



CSR report  
**2020**

**STEF** 

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## **INTRODUCTION**

Providing transport and logistics for food products at all stages of the cold chain is a major daily responsibility. The Group's CSR commitments have been an integral part of its DNA for over 20 years and are fully consistent with how it operates and its values.

Today, STEF has made this a lever for progress and performance. The Group is committed to developing its business by reconciling economic development, health and safety compliance, social responsibility and respect for the major environmental balances.

Its businesses are constantly evolving, in direct relation to the development of society. Consumption habits are changing, consumer expectations diversifying and technological innovations multiplying. These changes are all opportunities to improve the Group's CSR performances.



# CHALLENGES AND STRATEGY



## CSR POLICY AND MISSION

Driven by the Group's Executive Management, the CSR policy is an integral part of STEF's mission to: "Guarantee that everyone can access a diverse range of safe and enjoyable food". It fuels its strategic choices and business conduct and guides its commitments.

The Group's business model and STEF's mission appear in the introduction to the management report, "The Group's social value".

### In 2020

Throughout the year, the Group's operations were impacted by the effects of the health crisis: the closure of out-of-home foodservices, changes in consumption habits towards more home deliveries and the consumption of less processed products. Its supply patterns were also disrupted: consolidation, which is STEF's core business, was impacted by the urgency of the supplies needed to feed the European population, with increased volatility during the first phase.

This health crisis has therefore highlighted the Group's mission. If food distribution to populations was preserved during this period, it was due to players such as STEF maintaining supplies to stores, strengthening its position as a responsible leader with respect to its stakeholders.



## CHALLENGES AND COMMITMENTS

### CSR PROCESS MANAGEMENT

Aware of its responsibilities, STEF has analysed the environmental, social and societal challenges to which the Group could be exposed by producing a risk analysis, cross-referenced with a materiality matrix. To this end, it maintains an ongoing dialogue with its stakeholders.

The Executive Committee is responsible for managing the CSR process, including the monitoring plan, along with the CSR ambitions and roadmaps in terms of its deployment to which it dedicates several sessions a year.

The deployment of the CSR process is implemented, depending on the themes, by the Sustainable Development Department, the Human Resources Department and others, including Purchasing and Health and Safety.

Together, they establish the tools and methods (indicators) and deploy the strategy and action plans in all the Group's operating countries. They analyse and evaluate the performance and propose progress plans as part of an improvement process. To do so, they use a network of advisors.

CSR objectives are determined in line with the company's general strategy and the expectations of the identified stakeholders. The CSR policy has been approved by STEF's Executive Committee. The Board of Directors has validated the "2030 Climate Commitments".

## METHODOLOGY AND IDENTIFICATION OF SOCIAL, SOCIETAL AND ENVIRONMENTAL RISKS

The risk mapping developed was used to take into consideration the issues facing the company with regard to its business, the perception of its internal and external stakeholders and the knowledge of its various operational and functional experts.

It was carried out in relation to their respective importance in the Group's operations and the level of severity of the CSR impacts using a scale:

- low/average/high – in terms of importance in STEF's operations;
- low/significant/major – in terms of environmental, social and societal impact.

In order to refine its current and future CSR issues and impacts, STEF applies the ISO 14001 and ISO 26000 standards and more specifically its French version in the "CSR logistics reference system", produced by the Directorate-General for Transport, Infrastructure and the Sea (DGITM).



## THE FIVE MAJOR CHALLENGES FOR THE STEF GROUP

Resulting from the Group's dialogue with its stakeholders, the five challenges identified arise from its convictions and the imperatives related to its businesses.



1

### CLIMATE CHANGE

2

### AIR QUALITY



3

### ATTRACTING, DEVELOPING AND RETAINING TALENTS



4

### HEALTH AND SAFETY AT WORK




5

### FOOD SAFETY




Each of these can be linked to several of the UN's 17 Sustainable Development Goals (SDGs). Overall, the Group's CSR actions make a positive contribution to 10 of these 17 SDGs.


## 1 - CLIMATE CHANGE

Risks	Challenges	Policies	SDG
<p>Climate change generates a risk for all the planet's ecosystems. It:</p> <ul style="list-style-type: none"> <li>is impacted by our operations;</li> <li>has an impact on our operations (increased outdoor temperatures generate an increase in energy requirements for refrigeration, extreme climate events, regulatory changes on energies that can be used for our vehicles).</li> </ul>	<p>Making our operations sustainable in a climate context that will change and impact our business model, making them compatible with the climate emergency and aligning them with the expectations of our stakeholders.</p>	<p>Test and deploy new, more ethical solutions for the environment, enabling us to control our consumption while reducing our greenhouse gas emissions.</p>	


## 2 - AIR QUALITY

Risks	Challenges	Policies	SDG
<p>Air pollution generates a risk for human health locally. It:</p> <ul style="list-style-type: none"> <li>can be caused by our operations;</li> <li>has an impact on our operations (deliveries in low emission zones).</li> </ul>	<p>Helping to protect the health of individuals, making our operations more sustainable in restricted areas and satisfying the expectations of our stakeholders.</p>	<p>Frequently replace our vehicle fleet to take advantage of the most efficient technologies, test more ethical alternative technologies particularly in terms of fine particle and nitrogen oxide emissions.</p>	


## 3 - ATTRACTING, DEVELOPING AND RETAINING TALENTS

Risks	Challenges	Policies	SDG
<p>The failure of human resources to adapt to changes in activities and processes may jeopardise the continuation and development of STEF's business.</p>	<p>Having resources that match the Group's needs.</p>	<ul style="list-style-type: none"> <li>Develop the attractiveness of all our jobs by increasing the visibility of our employer brand and our presence in all recruitment channels.</li> <li>Identify and improve the potential of our employees through development paths.</li> <li>Ensure a constructive social dialogue, diversity in the teams, the quality of working life and provide an opportunity to hold capital in the company, to build loyalty among employees.</li> </ul>	

## 4 - HEALTH AND SAFETY AT WORK (HSW)

Risks	Challenges	Policies	SDG
<p>Insufficient and inadequate protection for employees: certain risks to which they may be exposed when performing their job are likely to affect their health.</p>	<p>Protecting the health of employees within the framework of their job.</p>	<p>Ensure the security and HSW of employees:</p> <ul style="list-style-type: none"> <li>train, manage and communicate about HSW at all levels of the company;</li> <li>analyse the causes of accidents and implement the necessary corrective actions;</li> <li>adapt buildings, processes and tools;</li> <li>implement the necessary conditions to protect the physical and mental health of our employees.</li> </ul>	

## 5 - FOOD SAFETY

Risks	Challenges	Policies	SDG
<p>A failure to control operations may damage foods with the risk of affecting consumer health.</p>	<p>Ensuring optimal storage and transport conditions for foods in order to protect consumer health and contribute to the development and reputation of customers.</p>	<p>Implement actions that allow the integrity of goods, the cold chain, hygiene and the deadlines and dates in the operational and logistics processes to be respected.</p>	



## STAKEHOLDERS

In order to take into consideration the expectations of its various stakeholders, STEF maintains a robust and regular dialogue with each of them. The aim is to work together to find the best responses and make progress together.

Stakeholders	Associated issues
EMPLOYEES	<p>Protect the health of employees within the framework of their job. Have the resources (in terms of number and skills) that match the Group's needs.</p> <p>Motivate employees and involve them in the Group's performances.</p>
CUSTOMERS	<p>Offer a service that enables our customers to develop their business by entrusting the transport, logistics and packaging of their products to a reliable partner, able to respect the integrity and food safety of their products, while respecting their consumers.</p>
SUPPLIERS	<p>Build a partnership relationship which enables the Group to benefit from the best services and innovations in each of its businesses.</p>
PUBLIC AUTHORITIES	<p>Share our issues in the transport, logistics and packaging industry in order to inform public decision-making in this area.</p>
PROFESSIONAL ORGANISATIONS	<p>Work together with the profession on the developments and future of the sector.</p>
REGIONS AND COMMUNITIES	<p>Share the challenges of supplying populations by finding suitable solutions for each context together, making it possible to develop the Group's local base and create jobs, while improving citizens' acceptability of our activities.</p>
EMPLOYMENT PARTNERS	<p>Take action to promote professional integration, particularly for the youngest and most vulnerable individuals.</p>
SCHOOLS AND UNIVERSITIES	<p>Introduce the Group's sector and jobs and increase the Group's attractiveness to new generations.</p>
AGENCIES AND ASSESSMENT AND INSPECTION BODIES	<p>Using ratings, enable the Group to compare itself and improve its action on various issues.</p>
FINANCIAL PARTNERS	<p>Continue the Group's development by having access to the best financing.</p>
SHAREHOLDERS	<p>Be transparent when informing the Group's shareholders of its development and increase STEF's independence by strengthening its employee shareholding to ensure its long-term viability.</p>



# ENVIRONMENT





# OUR COMMITMENTS FOR THE PLANET

At the heart of the food world, STEF Group's action is the driving force of its commitment to respect the planet and the environment. Its consolidation service, of which it was the pioneer in Europe, and its network organisation mean that its operations resemble public transport for food goods, thereby optimising the energy consumed per parcel transported.

