

HIGHLIGHTS

2016



STEF 



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## CONNECTING FOOD MARKET PLAYERS IS THE MISSION OF STEF GROUP.

A European leader in temperature-controlled logistics and transport services, the Group carries fresh, frozen or thermosensitive products from the production to their consumption sites under the best conditions in terms of food safety, lead time and quality.

Every day, through an extensive network in France, Italy, Spain, Portugal, Belgium, the Netherlands and Switzerland, the Group's 16,000 employees work for agrifood manufacturers, retailers and out-of-home foodservice businesses.

The professionalism and expertise of STEF's people, their shared values of enthusiasm, respect, reliability and performance are leveraged to serve the Group's clients.

## GROUP'S GOVERNANCE

### EXECUTIVE COMMITTEE



**Bertrand BOMPAS**  
Managing Director of STEF Logistique

**Marco CANDIANI\***  
Managing Director of STEF Italy

**Serge CAPITAINE**  
Deputy Chief Executive Officer of STEF Sales and Marketing Director

**Jean-Yves CHAMEYRAT**  
Human Resources Director

**Christophe GORIN**  
Group Business Director

**Angel LECANDA**  
Managing Director of STEF Iberia



**Stanislas LEMOR**  
Deputy Chief Executive Officer of STEF Financial Director

**Marc REVERCHON**  
Chairman and Managing Director of La Méridionale

**Léon de SAHB**  
IT Systems Director Managing Director of STEF Information et Technologies

**Jean-Pierre SANCIER**  
Chief Executive Officer of STEF Chairman of STEF Transport

**Gilles SAUBIER**  
Real Estate and Purchasing Director Managing Director of Immostef

**Marc VETTARD**  
Deputy Managing Officer of STEF Transport

\* Appointed in January 2017

### BOARD OF DIRECTORS

**Francis LEMOR, Chairman**  
Bernard JOLIVET, Vice-Chairman  
Jean-Charles FROMAGE  
Jean-Michel DELALANDE  
Elisabeth DUCOTTET  
Alain GEORGES  
Emmanuel HAU

Estelle HENSGEN-STOLLER  
Jean-François LAURAIN  
Murielle LÉMOINE  
Dorothee PINEAU  
ALLIANZ Vie, represented by Peter ETZENBACH  
ATLANTIQUE MANAGEMENT, represented by François de COSNAC

### 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

## CHAIRMAN'S MESSAGE

In 2016, the Eurozone experienced moderate growth (+1.7%). Food production and consumption followed an identical pace of growth. In this context, the supply chain performance is critical for our customers: mobility, flexibility, anticipation and innovation stimulate competitiveness for all players on our markets. Once again this year, the men and women at STEF have been up to the task.

The proof is the trust of our customers, which is reflected in our increased turnover in France but also the progress in our international business, the growth in our service rates and our results. In order to consolidate the Group's European footprint, we have concluded two forward-looking partnerships: one in Germany with NORDFROST, the other in Switzerland with EMMI. Finally, we have worked on building a domestic distribution network in the Netherlands and incorporated four new ambient and temperature-controlled warehouses in Italy.

Real estate investment prepares for future growth. Confident about its future, STEF invested heavily in 2016 in France (Châteaubourg, Orléans North, Darvault) as well as in our other countries (Italy, Portugal, the Netherlands, Switzerland).

La Méridionale played a key role in the redefined arrangements for the public service concession agreement from Marseille and strengthened its visual identity to align its reputation with the high service quality recognised by its customers.

Our Group's development would be inconceivable without respect for our corporate and social environment, and without the constant concern for our sustainable development commitments. More specifically, in 2016, we supported actions to foster the professional integration of young people and obtained the renewal of the ISO 50 001 certification for the implementation of our energy management system, deployed across all our sites in France.



In 2017, our stronger financial structure will enable us to respond to the external growth opportunities that may arise with the stated objective of reinforcing the Group's network, in countries where STEF has chosen to operate. More generally, within the European area, STEF will support its customers' development, either directly or through active partnerships.

In this respect, the historic level of investments that we have decided to carry out in 2017 is the best evidence of our ambitions and our desire to adapt sustainably to the necessary changes on our markets. I am convinced that it is also the best response to the uncertainties of our economic environment.

