



INNOVATION DRIVES YOU FORWARD

CHEREAU CSR REPORT | 2023



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



KEY FIGURES FOR 2023

CHEREAU, BODY MANUFACTURER OF CUSTOM-MADE REFRIGERATED VEHICLES SINCE 1953, IS A MEMBER OF

THE REEFER
GROUP



1,000
EMPLOYEES



€256M
IN TURNOVER



OVER 3700
VEHICLES MANUFACTURED



51%
EXPORT SALES



45% MARKET SHARE IN FRANCE*



13% MARKET SHARE IN EUROPE*

* REFRIGERATED SEMI-TRAILERS



€3.1M OF INVESTMENTS IN OUR PRODUCTION EQUIPMENT



€4.2M OF INVESTMENTS IN R&D AND CUSTOM PRODUCTION



A SHAREHOLDER BASE
COMMITTED TO CSR

MAJORITY SHAREHOLDERS

Amundi
ASSET MANAGEMENT

bpifrance
SERVIR L'AVENIR

QUEST CROISSANCE
COP D'INVESTISSEMENT EUROPEEN
NANTES - BORDEAUX - PARIS

UNEXO



EDITORIAL

Dear Readers,

We launched our CSR approach in 2019, spontaneously and unreservedly. From next year onwards, **we will be complying with the CSRD framework**, i.e. the European directive on corporate sustainability reporting. This will require us to establish more formal reports, but we will ensure that we maintain the very core of our approach: "Protecting the environment and preparing for the future is our choice"; **this regulatory framework should not affect our conviction, but instead should be an opportunity to strengthen it!** Once again this year, we therefore present an overview of the progress we have made in different areas of social responsibility within CHEREAU. And we also apply that same transparency in discussing the difficulties that we have encountered.

In line with our commitment in these areas, we have created a **new CSR department, with its own roadmap, defined to cover the next 5 years.** A new position has been created, dedicated entirely to sustainable development, in order to coordinate the many actions that will arise from this. Although this is a complex situation, we want **to move faster on these key issues** which have an impact at every level of the company, with a systematic consideration of our environment as a whole.

For example, gaining an understanding of the carbon impact of our activity encourages us to **intensify our efforts to decarbonise the use of our products**, in order to support our customers in this transition with multiple impacts. We are also planning to work on a new dimension, "scope 4 or avoided emissions", which will take us beyond our usual economic framework.

We are also taking this opportunity to record formally and definitively that the company's purpose is not solely to generate financial profits, but to play a lasting part in harmonious development of our society over time. I am therefore stating in advance our commitment that, in next year's editorial, we will be able to present the **new purpose of our group** and its application for CHEREAU.

I hope you will very much enjoy reading this and I encourage you to ask your CHEREAU contacts, in all areas of activity, about all the elements of our commitment to sustainable development.



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

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OUR VISION

Every day, our teams bring their enthusiasm to the process of imagining, proposing and producing the premium and sustainable tailor-made solutions and vehicles for temperature-controlled transport that make CHEREAU the brand that everyone loves.

Our 4 convictions and commitments

There are 16 commitments that go with our 4 key convictions, concerned with the customers, the employees, innovation and the environment. These form the bases for guiding our decisions and directing our actions.

#01

THE CUSTOMER IS THE FOCUS 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.

#03

INNOVATION IS OUR GROWTH DRIVER

- Encourage breakthrough innovation to generate value.
- 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.

#02

EACH EMPLOYEE IS A CORNERSTONE IN OUR VALUE CREATION PROCESS

- We cultivate exemplary behaviour and high standards in a caring and respectful working environment.
- We value teamwork and collective success.
- We foster enthusiasm and commitment by encouraging every employee to flourish and be fulfilled.
- We encourage initiative and provide you with the freedom to learn from mistakes.

#04

PROTECTING OUR ENVIRONMENT AND PREPARING FOR 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.

SUSTAINABLE DEVELOPMENT GOALS



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



STRUCTURING TO COPE WITH A TRIPLE TRANSITION

As mentioned before in the editorial of this report and in this section last year, we will be **moving from a free CSR policy to a CSR policy framed by the incoming CSRD (Corporate Sustainability Reporting Directive) and the green taxonomy.**



Christophe Danton
Director of CSR and Communications,
THE REEFER GROUP
and CHEREAU.

This is the first of the transitions that we need to achieve by strengthening our CSR structure to bring our chosen actions and convictions together with these new obligations. As stated on the back cover of our 2022 report, this is not a question of "enduring a tsunami", but of "surfing the wave of the century", i.e. making the most of the new legislative framework to go even further in fulfilling our convictions and commitments.

In concrete terms, the creation of our CSR and Communications Department, along with the appointment of the sustainable development manager, will allow us to prepare the group (The Reefer Group - CHEREAU and SOR Iberica) to **combine our multi-year CSR roadmap with the CSRD requirements.** 2024 will therefore be a year of preparation to be ready in 2025.

The second transition concerns energy and decarbonisation. Our carbon footprint shows that the overwhelming majority of CO2 emissions linked to our activity come from "downstream scope 3", i.e. from use of our products by our customers. This is a major collective challenge, which we will discuss in more detail in the pages dedicated to the customer conviction, with the concept of the carbon emission chain. This second challenge is a particularly important one, given our sector of activity, highlighting the central role

played by CSR within the company, at the intersection between environmental objectives, development of new products and even new business models.

The third transition is perhaps the most important. Are we not right in the middle of a civilisational shift, underlined by Covid with its "before world" and "after world"? Our personal values are evolving and the company, in particular its Human Resources dimension, needs to adapt to this new situation, with a deep re-examination of itself, in order to adjust to the expectations of today and tomorrow. Finally, the arrival of artificial intelligence will bring its share of changes, opportunities and probably upheavals that will need to be mastered by the company to fit in as harmoniously as possible with its economic and social environment.

More than ever, CSR is at the heart of the company's general policy, because the stakes are high, even crucial. To formally record this state of affairs and at the instigation of our shareholders, **the objectives of all members of our management committee logically take account of the achievement of our ambitions, as set out in our CSR roadmap.** Beyond this, we are preparing to redefine the purpose of our group in light of the challenges we are facing.



