

# CONNECTING FOOD MARKET PLAYERS

Highlights 2017





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## Our MISSION: connecting food market players

A European leader in temperature-controlled logistics and transport services, STEF carries fresh, frozen and thermosensitive products from their production sites to their consumption sites.

Every day, the Group's 16,700 employees work to provide agrifood manufacturers, retailers and out-of-home foodservice businesses with tailored solutions, guaranteeing the best conditions in terms of food safety, lead time and quality.

STEF relies on the professionalism of its teams, the density of its European network (France, Italy, Spain, Portugal, Belgium, the Netherlands and Switzerland) and its ability to adapt to market changes in order to fulfil its mission.



**Enthusiasm  
Respect  
Reliability  
Performance**

# The Chairman's message



The economic recovery in most European countries and a favourable environment for food consumption characterised 2017.

For the STEF Group, 2017 was to be a decisive year: solid growth, substantially improved results, a stronger financial structure and significant investments in production means. This year would also be the opportunity to confirm our positioning on all our market segments, strengthen the specialisation of our commercial offers and prepare for the future, particularly through the creation of nearly 900 jobs (excluding external growth) and investments in new facilities.

In France, we opened new sites at Châteaubourg, Nemours and to the north of Orléans. Internationally, we continued to set up a transport network in Spain with the acquisition of the company BADOSA. We began structuring changes in Switzerland with the construction of the Kölliken site and in the Netherlands with the extension of the Bodegraven site (near Rotterdam). We have also introduced an ambitious programme for new buildings that will be delivered in 2018 and 2019.

At La Méridionale, we focused on innovation with a quayside electrical connection for vessels at the Port of Marseille and the refurbishment of interior fittings with all our vessels now sporting a new livery.

We have also accelerated our vast digital transformation project around several initiatives designed to increase our operational performance and respond to the needs of our customers and employees. Digital technology is now one of the spearheads for innovation within the Group.

In terms of corporate social responsibility, our Group has renewed its commitments on the basis of two strategic priorities: its unique social model and its proactive and sustainable environmental policy. STEF has now been rated Ecovadis Gold, the highest recognition level, for this entrepreneurial approach which respects people and their environment. The Group has also been awarded for its employee

shareholding model, which has exceeded the milestone of 10,000 employee shareholders and will celebrate its 25<sup>th</sup> anniversary this year. In addition, it has received the Trophées Défis RSE award for its health and quality of work life policy and its second Lean and Green star in the Netherlands for its action to reduce CO<sub>2</sub> emissions.

These awards confirm the relevance of our development model and encourage our continued efforts in this direction. This is why, in 2018, we are focusing in particular on training the men and women of STEF. I want to pay tribute to them for their ongoing commitment and tell them that they can be rightfully proud of the quality service given to our customers.

The macroeconomic indicators allow us to embark on 2018 with optimism. We will continue the work to consolidate our fundamentals on our markets, together with adapting our offers and the resources needed to produce them; not forgetting our ongoing concern for attractiveness and competitiveness.

We all know that future growth will partly result from external growth, but also and above all from the proximity and trust of our customers. I thank them for this.

**Francis LEMOR**  
Chairman



# Group's Governance

## EXECUTIVE COMMITTEE



- 01 Bertrand BOMPAS**  
Managing Director of STEF Logistique
- 02 Marco CANDIANI**  
Managing Director of STEF Italy
- 03 Serge CAPITAINE**  
Deputy Chief Executive Officer of STEF-Sales and Marketing Director
- 04 Jean-Yves CHAMEYRAT**  
Human Resources Director
- 05 Christophe GORIN**  
Group Business Director

- 06 Ángel LECANDA**  
Managing Director of STEF Iberia
- 07 Stanislas LEMOR**  
Deputy Chief Executive Officer of STEF, Financial Director
- 08 Marc REVERCHON**  
Chairman and Managing Director of La Méridionale
- 09 Léon de SAHB**  
IT Systems and Purchasing Director  
Managing Director of STEF Information et Technologies

- 10 Jean-Pierre SANCIER**  
Chief Executive Officer of STEF  
Chairman of STEF Transport
- 11 Gilles SAUBIER**  
Real Estate Director  
Managing Director of Immostef
- 12 Marc VETTARD**  
Deputy Managing Director of STEF Transport

## EXECUTIVE MANAGEMENT

**Jean-Pierre SANCIER**  
Chief Executive Officer

Serge CAPITAINE  
Deputy Chief Executive Officer  
Sales and Marketing

Stanislas LEMOR  
Deputy Chief Executive Officer  
Finance and Administration

## BOARD OF DIRECTORS

**Francis LEMOR, Chairman**  
Bernard JOLIVET, Vice-Chairman  
Jean-Charles FROMAGE,  
Deputy Chief Executive Officer  
Jean-Michel DELALANDE  
Elisabeth DUCOTTET  
Alain GEORGES  
Emmanuel HAU  
Estelle HENSGEN-STOLLER  
Jean-François LAURAIN  
Murielle LEMOINE  
Lucie MAUREL-AUBERT  
Dorothée PINEAU  
ALLIANZ Vie, represented  
by Peter ETZENBACH  
ATLANTIQUE MANAGEMENT,  
represented by François de COSNAC

## STEF at a glance

# From -25°C to +15°C!

A European leader in temperature-controlled logistics, STEF operates on the transport and logistics market for food products. Its expertise and its network of facilities enable it to offer specialised solutions for manufacturers, retailers and out-of-home foodservice businesses, in 15 European countries.

### FRANCE OPERATIONS

#### STEF Transport —

Groupage, batch transport, organisation of national and international consignments of fresh, frozen and seafood products for agrifood industries and retailers.



#### STEF Logistique —

Logistics services offered to manufacturers, retailers and out-of-home foodservice companies for their frozen, fresh and thermosensitive food products.

### INTERNATIONAL ACTIVITIES

Transport and logistics activities in Europe (Italy, Spain, Portugal, Belgium, the Netherlands and Switzerland) and consignments between these different European countries.



### MARITIME

Passenger and freight transport between the continent and Corsica under a public service concession.



### CENTRES OF EXPERTISE

#### Real Estate —

Design, construction, adaptation and maintenance of facilities and buildings, energy management and improvement of former operating sites.



#### Information systems —

Management of the IT and digital tools that the Group uses to support its customers and improve the productivity, responsiveness and security of its business divisions.



## STEF's assets

- 1** The ability to combine the human element with new technologies to adapt constantly and offer a diverse range of dedicated services, depending on the temperature and type of consignee customers.
- 2** The added value generated by the search for systematic consolidation (the organisation of flows by distribution type: platforms for retail, wholesale, dealer networks, etc.)
- 3** Its expertise in managing dynamic flows through its technological resources and its information systems for preparing, tracking and managing customer consignments.
- 4** The density of its network which fosters proximity with the local economic fabric.
- 5** Its policy of owning its real estate assets and the expertise of the Real Estate teams (design, construction, building maintenance, improving former operating sites) across Europe.

## STEF in figures

# Good growth and confidence in the future

Economic recovery in Europe, increasing food consumption... 2017 was marked by a strong recovery in the organic growth of transport and logistics activities in France. The opening of several strategic sites (Darvault in Ile-de-France, Orléans-Nord, Bodegraven in the Netherlands and Kölliken in Switzerland) reflected this momentum and the Group's ambitions, both in France and abroad. In 2017, La Méridionale won awards for the quality of its services, confirmed its capacity for innovation and showed satisfactory results.

2017 turnover  
(in millions of euros)

€2,976 M

2017 consolidated income  
(Group share in millions of euros)

€93.6 M

Equity  
(Group share in millions of euros)

€625.8 M

16,733 Workforce

Platforms and warehouses **227**  
81 Transport France sites  
83 Logistics France sites  
63 International activities sites

Refrigerated quay area

460,700 m<sup>2</sup>

Storage volume

7,386,400 m<sup>3</sup>

2,050 Trucks and as many refrigerated trailers

3 Ro-ro mixed passenger and cargo vessels



# Overview 2017

**FRANCE - STEF opens a new site in Nemours**  
Located to the south of the Ile-de-France on the Paris-Lyon autoroute, this 15,000 m<sup>2</sup> site is dedicated to mass distribution logistics for fresh food products.