However, the Group is aware that the energy requirements of its temperature-controlled transport and storage operations have an impact on the environment. For over 10 years, it has therefore had a proactive policy to reduce the main emissions related to its business: greenhouse gas emissions (GHG) and emissions of air pollutants.

Bolstered by the results in terms of the improvement in air quality, the Group now wants to accelerate its commitment to reduce its carbon footprint in order to make its contribution to the worldwide fight against climate change. It is with this objective in mind that, throughout 2020, its teams worked on defining its commitment to help decarbonise the food supply chain.

## **STEF, PUBLIC TRANSPORT FOR GOODS**

In one journey, a heavy goods vehicle can transport up to 15 times more goods than a light vehicle.

- 1kg of goods transported by a heavy goods vehicle generates 6 times less GHG and half the fine particles emitted into the air than 1kg transported by a light vehicle.

## **STEF, A LOCAL COMPANY**

The Group does not operate transcontinental transport. Via its 246 sites spread across Europe, it works with regional producers and retailers and maintains a strong link with its operating countries.

- Its network organisation ensures the optimisation of journeys between agrifood industries and retailers by consolidating trade. If every producer used their own transport resources to deliver from point A to point B, there would be 2 or 3 times more vehicles on the road and unladen journeys would also increase.

- Its consolidation service is used to collect local products and offer them opportunities outside their region of origin to diversified distribution channels that range from small shopkeepers to supermarkets, from restaurant managers to e-commerce.



## CLIMATE CHANGE

The fight against climate change is a global challenge which demands a contribution from everyone. Keen to improve its carbon footprint, STEF is working on all the levers at its disposal to reduce the greenhouse gas emissions (GHG) related to its operations.

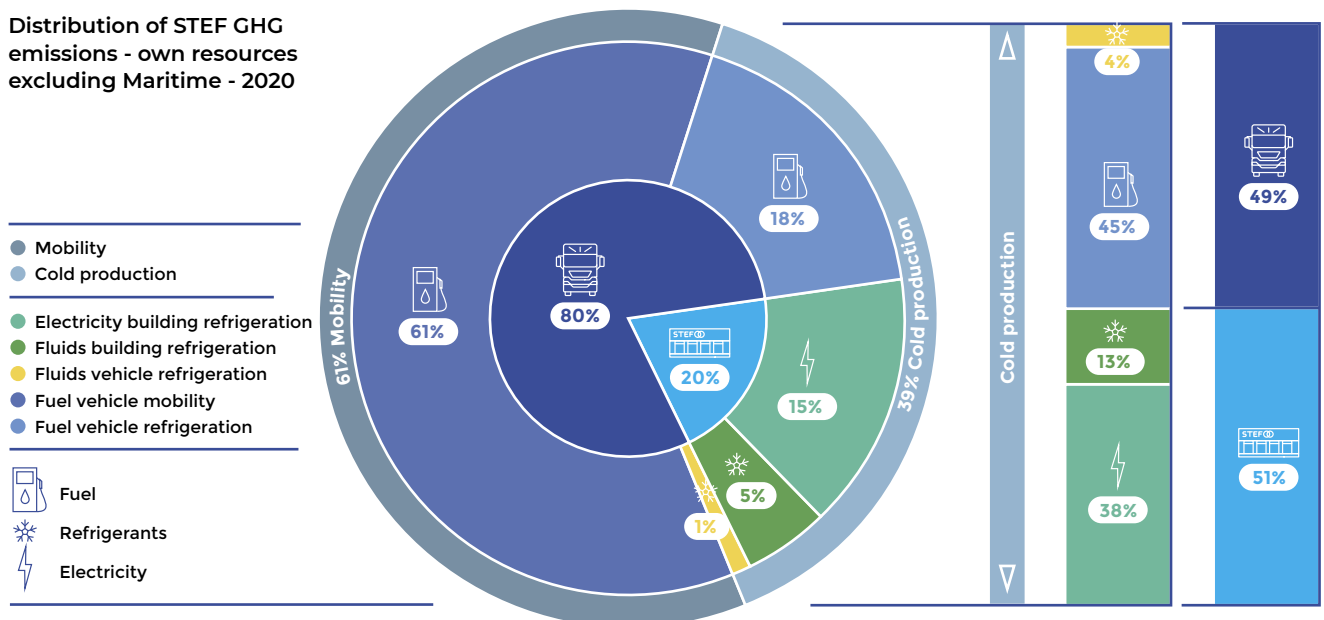
Adopted by over 196 countries during the Paris climate agreement, the goal of limiting the increase in the planet's average temperature to below 2°C provides a common framework and direction. This ambition was ratified when the European Union signed the Green Deal in 2019.

In order to target the most effective actions to reduce its carbon footprint, the Group has analysed the distribution of its greenhouse gas emissions (GHG) from its operations (2020 - excluding subcontracting and La Mériidionale).

Transport providers undertaking subcontracting operations for STEF are involved in the process and will be offered a support programme.

In order to improve its environmental footprint, STEF plays an active role in the sector's inter-professional working groups on innovative technologies for transport and cold production. The Group also participates in many consultations with the regional authorities in order to define transport and distribution schemes that are best suited to the envisaged local expectations. In addition, STEF is a member of France Logistique, the professional association that advises the French legislative and governmental bodies on the promotion and energy transition of transport and logistics.

Distribution of STEF GHG emissions - own resources excluding Maritime - 2020







## **REDUCE GHG EMISSIONS RELATED TO MOBILITY**

The Group's policy in this area is based on long-term actions and robust, trusting relationships with its customers and partners. The three pillars of this policy are based on:

### **Optimising transport schemes**

The Group's model is based on its consolidation activity. This optimises the transport schemes which are developed so as to consolidate the loads in the vehicles and thus, reduce the number of distribution rounds. Limiting the number of kilometres travelled reduces the environmental impact of the transport operations.

### **Developing the rolling stock**

For many years, STEF's teams have worked closely with their equipment and materials suppliers to reduce the fuel consumption and CO<sub>2</sub> emissions associated with these different technical resources, by:

- increasingly efficient and greener engines, combined with a frequent replacement of the fleet;
- tyres designed to reduce fuel consumption;
- optimisation of the weight and aerodynamics of the equipment (refrigerated boxes and units).

The Group has embarked on a structured programme to experiment with diesel alternatives. Since 2019, this has led to the deployment of vehicles running on biodiesel (B100) produced exclusively in France from co-products of French rapeseed cultivation. This has a threefold benefit, it uses a co-product of French agriculture, reduces imports of biofuels used in Europe and reduces the greenhouse gas emissions of the relevant vehicles by nearly 60%.

### **Eco-driving training and involving all employees**

STEF's teams who are central to its operating activities, are a key lever in reducing fuel consumption. Drivers are trained and supported to adopt best practices in terms of the eco-driving of vehicles.

An onboard system is currently being deployed across the Group's entire vehicle fleet to track consumption by vehicle and by driver and thus optimise driving behaviour.

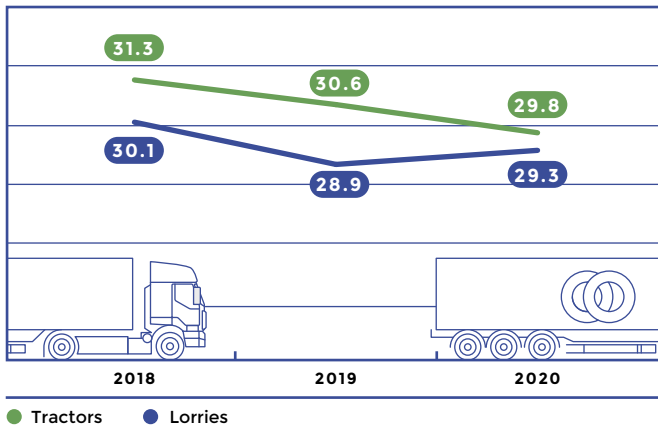




## INDICATORS AND RESULTS

Through these actions, the Group has had convincing results, backed by its ISO 50001 certification since 2014 (renewed for 3 years in 2020) and its ADEME “Objective CO<sub>2</sub> - Environmentally-friendly transport” accreditation since 2016 (renewed for 3 years in 2019).