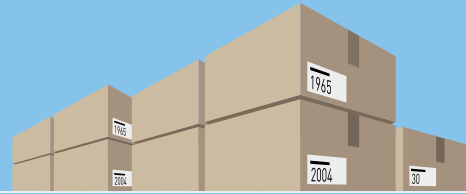
To conclude, I wish to pay tribute to all employees of the Group for their respective roles in the achievements and performance of the past year, and for championing our standards of quality, service and performance. I thank them warmly for these outcomes and reiterate my confidence in the future of STEF.

**Francis LEMOR**  
Chairman

# STEF AT A GLANCE



## FRANCE OPERATIONS



**Transport** — consolidation, batch transport, the organisation of national and international consignments of fresh and frozen food products for agrifood industries and retailers, together with the transport of seafood products.

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



## INTERNATIONAL ACTIVITIES

Transport and logistics activities in Italy, Spain, Portugal, Belgium, the Netherlands and Switzerland to which European consignments are added.

## MARITIME



La Méridionale, the Group's maritime company which provides a passenger and freight transport service between the continent and Corsica under a public service concession.



## CENTRES OF EXPERTISE



**Real estate** — IMMOSTEF manages the Group's real estate assets and supports its long-term growth in France and Europe by designing and constructing facilities and continuously adapting and maintaining its real estate assets.

**Information systems** — STEF INFORMATION ET TECHNOLOGIES manages the IT and digital tools that the Group uses to support its customers, improve the productivity of its business divisions and increase flexibility, responsiveness and security.



2016 TURNOVER  
**€2,825 M**

2016 CONSOLIDATED INCOME  
**€87.1 M**

**7 COUNTRIES**  
ACROSS EUROPE



PLATFORMS  
AND WAREHOUSES  
**225**

VEHICLES  
**1950**

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

# STEF'S KEY ADVANTAGES

Changing consumer behaviours and the fragmentation of distribution channels have resulted in a shift in the nature and organisation of flows. The logistics chain is becoming ever more complex and requiring specialist responses. In such a fast moving environment, our clients can rely on STEF's services and agility to grow.

1

**A network density** that fosters proximity with the local economic players.

2

**An expertise in managing just-in-time deliveries.**

3

**A diverse range of dedicated service offers** to satisfy the needs of different production or distribution sectors, depending on the temperature and type of consignee customers.

4

**Innovative information systems and technology resources** for preparing, tracking and managing customer consignments.

5

**A policy of owning real estate assets** and the expertise of its teams (design, construction, building maintenance, improving former operating sites) across Europe.

# 2016 OVERVIEW

1

**The Netherlands:** STEF strengthened its European network with the acquisition of VERS EXPRESS, a company specialising in the distribution of fresh products and with the purchase of real estate and a 40% stake in the company NETKO.

2

**Germany:** STEF signed a European partnership agreement with NORDFROST, the German leader in frozen product logistics, which opens up new opportunities for its customers in northern and eastern Europe.



5

**Switzerland:** STEF announced the pooling of its logistics network with EMMI, the leading Swiss dairy group and consolidated its position on the fresh products logistics segment in Switzerland.



6

**France:** STEF became the first refrigerated transport network to be certified AFAQ ISO 9001: 2015.



4

**Europe:** The Group launched STEF Europe, its new transport service for international consignments (import/export) available from 7 countries thanks to its robust European network of refrigerated consolidation platforms.

**STEF EUROPE**

3

**France:** STEF opened a new transport warehouse at Châteaubourg (Rennes) and began operations at its new Orléans Nord logistics warehouse.



7

**France:** STEF received the 2016 "Trophée Défis RSE" corporate social responsibility award for its environmental policy, an event presided over by the Ministry of the Environment, Energy and the Sea.



8

**Italy:** STEF added to its coverage of the ambient and temperature-controlled segment by taking over 4 logistics warehouses dedicated to thermosensitive products from a major local industrial operator.

9

**France:** STEF was awarded the "Objectif CO<sub>2</sub>" label after reducing its CO<sub>2</sub> emissions per tonne-kilometre by 20% between 2009 and 2014.

10

**Belgium:** STEF celebrated the 40th anniversary of its Saintes logistics warehouse and obtained IFS Logistics certification.

11

**Spain:** STEF won the "Emprendedores y Empleo" award for its training plan for professionally-challenged people.

12

**France:** With CITELIV (Lille) and Triporteurs Bordelais, STEF is experimenting innovative delivery solutions for fresh and ultra-fresh products in city centres using electric cargo bikes and cycle-vans.