**FRANCE - STEF awarded "Gold" by EcoVadis**  
The Group's global CSR strategy was ranked among the top 3% of international companies and the top 1% of transport and logistics companies.



**SPAIN - STEF acquires TRANSPORTS BADOSA**  
The Group consolidated its presence in Catalonia and expanded its offer in temperature-controlled logistics and transport services.



**ITALY - STEF wins the "Il Logistico dell'anno 2017" award**  
This recognises the optimisation project carried out with the customer Mondelez using plastic supports between layers of pallets.



**THE NETHERLANDS - STEF rolls out its commercial brand**  
The transition of its Dutch operations to the STEF brand and the 8,000 m<sup>2</sup> extension of its Bodegraven site mark the Group's increasing presence in the country.



**FRANCE - STEF receives the Special Health award** for its global approach to quality of life and health at work at the 5<sup>th</sup> corporate social responsibility awards, the Trophées Défis RSE 2017.



**FRANCE - STEF extends its temperature-controlled logistics service**  
The new base to the north of Orléans strengthens its position as a leader in the temperature-controlled food products industry.



**BELGIUM STEF wins the "Gazelle du Transport et de la Logistique"** which recognises the companies that show the best growth in the sector.

**FRANCE - STEF celebrates 10 years of its Disability Mission** and renews its commitments to the long-term employment of people with disabilities.

**THE NETHERLANDS - STEF obtains a 2<sup>nd</sup> Lean & Green star** awarded to transport and logistics companies for their commitment to reducing their CO<sub>2</sub> emissions.

**SPAIN - Logirest certified IFS** for providing ever better support to the transformation and development projects of its out-of-home foodservice customers.

**FRANCE - STEF environmentally-friendly deliveries** using the Triporteurs Bordelais, a zero noise and zero CO<sub>2</sub> solution for shopkeepers and restaurant managers in Bordeaux city centre.

**SPAIN - STEF wins the employability award** from the Obra Social La Caixa for its project dedicated to the professional integration of people at risk of social exclusion.

**FRANCE - STEF launches a major recruitment campaign** aimed at drivers.

**FRANCE - STEF joins forces with VEOLIA to create Recyfish**, a reverse logistics solution for recycling seafood by-products.



## Connecting Food Market Players

# Trends and challenges

### AN INCREASINGLY SEGMENTED MARKET

**Changing consumer behaviour and the fragmentation of distribution channels have resulted in a lasting change in the nature and the organisation of consignments. The logistics chain is becoming increasingly segmented and complex.**

#### Growth has returned but with contrasting market trends —

The long-awaited recovery in consumption is noticeable. However, the curve is neither linear, nor homogeneous. The market is primarily driven by “premium” products, labelled, practical and

easy to consume, often designed by innovative, smart SMEs/SMBs that are deeply rooted in their region. Product ranges are being expanded resulting in greater logistics constraints (more equivalent volume space, more handling in warehouses).

#### Consumption habits are becoming more fragmented...

— “Ready to eat” is gaining ground. The time traditionally dedicated to cooking is falling and the out-of-home foodservice sector is undergoing rapid development. Eat-in or take-away “meal solutions”, are spreading to all types of retailers: specialist restaurants, bakeries, supermarkets. Organic food has become an established part of everyday living and is becoming a way of life.

#### ... As are the distribution channels —

E-commerce, drive-through and home and office delivery services are increasing exponentially, while hypermarkets continue to lose ground to local and town centre stores in terms of numbers of customer visits. The fragmentation of distribution methods involves various modes of transport and a specific logistics structure. Finally, random consumption peaks and more one-off promotions in mass-market retail have impacted the regularity of flows and require greater flexibility and responsiveness.

### MOVING TOWARDS AN INCREASINGLY SPECIALISED SERVICE

**Faced with its rapidly changing environment, STEF stays one step ahead by providing innovative and differentiated solutions. The Group has all of the assets to respond to the fragmentation of the market and its customers' new expectations. In this spirit, it invests, anticipates and develops its activities on ever-more specific and demanding markets.**

STEF supports sustainable growth, is staunchly attached to its independence and remains loyal to its values. It maintains its course by combining economic, social and environmental ambitions.

#### THE CHALLENGES:

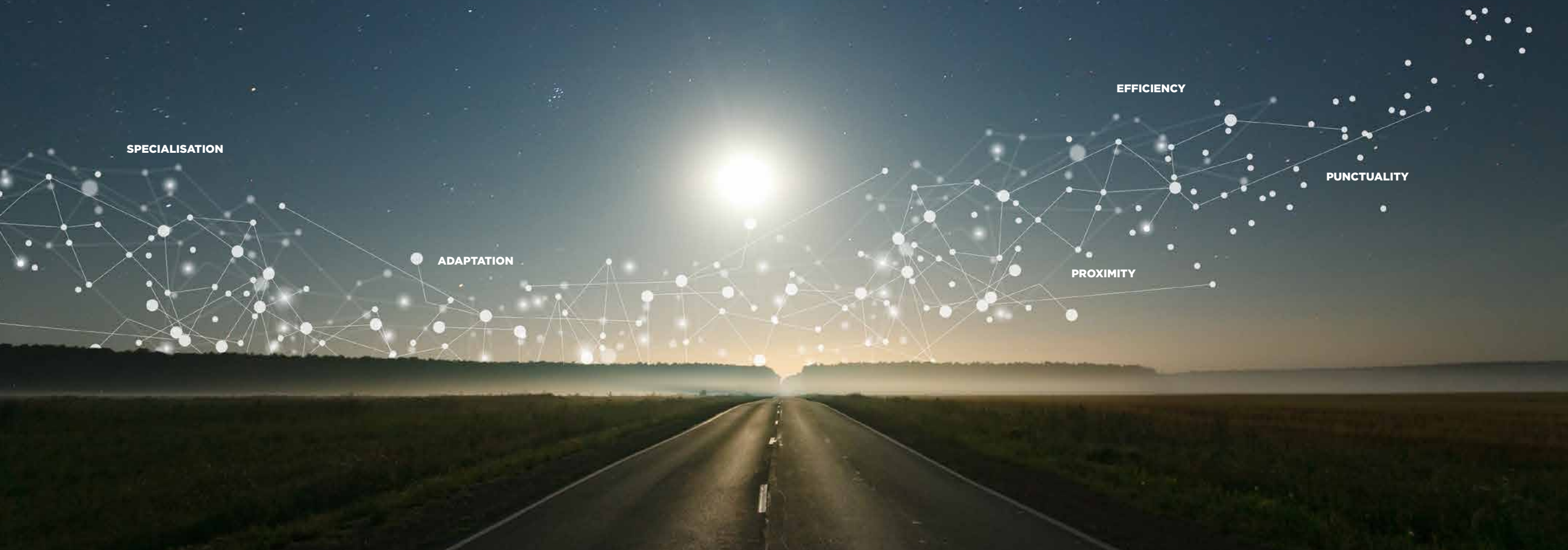
► to provide an increasingly specialised service which anticipates and adapts to the logistics requirements of our customers' specific markets and their different distribution formats;

► to deploy our three key business models (retail distribution network, consolidation of hubs, consolidation logistics) and interconnect these across Europe;  
► to maintain a strong commercial relationship with our customers;  
► to develop a strong brand and make it the industry leader in Europe.

In a rapidly changing world, we support our customers' transformation.



# Group's **Operations** in 2017



SPECIALISATION

ADAPTATION

EFFICIENCY

PUNCTUALITY

PROXIMITY

INCREASE AND  
ADAPTATION TO  
NEW CONSUMPTION  
HABITS

**+4.4%**

IN TURNOVER



## The expertise and conduct of a “multi-specialist”



In 2017, turnover for the transport business increased by 4.4%. At the same time, the organisation developed in response to new consumption habits and the resulting fragmentation of consignments. The objective is to deploy our “multi-specialist” expertise, develop our differentiated offers to enhance our services and capture growth opportunities on the most promising markets.



### 2017 SUMMARY

**The recovery in food consumption is driving growth in volumes, but unevenly depending on market segments.**

**Good growth for fresh and compatible products —** Thanks to its network density and its customer proximity, STEF took full advantage of the robust activity of agrifood SMEs and VSEs, the recovery in retail and

the significant expansion of short food supply chains. In this context, consolidated flow systems are used to offer our customers the most relevant solutions.