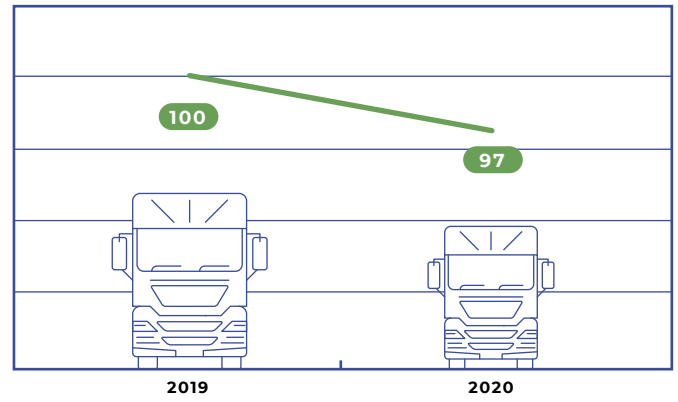
**Vehicle fuel consumption:** this is the primary monitoring indicator of the Group’s carbon footprint. Reducing fuel consumption is a daily objective for all employees.



Changes in diesel consumption of tractors and lorries STEF France own fleet (in litres/100km).

There was a slight increase in the consumption of lorries because of the major disruption to the distribution schemes for goods, due to the health crisis. Fuel consumption/100km for tractor vehicles, used less frequently for distribution operations, continued to fall due to the driving behaviours of employees and the replacement of the vehicle fleet.

**The monitoring of the carbon footprint in “grams of CO<sub>2</sub> in tonne-kilometres (gCO<sub>2e</sub>/t.km)”:** this indicator is used to give an image of the real impact of the Group’s transport operations by taking account of the quantities of goods transported and the kilometres travelled.



Change in gCO<sub>2e</sub>/t.km - Base 100 in 2019 – Group Own fleet.

**The positive change in the gCO<sub>2e</sub>/t.km indicator is related to:**

- improved consolidation conditions for loads transported and this, despite the disorganisation of the flows during the health crisis;
- decreased fuel consumption, as a result in particular of the significant replacement of the fleet with vehicles with more efficient engines and the long-standing policy of controlling fuel consumption.



## **REDUCE GHG EMISSIONS RELATED TO COLD PRODUCTION**

As a refrigerated transport and logistics provider, the Group monitors the carbon impact of its cold production designed to preserve the safety and taste quality of the products entrusted to it by its customers. GHG emissions related to cold production (vehicles and buildings) represent nearly 40% of the Group's total emissions (excluding subcontracting). They are generated by:

- fossil fuel consumption in the thermal engines of the onboard refrigerated units on the vehicles;
- electricity consumption within the warehouses;
- the use of refrigerants with a high global warming potential (GWP) in the motors of the onboard refrigerated units and in the warehouses.

STEF has therefore embarked on several actions to reduce these emissions.

### **The use of alternative technologies to power the onboard refrigerated units in the vehicles**

Traditional solutions allowing vehicles to be maintained at temperature use off-road diesel which has a high impact on CO<sub>2</sub> emissions. STEF is therefore experimenting with alternative solutions based on:

- cryogenics, a direct expansion system of compressed nitrogen which creates fuel-free refrigeration (85 vehicles equipped since 2017);
- “engineless” electric refrigerated units powered by the vehicle's engine (20 vehicles currently being tested);
- hydrogen. An experimentation commitment has been signed with a dedicated equipment supplier.

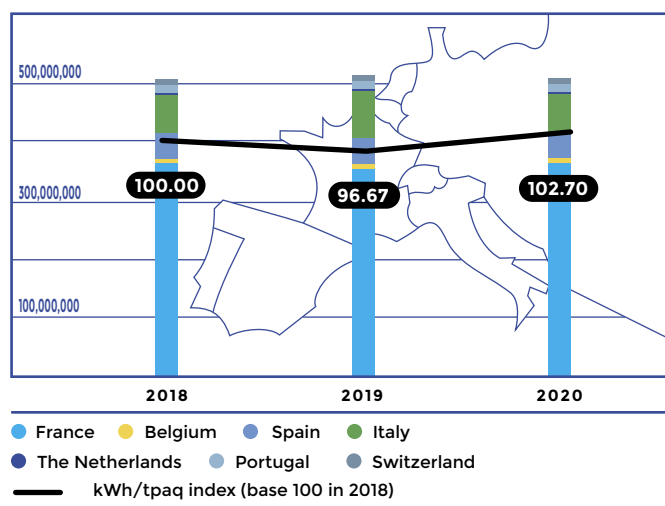
These technologies offer a glimpse of the opportunities to reduce CO<sub>2</sub> emissions from refrigeration units by 60% to 90% depending on the hardware configurations.

### **The reduction in electricity consumption in the warehouses**

For many years, STEF has undertaken a monitoring and reduction plan for its electricity consumption, the main power source for refrigerated warehouses and platforms. A structured methodology of metering, analysis and energy audits and an employee training and awareness programme have been implemented across all European sites.

These actions are managed by the Group's energy subsidiary “Blue EnerFreeze”, the purpose of which is to optimise the cold production of buildings using a smart management system for facilities according to various parameters (outside temperature, operating forecasts and consumption history).

In France, the reliability of the Group's Energy Management System (EMS) has been backed by the ISO 50001 certification of its sites since 2014, renewed in 2020. These actions have made it possible to exceed the targets for reducing electricity consumption (annual reduction of 1% to 2%), with a result of -23% per docked tonne between 2014 and 2020.



**Total electricity consumption(kWh) and change in energy performance in kWh/docked tonne (base 100 in 2018).**

Between 2018 and 2019, the energy management policy has enabled the Group to maintain its overall electricity consumption despite an increase in activities and thus secure a decrease of over 3% in its energy performance (kWh/docked tonne). The slight decline in the ratio in 2020 is mainly due to the operating disruptions and the fall in docked tonnages during the health crisis.

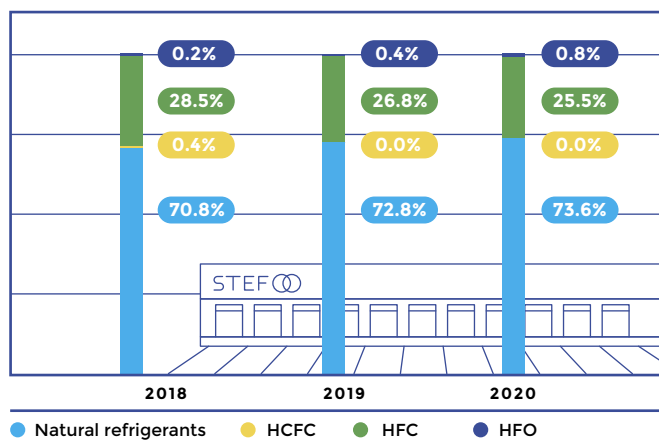
**The reduction in greenhouse gas emissions (GHG) related to the consumption of certain refrigerants (HFC)**

The actions taken by the Group concern both its warehouses and its vehicles.

**Warehouses** - The impact of refrigerants on GHG is included in the selection criteria for the Group's new real estate projects. Thus, natural fluids (particularly ammonia and CO<sub>2</sub>) and synthetic fluids (HFO) are favoured over HFC, for which the global warming potentials (GWP) are much higher.

At the same time, existing facilities are gradually being replaced with equipment that uses refrigerants with less of an environmental impact. This replacement policy also has the benefit of ensuring the sustainability of the operating facilities by anticipating the regulatory restrictions related to the use HFCs.

In addition, strict cleaning and maintenance plans for facilities and detection equipment are being widely deployed in order to avoid any refrigerant leaks. This policy is supported by ongoing training for employees authorised to handle them.



**Breakdown of refrigerants by type in Group fixed facilities.**

**Vehicles** - The Group is working with its equipment manufacturer partners on developing its technical resources. Together they have worked on a synthetic fluid with a GWP nearly 50% lower, which is gradually replacing the refrigerant in trailers for cold production.

Furthermore, vehicles equipped with cryogenic refrigeration units make it possible to move away from both fossil fuels (off-road diesel), traditionally used for its operation, and the HFCs contained in conventional refrigeration units. This technology is based on nitrogen, a natural fluid present in significant quantities in the atmosphere, the consumption of which has a near-zero carbon impact.



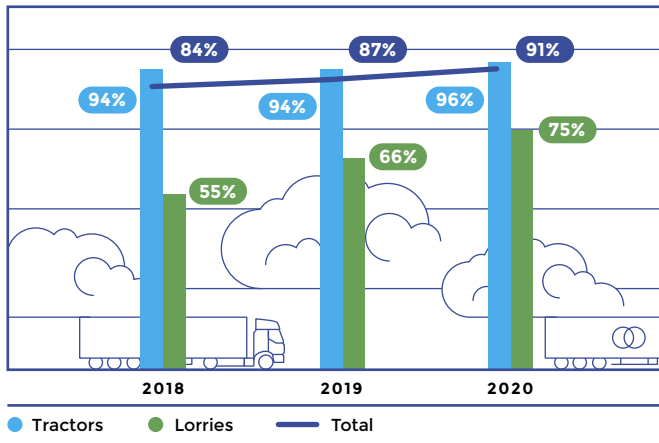
## AIR QUALITY

The Group's operations are used to supply people living in cities, far from the production areas. In order to protect the health of citizens and reduce its environmental impact, for several years, STEF has undertaken various initiatives to improve the performance of its vehicles' engines and refrigeration units. These initiatives enable it to respond to the growth in the low emission zones (LEZ) established in many cities in Europe.