13

**France:** STEF received the "F d'Or Handicap" Award in the "Job Retention" category for its personalised support project for disabled employees.

14

**Maritime:** In order to protect the environment, La Méridionale installed an innovative ballast water treatment system and invested in a quayside electrical connection solution enabling it to limit its CO<sub>2</sub> emissions.

15

**The Netherlands:** STEF successfully continued the European deployment of its Company Savings Plan with its first employee shareholding campaign in the country.

16

**Switzerland:** STEF laid the foundation stone of its future site in Kölliken in German-speaking Switzerland.

17

**Portugal:** STEF strengthened its network by opening a platform at Coimbra.

# CAPTURE GROWTH OPPORTUNITIES ON THE MOST PROMISING MARKETS

## IN 2016...

**STEF improved its standing in Europe and consolidated its footprint in France.**

➤ **International activities played an increasing role in the Group's performance.** Turnover increased by nearly 6% and profitability is now comparable to operations in France.

➤ **Increased networking of facilities across Europe.** The year's highlights included the signing of two major partnership deals, one in Germany with NORDFROST and the other in Switzerland with EMMI, creating a true consolidation network for fresh products in the Netherlands and the integration of four ambient and temperature-controlled logistics warehouses in Italy.

➤ **In France, STEF's expertise has been concentrated in 2 business units:** "STEF Seafood" for the transport of seafood products and "Out-of-home Foodservice". The performance of the Logistics division, which was engaged in a major transformation plan, has recovered. Whereas the Transport division recorded a growth in volumes due to a commercial momentum across all its sectors.

➤ **La Méridionale proved to be resilient** in an unstable environment.

## IN 2017..

**STEF plans to continue its development strategy based on 5 priorities.**

➤ **Continue to transform its Transport network in France** by positioning itself as a "multi-specialist" and not simply a general and mass distribution operator, and by developing dedicated offers and technical solutions.

➤ **Build on its specific expertise** and develop its specialisation.

➤ **Strengthen its Logistics division in France** through the launch of two strategic sites dedicated to fresh, ambient and temperature-controlled activities and by supporting a major out-of home foodservice business.

➤ **Confirm its European footprint** with the completion of ambitious real estate projects and by capitalising on the partnerships signed in Europe in 2016.

➤ **Enhance La Méridionale's reputation** and its involvement in a sustainable offer within the framework of future public service concessions.





## PREPARE FOR FUTURE GROWTH

In 2016, the **operational performance** of the **Transport activities** continued to improve despite a rather stable economic environment.

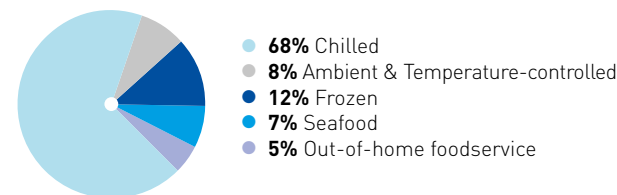
**Logistics turnover** was **up slightly**. In preparation for future **growth**, STEF continued its **investments** and strengthened its **offer** on **promising markets**.

# TRANSPORT: SATISFACTORY RESULTS IN A CHALLENGING ENVIRONMENT



Carried by sustained commercial momentum, particularly on the mid-market and organic markets, STEF Transport's volumes grew. 2016 turnover recorded a slight rise (+0.2%) compared with 2015, despite the fall in the price of fuel.

## BREAKDOWN OF STEF TRANSPORT'S TURNOVER BY SEGMENT IN 2016



**Fresh and compatible products: STEF Transport has taken full advantage of the momentum of all the Group's activities, especially, logistics and out-of-home foodservice.** Some sectors, such as "organic" and labelled product producers, have allowed a satisfactory rate of volume growth to be maintained. The avian flu outbreak, which affected the poultry sector in south-western France, had a major impact on the business in terms of volumes. In order to speed up flows from Brittany to other French regions and provide a better response to the needs of local manufacturers, in 2016, the Group opened a new platform in Châteaubourg.

**The seafood products market was driven by the momentum in the sector and a new partnership with a major retailer.** With its expertise in this specialist and demanding segment, STEF decided to strengthen its positions by creating a new expert entity: STEF Seafood.

**The frozen products business grew slightly and outperformed the market which remained stable in terms of volume.** The Group saw an increase in demand (bakery and pastries, pizzas and frozen desserts) due to its global logistics and transport offer adapted to the major players on the bakery and pastry market.