**Growth for frozen products —** On a generally declining market, STEF grew thanks to the observed momentum for some product types (bakery, pastry, pizzas and frozen desserts in particular) to which the Group’s services are perfectly suited.





**A transition period for supermarkets** — Some supermarket formats are going through a difficult time. The gradual phasing out of the transport and logistics operations for a large distribution company in Brittany has also affected turnover on this segment.

**A strengthened position for seafood** — Benefiting from its good commercial momentum in France, STEF Seafood's activity grew by 2.1%, despite a stagnant global market.

## STEF IN ACTION

**Every type of customer is specific: a supermarket does not have the same requirements in terms of delivery times or unloading assistance as a town centre convenience store or restaurant owner... STEF optimises its network, adapts its services and ensures the quality of its delivery service.**

**Optimise the network** — The structure is changing and the density of the network continues to increase. The new Breton mass distribution platform for fresh consignments at Châteaubourg which supplies supermarkets nationally, is an example of changing operational models.

**Make drivers the ambassadors for the STEF brand** — In order to deliver the best possible service quality, STEF employs its own teams of drivers. Since this profession is currently under pressure, the Group has elected to launch a major external recruitment campaign (for nearly 500 drivers). This aims to build loyalty among young recruits (reception and training).



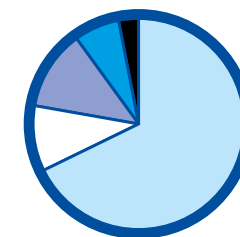
**500 Drivers**  
NUMBER OF PLANNED RECRUITMENTS



**Developing innovative and more environmentally-friendly modes of transport** — STEF is developing its vehicle fleet. Around twenty trucks fitted with the "cryogenics" solution using liquid nitrogen have been operating in the Lyon region for several years.

**Cultivating difference, closer to the customers' requirements** — The success of STEF Seafood illustrates the relevance of this approach: with its own sales and operations structure, this dedicated business unit operates all seafood consignments for the STEF Group, nationally and internationally (supply, division between platforms, distribution and flow management). Its information systems are used to ensure high-precision management of each customer's requirements, from the fisherman to the shopkeeper.

BREAKDOWN OF STEF TRANSPORT'S TURNOVER BY SEGMENT



- 68% Chilled
- 10% Ambient & Temperature-Controlled
- 12% Frozen
- 7% Seafood
- 3% Foodservice

## Chilled at Châteaubourg: a unique business model!

This consolidation site based in Brittany is the upstream/downstream interface between local Breton products arriving directly at the site and national retailing groups' supermarket and hypermarket platforms to which they are sent. The goods leave quickly for the end customer: optimum timing, without any intermediate stages or transshipment!



# STEF Seafood: a recognised expertise!

**S**TEF Seafood is present every day in 150 ports across Europe. The fish unloaded on Friday at Boulogne-sur-Mer is on the fish stalls in Sicily on Monday morning! Positioned across all production areas from Northern Europe to the Mediterranean countries, STEF Seafood offers a comprehensive range of high value-added services for live or processed, fresh or frozen products. In 2017, STEF Seafood once again strengthened its positions with a new European-wide master plan. Its objectives are to be the market leader and provide a better response to the issues of proximity, speed and quality of service for customers.

## STEF SEAFOOD AND MARE NOVA: A LONG-STANDING AND EVOLVING PARTNERSHIP

02 May 2017 - The contract between STEF Seafood and Mare Nova was renewed and extended. This is proof

of a successful partnership, since STEF has been providing transport and logistics services to this seafood wholesaler for 20 years!

Today, four STEF Seafood sites support Mare Nova: Boulogne-sur-Mer for supplies from northern Europe, Dijon and Toussieu for regional distribution and export and Plan d'Orgon for distribution in the South, Provence-Alpes-Côte d'Azur Region and Corsica.

From now on, STEF Seafood will also handle all incoming consignments for Mare Nova's fish trade business.

## STEF Seafood in figures

<p><b>900</b> EMPLOYEES</p>	<p><b>11</b> MULTI-TEMPERATURE PLATFORMS</p>	<p><b>450</b> REFRIGERATED VEHICLES</p>
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**DÉFI DES PORTS DE PÊCHE 2017: STEF SEAFOOD SHOWS ITS SUPPORT FOR THE FISHING INDUSTRY!**

From 21 to 28 May 2017 - STEF Seafood was the partner for the 30<sup>th</sup> Défi des Ports de Pêche sailing regatta which took place in Brittany. A friendly and excellent opportunity to promote seafood and provide a boost to the French fishing industry.



**+ 2.1%**  
SEAFOOD ACTIVITY



“STEF Seafood offers tailored support and scalable solutions. This long-standing partnership has enabled us to be more successful in our highly competitive sector.”

**Samuel Legrand,**  
Chief Executive Officer of Mare Nova



SERVICES DEPLOYED  
ACROSS DYNAMIC  
MARKETS

**+3.7%**  
IN TURNOVER



## Ever more specific and comprehensive

In 2017, STEF continued to deploy its services on growth segments: out-of-home foodservice, e-commerce, consolidation logistics, chilled, ambient and temperature-controlled. Driven by the momentum of these markets, STEF Logistics showed a growth in turnover of 3.7%. However, the division's results were impacted by investments made to respond to the specific requirements of its markets, anticipate changes in the distribution channels and improve competitiveness.



### 2017 SUMMARY

**The overall increase in turnover for the logistics business includes contrasting growth on markets depending on the segment in question.**

**Strong growth in out-of-home foodservice and e-commerce** — Driven by particularly robust demand, the out-of-home foodservice (+8.6%) and e-commerce (+10%) logistics activities experienced the strongest growth. However, the stability of food volumes

handled in hypermarkets and supermarkets limited the growth which stood at +1.2%.

**Promising potential for chilled, ambient and temperature-controlled** — With an increased turnover of 7.6%, consolidation logistics for fresh products continues to expand. Driven by the increased use of the new site at Orléans-Nord, consolidation logistics for ambient and temperature-controlled products rose by 4.9% and confirmed its expansion potential. Investments in both these Group activities in 2017 are presenting very good expansion prospects.





**Stability for frozen and development of added-value services —**

In addition to the pastry segment which improved significantly, the business posted a modest growth (+0.2%): the impact of the re-internalisation of the operations of two customers was offset by the development of value-added services on behalf of manufacturers (freezing/defrosting and packaging to order).

**STEF IN ACTION**

**The 2017 results confirm the appropriateness of the current strategy to strengthen the Group's presence in dynamic sectors, offer dedicated solutions to every customer and further increase competitiveness by creating value through optimised and innovative processes.**

**The “right” warehouse, at the “right” location, at the “right” time —** STEF anticipates the relevant locations in catchment areas under pressure or at intersections of major and increasing flows. At the same time, the volumes available in warehouses are set up so as to optimise occupancy levels and operational performance of sites. The new warehouses that became operational in late 2017 and the various development projects are covered by dedicated master plans:

- ▶ ambient and temperature-controlled products — Orléans-Nord and L'Isle-d'Abeau (Lyon) in 2018;
- ▶ fresh products — Darvaux-Nemours and Chaponnay (Lyon);
- ▶ out-of-home foodservice — L'Isle-d'Abeau (Lyon);
- ▶ e-commerce — Aulnay-sous-Bois and Vitry (in the Paris region).

**+4.9%**

**AMBIENT AND TEMPERATURE-CONTROLLED TURNOVER**



**Become more competitive through innovative facilities —**

STEF continues to optimise its supply chain and create value by constantly improving facilities and using innovative processes on its sites. The “high density” set-up is unprecedented in France and is used to optimise storage spaces and order picking operations. The fleet of AGVs (Automatic Guided Vehicles) has been renewed on several sites. Fitted with high-resolution scanning tools on all four pallet sides, the new automatic shrink wrap lines guarantee the traceability of packaged products.

Our warehouses are designed to be as scalable as possible. The challenge is to adapt to fluctuations in demand and rapid changes in our industry.

**E-commerce on the Aulnay-sous-Bois site**  
 This new site, owned by the Carrefour group, a major french retailing company, has been entirely operated by STEF since the first quarter of 2018 and is specially designed to respond to the development of drive-trough services in Ile-de-France and the promise of deliveries within 4 hours of ordering.