TESTIMONIAL



Benoit Courteille
Sustainability Manager,
THE REEFER GROUP and CHEREAU.

"The social and environmental challenges mentioned in the very first pages of this report are an indication of the sheer scale of the transformations that we need to accomplish and of the impact on each of us: decarbonisation, respect for biodiversity and natural resources, etc.

There is a growing awareness of the fragility of our environment and of a lack of equilibrium - this awareness may come with its own sense of apprehension. However, **the solution lies in action, and we will need the support of all of our company employees and stakeholders.** Together we can create an attractive future!

Each of our organisation's processes, by means of its action plan, will contribute to consideration and achievement of our sustainability objectives in the wider sense.

As Head of Research and Development for many years, I worked on the development of more energy-efficient products. **Technological development is essential, but not sufficient.** I'm delighted to be able to broaden my scope of action to include other aspects of sustainability, in my new role within the company. In the following pages, you will find a description of our achievements and ambitions".

CARBON EMISSION CHAIN: ALL LINKED

At the Solutrans trade fair in November 2023 in Lyon, we previewed our new CHEREAU SmarTrailer range, which is based on 3 key pillars, related to the activity of our customers: respect for the environment, attractiveness as an employer and integration into connected logistics.

For the first of the above points, decarbonisation is a major concern for the years ahead. This is not the place to go into the advantages of our new product, but an opportunity instead to **improve understanding of the issues that link CHEREAU as a body manufacturer with its haulier customers and with the shippers, as the customers of its customers.**

A company's carbon footprint can be mapped out in 3 dimensions or "scopes". "Scope 1" covers the direct emissions associated with the company's production activity. "Scope 2" covers the emissions produced in the process of generating the necessary energy for the company's production activity. "Scope 3" is divided into two parts: "upstream scope 3" which includes emissions related to materials, components purchased and transportation of

such items; "downstream scope 3" which covers emissions resulting from use of our products.


Emissions related to using a CHEREAU semi-trailer therefore fall within "downstream scope 3" of CHEREAU's carbon footprint and also constitute "scope 1" in the haulier's carbon footprint and "upstream scope 3" in the shipper's carbon footprint. **Manufacturers, hauliers and shippers are therefore all linked by the use of the product within a carbon emission chain.** (See table below).

By offering more environmentally friendly products, we will therefore **be helping to improve our customers' carbon footprint and allowing them to improve that of their own customers.** Until recently, decarbonisation held no economic significance and was only a matter of voluntary commitment and the

conviction of a few enlightened business leaders, but now there are social pressures linked to climate change, changing behaviour and forcing the entire chain to make efforts quickly.

That's a very good thing, but be careful! These efforts do not depend on willpower alone and are obviously dependent on financial resources. **The haulier must be able to pass on the additional cost of decarbonisation to the shipper and the shipper in turn to its own customer.**

All the actors in the chain need to work together, in fact, to achieve a shared, pragmatic yet ambitious practical realisation. There is no doubt that low-carbon transport will soon have real financial value for the entire chain and will therefore need to be remunerated.





LA CHAÎNE D'ÉMISSION DE CARBONE

CARBON EMISSION CHAIN

Lorsque CHEREAU diminue l'impact de ses produits, l'entreprise améliore le bilan carbone de toute la chaîne en aval. / When CHEREAU reduces the impact of its products, the company improves the carbon footprint of the entire downstream chain.

BILAN CARBONE				
	Scope 3 amont / upstream	Scope 1	Scope 2	Scope 3 aval / downstream
CHEREAU	Fournisseurs-Livraisons / Supplier deliveries	Production de semi-remorques frigorifiques / Production of refrigerated semi-trailers	Production de l'énergie / Production of energy	Utilisation du produit / Product use
Client transporteur / Transport company		Scope 1 Utilisation semi-remorque CHEREAU / Use of the CHEREAU semi-trailer		
Chargeur / donneur d'ordre / Shippers	Scope 3 amont Livraison par la semi-remorque CHEREAU / Delivery by the CHEREAU semi-trailer			

FIND OUT MORE ABOUT THE CARBON FOOTPRINT:



ELECTRIC RIGID TRUCKS: PROACTIVE APPROACH TO PREVENT ADVERSE IMPACTS



Irizar electric rigid truck, presented at Solutrans

More and more of the rigid trucks we build are electric vehicles. And even if this is not a surprise, we often still need to adapt, in order to be able to integrate new elements smoothly into our production flows.

For example, we often need to recharge the batteries of vehicles awaiting bodywork; to achieve this, we have invested in an electric charging station for heavy goods vehicles, which also allows some vehicles to leave by road rather than on a transporter. We have also trained our employees in high-voltage electrical risks

and in lockout for various models to ensure that work can be performed safely. Another example is the limited space available within the rigid truck chassis, which has also led to a change in the design of our clamping systems..

The transition is underway and we can only welcome it; but it is also a source of complexity, especially in the start-up phase.

This means that we are not always able to serve our customers as quickly as we would like. We are grateful for their patience and their trust.



SOLUTRANS 2023 TRADE FAIR

It's great to be back again for a new edition of this great show, which goes from strength to strength every two years!



As well as presenting new products, there is also the enjoyment of sharing a convivial time, as we know how to encourage those.

The world of transport, and especially of temperature-controlled transport, is a small world where strong relationships are forged and maintained.

This was evident in the wonderful evening and large number of customers present at the CHEREAU stand to honour our colleague and friend,

Dominique Vergnes, the South-west France sales manager, who will be retiring in a few weeks, after 30 years within the company.