### REDUCE AIR POLLUTION FROM VEHICLE ENGINES

#### Frequent replacement of vehicles

This is the principal measure for reducing engine pollution. This proactive policy enables STEF to own a large fleet of vehicles that meet the Euro VI standard and which release 80% less NO<sub>x</sub> and 50% fewer particles than Euro V vehicles.



Breakdown of own fleet meeting Euro VI standard (entire Group).

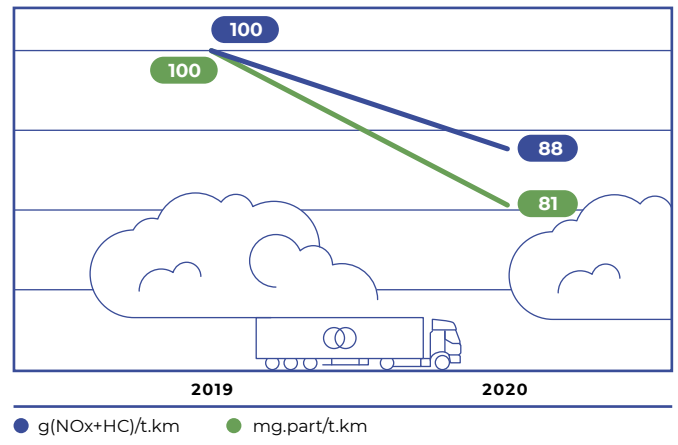
The difference between the two vehicle types is explained by the lower frequency of replacement of carrier vehicles compared with tractor vehicles.

#### The policy of deploying alternative solutions to diesel

Natural gas, biofuel and electric vehicles are interesting options for city centre deliveries and are currently being tested by the Group in Brussels (Belgium) and Florence (Italy).

#### The optimisation of distribution rounds and consolidation of shipments

This organisation helps to limit the number of vehicles in circulation, reducing congestion and the resulting additional pollution.



Change in pollutant (NO<sub>x</sub>, HC) and particle emissions per t.km Group (Base 100 in 2019).

### REDUCE AIR POLLUTION FROM REFRIGERATED UNITS

#### On vehicles

The deployment of cryogenic facilities and electric refrigerated units to replace those using off-road diesel, combined with the replacement of engines for more efficient equipment, makes it possible to reduce air pollution related to fuel combustion.

#### At sites

Electrical sockets are available on several sites for parked vehicles. These power points allow drivers to plug in, turn off the engine of the refrigerated units and maintain the correct temperature in the trailer.





## **OTHER ENVIRONMENTAL ISSUES RELATED TO THE ACTIVITIES**

Managing noise pollution, protecting biodiversity, conserving water resources and waste management complete the Group's actions under its environmental policy.

### **MITIGATE NOISE POLLUTION**

#### **On vehicles**

The Group's entire rolling stock meets the PIEK standard. This certification identifies vehicles and equipment that can comply with a sound threshold below 60dB (A).

In order to mitigate noise pollution during city centre deliveries, STEF chooses the equipment (particularly for onboard cold production) with the lowest noise emission levels on the market. Similarly, in order to analyse their suitability, cryogenic refrigerated units with liquid nitrogen are being used in particular for urban distribution at unsociable hours.

Finally, eco-driving training which encourages smooth acceleration, helps to reduce noise pollution from transport and delivery operations.

#### **At refrigerated warehouses and platforms**

The Group's facilities are mainly located on industrial estates. Before they become operational, they are subject to an impact study which includes noise measurements. Most refrigerated facilities are located in machine rooms which substantially mitigate the noise from the compression equipment. Specific constructions (containment, bunds) are used to limit noise levels further.

### **PROTECT BIODIVERSITY**

#### **Environmental impact analysis**

All the Group's real estate projects are subject to an environmental impact analysis before location and construction. Within this framework, biodiversity conservation schemes, specific to each project, are implemented.

#### **Monitoring procedures**

In all of the Group's operating countries, there are strict monitoring procedures for the operation of facilities and compliance with the applicable regulations. In France, these provisions are even more strictly monitored because most establishments are covered by the ICPE (Installations Classées pour la Protection de l'Environnement) scheme for facilities classified for environmental protection.



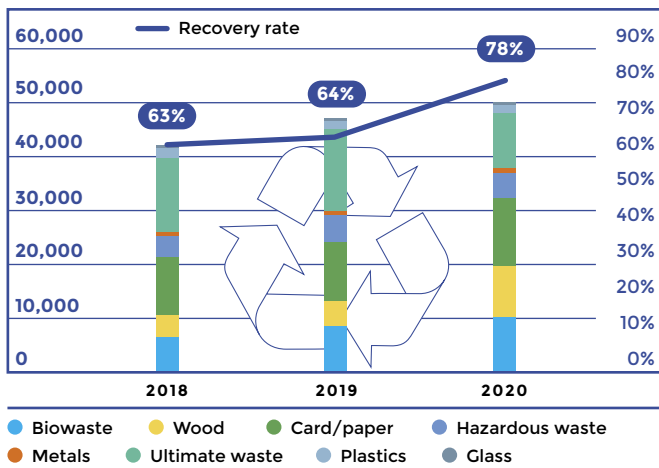
## OPTIMISE WATER RESOURCE AND WASTE MANAGEMENT

### Water

The Group's operations use few water resources, with the exception of the regular washing of the inside and outside of the vehicles. The Group's washing stations are equipped with systems that optimise consumption and control discharges.

### Waste

The quantities and types of waste produced by the Group's operations are limited. The production of hazardous waste is in fact restricted to the maintenance of rolling stock. Such waste is therefore collected and processed in compliance with the regulations in the operating countries. Non-hazardous waste is sorted on site, or directly by the service providers, to be recovered by material or energy recycling (bio-waste). STEF has set up "reverse logistics" processes to optimise transport schemes and occupancy rates and therefore promote the circular economy.



Breakdown of waste by type (tonnes) and recovery rate for non-hazardous waste.

### Possible sources of pollution and/or incidents

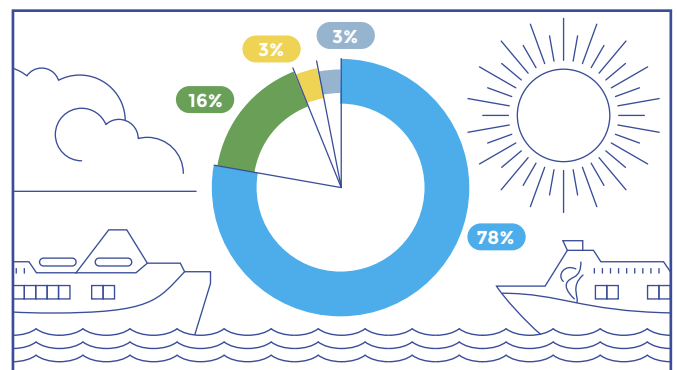
These are strictly defined by the implementation of regular, internal audits across all of the Group's sites. These audits concern both the safety and security of people and goods and compliance with technical instructions and procedures.

## COMMITTED TO THE MARITIME ENVIRONMENT

### La Méridionale's environmental process

STEF's maritime activities are subject to a specific environmental process. This was reflected by the awarding of the "Green Marine" accreditation in September 2020, issued by the Surfrider association. This association is working with ADEME and Green Alliance to transpose this North American accreditation to the European continent. This accreditation is based on seven themes: greenhouse gas emissions (GHG) and air pollutants (SOx/PM and NOx), underwater noise, invasive aquatic species, the management of residual materials and oil discharges. The results are independently verified every two years.

In October 2020, La Méridionale carried out an external energy audit.



- Fuel consumption of vessels.
- Fuel consumption of generators.
- Boiler consumption.
- Other (quayside connection, offices, etc.).

Breakdown of energy consumed by La Méridionale.



### Air pollution measurements

In anticipation of the MARPOL regulation which imposes a sulphur content cap of 0.5%, alongside its industrial partners, La Méditerranéenne is experimenting with a particulate filter in order to remove 99% of fine and ultrafine particles at sea, during crossings, thus going well beyond future maritime regulations. The use of such a solution at sea is a real innovation. The process is based on a chemical reaction using a natural product, sodium bicarbonate, which totally eliminates the sulphur contained in the exhaust gases, without any discharge into the sea.

### Energy consumption measures

In order to reduce emissions when its vessels are berthed, the company has set up a quayside electrical connection in the Port of Marseille, which helps to reduce:

- diesel consumption during berthing phases thus removing the resulting emissions;
- noise pollution related to the operation of engines when in port.