**+10%**

**OUT-OF-HOME FOODSERVICE TURNOVER**



# Out-of-home foodservice: all the Group's divisions working for high value-added services

The out-of-home foodservice sector is in full expansion but complex and requires a dedicated system. In 2016, STEF created a specialised business unit and the new organisation has already been successful. The activity capitalises on the Group's wide-ranging expertise and some of the tools and processes developed are being deployed more widely.

**An unusual and demanding activity —** Out-of-home foodservice involves managing three temperatures (frozen, chilled and ambient) and different flow types (just-in-time, stored), including office supplies, 7 days a week, 18 hours a day, every day of the year: in short all the products that a restaurant needs to operate. The unique set-up for the needs of each company is made-to-measure. From taking orders directly in restaurants to managing the supply flows for suppliers, there is a broad range of services on offer. Finally, responsiveness and traceability at all stages of delivery are absolutely essential.

**Multiple skills and new tools —** In order to respond to these many requirements, the out-of-home foodservice activity has undergone a number of transformations to support its customers: set-up of operating facilities, a new fleet, organisation of the distribution network, adaptation of the information systems and the development of new traceability and customer interface tools. The procedures and changes to obtain IFS (International Food Safety) certification are also in progress.

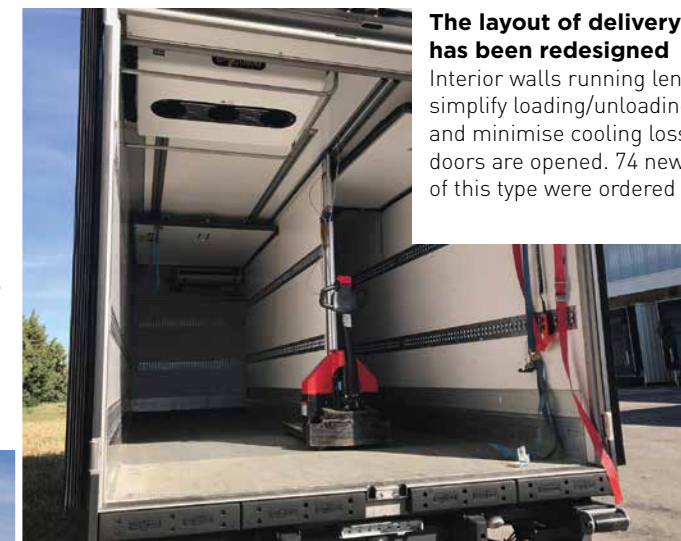
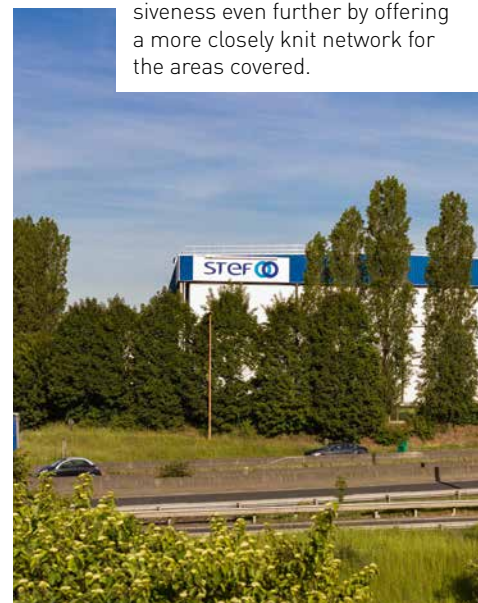
IFS CERTIFICATION  
IN PROGRESS



## PROCESSES AND TOOLS TO SAVE TIME AND INCREASE EFFICIENCY

### Greater density of the network of dedicated tri-temperature sites

7 sites are operational. 5 others are set to open in the coming months. The objective is to improve responsiveness even further by offering a more closely knit network for the areas covered.



**The layout of delivery vehicles has been redesigned**  
Interior walls running lengthwise simplify loading/unloading operations and minimise cooling loss when the doors are opened. 74 new vehicles of this type were ordered in 2017.

### Weighing truck

The new device for automatic weighing during preparation provides maximum reliability for the preparation and composition of the delivery pallet. This means more time is saved on delivery at the restaurant since item-by-item control becomes unnecessary.



**Vehicles with real-time GPS data** and dedicated rounds to comply with specific time constraints.



### A new customer portal is being put in place

Its many functionalities enable customers to view their delivery progress and delivery notes in real-time, and access their order history and any anomalies.



A MAJOR VEHICLE  
FOR GROWTH

+9%

IN TURNOVER



# Greater European development

International activities are still a major vehicle for growth for the Group. In 2017, such activities represented 23% of its turnover. STEF is therefore continuing to strengthen its services in the 15 countries in which it operates, consolidate its partnerships to offer greater support to its customers across Europe and improve its operational performance.

23%

OF THE GROUP'S  
TURNOVER



## 2017 SUMMARY

**In 2017, international activities grew by nearly 9%. STEF deploys its specialist business models to respond to the needs of its customers in different countries. This process was illustrated by two milestones: the acquisition of the company Badosa in northern Spain and the launch of the STEF brand in the Netherlands.**

With a strategy of full ownership of its assets and over 100 million in annual investments in Europe in the past 5 years, STEF invests where food market growth prospects are most promising for its customers.



Tavazzano

## STEF IN ACTION



Madrid



Porto

### ITALY

**In addition to a slight economic upturn, the activity benefited from the rise in mid-market share: the momentum of this industrial fabric and the extension of services to all transport and logistics sectors have consolidated a balanced growth. The business grew by 8.8%.**

**Great performances for Seafood** — Under the double effect of an external growth operation and the opening of a new dedicated platform, turnover increased significantly. The acquisition of Excellent Seafood, the net profit of which exceeded expectations, the increased density of the network with the opening of a dedicated platform in Puglia and a long-term partnership in Naples, make STEF a leader in the sector.

**Sights set on new markets** — After mainly focusing its development on the transport of fresh and ultra-fresh products, the Group is now in a position to capture other markets including frozen, ambient and temperature-controlled, out-of-home foodservice products and seafood. These should help to maintain a steady level of growth in the country.

**Changing real estate investment** — In order to deal with these challenges, real estate investment continues to change. Major projects include: operational investments in Bologna and Rome and the expansion of the Parma head office, right in the centre of "Food Valley".



### SPAIN

**Growth was stimulated by the excellent trend in logistics activities, the consolidation process for fresh products and the development of the out-of-home foodservice business.**

**Acquisition of Transports BADOSA** — A recognised operator in the logistics and refrigerated transport sector (€12.6 million TO, 80 employees, 34 vehicles), this company complements STEF's own resources in Spain. The density of the Group's network, combined with the expertise of the Transports BADOSA teams, are key elements in developing new, high value-added solutions aimed at agrifood customers, especially in refrigerated consolidation, which is a major development priority. STEF therefore confirms its ambition to become the leading transport operator for fresh products across the region.

**Operational performance and specialisation** — The growth in logistics activities benefited from the improvement measures that were started in 2016. Out-of-home foodservice activities are progressing satisfactorily. The good news includes: IFS certification for its Getafe platform (Madrid) and the launch of new businesses, in particular, by supporting one of the leading mass catering firms in Spain.



**STEF wins the employability award. Presented by the Obra Social La Caixa, this recognises the project dedicated to the professional integration of people at risk of social exclusion.**

### PORTUGAL

**Driven by the positive trend in chilled logistics, domestic consolidation and out-of-home foodservice logistics, activities are increasing across the region.**

**Greater network density** — The strong growth in domestic activities has required the implementation of additional resources. The network has been complemented by the opening of platforms in Mangualde (in the centre of the country) and in Vila Real (in the north-east). These sites are used to serve producers in these regions who can now enjoy faster access to national and international markets.

**Consolidation of new sites** — In order to respond to the growth in the Portuguese market, STEF will continue to adapt its operational model, particularly in Lisbon (second phase of construction of the frozen facility and preparation for a new transport platform in the Algarve).







Saintes

**BELGIUM**

**Growth was sustained by the extension of partnerships.**

**Launch of an important logistics deal** – Signed at the start of the year, this has enabled logistics activities to reach the critical size and implement a transport operation entirely dedicated to its customers.