NEW SMARTRAILER RANGE: THE CHALLENGE OF A SUSTAINABLE APPROACH TO SAVING ENERGY



By deliberately selecting better insulation for our vehicles as standard, even though our semi-trailers are recognised as having the best insulation on the market (97% of semi-trailers in France with an FRC certificate that is still valid after 12 years of operation are from CHEREAU - source Cémafroid, 2021), we are betting that **our customers will be even more aware of insulation in the future.** We need to be clear - they are all already aware

far as temperature compliance is concerned and better insulation will only serve to reassure them and help them to increase their service level for the most demanding shippers. They are also aware due to the consumption gains and energy savings achieved. They should be even more aware, given that **the carbon emissions linked to cold production will have a financial cost.** And more aware again, with electrification of refrigeration

units and the emergence of a **new challenge: offering enough energy range for semi-trailers.** So there are already four customer benefits in this additional insulation.

Further consideration of this situation shows us a fifth benefit, which we would like to highlight: that of the "semi-trailer" product becoming even more sustainable, due to insulation. Indeed, if our SmarTrailer Performance range, with its record insulation due to the use of vacuum panels (VIP), could be **operated tomorrow, not for 12 but for 18 years as FRC,** it would mean that fewer vehicles would need to be manufactured, with a saving in use of raw materials, compared to the "disposable" vehicles operating for a much shorter period of time. This would be **a new economic model, one that we are working on now, with the aim of offering an even more environmentally friendly line of products in the long term.** We are confident that Cémafroid, who we have called on for their unanimously recognised expertise and skills, will be able to support us in demonstrating and implementing this new economic model. (see back cover).

FACTORY TOURS: ALWAYS POPULAR



► Nearly 100 visits took place in 2023, allowing us to extend our welcome to customers, future users of our products in training and high school students.

► With immersion in the heart of our vehicle production, technical discussion sessions and enjoyable shared moments, strong connections are woven between us, building this spirit of partnership that we value so highly.

REFRIGERATION UNIT ENERGY AND INSULATION: TO BE INTEGRATED INTO VECTO!

VECTO, which stands for "Vehicle Energy Consumption calculation TOol", is a tool developed by the European Commission, used to **calculate how a tractor's energy consumption is affected by a semi-trailer**. This tool considers four criteria: the semi-trailer's weight, its aerodynamics, its rolling resistance and its dimensions. We view use of this tool extremely positively, especially as we have been working for several years to reduce the energy impact of our vehicles.

Since the beginning of 2024, all body manufacturers are required to calculate the VECTO value for each of their vehicles. As an initial step, we will declare these values in a European database. The legislation then stipulates that we should **improve our vehicle values to make them more environmentally friendly**. Here again, we are fully aligned with this objective, however with two reservations...

VECTO does not take account of the energy necessary for the refrigeration unit and only considers energy required by the tractor to move the semi-trailer. Imagine replacing a diesel unit with an electric unit



with **an energy recovery axle and a battery pack; the extra weight of this equipment would adversely affect the semi-trailer's VECTO value**, even though it is more environmentally friendly.

VECTO also does not take account of the efforts made with insulation, which, among other advantages, tend to save the refrigeration unit energy. In concrete terms, when we reduce the energy required for the diesel refrigeration unit by **0.4 l per hour, due to the vacuum panels**, this additional insulation brings **an extra weight of about 300 kg. The VECTO value for our**

semi-trailer is once again adversely affected, even though the overall emissions balance between the tractor and the refrigeration unit is largely positive.

Given that we will have to pay heavy penalties if we do not improve the VECTO values of our products. The tool, by omitting energy and insulation specific to refrigerated semi-trailers, goes against its primary objective and will therefore need to be adapted to gain relevance and efficiency.



THEY SAID IT, BUT DID THEY DO IT?

PERFORMANCE ACHIEVED WITH REGARD TO 2023 OBJECTIVES

Preparing for connectivity of all our semi-trailers to integrate them into logistics 4.0.

✔ Done, but...

We were aiming to announce a new partnership with a leading telematics player for Solutrans, as part of the launch of the new SmarTrailer range.

We will wait for this range to go into production in the second half of 2024, to reveal the new partner's name and to specify the terms of our semi-trailer connection offer.

Supporting our customers in decarbonisation by giving them the opportunity to make a responsible choice.



✔ Done

Solutrans offered an opportunity, using our "environment lab", to present our dedicated decarbonisation and energy-saving solutions for the semi-trailer.

FIND OUT ABOUT OUR DECARBONISATION SOLUTIONS ON VIDEO



2024 Targets

- ▶ Launch a retrofit offer for aero-C systems (AeroTop and AeroFlap).
- ▶ Launch an **18-year guaranteed ATP FRC offer** for the SmarTrailer Performance version.

WITHOUT EMPLOYEES, THERE IS NO VALUE!



In a world where offering a job for a salary is no longer enough, it is essential to promote the concept of "Quality of Life at Work" and "employer brand" in order to attract and retain our employees.



As you probably already know, our company's growth has largely been slowed down in recent years by real **difficulties in recruiting qualified employees to meet our customers' requirements**. And this still sometimes applies today!

Yet in recent years, many initiatives have been launched by our Human Resources teams to find the skills we lacked: job days, participation in forums, tours of local markets, promotion of welders in external training, exchanges with the asylum seekers' reception centre and with a "back to work" association, internal

training courses for people from very different professions, active presence on social networks... and we have progressed, recruiting 50 of the 100 employees we needed; but this was still not enough.

We therefore needed to think **a little more outside the box...** In 2023 a major "attractiveness" project started up, to explore new avenues, in the process creating **a new position in the company, that of the "Employee Experience Officer"**. Ultimately, who better to be the CHEREAU ambassador, attracting new skills, than a fulfilled employee! This project was based on the results of our survey of psychosocial risks, led by specifically trained facilitators.

With 145 employees participating, keen to be involved in CSR, we were able to clearly identify the main risk factors and new opportunities within the company.

The actions selected included a redesign of internal communication, creation of new unifying events, development of enjoyable moments, institutionalisation of certain events such as medal ceremonies, retirements, graduations... without forgetting to take the time to celebrate our successes throughout the year.

To go even further and meet new expectations, **we will also be reflecting on the organisation of work patterns and versatility in the logic of a win-win balance.**

OUR OTHER ACHIEVEMENTS IN 2023

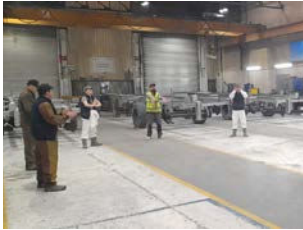
OPEN DAYS TO RAISE AWARENESS

ABOUT WHAT WE DO:

2023 was a year with a resolute focus on opening up the company to educational organisations, starting with the colleges and high schools in our area.