**CREATION OF STEF SEAFOOD.** Transporting seafood products is a specialist business! Dedicated to driving this activity, the new business unit has its own sales and operations structure. It provides its expertise to seafood product supply chain activities by handling the supply, division between platforms, distribution and management of flows.



In June 2016, STEF became the **1<sup>st</sup> REFRIGERATED TRANSPORT NETWORK** certified under ISO 9001: 2015 in France.

**81**  
PLATFORMS IN FRANCE

\* Bakery and Pastry market



## LOGISTICS: PERFORMANCE RECOVERY AND INVESTMENTS



Montsoul

STEF contributes to the optimisation of the agrifood supply chain, from supplying factories to deliveries to points of sale. The Logistics France division posted growth in turnover of +1.5%. In 2016, STEF embarked on a significant investment programme and has deployed its logistics offer across high value-added markets.

**TWO NEW SITES** began operating in early 2017 in France: a 15,000 m<sup>2</sup> refrigerated warehouse at Nemours-Darvault and a 19,300 m<sup>2</sup> logistics warehouse for ambient and temperature-controlled food in Orléans Nord.



# 5,014,000 M<sup>3</sup>

STORAGE VOLUME IN FRANCE

**Mass distribution logistics for fresh and thermosensitive products.** “Fresh” operations increased by +9%. Despite a growth of +6% in volumes across the logistics sector, the ambient and temperature-controlled business recorded a slowdown in turnover (-14%). The business was intermittently penalised by the reorganisation of the transport activities of the sector’s main customer.

**Dedicated hypermarket and supermarket logistics.** Growth (+0.6% compared to 2015), was affected by the stability of food product volumes with some customers and by lower frozen volumes. E-commerce activity posted a growth of nearly +10%.

**Logistics for commercial restaurant chains.** This segment posted a + 1.1% increase in turnover despite the selective decisions the Group made about its customer portfolio. To satisfy the needs of customers seeking European support, STEF embarked on a major transformation plan for its foodservice business.

**Frozen product logistics and proximity logistics.** The activity saw a growth of 3% over the year. Consolidation of real estate investment continued on high-potential segments.



# 83

WAREHOUSES IN FRANCE

**CREATION OF THE NEW “OUT-OF-HOME FOODSERVICE” BUSINESS UNIT.** It offers a high-quality service which will rely on state-of-the-art information systems, a sustained programme of real estate investments, dedicated human resources and a fleet of vehicles.



## A MAJOR VEHICLE FOR GROWTH

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In 2016, **STEF's International activities** contributed to the growth of the business and the Group's performance.

**Turnover** rose by nearly 6.5%. STEF is improving its operational performance and **reinforcing** its **presence** in the **15 countries** in which it operates, directly or through its partners, to offer greater **support** to its customers across **Europe**.

TURNOVER  
ITALY

**+10%**

**Italy** — The Group's second largest country in terms of turnover, Italy recorded strong growth. Performance was driven by the acquisition of a logistics business from one of the Group's very first international customers in the temperate and thermosensitive (+8°C to +15°C) food products sector. Better operational performance across all activities also made a significant contribution to the improved results. STEF is continuing its real estate investment programme as a means of offering greater support to its customers.

TURNOVER  
SPAIN

**+1.8%**

**Spain** — Driven by the Group's domestic development, turnover continues to rise. STEF is organising itself to address changes in the market: this year, the Group finalised its specialisation project by industry for its operating sites and the gradual transformation of its business. Distribution logistics completed its first year of operation on a new platform and STEF improved its market share on the out-of-home foodservice segment.

TURNOVER  
BENELUX

**+15.6%**

(+8.8% AT CONSTANT SCOPE)

**Benelux** — Buoyed by its good results, STEF is increasing presence with the creation of a refrigerated consolidation network across the region. The Group has laid the foundations for a multi-site and multi-activity presence with two external growth operations: acquisition of VERS-EXPRESS, acquisition of real estate from the company NETKO and the acquisition of a 40% stake in this company's share capital. STEF also began constructing a new warehouse next to existing buildings in Bodegraven, so that it can offer a logistics solution to Dutch manufacturers. In Belgium, the Group carried out major transformation works and increased its refrigerated storage capacity to accommodate the launch of an important logistics business.