**Extension and specialisation** - In order to deal with the overloading of the facilities at the Saintes platform, a site extension is planned in the coming months.

**STEF Saintes wins the “Gazelles du Transport et de la Logistique” award Presented by TRANSPORT MEDIA and its partners EasyFairs and Trends TOP to the companies that show the best growth in the sector.**

**+6%**  
TURNOVER  
BENELUX



Bodegraven

**THE NETHERLANDS**

**The Group significantly strengthened its real estate assets by taking over ownership of the real estate of its subsidiary Vers-Express in Eindhoven and extending its site in Bodegraven.**

In the middle of a vast food consumption area, the Bodegraven site has become the centre for STEF’s transport and logistics operation in the Netherlands. Through the interconnected networking of the platforms at Bodegraven, Eindhoven and Raalte and with the Group’s European sites, STEF can provide solutions that make the difference on this demanding market, comprised of strong, dynamic and exporting agrifood companies.

**A single commercial brand, a fresh boost** — STEF has brought together all its operations in the Netherlands under a single commercial brand “STEF Nederland”. Now benefiting from a stronger, unified image and new investments, the Group can achieve its development ambitions across all the fresh and frozen food product ranges.

**STEF obtains a 2<sup>nd</sup> star on the Lean & Green programme This international programme encourages and supports companies committed to reducing CO<sub>2</sub> emissions for their transport and logistics activities.**



Kölliken under construction

**SWITZERLAND**

**Despite an increasing turnover, results were still impacted by the finalisation of the Kölliken project and the structuring of the transport network in German-speaking Switzerland. However, the strengthening of activities with the main Swiss retailers presents great prospects.**

**Launch of the new multi-temperature platform at Kölliken** — Located in the German-speaking area near Zurich, it began some activities in late 2017. Eventually, it will be the hub for four sites across Switzerland and offer a comprehensive range of services including transport and logistics dedicated to frozen products, together with a fresh products offer.

Development of the partnership with the leading Swiss dairy group. The aim is to create a joint logistics and distribution network for fresh food products (+2°C/+4°C). As a result of this partnership, the first important project began in the first half of 2018.

**+5.9%**  
TURNOVER  
SWITZERLAND

# From southern to northern Europe the density of the network increases

## STEF consolidates its presence in Spain

**June 2017**—STEF acquires 100% of the shares in Transports BADOSA.

Founded in 1970, this family-owned company is renowned in the logistics and refrigerated transport sector. It has a 3,100 m<sup>2</sup> refrigerated platform at Les Preses (Province of Girona), in the centre of a dynamic agrifood sector. Located in north-east Spain, it is also near a European road hub.

# 3,100 m<sup>2</sup>

OF REFRIGERATED PLATFORM AT LES PRESES

**Joan Badosa Maso,**  
Director of Transports BADOSA

“In 2014, we began working with the STEF Group for our international shipments. We discovered a respectful partner that develops a long-term vision. Integration into the STEF Group is therefore a natural extension and fully complementary for BADOSA.”



## STEF rolls out its brand in the Netherlands

**November 2017**—STEF opens the extension of its logistics platform in Bodegraven and uses the occasion to announce the launch of its commercial brand in the Netherlands.

These two events signal the strengthening of the Group's presence in the Netherlands. The objective is to develop an efficient supply chain for its agrifood industry, retailing and out-of-home foodservice customers in northern Europe.



**Bodegraven:**  
central to flows in Northern Europe  
Located between Amsterdam, Rotterdam and Utrecht, the STEF Bodegraven site has increased its capacity twofold. The new 8,000 m<sup>2</sup> positive cold extension can efficiently cover all the production and consumption areas of the Netherlands and provide customers with first class expertise in fresh food products logistics thanks to new grouping solutions combined with 24h/48h deliveries to any destination in Benelux.



STEF Nederland benefits from the STEF groupage network for fresh and frozen food products which is unique in Europe. Dutch operators can therefore enjoy easier access to the markets of southern Europe and European manufacturers can develop their activities in the Netherlands.



AN EXCELLENT  
YEAR FOR FREIGHT

840,000

LINEAR METRES  
TRANSPORTED



# La Mériidionale



**T**he awards for its quality of service were some of the main sources of pride for La Mériidionale in 2017. Pending future calls for tenders relating to the public service concession for the delivery of maritime services to Corsica, the company is equipping itself with the means to achieve its aim to provide its service under the best quality, safety and reliability conditions for all its customers.



## 2017 SUMMARY

**La Mériidionale had a good year. For freight, it benefited in particular from a significant share of the traffic that moved from the Port of Toulon to that of Marseille.**

**Good occupancy rates for passengers** — with 270,000 passengers transported, business is steady. The yield management implemented optimised the occupancy rate and the unit revenue. Furthermore, the plan to improve on-board catering services is beginning to pay off.

**An excellent year for freight** — with 840,000 linear metres transported, the activity showed a good growth.

●  
**97%**

OF “VERY SATISFIED AND SATISFIED” CUSTOMERS, AS REVEALED BY THE INTERNAL SATISFACTION SURVEY CONDUCTED ON BOARD AFTER THE CROSSING



## STEF IN ACTION

**La Méridionale has provided a connection between Corsica and the continent for 80 years. Loyal to its commitments and those of the STEF Group, the Company works and invests to continue to develop its activities.**

**Prepare for the public service concession —** In 2017, La Méridionale, jointly with Corsica Linea was awarded the so-called “bridging” public service concession (PSC) for a duration of 21 months (from 1<sup>st</sup> October 2017).

This period precedes the implementation of a new master plan currently being developed by the Corsican authorities.

### Further improve passenger comfort and optimise accommodation capacity —

The work started in 2017 has resulted in the renovation of some interiors and added around fifteen cabins on the Kalliste and the same number on the Piana. These projects were started in low season, without interrupting operations.

**Optimise maintenance operations —** In 2017, the process of bringing maintenance operations back in-house began in order to provide better operational monitoring and ensure continuity in the maintenance work carried out by the crew (bridge/engine).

### Better promotion of the La Méridionale services —

In order to increase the visibility of its offers and services and strengthen its sales policy, La Méridionale has conducted many discussions and initiatives, particularly advertising campaigns in various national media over the last 2 years.

**3**  
RO-RO MIXED  
PASSENGER AND  
CARGO VESSELS

**6,800**  
metres

OF TOTAL LINEAR  
CAPACITY, WHICH  
IS EQUIVALENT TO  
500 TRAILERS



## Quayside electrical connection for the Kalliste, the Girolata and the Piana: a success story

**In 2016, La Méridionale was the 1<sup>st</sup> maritime transport service to implement a quayside electrical connection for one of its vessels in order to avoid polluting emissions.**

In 2017, its three vessels were supplied with electricity from the high-voltage network directly from the quayside at

Marseille. This substantial investment improved air quality as well as quality of life for the port’s neighbours and on-board working conditions while removing noise pollution and vibrations. This approach has been widely welcomed by the media, the authorities of the Grand Port Maritime de Marseille (GPMM) and various environmental protection associations.

For each of the vessels the electrical connection has eliminated the equivalent of over 3,000 vehicles/day\* in terms of particles (PM10) and CO<sub>2</sub> emissions and 65,000 vehicles/day in terms of Nitrogen oxides (NO<sub>x</sub>).

\* [source AirPaca].

### La Méridionale awarded for its quality of service!

**Named “Best Ferry Company” in France in 2016 by the Capital magazine, La Méridionale was recognised once again in 2017.**



**2,000**  
passengers  
WITH THEIR  
CARS

**over 1,000**  
crossings  
ANNUALLY TO  
CORSICA (AND  
SARDINIA FROM  
PROPRIANO)



# Centres of expertise

CENTRAL TO THE GROUP'S BUSINESS, IMMOSTEF AND STEF INFORMATION ET TECHNOLOGIES ARE THE MAIN DRIVERS FOR ITS OPERATION AND DEVELOPMENT. SERVING THE GROUP'S VARIOUS ACTIVITIES, THESE TWO DIVISIONS ARE A KEY TOOL OF ITS INDEPENDENCE.

## IMMOSTEF

### record investments

Montsoult



In 2017, the Real Estate division invested heavily to support STEF's growth in France and Europe. At the same time, its organisation changed in order to boost performance further.