One open day dedicated specifically to women was organized to demonstrate that there are many areas of activity, including production, that are accessible to them.

PEPS:



The PEPS principle: preparing, warming up before starting work; this is particularly useful for

physically demanding jobs and helps to limit the risks of MSD.

There is another benefit provided by this program, because we firmly believe that employees who take care of themselves will take better care of the equipment and the duties entrusted to them.

LEAN TRAINING FOR EVERYONE!



For several months now, we have been committed to a "Lean" initiative, with the aim of improving our corporate performance with involvement of all of our employees.

The objective of such an initiative is to resolve flow and

waste problems, by integrating a fundamental change in work methodologies, a transformation of managerial practices and the value chain.

After having trained and certified some experts (Yellow, Green and Black Belt®), as well as all the members of our management committee (Blue Belt®), we have been deploying "White Belt®" induction training for all of our employees, since July 2023.

The aim of this training level is to provide an understanding of the overall logic of the "Lean" approach to make sense of it, and to facilitate complete commitment and involvement of everyone in "Kaisen" type projects.



TESTIMONIAL



Charly Cochin
Employee Experience
Officer,
CHEREAU.

"I joined the CHEREAU adventure 11 years ago as an intern, then as a part-time student and employee in marketing roles. I took on this new position in September 2023. It allows me to continue developing within the company and to combine my skills with my natural interest in people.

For me, **HR marketing is one of these new professions linked to ongoing ecological, energy and social transitions.** New fields of activity are therefore arriving within companies: sustainable development, artificial

intelligence, data analysis, product life cycle analysis... we are living in a fascinating time with major challenges!

My first task was to prepare our employee attraction plan with the help of Mathilde, our HRD deputy. In September, we took things into the real world with the organisation of a major open day. I am looking forward to continuing to deploy this multi-faceted plan and especially to seeing the results that it will produce".



THEY SAID IT, BUT DID THEY DO IT?

Facilitating access to workstations.

✓ Done

With no fewer than 12 projects incorporating the concepts of ergonomics at the workstation and/or improvement of working conditions for an overall investment budget of more than €1.6 million. These projects included our "joinery 2.0" with foam panel loading assistance system, a tool to help with installing rear door seals, a new chassis frame mounting structure, a redevelopment of the painting area, etc.

Developing the Quality of Life at Work and our attractiveness as an employer, to retain employees and attract new ones.

✓ Done

In order to allow our employees to be fully involved in a company ambassador role, in particular, we have strengthened our co-opting program with significant bonuses: €1,000 gross for any new employee hired on a permanent contract, with twice the amount in the event of a second co-opting and hiring within 12 months.

2024 Targets

- ▶ Deploying our employee attraction plan by making each employee a company ambassador.
- ▶ Reducing absenteeism by improving the Quality of Life at Work.

LIFE CYCLE ANALYSIS: AN ESSENTIAL DECISION-MAKING TOOL



When we talk about CSR, quite naturally we are talking about the impact of our products or services on the environment. And it has almost become commonplace to assess this impact, especially in terms of carbon footprint. But shouldn't we go a little further?



As the "carbon" vision is only a fragmentary one, here we are in the middle of learning about what is known as LCA (Life Cycle Analysis) for our products. This is a really enlightening approach, which we initiated with just one "piece" of our product, since it is complex, taking account of multiple aspects.

We chose to start with VIP insulation (vacuum panels), comparing it with our old HFC foam insulation and our new HFO foam insulation.

There is an essential question behind this comparative analysis: are we sure that better insulation of our semi-trailers with this VIP technology, means that the **overall environmental impact is more favourable** than with a conventional semi-trailer?

Yes! That's right! And we will soon be publishing the detailed results of this study. **It seems inevitable to us today to ask ourselves all these questions before new solutions are put on the market**, with the risk otherwise of working with false good ideas.

LCA is gradually becoming part of our considerations, therefore, in order to feed our research and development process.

As indicated earlier in these pages, in the "Customer Conviction" section, we would like to study a **new**

business model with semi-trailers that our customers could operate up to 18 years in FRC. This follows the same logic.

We are challenging ourselves to see how we can continue to improve our products, while being much more environmentally friendly towards the planet.

These new tools and new ways of designing our products and services may **shake up our certainties**, but this **"positive friction" creates value and new sustainable solutions.**

OUR OTHER ACHIEVEMENTS IN 2023

C-LAB

In July 2023, we had the pleasure of inaugurating a brand new building called **C-LAB**.

This is our research and development and training facility for all new-energy vehicles. In this building, we can therefore work safely on hydrogen semi-trailers, energy recovery axles (e-axles) or electric rigid trucks. This tool clearly allows us to learn and scale up smoothly for the ever-increasing numbers of new-energy vehicles that are coming into our factory. Our production personnel can train outside the conventional workflow and therefore acquire the new skills needed for bodywork for tomorrow's vehicles.

CHANGES IN THE UNEXPECTED DEPARTURE PREVENTION SYSTEM:

Having previously been activated by dock operators, the system is automated and has enhanced functions to prevent falls from the dock when there is no vehicle. The opening of the dock door is therefore now conditional on detection of a vehicle. When this condition is met, the door will automatically

lock the vehicle's brakes when it opens. These will then be released only once the door is closed again.

Beyond the technological aspect of the solution, we emphasise the use of an **innovative sectoral approach with "the cold logistics chain" for the adoption of a universal solution**. It will be first deployed on all French brands of refrigerated trucks and semi-trailers, a necessary condition for the mass adoption of this new safety system.

SMART ELECTRIFY:

CHEREAU, successful tenderer for "Support for investment projects for production in France of the road vehicles of tomorrow and their components".