In 2020, the **consumption of berthed vessels** represented over 94% of La Méditerranéenne's electricity consumption. The health crisis forced the berthing of vessels for longer periods, leading to an increase in their consumption; when the vessels are operating, the duration of the quayside electrical connection is on average 44 hours a week (compared with 168 hours a week when vessels remain berthed and are not operating).

The electrical network in Corsica's commercial ports does not support the implementation of quayside electrical connections. La Méditerranéenne, working with an industrial partner, has therefore tested an innovative solution using liquefied natural gas (LNG) to produce enough energy on site to power the ships with electricity when in port.

**Fuel consumption** remained steady compared with 2019. La Méditerranéenne opts for the most efficient engine specifications in order to reduce its vessels' consumption. In 2020, despite the health restrictions, there were still many journeys and the launch of the Marseille-Tangier route in December 2020 compensated for the forced berthing of vessels.

On this crossing to Morocco, the Girolata emits 77.2 kgCO<sub>2e</sub>/t of cargo transported, which is approximately 32% less than a lorry by road on a journey between two cities.

### IN 2020, A NEW VESSEL JOINED LA MÉRIDIONALE'S FLEET: THE PELAGOS.

This vessel, which is named after the maritime sanctuary between mainland France and Corsica, is equipped with a hybrid scrubber which can operate as a open or closed loop. This system is used to trap gaseous pollutants contained in the exhaust gases of the propulsion engines and generators.

## OUR 2030 AMBITIONS

Climate change is currently a topical issue around the world. In 2020, the global health crisis underlined its importance. Climate issues are also central to the concerns of STEF's internal and external stakeholders.



Aware that its operations contribute to greenhouse gas emissions (GHG), in 2020, STEF decided to embark on a structured climate process, accompanied by long-term objectives. It seemed vital for the Group to contribute to achieving European objectives (Carbon Neutrality in 2050 - Green Deal) and comply with the 2°C trajectory defined by world experts (COP 21 - Paris Agreements).

For the Group, 2020 was therefore a pivotal year. Its ambition is clear, to structure its process and organise itself to become a leading organisation in the fight against climate change and decarbonising the food supply chain.

### THE OBJECTIVES

The Group has defined the following commitments:

- 1 reduce the GHG emissions related to its vehicles by 30% by 2030 (at equivalent scope/reference year 2019);
- 2 consume 100% of low-carbon energy<sup>(1)</sup> in its warehouses by 2025;
- 3 establish a support programme for its transport subcontractors to involve them in a process to reduce the shared carbon footprint;
- 4 make each employee responsible for reducing the carbon footprint in their professional and personal lives by experimenting with three cross-cutting projects with pilot entities in 2021, (electrification of the service vehicle fleet, zero plastic in offices, biodiversity programme on a real estate project).

In order to monitor its progress on these different objectives, in 2021, the Group will work on developing 2 key tools for managing its process:

- establishing internal CO<sub>2</sub> indicators deployed in each country and business unit;
- measuring the CO<sub>2</sub> impacts of each significant hardware investment.

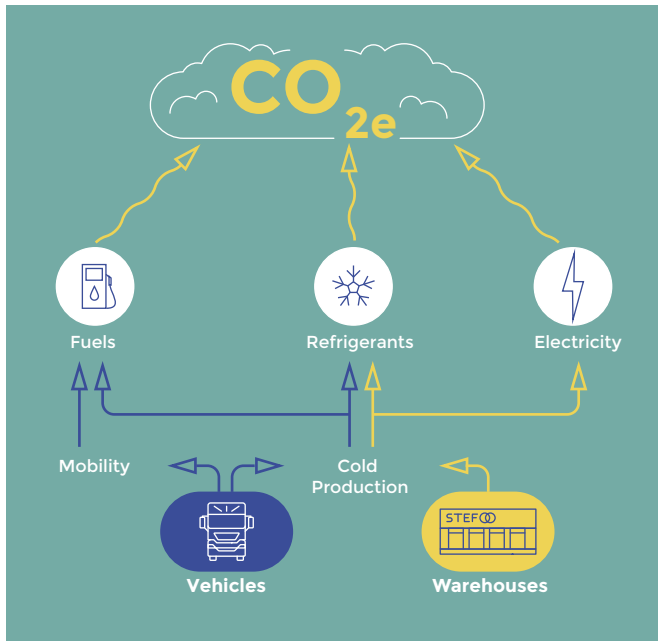
<sup>(1)</sup> Non-fossil energy





## GREENHOUSE GAS EMISSIONS

As part of its temperature-controlled transport and logistics activities, the main sources of greenhouse gases are as follows:



In order to work on the right levers with regards their positive impact, the Group has identified the sources of its GHG emissions and their distribution. This analysis was carried out from knowledge and data acquired over the previous decade.

This diagnosis, shared with the company's management bodies, will be used to build a roadmap adapted to the Group's commitments from 2021.

## THE ORGANISATION

Driven by the Executive Management, the Group's Climate strategy is supported at the highest levels of the company. It has been presented and validated by the Board of Directors.

Its deployment requires the availability of the associated resources and a suitable and responsive organisation. Internal advisers have been identified in each country and each business unit. Their task is to adapt the Group's climate policy objectives within their entity depending on its contribution to STEF's carbon footprint and monitor its own indicator to ensure the effectiveness of their actions.

In order to coordinate the process across all these cross-functional issues and guarantee a standardised deployment across all the different entries, a Sustainable Development Steering Committee has been created. It is comprised of members of the Executive Committee and technical and environmental experts. Its purpose is to guarantee the Group's progress towards the objectives set, make judgements on choices as part of the initial strategy and contribute to the discussion and enhancement of the process through their global vision of climate issues.

The Sustainable Development Department supports all those involved by providing them with its environmental expertise and ensuring a constant link between everyone. It is responsible for reporting to the Executive Committee every six months and to the Board of Directors annually.

# SOCIAL

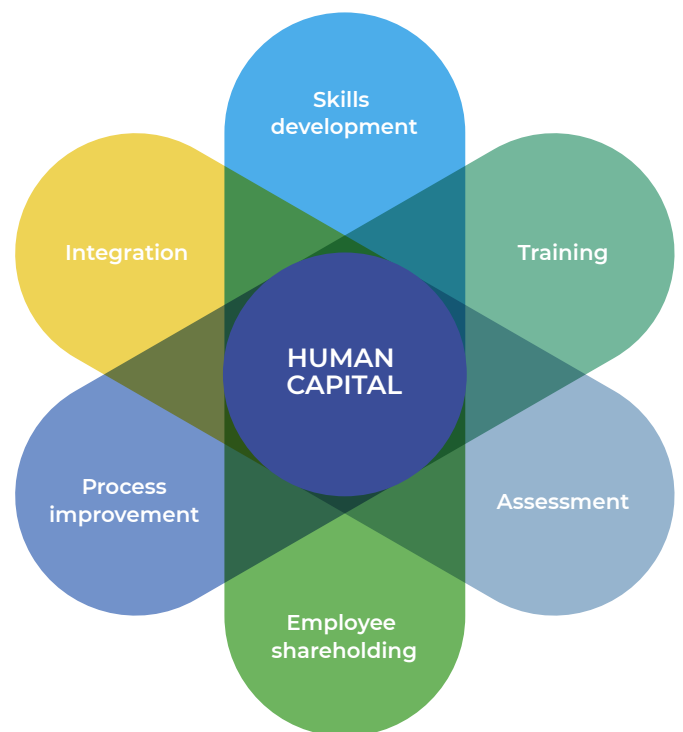




# OUR COMMITMENTS FOR PEOPLE

The performance and quality of STEF's services relies on its human capital. The Group's wealth lies in the diversity and expertise of its teams across the seven countries in which it operates. Training and career development for everyone and ensuring their Health, Safety and Quality of Working Life are therefore key issues for the Group.

Since the density of its network and the nature of its businesses enable it to take practical actions at the heart of the regions, STEF is also committed to young people and more generally vulnerable populations.






## OUR EMPLOYEES


The Health and Safety of the Group's employees are subject to ambitious policies that favour prevention. Regardless of their job or managerial level, employees are supported to ensure that their aspirations match STEF's needs and thus create the conditions for a sustainable commitment.