●  
ALL STEF GROUP  
SITES ARE  
CERTIFIED

ISO  
50001

## 2017 SUMMARY

As shown by the Group's growth, 2017 was particularly active in France and internationally.

The bulk of the investments was dedicated to site constructions and extensions while the remainder was used to improve the performance of tools (equipment maintenance, modernisation and renewal). In addition, STEF has continued its proactive policy of acquiring land in strategic locations.

### BUILDING PROJECTS DELIVERED

IMMOSTEF constructed and delivered two major new sites: a 18,600 m<sup>2</sup> chilled logistics warehouse in Darvault (France) and a 8,000 m<sup>2</sup> warehouse in Bodegraven (The Netherlands).

Sites were also extended and refitted: in France - Boulogne-sur-Mer, Le Mans, Bondoufle, in Spain - Valencia and in Portugal - Lisbon.

### BUILDING PROJECTS STARTED

The Group's investment programme in Europe plans to deliver several construction projects in 2018, including in France, Switzerland and Italy.

## Centres of expertise



Darvault

## STEF IN ACTION

**STEF's business is to guarantee the cold chain and the food safety of the products entrusted to it. The buildings, equipment and safety system are therefore subject to constant monitoring and continuous improvement. There is a clear objective; to keep its commercial promise and optimise costs by making the sites increasingly efficient and environmentally-friendly.**

### Reorganise the Real Estate division for performance —

Owning its own real estate assets is a major advantage for a medium- and long-term strategy, but it comes at a cost: the initial investment, operating and maintenance expenses. For closer management of this real estate and to optimise performance, the Real Estate

centre of expertise has redefined its key priorities: seeking out real estate, development of real estate assets, European management of real estate, maintenance (energy and environmental performance and regulations etc.) and the improvement of end-of-life sites.

### Lower energy consumption —

Generating cold is energy intensive. Energy management is therefore a major challenge. Technical improvements to reduce consumption have been ongoing for several years (air curtains, variable frequency electric motors, etc.). This energy optimisation also includes the implementation of awareness-raising campaigns for the teams.

### Reduce GHG emissions —

The Real Estate teams are also working to reduce the use of HFC (hydrofluorocarbons) and replace these synthetic refrigerants with natural fluids (ammonia NH<sub>3</sub> or carbon dioxide CO<sub>2</sub>).

# STEF Information and Technologies

## the digital transformation is underway



**T**ransport, logistics, human resources, finance, data security ready-to-use solutions for customers, STEF Information et Technologies is present on all fronts: like the cold chain, the data chain never stops.

The strength of the specialist teams at STEF Information et Technologies? Their technical expertise, combined with their detailed understanding of the inner workings of the Group's business.

### 2017 SUMMARY

**While ensuring the robust, daily operation of the Group's information systems, STEF IT continued to deploy innovative solutions to strengthen the competitiveness of its services, improve the Group's performances and support the needs of its most demanding customers. In order to accelerate the Group's digital transformation, a dedicated division was created.**

### STEF IN ACTION

**In order to carry out its mission with all the Group's entities, STEF IT capitalises on proven solutions, optimises them and develops new functionalities. The objective is to make the tools ever more practical and relevant to assist people in their daily tasks.**

#### Improve the performance of the Group's divisions

The next-generation functionalities put in place this year include:

- ▶ increased security of transport operations in Europe;

- ▶ enhancements to the mobile application for managing the traceability of deliveries in Europe;
- ▶ optimisation of distribution rounds;
- ▶ deployment of new functionalities in France and the Netherlands for consolidation logistics;
- ▶ development of new customer portals.

#### Support administrative productivity

##### New management tools —

The topics addressed include recovering trade receivables, optimised monitoring of insurance, cash flow and interbank flows, a paperless tax solution for customer and supplier invoices and enhancing the Group's customer and supplier data repository. STEF IT also worked on implementing the latest generation HR tools facilitating the individual management of employees.

**Data security —** Through a programme of user training and awareness and tests for all sensitive applications, the Group, actively working towards compliance, has strengthened the security around its information systems over the year.

#### Develop specific new services for the Group's customers

Two dedicated solutions were developed and implemented.

##### For supermarket customers in Europe:

a management solution for forecasts and supply and logistics decisions dedicated to the traditional fresh products sector (Logifresh).

## 2017 dedicated to digital

Breakthrough innovations optimise daily performance and make the lives of customers and employees easier. Demonstrated by the following examples.

▶ **New customer portal —** This major interface enables customers to access extensive services containing their commercial, financial and operational information.

▶ **Out-of-home foodservice portal —** A support for taking restaurant orders, which can be used to monitor the progress of orders (Track&Trace) and offer paperless deliveries (e-delivery).

▶ **Apps, drones and 3D glasses...** Some of the mobile applications implemented at a few pilot sites in 2017 featured tools intended to improve employees' quality of life (classified ads, parking space). The feasibility of using drones for warehouse inventories and augmented reality glasses for picking operations was also explored and tested.

**For manufacturers (meat industry):** the order preparation management solution was consolidated in accordance with new European food safety regulations.



# Focus

# Two examples of “next-generation” sites

From the choice of location to the choice of equipment, everything is planned to improve efficiency, reliability and traceability.



## Orléans-Nord a flexible, multi-industry site

May 2017—STEF extended its temperature-controlled logistics service with a new base to the north of Orléans which strengthens its position as a leader in the temperature-controlled food products industry.

Personalised services — This new site offers cost-optimised solutions tailored to the needs of chocolate, confectionery and grocery product manufacturers as well as the bakery and pastry

industry. It was thus selected by a major chocolate manufacturer to support its development strategy in France.

A strategic location — This multi-industry site (currently 18,000 m<sup>2</sup> with the option to double its capacity) is near the A10 motorway that connects Paris to Bordeaux, a hub for delivery points to end recipients (mass distribution, catering, retailers).

## Darvault innovative and efficient with a positive impact on the environment!

July 2017—STEF opens a new 18,600 m<sup>2</sup> site dedicated to consolidation logistics for fresh food products (+2°C/+4°C) in Darvault, to the south of Ile-de-France: a strategic position 70 km from Paris on the Paris/Lyon motorway.

A next-generation warehouse — Two conveyor/shrink wrap lines have been used to improve the conditions at the workstations of its 130 employees and guarantee the completeness and reliability of order preparations using high definition scans/photographs. The building also has the benefit of the latest advances in terms of cold production, insulation and energy saving.

●  
**250 tonnes**  
OF GOODS SHIPPED/DAY

●  
**over 500**  
DELIVERY POINTS/DAY





# Corporate social responsibility

ENERGY MANAGEMENT

TRAINING

SAFETY

QUALITY OF WORKING LIFE

CARBON FOOTPRINT REDUCTION



# CSR, central to STEF's identity

CSR has been a core part of STEF's identity since its creation. Its commitments in this area are an integral part of its business model and its values of **Enthusiasm, Respect, Reliability and Performance**.

Today, the Group continues to make CSR a lever for its future performance and success. The CSR policy is managed at the highest level of the Company and the Group's commitments involve all teams.

In 2017, STEF's CSR process received a Gold assessment on the EcoVadis rating platform and a **"Défis RSE 2017"** corporate social responsibility award for its Health and Safety at Work policy.



CSR guides our real estate projects, our processes, the choice of our working tools and our rolling stock... The objective is not to work on the consequences but on the causes. We focus on prevention.

## Social policy

# Because tomorrow begins today



STEF endeavours to help the company's men and women grow, ensuring quality of working life, constantly improving safety and involving employees in the Group's success through the employee shareholding plan



## Promote the development of all employees

**STEF gives itself the resources to support each employee's personal and professional development, throughout their career, regardless of their position or status within the Company.**

**Train, integrate and develop** — In order to support success for everyone and anticipate business changes, STEF favours training courses that result in certificates (validating prior experiences, CLEA professional skills certificate, etc.). STEF has an in-house, certified training organisation: the Institut des Métiers du Froid (IMF / "Cold chain professional Institute") with 140 certified trainers who work throughout Europe. In 2017, the IMF catered for nearly 3,500 trainees and gave some 47,000 hours of training. The e-learning platform, set up in 2017, now complements the system.