CHEREAU's Smart Electrify project aims to decarbonise temperature-controlled transport by electrification and digitisation of diesel refrigerated semi-trailers responsible for 15% of the emissions of the "tractor-trailer" combination. It will make it possible to develop CHEREAU's skills both in terms of engineering and production of so-called "new energy" vehicles and to move forward in life cycle analysis and eco-design.



TESTIMONIAL



Arthur Monti
Mechanical unit manager in the R&D department, CHEREAU.

"LCA is a really powerful tool that will help us with guidance for our choices when it comes to new product development.

I would even say that this provides us **with some awareness of the potential transfers of pollution** between different aspects: global balance, depletion of resources, damage to human health and pollution of ecosystems.

There is no 100% environmentally friendly miracle technology; the key thing is to make the best overall choice based on a very diverse range of indicators.

At the same time, we are making progress in another area, that of energy efficiency, which we are deploying, for example, by means of the insulation and aerodynamics of our products".



THEY SAID IT, BUT DID THEY DO IT?

Supporting the hydrogen sector with the commissioning of new vehicles by our customers.

✓ Done, but...

Despite our presence at Hyvolution, the local Hydrogen days at Pau and on the H2 day of the "MIN" of Toulouse, we cannot consider this objective achieved and the lessons learned from operation of our two hydrogen-powered semi-trailers form part of our dissatisfaction for the year 2023.

We have certainly waited a very long time for the Vannes H2 station, which was supposed to receive these vehicles used by our customers STEF and Delanchy.

The preliminary tests could not be carried out and at the time of writing, although the station is finally operational, the first tests revealed a design defect on a component of our new prototypes.

We will be working with the supplier concerned, as soon as possible, in order to make these vehicles permanently operational.

Expanding our range of responsible products in terms of sustainable energy and multimodal solutions.

✓ Partially done...

This is a goal that goes beyond the simple framework of a year. With our "Huckepack" type rail-road semi-trailers entering into serial production, we have been able to achieve the "multimodal" part.

In terms of energy solutions, approval of the first "e-axle" systems for recovery of energy during running, in order to supply the refrigeration unit, requires a special effort.

Finally, the Smart Electrify project will contribute to our development of skills in the areas of electrification and digitisation.



2024 Targets

- ▶ Continuing to expand our offer of responsible products in terms of sustainable energy solutions.
- ▶ Industrialising vacuum insulation (VIP) more widely for more energy-saving products.

PROTECTING THE ENVIRONMENT IS OUR CHOICE: TODAY, AN OBVIOUS FACT FOR ALL



Whilst writing this report, it was sometimes difficult for us to distinguish between subjects related to the environment and those related to innovation or our customers, as they overlap each other so much - and this is a good thing!

It is a good thing, because our customers necessarily turn to vehicles offering energy-saving or decarbonisation solutions.

It is a good thing, because in accordance with our convictions, we have developed this type of solution for years and these **are now coming to the market: VIP insulation, Huckepack, aerodynamic system, electric refrigeration unit with generator...**

The environmental issue is not limited to the use of our products, even if it represents 99% of our carbon footprint (+/- 3,000,000 TeqCO₂). Nevertheless, we must continue our efforts to speed up the decarbonisation process for our own industrial activity (+/- 2,620 TeqCO₂/year) and we are concerned about what is happening on the supplier side, i.e. our "up-stream scope 3" (+/- 70,000 TeqCO₂).

The rise in energy prices following the war in Ukraine has led us to implement energy-saving actions, which also allowed us to be quicker in reaching the thresholds we had set ourselves in terms of emission reductions. Last year, we announced that we would review our trajectory for further accelerated reductions. In concrete terms, we have fallen a little behind on some major projects (see "They said it, but did they do it" section).

The environment is about more than decarbonisation, it also requires reduction of waste and in particular final waste, for which there is no solution other than being buried. We have continued to raise awareness among our managers by showing them around the Champs Jouault landfill centre, our waste partner. In just a few years, we have gone from more than 550 kg of final waste per vehicle produced to

430 kg. And even if we narrowly miss the target set, in 2023, we remain broadly in line with our roadmap.

Whilst we are talking about a roadmap, we should mention that we re-adopted one until 2027, on behalf of our entire group, i.e. CHEREAU and SOR Iberica. You can find some elements in the Table of Indicators on page 16.

Finally, in the "still to be done" part, we have made slower progress than expected in terms of preparation for the European green taxonomy. We are doubling our efforts in 2024, to be able to identify our aligned activities clearly, as well as the proportion of our turnover, our expenditure and our so-called green investments.

OUR OTHER ACHIEVEMENTS IN 2023

ELECTRICITY EVERYWHERE!

Electrification is not only concerned with products developed in-house. Of course, it also affects the electric rigid trucks that we are using more and more, and we have a dedicated charging station for heavy goods vehicles.

A first test with an electric tractor was conducted at the same time for our inter-site shuttles. We have also equipped our fleet of cars and vans extensively with electric and rechargeable hybrid vehicles and we are continuing to install charging points, reaching a global capacity of 30 simultaneous charges.



FIND OUT MORE ABOUT THE CLIMATE FRESK:



CLIMATE FRESK- HERE WE GO!

At the intersection of our environment conviction, our employee conviction and our customer conviction, we have decided to deploy **"the Climate Fresk" throughout the company.**

We started with our sales team, to make it easier for them to interact with our customers about environmental issues.

We then offered the Climate Fresk experience to our

distributors during the "dealer meeting" of November 2023. The remainder will take place in 2024 with (at the time of writing) **about fifteen internal trainers who have become Fresk facilitators**, who will deploy the Climate Fresk to all the employees. This will give everyone the necessary understanding and awareness for them to be able to take action, both within the company and in everyday life.



THEY SAID IT, BUT DID THEY DO IT?

Continuing our energy-saving actions and reducing the proportion of high-carbon energies in our production processes.

☑ Partially done...

Although many actions have made it possible to continue our trajectory of reduction in GHG emissions (see indicators, page 16), we have not managed to finalise our photovoltaic canopies project, nor the study of the biomass industrial boiler, which will therefore be one of our objectives for 2024.

Developing our material saving and reducing our non-reusable industrial wastes.