**Switzerland** — STEF confirms its ambitions to position itself as a leader in the mass distribution of fresh food products despite the loss of a large customer this year which impacted turnover. A multi-temperature platform in the German-speaking area in Kölliken near Zurich is currently being constructed, confirming the Group's ambitions in the country. STEF has also signed a partnership agreement with the leading Swiss dairy group to create a joint logistics and distribution network dedicated to fresh food products (+2°C / +4°C).

**Portugal** — Consolidation, fresh products logistics and out-of-home foodservice activities are developing and driving growth. STEF added to its real estate investment, resulting in: the opening of a distribution platform in Coimbra and extension of the Porto site; the extension of the Alverca site to meet the needs of a new European customer specialising in dairy products. STEF also plans to extend its storage capacities on the frozen segment in Lisbon in 2017 to address market demand.

TURNOVER  
PORTUGAL

**+5%**



ITALY - Tavazzano



NETHERLANDS - Bodegraven - New site extension opening in 2017

## STEF CONTINUED THE DEPLOYMENT OF ITS EUROPEAN NETWORK.

- 1 **IN ITALY**  
Construction of 2 new transport platforms: the first in Rome and the second in Bologna, the preferred geographical basin for the Italian agrifood industry.
- 2 **IN SPAIN**  
— The Madrid platform with a mechanised order preparation system completed its 1<sup>st</sup> year of operations.  
— STEF strengthened its presence on the out-of-home foodservice market with the launch of a dedicated warehouse and winning an iconic customer.
- 3 **IN THE NETHERLANDS**  
— Acquisition of VERS-EXPRESS.  
— Purchase of a platform from NETKO and a minority interest in the company.
- 4 **IN SWITZERLAND**  
A genuine hub for the system in the country, the multi-temperature platform near Zurich which is currently being built will be used to offer a comprehensive solution. Delivery is scheduled for October 2017.



La Mériidionale was named **BEST FRENCH FERRY COMPANY** by the Capital magazine in late 2016 following a survey of 20,000 passengers.



## MARITIME

# LA MÉRIDIIONALE DRIVES QUALITY STANDARDS

**Despite an uncertain environment, passenger and freight transport services have proved resilient.** With an unchanged scope, passenger transport remained steady, although freight fell by 5%. The exceptional chartering of the Monte d'Oro vessel on Ile-Rousse during the summer season made it possible to reach 285,000 passengers (+8%) and a stable freight activity during the year. In addition to the sale of the Scandola vessel, the lower cost of owning the Piana and the savings generated within the organisation dedicated to the maintenance of vessels have significantly improved La Mériidionale's results.

**For the company, the year was marked by:**

- **the assumption of full responsibility for the public service concession for the delivery of maritime services to Corsica (PSC)**, in January 2016 for its remaining period until 1<sup>st</sup> October 2016 This was accompanied by a sub-concession with the buyer of the ex-SNCM for the routes it provided before its liquidation;
- **the takeover by a consortium comprised of distribution companies and Corsican road hauliers** of the company to which the Commercial Court of Marseille had initially awarded the main assets of the SNCM;
- **the joint assignment to La Mériidionale and the aforementioned company, renamed Corsica Linea, of the interim PSC** from 1<sup>st</sup> October 2016 to 30<sup>th</sup> September 2017. This period precedes the implementation of a new legal framework currently being developed by the Corsican authorities.



# 6,800

LINEAR METRES OF TOTAL CAPACITY, WHICH IS EQUIVALENT TO 500 TRAILERS AND 1,900 PASSENGERS WITH THEIR CARS

# OUTLOOK FOR 2017

In **2017**, the Group will focus its **development strategy** on:

1

## TRANSFORMING THE TRANSPORT NETWORK IN FRANCE

to enable it to position itself to address market changes as a “**multi-specialist**” and not just as a **general** and mass distribution **operator**, particularly by developing offers and technical solutions suited to new requirements.

2

## DEVELOPING ITS SPECIALISATION

with the creation of two business units, one dedicated to **out-of-home foodservice** and the other to **seafood products**.

3

## STRENGTHENING THE LOGISTICS DIVISION IN FRANCE

through the launch of two strategic sites for **chilled, ambient and temperature-controlled activities** and by supporting a major **out-of home foodservice business**.

4

## CONFIRMING ITS EUROPEAN FOOTPRINT

with the completion of ambitious **real estate projects** and capitalising on the partnerships concluded in 2016.

5

## BOOSTING LA MÉRIDIONALE'S REPUTATION

and its involvement in a sustainable offer within the framework of **future public service concessions**.