**Attract talent and nurture entrepreneurship** — Recruitment, integration and building employee loyalty are major challenges in supporting the Group's European growth. To respond to the market's transformations, STEF is developing its "employer brand" and investing in innovative programmes such as the STEF GRADUATE PROGRAMME to recruit young graduates in Europe and SALES CAMPUS, the European sales school which opened in the 1<sup>st</sup> half of 2018.

**16,733 employees (permanent and fixed-term employment contracts), 2,049 new appointments or promotions, including 1,559 in France**

**Over 190,000 hours of training**

**Set up career management schemes** — In a move to improve the sharing of career opportunities, STEF advertises its vacancies internally to all employees across all its European businesses as a priority. 70% of executive and senior positions are filled through internal promotion. Shared by management, HR and employees, a new digital platform is being used to manage the principal processes to develop human resources directly in all the countries in which the Group operates.

**70%**  
**OF EXECUTIVE AND SENIOR POSITIONS ARE FILLED THROUGH INTERNAL PROMOTION**



## Develop the "Health and Safety at Work" culture

**Protecting the health and constantly improving the safety of the Group's 16,700 employees are priority issues. STEF favours a preventive approach and strives to change behaviours.**

**Incorporate the preventive approach into everyday life** — The global approach to improve the working environment is implemented at several levels. Elements of Health and Safety at Work and ergonomics are integrated from the very start of projects (design of warehouses and work clothes, selection of vehicles and handling equipment). In order to prevent musculoskeletal disorders, warm-up exercises for personnel working in "extreme cold" environments have been put in place.

**Commit to the quality of working life** — This is a key challenge within the Group. New measures have been taken this year to prevent difficult situations. In particular, the Group has educated its employees about psychosocial risks. A practical guide entitled "Supporting an employee in difficulty" gives managers instructions on the appropriate response. A social benefit and a psychological support service have been set up in France for employees experiencing (professional or personal) difficulties.



**-20%**  
**FALL IN THE ACCIDENT AT WORK RATE BETWEEN 2012 AND 2017**



**STEF RECEIVED THE SPECIAL HEALTH AWARD** presented by Harmonie Mutuelle at the 5<sup>th</sup> corporate social responsibility awards, the Trophées Défis RSE 2017 for its global approach to improving working conditions and its preventative actions.

**CAMPUS PARENTALITE:** Since 2017, in France, STEF has offered a free subscription to online school support designed by Bordas for those employees who want it. Digital, entertaining and educational, this platform helps them to support their children's school work. Tested on around twenty sites this year, this initiative is receiving very positive feedback. It will be implemented nationally in 2018.

## Involve employees in STEF's success

**Deeply rooted in the Group's history and culture, the principle of employees investing in the Company's capital has made STEF a unique model in its business sector.**

**Today, 69% of the Group's capital is held by its management and employees,** including 16.4% through the dedicated company mutual fund (FCPE). STEF is therefore ranked 3<sup>rd</sup> among those companies with the highest percentage of employee shareholders on the Euronext-FAS IAS index.

**In 2017, STEF celebrated its 10,000<sup>th</sup> employee shareholder and received the Grand Prix Indice Euronext-FAS IAS' award for its employee savings model.** This award recognises the Group for the stability and sustainability of its employee savings model created nearly 25 years ago and for its ability to develop this employee shareholding. This scheme is now being put in place in all of the countries where STEF operates, except Switzerland.



**Nearly two out of three employees are Group shareholders through the FCPE, across all socio-professional categories**



## Promote diversity and equal opportunities

**Promoting diversity firstly means explaining and combating stereotypes. STEF strives to nurture this in all its components and in all the countries where the Group is present.**

**Gender equality** — Every day, STEF strives to demonstrate that women have a rightful place in many industries and seeks to strengthen the diversity in its teams.

# 20%

OF THE WORKFORCE ARE WOMEN



**200 young people catered for in France during the professional integration week**

**more than 700 employees with disabilities**

**Professional integration of young people** — This year, STEF employed 314 young people on apprenticeship and professionalisation contracts and contributed to the drafting of a White Paper presented to the French government on employing vulnerable young people.

**Integration of employees with disabilities** — The proactive policy conducted for the last 10 years has led to a satisfactory employment rate with regard to the Group's line of business. In 2017, the Disability Mission continued its awareness initiatives. Several of these initiatives have already won awards such as the "Job Discovery Days" and the scheme to safeguard professional employment.



## STEF's Disability Mission: 10 years of commitments and results!

At STEF, employees with disabilities perform the same jobs as others: 1/3 are bay operators, 1/3 drivers and 1/3 perform other roles. During the 21<sup>st</sup> European Week for the Employment of People with Disabilities in November 2017, STEF celebrated 10 years of its Disability Mission and the Group's success in this area. The signing of 4 successive agreements with social partners has helped to increase the employment rate of people with disabilities from 2.7% in 2007 to 4.2% in 2017.



Every day, 700 of the Group's employees prove to us that disability and performance are compatible.

## Environment

# Reduce the impacts related to the Group's activities



The Group's environmental commitments are an integral part of its strategic plan. STEF is continuing its proactive policy to reduce energy consumption and develop innovative business solutions for the entire supply chain.

## Combat climate change

The Group's commitments concern its vehicles and buildings, with the renewal of the ISO 50 001 certification in 2017. In order to strengthen this procedure, STEF has decided:

▶ from 1 January 2018, to introduce monitoring of STEF Transport's fuel consumption within the scope of the EMS\* which is subject to ISO 50 001 certification with an objective to reduce consumption by 2% over the period;

▶ to continue its policy favouring the use of natural refrigerants or those with low global warming potential in its refrigerated facilities;

▶ to deploy production technology for cryogenic cold with nitrogen in vehicles across 3 Transport platforms (Brignais, Chambéry and Mions).



USING ITS 2 CO<sub>2</sub> CALCULATORS CERTIFIED BY BUREAU VERITAS CERTIFICATION, STEF is able to supply greenhouse gas emission measurements for all the European countries in which it operates.



## Almost the entire fleet of tractor units in operation complies with the Euro VI standard



The convincing results produced by the reduction of STEF's impacts are the outcome of a targeted environmental policy, shared and implemented by all.

70 VEHICLES ARE NOW EQUIPPED WITH CRYOGENIC COLD SYSTEMS. This technology provides greater refrigerated capacity while significantly reducing local emissions (GHG, particles, noise, etc.). This solution meets the constraints related to distribution rounds in urban areas.

\* energy management system

## Limit emissions related to transport activities

The commitments made since 2009 under the three-yearly programmes put forward by the French Environment and Energy Management Agency (ADEME) have been successful (20% reduction in CO<sub>2</sub> emissions over the period).

The business process indicators for STEF Transport confirm the Group's progress -

For a more relevant view of the company's activity (excluding Maritime), STEF has supplemented the global gCO<sub>2</sub>/t. km indicator with more specific business indicators. For STEF Transport, which represents 70% of the Group indicator, the following is thus noted:

- ▶ a constant reduction in vehicle consumption per kilometre travelled;
- ▶ an improvement in the occupancy rate of distribution-collection vehicles;
- ▶ a regular increase in the average weight at location for distribution;
- ▶ a constant increase in the kilometres travelled.

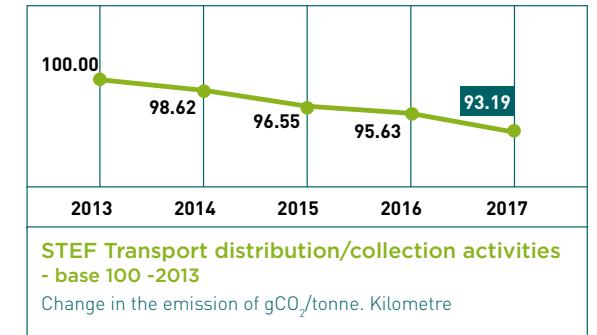


## The kgCO<sub>2</sub>/km emissions of La Méridionale are falling -

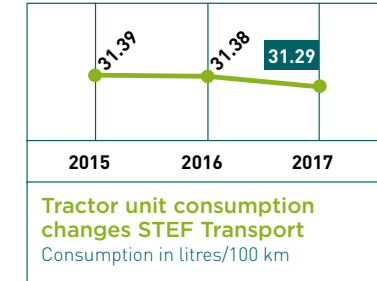
In Marseille, the quayside connection of its 3 vessels to the electrical network has eliminated the equivalent of over 3,000 vehicles/day for particles (PM10) and CO<sub>2</sub> emissions and 65,000 vehicles/day for Nitrogen oxides (NO<sub>x</sub>)\*. It has also improved on-board working conditions (eliminating vibrations and noise from the engines).