☑ Done, but...

The reductions are very real, but they fall short of the target, even if our actions were the right ones. To understand this, we measure the level of waste divided by the number of completed vehicles.



However, at the end of 2023, we had an unprecedented volume in stock of unfinished vehicles. Our indicator, which we do not want to change to maintain our "barometer" therefore does not reflect the quality of our teams' work in this area.

But this is just a minor setback, because in 2024, we will be counting completed vehicles, with waste taken into account for the 2023 production.

We also continued our awareness-raising workshops, including a tour of the landfill centre where our final waste is stored.

2024 Targets

- ▶ Implementation of the photovoltaic canopies project and feasibility study for a biomass industrial boiler.
- ▶ Setting a new decarbonisation trajectory for 2030 / 2040 / 2050.

COMPILATION OF INDICATORS

Domain	Indicators	2022 Results	2023 Results
ENV	Non-reused waste (mundane and hazardous) produced by the company	460 kg/veh	430 kg/veh (-6.5%)
ENV	Scope 1 & 2 emissions*	3,231 TeqCO2	2,621 TeqCO2 (-18.8%)
ENV	Scope 1 & 2 emissions per vehicle *	0.904 TeqCO2	0.706 TeqCO2 (-21.9%)
ENV	Volume of water consumed per vehicle	4,374 l	4,357 l (-0.3%)
ENV	Energy consumption per vehicle	5.56 MWh	5.14 MWh (-7.5%)
SOC	Percentage of women	12%	12%
SOC	Percentage of female managers	15%	16%
SOC	Gender equality index	79/100	88/100
SOC	Number of accidents (TFI)	38	35
SOC	Accident severity rate (TG)	1.8	2.0
SOC	PEPs process deployment rate	9%	23%
SOC	Training contribution (teaching costs)	€227,115	€237,000
GOV	Service level	49%	53%
GOV	Customer satisfaction rate	84%	82%
GOV	Net Promoter Score (NPS)	57	56
GOV	Percentage of purchases from regional producers (Western France)	17%	16%
GOV	Percentage of purchases from French/European producers	51%/98%	48%/98%
GOV	Investments over 3 years 2021 / 2022 / 2023	€14,973,049	€13,673,658
GOV	Total value of local tax contributions	€1,070,371	€730,358 **

ENV: environment | SOC: social | GOV: governance

* Corrected calculation method according to ADEME (French energy agency) recommendations

** "CVAE" (company value added tax) reduced in 2023

CHEREAU, A COMMITTED COMPANY

As a company with over 1,000 employees, we are one of the largest employers in our South Manche territory. It therefore seems essential to us to make a commitment to participation in local life. Similarly, we are the leader in refrigerated trucks and trailers in France and as such, it seems natural to us to devote time and resources to helping with support for our business sector.

OUR COMMITMENTS IN THE REGION:



Attitude Manche

Local attractiveness agency. We are the vice-president, representing the business college.

This is a commitment that makes sense, since the issues facing the departement, in terms of attractiveness, are the same as those affecting companies in our area.

Our region has enviable resources and quality of life and we need to make this known in order to attract talent.



Normandie Attractivité

Regional attractiveness agency. We are a member, with same logic as Attitude Manche regarding attractiveness.



Club ETI Normandie

The Club brings together the main Norman mid-sized companies and we are joint president.

Usefulness: facilitating cooperation, pooling resources, bringing our companies specific issues to the attention of the public authorities and raising them at national level.



UIMM Manche

Union of metallurgical industries and activities. We are a member and regularly share our experiences with other industrial players in the Manche region.



CCI Ouest Normandie

Chamber of Commerce and Industry. We contribute to many projects and have a seat as a delegated member.



Lycée La Morandière de Granville

The high school management offers us a seat on the Board of Directors. Our commitment to initial and vocational training is fully recognised.

OUR COMMITMENTS FOR AREAS OF ACTIVITY:



La chaîne logistique du froid

Cold logistics chain. This represents companies involved in logistics & transportation of temperature-controlled products in France. We are a member of the Board of Directors.



Transfrigoroute

This is the technical and economic research body for temperature-controlled transport.

We are the treasurer and an active member in many working groups, including the CSR working group.



Fédération Française de la Carrosserie

The French federation of bodybuilders brings together and defends the interests of companies in the sector. It is also the

owner and organiser of the Solutrans exhibition.

We are a member of the management committee of the equipment and vehicles branch.



Pharma Logistics Club

This club deals with the logistics of health products around 3 divisions: air – land – sea.

We are a member of the club and we present annually at the "TIPS" forum an overview of the current situation and prospects for low carbon vehicles.



NextMove

We are a member of this mobility competitiveness cluster for the Ile-de-France and Normandy regions.

In 2023, the unit accredited our "Smart Electrify" project for the electrification and digitisation of the refrigerated semi-trailer.



French Fab

This is the banner of French industry on the move. It embodies companies, economic actors, institutions and industrial sites located in France that recognise themselves in the desire to develop French industry. We have been a member since 2020.



Communauté du coq vert

Green Rooster Community. Community of leaders convinced of the need to act and already committed to the ecological and energy transition.

Launched by Bpifrance, in partnership with ADEME and the Ministry of Ecological Transition, this community is aiming to promote the sharing of expertise between committed entrepreneurs.

We have been a member and scout since 2022.

CROSSED PERSPECTIVES: CSR AS VIEWED BY OUR CUSTOMERS

For the past 3 years, we have been offering you a variety of perspectives on CSR. After our shareholders, our management committee and our employees, these are exclusively the perspectives of our customers. How do our customers see CSR, what impact does it have within their companies, here are some testimonials.



Twan HEETKAMP,
Chairman,
THT NEWCOOL

"Decarbonation is in the DNA of our trailer rental company. We started with the idea of non diesel trailers after the 2008 crises in order to protect our customers from diesel prices evolution.

We directly thought at the electric reefer trailer, first with solar panel, but as it was not powerful enough, we quickly came to the idea of an e-axle and **the first version ran in 2012.**

We worked in partnership with TRS (now Carrier) and developed a 100% diesel free reefer rental offer with now 350 trailers running. It is good for environment for 3 reasons: no CO2 emissions, no fine particle emissions and less noise !