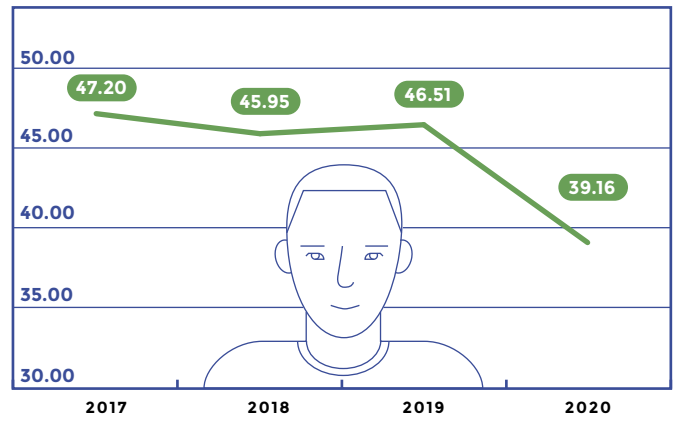
### PROTECTING EMPLOYEE HEALTH

In order to establish a common culture in terms of Health, Safety and Quality of Working Life (QWL), the Group favours a cross-functional approach that includes changes in practices and transformations at all levels. This involves all support functions and is based on the commitment of management and the coordination of internal stakeholders. The Health and Safety at Work (HSW) Steering Committee is responsible for promoting this prevention policy and the operating processes. It reports to the Group's Operations Management Committee. Every country manages its own HSW roadmap with a shared ambition to reduce the number of accidents. There are multiple actions:

- manager training (1,032 people in France);
- improving the induction of new recruits on the HSW component;
- raising awareness among as many employees as possible with updated communication supports (quarterly newsletter, annual HSW day on sites);
- including new HSW monitoring indicators in performance indicators;
- deploying Safety Committees (COSEC) across all sites in France in order to share action plans with social partners.

Through these actions, the frequency rate fell from 47.2 in 2017 to 39.2 in 2020. 

For the entire Group, the frequency rate for occupational lost-time accidents was 39.2; this decrease was intensified in 2020 by less sustained flows and a lower accident rate. The severity rate was 2.6 (excluding DYAD). 



**Frequency rate for occupational lost-time accidents (excluding DYAD).**

### Improved working environments

Convinced that this is an important lever in protecting employee health, the Group integrates risk prevention at work prior to transformation projects (operating processes, organisation, design, equipment, etc.). Actions are deployed to combat the main risks: musculoskeletal issues, manoeuvring vehicles, the unexpected departure of lorries and addictive behaviours.





**Musculoskeletal issues** - The project to prevent musculoskeletal disorders remained a priority in 2020. Studies were conducted at pilot subsidiaries to identify the main constraints encountered during the most representative activities. The diagnoses were expanded upon through employee involvement and then shared within each subsidiary and business unit. Potential organisational, technical and human solutions were identified and will be prioritised from 2021.

At the same time, the Group is continuing its benchmarking work in terms of innovative solutions and is testing physical assistance devices: in 2020, 300 employees were involved in testing 3 new devices. Two of them will be subject to more detailed tests in 2021 in order to assess their benefits and how they can be adapted to the working environments. To date, 11 solutions to assist with handling have been tested within the Group and 5 of these are in use.

**Site ergonomics and layout** - Multi-functional support is deployed for site design projects. This involves the application and improvement of real estate standards in terms of HSW and operational support for the teams on the layout of workspaces and the choice of equipment. 14 renovation, extension and construction projects have been conducted in this way with the real estate teams, especially the construction of the Alenquer platform (Portugal) in 2020. Ergonomic interventions were conducted to improve working environments across all sites.

**Work clothes** - Specific solutions are developed with and for employees. Following the deployment of the range of work clothes for the frozen, chilled, seafood and driving environments, tests on clothes for the ambient

and temperature-controlled environment are being finalised. Employees will then have access to a suitable range of clothing for all the Group's activity types. In total, 230 operating personnel were involved in the development of the new clothing ranges (quay/warehouse). Most took part in the measurement campaigns which were used to fine tune the protection level of each item.

**Personal protective equipment (PPE)** - Regular testing (gloves, shoes) is used to find the protection level most suited to requirements.

In two years, around forty products have been tested using this method and around twenty have been listed in the Group.

**Commitments to the Quality of Working Life (QWL)**

The Quality of Working Life helps to strengthen employee commitment. STEF's policy focuses on three main areas: work/life balance, health practices and support for employees in difficulty.

**Remote working** - A framework for remote working for up to 2 days a week was set up in 2018 under a first agreement on Quality of Working Life. With the rapid changes required by the health crisis, the Group pushed ahead with implementing remote working for those positions that allow it, while endeavouring to maintain the social connection (team meetings, briefings), the management of remote teams and the progress of projects.

**Campus Parentalité** - Deployed in France, this initiative provides the tools and a school support platform for employees who are parents. In 2020, the Group expanded the offer with guides on parenting, a digital library, manual activity sheets and career guidance tools for young people. 1,200 people have already benefited from this new solution.

**Online medical consultation** - An experiment in 2019, online medical consultation is now accessible to all French subsidiaries. Nearly 20 subsidiaries (which is almost 3,000 employees) are involved in this process.

In addition, actions to promote good health practices continue to be deployed (taking part in sports, preventing addictive practices).



## ATTRACTING, DEVELOPING AND RETAINING TALENTS

One of the Group's major challenges is ensuring it has resources that match its needs. To support its growth, the Group has continued its long-standing substantive programmes and increased its efforts in three areas: the attractiveness of the Group's professions, developing team skills and building employee loyalty.

### Increase the visibility and attractiveness of the Group's professions

To this end, STEF is committed to increasing the visibility of its employer brand and its presence in all recruitment channels.

**Raise its visibility.** In order to convey a strong and consistent image in all its operating countries, STEF relies on its employer brand: "Build your future at the heart of the food world". To go even further in showcasing employee professions, in 2020, the Group launched a version of the employer brand across five jobs: driver, order picker, transport operator, refrigeration engineer and business or quay manager.

**Ensure an effective presence in the right channels.** STEF is present on a dozen job sites and social networks in Europe, selected according to their target audiences. In addition to its digital presence, STEF has developed a school relations programme and trains around one hundred representatives (operating personnel and HR). These "Talent Spotters" are responsible for identifying and attracting future talents, across all study levels. Since young graduates are one of the recruitment targets, school relations managers ("Campus Connectors") have developed close relationships with 49 target schools. In 2020, STEF took part in online events (forums, job dating).

**Develop specific programmes for highly-challenging jobs** - There are three specific programmes available:

- the "Graduates Program" is a 2-year course within the Group which is designed for young graduates with at least 5 years of higher education. The aim is to be able to offer them a management position at the end of the course that could eventually lead to a director's position in a profit centre. This has been the case for 159 participants since the programme began in 2008. In 2020, there were 120 young people being trained;

- the "Young Graduates" course for those with more than 2 or 3 years in higher education which gives them access to middle management positions;

- the programme dedicated to drivers is deployed through professionalisation or apprenticeship contracts. In 2021, the Group's aim is to launch an internal drivers' school in order to support the recruitment campaign for 500 drivers currently in progress in France.

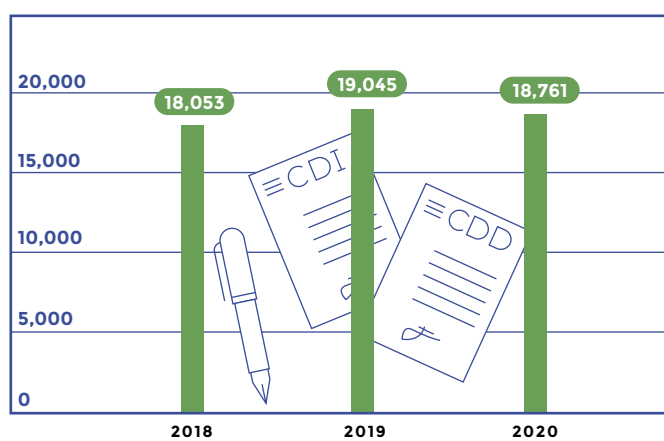
**Improve the applicant experience.** The new digital recruitment tool implemented in 2019 has improved the visibility of the Group's vacancies on its job site [www.stef.jobs](http://www.stef.jobs). New tools designed to strengthen the direct link between applicants and the Group will be deployed in 2021.

Since 2017, STEF has been one of the **25 largest recruiters in France** (Usine Nouvelle Survey – January 2020).

In 2020, STEF recruited 1,968\* employees for jobs as diverse as local managers, young graduates, experienced executives, order pickers and drivers.

\* Excluding DYAD.

"A workforce that reflects the Group's growth" - At 31 December 2020, the Group's workforce (permanent and fixed term employment contracts) totalled 18,761 employees, slightly lower than 2019 (-284 people or 1.49%).



**Change in Group workforce (permanent and fixed term employment contracts).**

The change in workforce in 2020 reflects the change in the Group's scopes:

- in France, the workforce was steady;
- in the Netherlands and Switzerland, the strengthening of the teams led to a positive balance in new appointments on permanent contracts;
- in Spain and Portugal, changes in scope are the result of a fall in the use of fixed term contracts, due to the adjustment of the workforce to activity, because of the health crisis.

These figures do not take into account assisted contracts (primarily apprenticeship and professionalisation contracts) which accounted for 421 people at 31 December 2020 or temporary staff (4,074 in full time equivalent).<sup>(7)</sup>

Including all contract types, the decrease in the workforce was 4.93% over the period, a result of the impacts of the health crisis.