The gCO<sub>2</sub>/t.km indicator is constantly improving for the consolidation service which is a key component of STEF Transport's business.



Vehicle fuel consumption continues to fall: 31.3 litres/100 km in 2017 (vs. 31.4 litres/100 km in 2016).





## Further improve the environmental performances of sites

STEF is modernising its equipment and continuing its plans to control (electricity and water) consumption and waste management. In 2017, the Group once again committed to a third three-year period of ISO 50 001 certification for its real estate assets in France, with an objective to reduce consumption by 4% over the period.

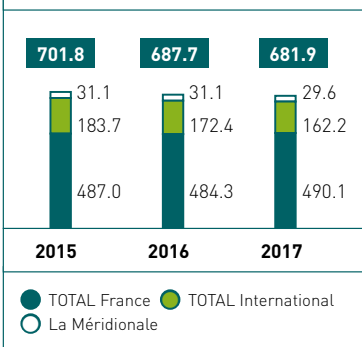
STEF is growing... but its electricity consumption is falling! The Group showed a total gross reduction in consumption of 2.1 GWh. The fall is particularly significant in France: -8.3 GWh, which is an annual gross reduction of 2.3%.

Changes in STEF's electricity consumption  
Consumption in GWh



Water consumption fell further despite the high temperatures of summer 2017.

Changes in STEF's water consumption  
Consumption in thousands of m³

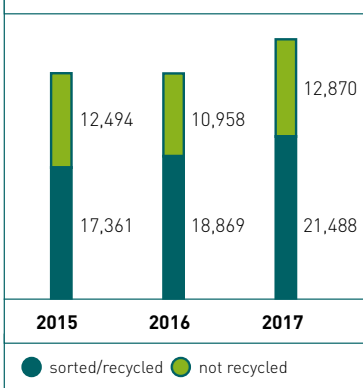


The conversion plan for STEF's refrigerated facilities is almost complete. STEF favours the use of natural fluids or low-level HFC. The Group also continues to experiment with alternative technologies, including cryogenics.



In 2017, 80% of NHW (non-hazardous waste) generated was sorted, recycled and recovered by 78% of the sites that use sorting. The recycling and recovery rate for NHW reached 63%.

Composition of STEF's recycled non-hazardous waste  
Breakdown by type of non-hazardous waste in tonnes



## Social commitments

# Support economic growth in the regions where STEF is present



STEF is involved in community actions with experienced partners that, like STEF, are established in the regional fabric. Generally, the Group invests in long-term initiatives and ensures that such projects match its expertise and values.

## Facilitate the professional integration of young people

For over 20 years, STEF has welcomed and trained young people through apprenticeship and professionalisation contracts and internships. It also lends its support to associations or institutions that help young people to fit into the world of work.

**Establish lasting initiatives -** In 2016, STEF formalised its commitment by signing the national "Entreprise et Quartiers" charter and 4 agreements with different establishments and associations: EPIDE (Establishment for integration into employment), Sport dans la Ville, NQT (Our Districts Have Talent) and Tremplin. The local "Entreprise et Quartiers" partnership agreements are represented through the scheme in place at the Cergy logistics site and one currently being implemented at STEF Transport in Avignon. In early 2018, STEF also signed an agreement with the Prefecture of Seine-et-Marne for the Darvault site.

**Act in the regions and in Europe -** The density of its network and the location of its warehouses in France and Europe enables STEF to carry out actions at the heart of these regions, especially in areas where the integration of young people is a significant issue. For example, partnerships are being put in place in Spain to help young people in difficulty into training courses with qualifications.

**Make STEF's professional opportunities known and recruit -** Every year, STEF organises "open days" on its European sites for young job seekers aged between 16 and 25. In France, this year, STEF also took part in the trade show focusing on young people of the future, the "Salon Jeunes d'avenir" and the "week of professional integration of young people". In total, over 200 young people were welcomed to STEF across 17 volunteer sites. A dozen or so recruitment processes are in progress. In order to promote the connection between academia and the business world, STEF also offers immersion courses for teachers and careers advisors.



## Darvault: STEF helps young people from priority districts into employment

When the Group opens a new site, it recruits locally. In Darvault, the local "Entreprises et Quartiers" partnership agreement signed with the Prefecture of Seine-et-Marne has paved the way for practical actions including, internships, work experience courses, permanent contracts, etc.

**Collective mobilisation -** The agreement enables the joint intervention of all relevant organisations (State services, local authorities, associations, job centres, local missions) and therefore helps to increase effectiveness, especially for recruitment.

**A prospective approach -** The sites in which STEF invests, are intended to be operational for several decades. The jobs created are therefore sustainable, but also evolve over time. The agreement is used to establish constructive relationships with local training providers.

Districts with a city policy are true pools of young talent. Our commitment is to support them into sustainable employment.

## Support the Restos du Cœur

Since 2009, STEF has worked with the Restos du Cœur association as part of a sponsorship agreement: professional integration of beneficiaries, training of volunteers (40 people), skills-based sponsorship and logistics assistance. The partnership was renewed in 2017. In November, STEF also organised a first collection of food, hygiene and baby products. This operation involved over 70 STEF sites in France and managed to collect over 2.2 tonnes of goods. A similar action has been developed in Spain with the Association of Manufacturers and Retailers (AECOC).



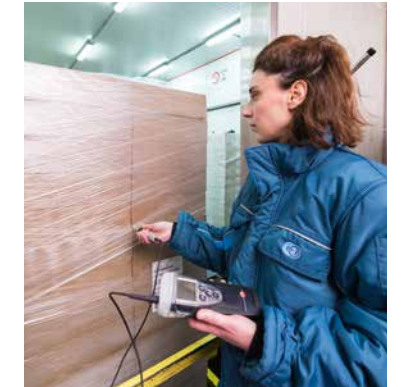
## Hold discussions with stakeholders and move the cold divisions forward

STEF maintains close links with professional bodies and trade unions representing the profession in Europe (ECSLA, AFF, TLF, Transfigoroute, UNTF, USNEF). The Group is involved in discussions on draft regulatory changes and in various practical experiments (Association Club Déméter Environnement et Logistique).



## Ensure food safety for consumers

As a stakeholder in the cold chain, the STEF Group guarantees its compliance and the traceability of products entrusted to it. In France, where all sites have health certification, STEF has set up a Sanitary Control Plan (SCP). This is deployed through compliance audits and monitored by action plans within the framework of a certification process.



**Help from the cold specialist!** STEF partnered the "Cold" exhibition about all things cold, at the Cité des Sciences in La Villette on 5 December 2017: an entertaining and educational journey into the world of cold and the practical reference points needed to understand the phenomena and applications hidden behind this topic.



# Consolidated financial statements

## CONSOLIDATED INCOME (in €M)

	2017	2016
<b>TURNOVER</b>	<b>2,975.7</b>	<b>2,824.5</b>
<b>OPERATING PROFIT</b>	<b>132.3</b>	<b>123.3</b>
<b>NET PROFIT (group share)</b>	<b>93.6</b>	<b>87.1</b>

## CONSOLIDATED BALANCE SHEET (in €M)

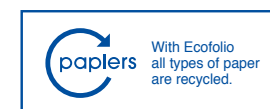
ASSETS	2017	2016
Tangible fixed assets	1,064.4	1,000.3
Customers	475.3	455.3
Other assets	498.1	463.9
<b>TOTAL ASSETS</b>	<b>2,037.8</b>	<b>1,919.5</b>
<b>LIABILITIES</b>		
<b>EQUITY</b>	<b>628.5</b>	<b>559.4</b>
Trade accounts payable	397.6	356.8
Financial liabilities	585.6	570.7
Other liabilities	426.2	432.6
<b>TOTAL LIABILITIES</b>	<b>2,037.8</b>	<b>1,919.5</b>

## CASH EQUIVALENTS

	2017	2016
<b>OPERATING CASH FLOW</b>	<b>183.5</b>	<b>180.4</b>
<b>NET INVESTMENTS</b>	<b>(170.5)</b>	<b>(142.8)</b>

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