And of course, it is good for the business of our customers and ours: **the payback on an electric reefer trailer vs diesel is about 84 months and after, the electric trailer becomes even cheaper to operate than the diesel one!** Electric is already affordable and will be even more tomorrow with tax on CO2 emissions.

We expect from CHEREAU trailers that last long, so that we keep them running 15 years or more to get the best out of our sustainable business model."



Patrick GALTIER,
Manager,
TRANSPORTS GALTIER

"Our company has been committed, since 2008, to active consideration of environmental issues. In fact, no company can afford to ignore these challenges, because our vocation is to create value, not to destroy the planet.

With this in mind, we have invested in gas-powered trucks. We have installed photovoltaic panels on our buildings, consuming the electricity produced ourselves, and we have installed a rainwater recovery system for washing our trucks; an installation that also reprocesses the water used to reinject it for a new use.

These numerous commitments have been implemented because **we have been convinced for a long time that it is necessary to do better**, in a spirit of "ordinary common sense". We therefore do this above all "for ourselves and the environment"; as for the custom-

ers, they have some interest in the carbon issue, but not necessarily very demanding.

For our part, we are attentive to the commitments made by our suppliers, but we would prefer to be listened to more. So, **an "ideal" CSR approach, in my opinion, would be based, above all, on active listening** to all stakeholders, especially through the detailed analysis of the technical requirements in the field. An economic relationship can only be profitable and sustainable if it is built on a permanent dialogue ".



Jean-Baptiste POSTEC,
QSE Director,
GROUPE MALHERBE

"Our company has had a long-standing commitment to CSR: in the early 2000s, our management team had placed sustainable development at the heart of its strategy (presence of wind turbines on site, etc.) We then structured our approach by being part of the 1st wave of ADEME* charter signatories in 2010, already included in the specifications of one of our main customers.

We have reduced the CO2 emissions of our own fleet by more than 20% over the past decade: this is due largely to the dynamic renewal of our engine fleet, the IT development of our consumption monitoring tools and our ability to control the driving behaviour of our drivers, challenging them every month to step up (both for safety and for the environment) with valuable help from our integrated training organisation.

These efforts will continue: **we are in the middle of our 5th cycle of commitment to the "CO2 objective" charter** and are now committed to SBTi: we validated our file in November 2023, based on a 33% reduction in our emissions (42% on our direct emissions and 26% on our purchases). In addition to our historical actions, we also have a key element today: the progressive energy mix of our fleet: diesel, gas, B100, HVO, electric, hydrogen, we conducted a prospective study to consider 2030 on the basis of the various requirements dictated by the market, our flows, our infrastructure, and the requirements of our customers, themselves highly committed.

We also have ambitious social goals, for example, with a plan to reduce the frequency and severity of our workplace accidents.

In addition to these many actions, responsible purchasing (with the environment, social and business ethics) is one of the 4 criteria used by our customers to evaluate us through the Ecovadis label. **We are keen to have a partner as representative as CHEREAU to accompany us in achieving our own objectives.**

Our 2030 environmental plan specifies a significant reduction in consumption by our refrigeration units (electrical connection, operating efficiency); with nearly 700 vehicles, the impact on the overall carbon footprint is not neutral.

Future initiatives should therefore be sought through regular exchanges and strengthened collaboration ".



Patrick GUÉRY,
Director,
TRANSPORTS C. GUÉRY

"Although we do not have a structured approach around CSR, one thing is certain, we are multiplying our efforts throughout our company on these themes. We have been working for several years on major actions in terms of environmental preservation thanks in particular to the "CO2 objective" charter, which has been useful in highlighting achievement of a high level of energy and environmental performance, as well as control of our transport activity data.

Our company is also active in logistics. As such, we were able to install photovoltaic panels on our warehouse roofs, as well as switching all our cold storage over to use of CO2 alone for cold production.

Finally, to optimise our energy needs and therefore reduce our energy bill, we have opted for BMS (Building Management System) tools.

In general, each investment is analysed with regard to its environmental impact. We can therefore speak of an integrated approach, a necessary commitment, because **our customers are increasingly sensitive to these issues.** Even if they have growing demands, we are not yet talking about orders, but more about incentives. This is more encouraging.

We discovered CHEREAU's approach a few years ago, by reading their most recent CSR reports. We view this "in a positive light", as it's preferable to work with suppliers with a commitment and shared values concerning preservation of our environment.

So without knowing it, **CHEREAU is helping us, because when we have to respond to customer requests, it is helpful to be able to rely on suppliers who are committed themselves.** Of course, we can take this further and we are particularly attentive to technical developments in products that make a tangible contribution to reducing environmental impacts and improving economic performance".



Antoine HONNEUR,
Quality & Hygiene
Manager,
FSL TRANSPORTS

"Back in 2022, we started structuring our CSR approach, with help from a consulting firm and ensuring that the work was monitored by a dedicated CSR working group. We have undergone Ecovadis assessment in the past two years and obtained the silver rating in 2023. We also had support from the Public Investment Bank to carry out our first Carbon Footprint®.

Our commitment is also expressed in the increased attention that we pay to the well-being of our teams, for example with establishment of osteopathy sessions, as well as minimisation of the environmental impact of our activities, as evidenced by the introduction of eco-grazing, the reprocessing of all our cigarette butts or our intention to consume 30% of our own renewable electricity by 2030.

These are some of the inspiring actions or goals that we are now pursuing. We deploy them with operational support from the teams and willingly share them with our own customers who are now highly attentive to them.

At the same time, it is fundamental that CHEREAU is committed. About a third of our greenhouse gas emissions are actually generated by our transport activity. This means that working with a supplier with an active commitment to decarbonisation allows us to reduce our own carbon footprint.

In this context, we welcome any sharing of best practices and really want to encourage "CSR" exchanges with CHEREAU, as we believe it is necessary to work together collectively to leave a more sustainable world to future generations".