# CORPORATE SOCIAL RESPONSIBILITY

## CSR, driving progress for STEF!

➤ **STEF has long made strong commitments in terms of CSR:** employee safety, developing their skills, the employee shareholding plan, controlling energy consumption, complying with environmental regulations and reducing its impact at source, food safety for consumers, etc. This means respecting the 4 values that have galvanised the Group since its creation: **Enthusiasm, Respect, Reliability and Performance.**

➤ **STEF's approach is collaborative** All STEF's teams are motivated to make CSR issues real drivers for progress. Supported at the highest level by the Group's executive management, the process is rigorous and the indicators verified. Information identified by the sign  has been verified with a "reasonable level of assurance" by the independent third party organisation (\*).

\*This level of reasonable assurance corresponds to a voluntary approach by the STEF Group and is based on further work by the Independent Third Party Organisation in addition to that undertaken as part of a limited assurance.





## SUPPORTING EMPLOYEE DEVELOPMENT TO PREPARE FOR THE FUTURE

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To support its development, **STEF** looks to help the company's **men** and **women grow**. Regardless of their job or hierarchy, employees are **supported** to ensure that their **aspirations** match STEF's needs and thus create the conditions for a **strong commitment**.

**15,759**  
EMPLOYEES

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



**TRAIN, ENCOURAGE EMPLOYEES' PROFESSIONAL DEVELOPMENT AND PREPARE THE MANAGEMENT OF THE FUTURE.** STEF has implemented skills development and integration schemes that guarantee a good level of training in the jobs and activities, both today and in the future.

- **Preparing for the future: The Graduate Programme** Initiative-taking is one of the Group's key values. STEF cultivates this! Every year, some 80 young graduates join the 2-year graduate programme. The objective is to experience the full range of jobs and sites on offer within the Group so that they can be better prepared for positions of responsibility and become the managers of the future.
- **Pass on knowledge and develop technical skills for customer satisfaction.** This is the job of the Institut des Métiers du Froid which has over 140 licensed and certified trainers. They work on all STEF's sites across Europe. In 2016, the IMF catered for over 2,680 trainees (employees and temporary staff) and delivered over 23,200 hours of training.
- **Improve the employability of staff and support professional development.** A course aimed at employees (unskilled and skilled workers) who want to improve their basic knowledge (reading, writing, mathematics). This involves nearly 800 people a year (which is over 20,000 training hours across more than 80 sites in Europe). Additionally, development courses support employees (handling staff or managers) who wish to develop their professional career.



THE GROUP'S WORKFORCE INCREASED BY  
**+1.1%**  
IN 2016

**7.75%**  
TURNOVER  
IN THE GROUP IN 2016

**1,274**  
NEW APPOINTMENTS  
(PERMANENT CONTRACTS)  
OR PROMOTIONS, INCLUDING  
913 IN FRANCE

**182,000**  
TRAINING HOURS DELIVERED IN 2016

PROPORTION OF WOMEN  
 **20.1%**



**Accident rates fell in 2016 for the entire Group:**  
 — the frequency rate for occupational lost-time accidents was 44.9 (vs 47 in 2015): 1,105 lost-time accidents;  
 — the severity rate of 2.3 (vs 2.4 in 2015).



#### STRENGTHEN THE SAFETY CULTURE

The challenge of the Health and Safety at Work (HSW) approach is to contribute to the company's performance through initiatives to improve working conditions and develop a prevention culture. Created in 2016, a dedicated steering committee manages this cross-functional approach.

- **Incorporate HSW issues into the design of processes in addition to preventive actions.**

This approach helps to anticipate the appearance of new risks. The objective is to incorporate the HSW approach into building design and the selection of work equipment and clothing.

- **Protect the Quality of Work Life (QWL)**

In 2016, the first agreement on the prevention of psycho-social risks entered its final year of application. Discussions on implementing a more comprehensive QWL process have started.



**4.3%: this is the employment rate of disabled workers (in Spain, France and Italy at 31 December 2016).**

**STEF received the "F d'Or Handicap" Award from Opcalia in France.**



# 62%

OF THE WORKFORCE IN EUROPE HAS SHARES IN STEF THROUGH THE FCPE

#### RESPECT DIVERSITY AND MAKE IT AN ASSET.

The challenge is to give everyone the same chance of accessing employment and progressing within the organisation. This approach applies to all countries where the Group is present. The policies set up to integrate disabled employees have led to a satisfactory employment rate (4.3% at 31 December 2016) in countries where there is specific legislation that results in reliable measurements (Spain, France and Italy). Initiatives in countries where the legislation differs demonstrate that this challenge is shared at Group level.