<sup>(7)</sup> Number of temporary hours worked during December 2020/151.67 hours.

**Breakdown of workforce by division/business unit/country**

Permanent and fixed term employment contracts

	31/12/2018	31/12/2019	31/12/2020
<b>STEF France</b>	<b>13,064</b>	<b>13,689</b>	<b>13,619</b>
Chilled consignments business unit		7,992	7,852
Retail business unit		1,751	1,956
Frozen business unit		1,328	1,271
Chilled Supply Chain business unit		748	805
Seafood business unit		858	766
Out-of-home foodservices business unit		594	549
Ambient and temperature-controlled business unit		142	139
Packaging business unit		136	140
Cross-functional departments business unit		140	141
<b>STEF International</b>	<b>3,817</b>	<b>4,150</b>	<b>3,897</b>
European consignments*	70	73	72
Spain	1,682	1,854	1,751
Portugal	537	554	415
Italy	834	856	826
Belgium	377	379	371
The Netherlands	207	311	329
Switzerland	110	123	133
<b>Maritime (La Méridionale)</b>	<b>547</b>	<b>537</b>	<b>573</b>
<b>Other activities and central functions</b>	<b>625</b>	<b>669</b>	<b>672</b>
<b>GROUP TOTAL</b>	<b>18,053</b>	<b>19,045</b>	<b>18,761</b>

\*European consignments = STEF Eurofricht transport subsidiary.





## DEVELOPING TEAM SKILLS

STEF University aims to pass on expertise and train employees in the skills of the future: organised by campus, it is based around the Institut des Métiers du Froid and the best partners on the market. In 2020, a Group employee attended an average of 1.26 training days\*. In total, 24,183 training actions were completed.

The Group's training policy is structured around three main objectives. 

### Train employees through courses focused on key skills

There are different courses (campus) on offer. Each country can adapt the content to match its culture and challenges.

**"Tech Campus":** (technical real estate course) welcomes managers as well as maintenance agents. 300 skills assessments were used to set up personalised training courses.

**"Sales Campus":** new modules have been deployed. Spain was one of the countries that benefited from it this year.

**Professions advisors:** in France approximately 80 "Driver" training advisors and 150 "Quay advisors" are currently being trained.

In 2020, several training courses, initially planned as face-to-face sessions, were changed to remote sessions (programme on harassment for advisors and HR personnel, in France).

### Training to prepare for career development

Potential identified during annual appraisals is supported through individual or group programmes (DEVENIR programmes) in order to strengthen or complement our employees' expertise and talents and move them towards a job with greater responsibility.

**Partnership with HEC:** launched in 2019, this partnership offers a 10-day "Leadership and Strategy" programme in order to prepare current and future Group managers in Europe. The sessions (in French and English) welcome 20 managers a year on average.

**Executive MBA:** to improve preparation for the Group's development, STEF can also suggest that some of its future managers complete an Executive MBA.

### Developing "foundation" or "cross-cutting" training courses

Obtaining recognised qualifications outside the Group is a valuable experience and a source of performance. Inspired by this conviction, the Group has made training in basic knowledge and certified courses a key factor. For example:

- **certified "Team Leader" course** (13 training modules covering all the aspects of this demanding, field-based role): over 3 years, the Group has supported 3 groups of team leaders with a 10-month training course. Twenty seven employees have therefore obtained a CCE qualification (CCI certification). The ambition is to organise the routine launch of an annual training group;

- **recognition of prior learning (RPL):** STEF encourages many employees to embark on training courses to obtain qualifications through the RPL. Over 3 years, 70 individuals have gained qualifications (from vocational diplomas to masters degrees) in this way.

The Institut des Métiers du Froid (IMF) – In 2020, IMF was one of the first in-house training bodies to be Qualiopi (national quality reference system) certified for 4 years.

\*New 2020 indicator (excluding DYAD), which explains the absence of this data for 2019.



### Preparing the company's men and women to support and make the Group's transformations successful

STEF's ambition to fill 70% of executive and senior positions through internal promotion is now a reality. This success originates from the training and career management schemes at all levels of the organisation.

A digital platform is used to monitor the main HR development processes in all countries. Annual appraisals are a real basis for developing skills and careers. STEF also uses professional evaluation experts.

## RETAINING EMPLOYEES

In addition to developing each person's skills and careers, the Group motivates its employees through the quality of its social climate. The Group also supports the principle of employee profit sharing.

### In 2020

**Group turnover<sup>(2)</sup>** was down 11.14% compared with 2019 (13.94%).



**Permanent appointments<sup>(3)</sup>**: 1,968 new appointments or promotions, including 1,662 in France.

**Permanent contract departures**: 2,009 departures including 775 redundancies or negotiated terminations and 275 retirements and early retirements.

**Absenteeism** due to illness or accident at work<sup>(4)</sup> was 7.2%, directly related to the health crisis and its associated consequences (vs. 5.9% in 2019).



(excluding DYAD).

### Promoting a constructive social dialogue

This dialogue is the basis of staff relations within the Group: it drives social progress and contributes to a calm social climate.

The legal bodies present in the Group's subsidiaries and establishments comply with the regulations of each country. At higher levels of the organisation, there are supra-legal bodies (union coordinators) in addition to the legal systems (European Works Council and Group Committee). These promote a rich social dialogue at every relevant level of the organisation.

In 2020, STEF's teams were in high demand during the pandemic. The Group was pleased with the unwavering commitment of its employees in ensuring service continuity. An industrial dispute on an order preparation site at the end of the year should be noted.

### Supporting employee shareholding

The commitment to implement employee shareholding is one of the key priorities of the People/Work/Capital foundation on which the Group is built. This model, unique in its business sector, is not only a powerful uniting force, but also a true lever for economic performance and a differentiating factor for the Group's customers.

Today, 72.5% of STEF's capital is held by its management and employees, including 17.73% through the dedicated company mutual fund (FCPE). Through this, nearly two out of three employees are Group shareholders, across all socio-professional categories. The FCPE has been put in place in almost all of the countries where STEF operates. In 2021, the move to digital will provide greater flexibility and convenience for transactions for the 12,000 shareholders.

### Redistributing value creation

The Group has a policy of distributing value creation, a large part of which goes to employees. Consequently, despite the crisis and its impact on the Group's results, in 2021, it will distribute a significant amount of €30.2 million in incentive bonuses and profit sharing to French employees, an amount similar to that paid in 2020 (€31 million). These amounts confirm the Group's commitment to enable its employees to benefit from its growth and develop the employee savings plan.

<sup>(2)</sup> Permanent employees (new appointments and departures): workforce at 31 December 2020, including takeovers and transfers.

<sup>(3)</sup> Takeovers are included.

<sup>(4)</sup> Including occupational diseases and commuting accidents, excluding maternity/paternity leave; all contract types included, except for La Méridionale where interns (assisted contracts) are excluded. The ratio is calendar days lost by number of theoretical calendar days. It should be noted that for Italy and Belgium, the ratio is calculated based on working days and not calendar days.



## PROMOTING DIVERSITY AND EQUAL OPPORTUNITIES

The Group ensures that there is a place for everyone, in all their diversity. In 2020, efforts focused mainly on professional gender equality, the employment and retention in employment of individuals with disabilities and the integration of young people.

### Diversity and professional gender equality

**An ambitious project** - In 2020, STEF began a European project with the support of a specialist company. Two working groups were launched in order to reconsider recruitment and career management processes with the aim of deploying a progress plan from 2021. The key post review and talent management scheme is used to identify women with potential in order to support them in their development and therefore, increase the number of women in the various management bodies throughout Europe. Special attention is paid to the progress of young women in the “Graduates Program” who account for 30% of attendees.

The ambition also relates to raising the awareness of management and human resources teams: breaking down stereotypes, support for sites to facilitate diagnoses of the comparative gender situation, dialogue with social partners and implementation of progress actions, development of female leadership with dedicated programmes (“Ladies First” in Italy, “Talents au Féminin” in France). The Group has taken into account the gender equality provisions of the “Professional Future” Law in France. It has calculated and published the ratings of the professional gender equality index<sup>(1)</sup>. With regards the calculation

methodology for this index, 22 subsidiaries had a calculable index and 20 had a rating above 75 for 2020. Where applicable, the necessary action plans have been set up.

**A dedicated committee** - To strengthen this momentum, the Group has set up a “professional equality/professional diversity” committee which coordinates and deploys initiatives. It reports to the Operations Management Committee.