Jean-Baptiste LAHAYE,
Co-Director,
TRANSPORT LAHAYE

"We've been putting CSR into practice for many years within our company, thanks in particular to the presence of a dedicated team. Above all, there's also the deep conviction that my brother and I have, as leaders of the company, that we will be **the first to face a high-intensity ecological transition. We therefore want to continue our efforts and maintain this "doing better and transporting better" culture, which is in the company's DNA.**

With this in mind, there's no question of standing stationary, and the company is continuing to pursue its unique path, by developing its business volume by means of multimodal transport. We

are managers of the Rennes railway terminal and also operate through one of our subsidiaries.

We currently offer two routes to our customers who want to upgrade their freight routing, linking from Rennes to Lyon and Lille, the equivalent of transporting 12,000 trucks per year by train. A reliable service (our service rate has not changed), recognised by our old customers as new and generating 15 times less CO2 emissions than transport entirely by road; a service that we also intend to add to with 100% electric transport upstream and downstream.

These proposals consolidate our strategic positioning, which is to **market an optimised transport offer in terms of CO2 emissions per kilometre.**

As you've seen, we're very proactive on these topics and we don't hesitate to support some of our customers. This is essential, as many of them are preparing for the implementation of the European CSRD directive which will have a clear impact on the entire supply chain. To be absolutely frank, we're even looking forward to this regulation being applied widely, as well as the "carbon impact culture", because we've been ready for several years.

This commitment is also expressed in the quality of the relationships we have forged with some of our suppliers, such as CHEREAU, with whom we share a "historical" relationship based on close human and logistical proximity.

In particular, this takes the form of discussions around the joint development of products, such as our project to create and then approve, a specific trailer for the train.

Since CSR is a good lever for innovation for all companies, we are therefore attentive to the actions implemented by CHEREAU, which has a real head start on a product such as the refrigerated semi-trailer. We are nevertheless convinced that we can still go further in terms of innovation in user and driver safety, and in energy efficiency of refrigeration units and are naturally willing to move forward jointly with them on these subjects".



Loïc TAROT,
Director,
TRANSPORTS TAROT

"As the head of a family business based in Mayenne, our development over the past fifty years has been built on strong moral values; sustainable development is therefore at the centre of our thinking.

With this in mind, and in view of the specificities of our activity, we are committed to reducing our carbon footprint on a daily basis. After signing up to the CO2 Objective charter in 2016, in 2022 we obtained the Objectif CO2 label, which attests to our high level of environmental performance. We have also undertaken a thorough assessment of our company with Ecovadis; the results obtained allow us to qualify as a "Committed Company". This positive and promising assessment reinforces **our CSR strategy based around four objectives: social, environmental, fairness in business practices and regional.**

This ambition also drives us to improve daily by adopting a logic of lasting and trusting relationships with all our stakeholders; **the commitment made by CHEREAU in terms of social responsibility is therefore essential for us,** because it fully demonstrates our desire to work within a responsible purchasing logic.

Working on social responsibility also means being convinced that **there is much more that can be done in terms of saving resources and extending useful life. We agree with CHEREAU on this point and believe that it is possible to extend the validity of the FRC to 18 years** instead of the current 12. Another example, when it comes to cold chain, insulation is optimised on vehicles to the extent that we should not be thinking in terms of air temperature, but instead in terms of product temperature. A common-sense practice that would easily reduce consumption without compromising respect for the cold chain. Clearly, we can't talk about CSR or ecological transition if we are ignoring these subjects!"

* French energy agency

ADVOCATING FOR A SUPER FRC*

As part of our sustainable development policy and the decarbonisation of the use of our products, we want to encourage our customers to invest in refrigerated semi-trailers with even better insulation.



The hauliers do not always accurately measure their energy consumption related to cold production, and are not always aware of the financial gain to be achieved with better vehicle insulation. This is not an insignificant amount, however, and could be in excess of €1,500 per year depending on the specific details of use!

So how can we facilitate a shift to more environmentally friendly vehicles?

An incentive system for the purchase of better insulated vehicles could help to spread the use of more environmentally friendly high-performance solutions.

There are two possible approaches to this:

► The first is based on the principle of Energy Savings Certificates (CEE) which are used in France for refrigeration units.

To benefit from these certificates, it is necessary to rely on a level of performance and not on technology.

Cémafroid** could therefore draw up an inventory of the average of the K coefficients by vehicle type; any vehicle with a better coefficient could be awarded an energy saving certificate, to be determined according to the energy gain associated with the difference in the insulation coefficient.

► The second approach, more ambitious, is that of a super FRC.

All vehicles with a K coefficient below a certain measurement (e.g. 0.33) could be granted a super FRC status, which could be accompanied by an operating licence for 15 to 18 years, instead of the regulatory 12 years, subject to the periodic checks already in force.

Cémafroid could use the initial K coefficients of FRC-approved vehicles during their control through the test tunnel at 12 years, to define the minimum initial K coefficient required, the rate of ageing being controlled additionally during the three-yearly tests.

This extension of the validity of the FRC would help customers to make the transition and switch to electric refrigeration within their fleets by investing a little more, but in vehicles that they know they can keep longer.

18 years of operation instead of 12 years is 1.5 times more sustainability and therefore less resource pressure on the planet for production of new vehicles. This also allows a saving of 10 tonnes of CO2 emissions related to this production.

In addition, a better insulation performance will obviously mean a better cold chain and savings in CO2 emissions in use, i.e. 3.17 kg of CO2 per litre of diesel saved!

The two approaches could be combined: CEE + Super FRC for maximum effect.

* For readers who may not know, temperature-controlled international transport is governed by ATP (United Nations Agreement on the Transport of Perishable foodstuffs). FRC corresponds to the category of vehicles equipped with a refrigeration unit, reinforced insulation and performance level - class C - used for the transportation of frozen foods at -20°C. This performance is expressed in the form of a K coefficient verified after 6 years, then every 3 years. To maintain its Class C, the K coefficient of a body must remain lower than or equal to 0.40.

** Cémafroid: independent expert in cold chain that controls the performance of equipment in France.



INNOVATION DRIVES YOU FORWARD

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