**PROMOTE SOCIAL DIALOGUE.** There are legal bodies in the Group's subsidiaries and establishments in accordance with the regulations appropriate to each country. Union coordinators and transportation and logistics network committees, in addition to legal systems (European Works Council and Group committee) promote a constructive dialogue at every level of the organisation.

#### INVOLVE EMPLOYEES IN THE GROUP'S DEVELOPMENT: A CONTINUING TRADITION THAT IS DEVELOPING INTERNATIONALLY.

STEF staff own 16.38% of the capital through the dedicated company mutual fund (FCPE). This principle of employee shareholding is an integral part of the Group's history and corporate culture. Over the years, it has become a motivation tool and an element for social cohesion. It also makes STEF a unique model in its business sector. This scheme is now being deployed in almost all the countries where STEF operates.

# 24%

OF DUTCH EMPLOYEES JOINED THE GROUP'S EMPLOYEE SHAREHOLDING PLAN IN 2016



## **CONTROL OF ENERGY CONSUMPTION AND SEARCH FOR SOLUTIONS TO REDUCE ITS ENVIRONMENTAL IMPACTS ARE CENTRAL TO STEF'S CONCERNS.**

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Due to the nature of its business and aware of **climate issues**, STEF has introduced a proactive policy to **reduce** fossil energy **consumption** and use natural fluids, a policy that **is producing results...**

In July 2016, STEF Transport was awarded the "Objectif CO<sub>2</sub>" label for environmentally-friendly road haulage companies from ADEME for a three-year period.



**REDUCE THE IMPACTS RELATED TO TRANSPORT ACTIVITIES**

Increasing loading densities and optimising distribution rounds thanks to the development of innovative technologies can help to reduce the number of vehicles in circulation and, consequently, the corresponding emissions.

• **In 2016, STEF managed to stabilise its carbon footprint (excluding maritime).** The indicator that measures the change in the emissions of g CO<sub>2</sub>/tonne-kilometre even showed a slight fall: 99.5 (vs 99.7 in 2015 and 101.4 in 2014). STEF continues to optimise its loading rate and the concentration of its flows.

• **Vehicle fuel consumption is steady: 31.4 litres/100 km in 2016.** The underlying source of this trend is the regular replacement of fleet vehicles (most tractors in operation now comply with Euro VI standards), driver training in eco-driving techniques and the monitoring of fuel consumption.

• **La Méridionale continues to reduce the environmental impact of its activities.** The company has changed the propeller pitch of its vessels to ensure the most fuel-efficient navigation speed.



NEARLY  
**19,000**  
TONNES OF NON-HAZARDOUS WASTE RECYCLED/RECOVERED.



**LA MÉRIDIONALE IS THE 1<sup>st</sup> COMPANY to have provided a quayside electrical connection for its three ships in Marseille: their auxiliary fuel oil engines are therefore turned off when in port.**

STEF winner of the Défis RSE corporate social responsibility award in the environment category.



STEF is a signatory to the "Energy Efficiency Charter for Tertiary Buildings".

**77%**  
OF SITES SORT AND RECYCLE WASTE

**MODERNISE SITES TO LIMIT THEIR IMPACT.**

The Group is continuing with its plans to control energy and water consumption and waste management.

• **Energy consumption at sites throughout the Group are down by -1.4%\*.** This reduction is the result of STEF's proactive policy to control energy use across all its facilities: the accreditation of French real estate assets with the ISO 50 001 standard, the wider application of the "Energy Passport" and regular audits and monitoring.

• **In 2016, STEF saw the renewal of its ISO 50 001 certification across all its French sites.**

This programme focuses on controlling electricity consumption over time and continuously improving practices in operational processes. Over half of STEF's warehouses and platforms have installed LED lighting, resulting in a drop in consumption of around 50%.

• **Water consumption fell by 3.3%:** depending on the site, water requirements are provided by city supply (78%), boreholes and rainwater harvesting (22%). The share of water intake clearly improved. Air condensing procedures are favoured as a replacement for water condensing when replacing refrigerated facilities.

