SAS

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