• **In Europe, the conversion plan for STEF's refrigerated facilities is almost complete.** HCFC fluids have been replaced with natural fluids (ammonia and carbon dioxide) for negative cold facilities and by fluids with HFCs in low quantities for positive cold facilities. STEF also continues to experiment with alternative technologies (cryogenics...).

• **The recycling and recovery rate of non-hazardous waste improved: 63%** (compared to 58% in 2015) which is a total of 18,869 tonnes. The widespread application of the waste management policy across all sites has constantly enabled STEF to improve the waste recycling and recovery rate for non-hazardous waste (NHW)\*. Hazardous waste is subject to specific treatment through the approved channels.



\* in the uncorrected gross value of the changes in scope and external factors such as temperatures, activity types.



**OUR AMBITION:  
ENSURE FOOD SAFETY  
FOR CONSUMERS  
AND SUPPORT  
THE PROFESSIONAL  
INTEGRATION OF  
YOUNG PEOPLE**

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**STEF is involved in long-term initiatives** created with **partners that are also established** in the regional economy. The Group also ensures that such **actions** correspond to its **expertise** and its values of **solidarity** and **perseverance**.

#### TAKE ACTION FOR FOOD SAFETY FOR CONSUMERS.

**As a stakeholder in the cold chain, STEF guarantees its compliance and the traceability of products.** Across its sites, the Group deploys: temperature measurement and recording systems during operating periods (vehicles and facilities); remote monitoring systems for non-operating periods; information systems that ensure the traceability of goods and can be used to respond to any request for identification and location. In France, where all sites have a health certification, STEF has set up a Health Control Plan (HCP).

#### FACILITATE THE PROFESSIONAL INTEGRATION OF YOUNG PEOPLE.

**STEF lends its support to associations or institutions that help young people who are experiencing difficulties fitting into the world of work.** A signatory to the "Entreprise et Quartiers" charter in France, the Group reaffirmed its commitment in 2016 by signing 4 agreements with different establishments and associations: EPIDE (Establishment for integration into employment), Sport dans la Ville, NQT and Tremplin. Across Europe, "open days" are also held for young people aged between 16 and 25 looking for work (a chance to discover various professions in the Group, CV workshops and interview simulations in particular).

#### PROTECT BIODIVERSITY.

**La Méridionale is involved in various projects to protect marine habitats and biodiversity.** In addition to introducing a quayside electrical connection for its 3 ships in Marseille, La Méridionale is working to protect the Mediterranean ecosystem: raising passenger awareness about plankton, communication about cleanliness at sea, initiatives on the Natura 2000 offshore zones and in the marine nature park of Cap Corse and Agriate.

**Health Control Plan (HCP) on French sites: this describes the measures taken to ensure the health and safety of the Group's activities regarding potential biological, physical and chemical risks. This Plan is deployed through compliance audits and monitored by action plans under a certification process.**



**STEF works with the Restos du Cœur association: professional integration of beneficiaries, training of volunteers (40 people), skills-based sponsorship and logistics assistance for the annual campaign and donations (8,600 pallets transported in 2016). A similar action has been developed in Spain where 775 tonnes of food were transported in 2016.**



## 2016 CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME

(in €M)

	2016	2015
<b>TURNOVER</b>	<b>2,824.5</b>	<b>2,826.2</b>
<b>EBITDA</b>	<b>230.8</b>	<b>217.2</b>
<b>OPERATING PROFIT</b>	<b>123.3</b>	<b>110.1</b>
<b>NET PROFIT (GROUP SHARE)</b>	<b>87.1</b>	<b>75.2</b>

### CONSOLIDATED BALANCE SHEET

(in €M)

	2016	2015
<b>ASSETS</b>		
Tangible fixed assets	1,000.3	949.9
Customers	455.3	438.3
Other assets	463.9	471.8
<b>TOTAL ASSETS</b>	<b>1,919.5</b>	<b>1,860.0</b>
<b>LIABILITIES</b>		
<b>EQUITY</b>	<b>559.4</b>	<b>494.4</b>
Trade accounts payable	356.8	357.1
Financial liabilities	570.7	577.4
Other liabilities	432.6	431.1
<b>TOTAL LIABILITIES</b>	<b>1,919.5</b>	<b>1,860.0</b>

### CASH EQUIVALENTS

(in €M)

	2016	2015
<b>OPERATING CASH FLOW</b>	<b>180.4</b>	<b>145.3</b>
<b>NET INVESTMENTS</b>	<b>(142.8)</b>	<b>(140.1)</b>

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