At the end of 2020, women accounted for 20.5% of the workforce (compared with 20.2% in 2019). Stable across the Group, it varies between countries:

% of women in the workforce	Entire Group*
France	19.4%
Spain	26.3%
Portugal	28.2%
Italy	32.9%
Belgium	12.1%
The Netherlands	12.2%
Switzerland	6.8%
<b>Total</b>	<b>20.5%</b>

\* excluding DYAD

### Integration of people with disabilities

The Group’s commitment to employ people with disabilities is producing results. Due to the Pénicaud reform in France in January 2020, the legal employment rate is now calculated through the company’s Nominative Social Declaration (Déclaration Sociale Nominative - DSN) to the bodies responsible for collecting social security contributions. This figure will only be available from June 2021. As it stands, the 2019 legal employment rate is still valid; this was 5.04% across France (compared with 2.28% in 2012) and 4.54% across the Group.

<sup>(1)</sup> These ratings are published on the STEF.com website.



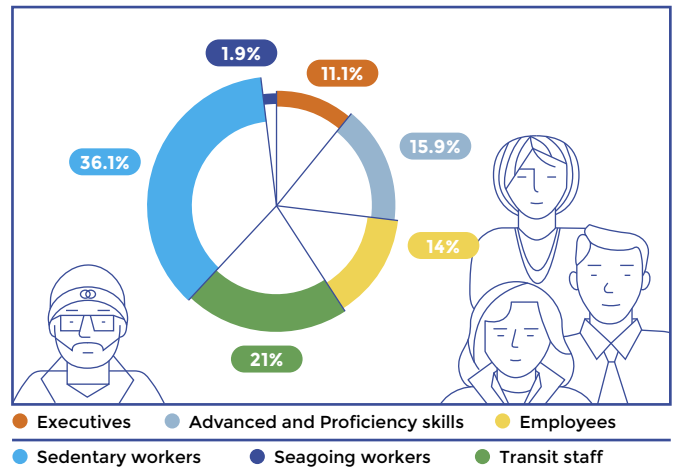
**Changing perceptions** - In order to combat stereotypes, sites are continuing their awareness and training initiatives with employees (actions as part of the European Disability Employment Week and DUODAY).

**DYAD** - The Group has also endeavoured to integrate the teams from the adapted company Dyad, which has special facilities for providing employment for individuals with disabilities and has formalised its social and professional support for these employees.

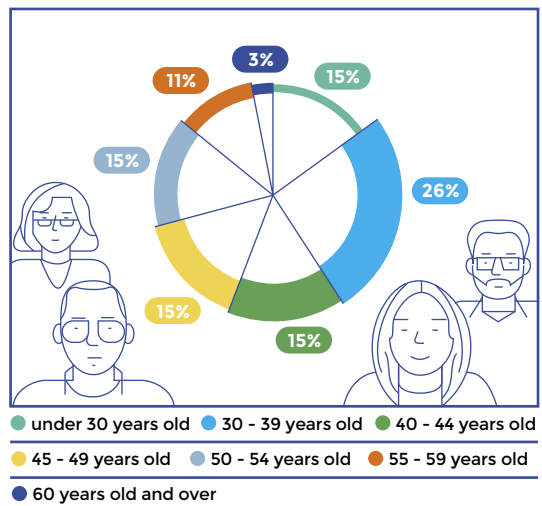
**Dedicated workshop** - In 2020, the Group also set up a HR innovation workshop based on the theme "Work and Cancer/Chronic Diseases" in partnership with the New Institute and the AGEFIPH. The objective is improve the support for employees suffering from these illnesses and play a leading role in mobilising knowledge, work experience and illness.

**Guidance and integration of young people**

Despite the pandemic, STEF continued its actions to bring the corporate world and the educational sector closer together. This commitment proved all the more relevant during the health crisis, which is a source of uncertainty for many young people. For example, the TEKNIK programme in France is used to present STEF's business sector and jobs to middle and upper school students at a time when they are considering their future career (in partnership with the Fondation Agir Contre l'Exclusion).



**Breakdown of Group workforce by socio-professional categories.**



**Breakdown of Group workforce, permanent and fixed term contracts by age bracket.**



## SOLIDARITY COMMITMENTS

The nature of the Group's businesses and the density of its network give it the resources to take practical actions at the heart of the regions. Long committed to young people and vulnerable populations, STEF invests in long-term initiatives and ensures that such projects match its expertise and values. To ensure their success, it is involved in community actions with experienced partners that, like STEF, are established in the regional fabric.

### FACILITATE THE PROFESSIONAL INTEGRATION OF YOUNG PEOPLE

A creator of jobs, the Group has continued its partnerships with associations working for the professional integration of young people who are furthest removed from the job market.

STEF's objective is always to be an actor and partner in the development of its operating regions.

#### In France

Actions with the "Sport in the City", "Our Districts have Talent", "Tremplin Handicap" and "ARPEJEH" associations were extended.

#### In Spain

The Group provided support to the "Red Cross" and "Action against Hunger" associations by training beneficiaries and raising awareness of the imperatives related to the transport and logistics sectors.

### PROMOTE ACCESS TO FOOD PRODUCTS

This objective is intrinsically related to the Group's mission. In addition to mobilising its teams to ensure service continuity during the health crisis, in France, STEF renewed its long-standing partnership with the "Restaurants du Cœur": a new three-year sponsorship agreement was signed in 2020.

#### Skills-based sponsorship

This partnership results in initiatives related to the professional integration of beneficiaries and training of volunteers.

#### Logistics support

The Group also provides logistics assistance for collection campaigns (over 1,300 tonnes of good transported in 2020) and industrial donations (transport of nearly 8,000 pallets to a "Restaurants du Cœur" warehouse). Additional and local actions were organised for "Restaurants du Cœur" during the health crisis.

In 2020, STEF cancelled the festivities planned for its 100th anniversary. The sums initially set aside for this were donated to associations fighting COVID-19 in all the Group's operating countries.



# FOOD SAFETY





# OUR COMMITMENTS FOR CUSTOMERS AND CONSUMERS



Food safety is STEF's first priority. An essential link in the cold chain, the Group guarantees its compliance and the traceability of the products entrusted to it. This priority is based on complying with its customer's requirements and the applicable regulations.

In addition to the health control plans deployed within the Group, food safety depends on respecting, every day, three fundamentals that are a common foundation for all our businesses:



## HEALTH CONTROL PLAN

In Europe, where all its sites have a community health certification, STEF has set up a Health Control Plan (HCP) based on the analysis of hazards to which the goods may potentially be exposed (HACCP method). This plan also describes the control measures taken to ensure hygiene, particularly through the cleaning plan, and the health and safety of the activities regarding:

- potential biological, physical, chemical and allergen contamination. This plan's deployment is consolidated through internal and external audits conducted by independent bodies (under certifications), our customers, and even the health authorities;
- potential drift of the storage temperature of foods during their warehousing, transit and transport.

The provision of safe food products is also based on compliance with dates (use-by dates, best before dates, stock management rules, etc.) and STEF's commitments in terms of lead times, for example in terms of freezing, order preparation and delivery.

## GUARANTEE THE COLD CHAIN

Recordings, especially of the temperature of goods are kept at all crucial transport and storage steps. These are used to monitor the continuity of the cold chain and more generally, the good sanitary conditions for the services. In addition, the Group has implemented:

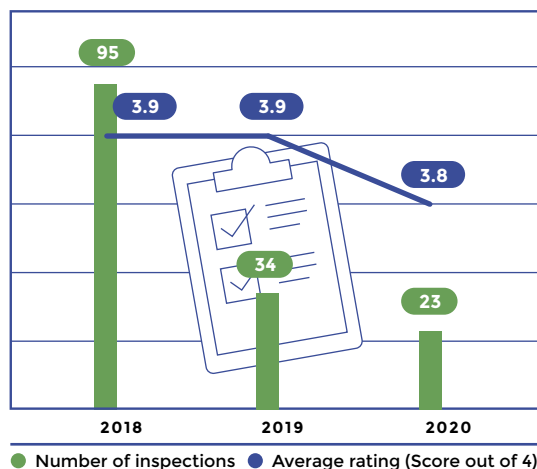
- systems for tracking, recording and the structured management of alarms related to the temperature of the premises;
- operating information systems (WMS and TMS) ensuring the traceability of goods and archiving;

- a security plan providing for the implementation of backup mobile solutions (generators and refrigerated units);
- refrigerated vehicles with a temperature recording system in each compartment in order to assure our customers and the authorities of our compliance with the transport conditions of the foods for which we are responsible;
- temperature recording and archive systems in accordance with the reference European standards (EN 12830 and 13486).

The Group therefore has complete control over the traceability of the goods entrusted to it.

## MONITOR AND CONTROL

- The Group's crisis management system is implemented in the event of a potentially high-impact incident;
- Internal and external audit programmes guarantee the proper health control of each site and their regular assessment. Where applicable, these audits result in the implementation of an appropriate action plan;
- STEF requires its suppliers to agree to comply with food safety rules, defined after the analysis of their potential impact;
- The sites are subject to inspection visits from the health authorities. In France, STEF has opted to monitor the ratings resulting from such inspections as representing an independent and objective assessment.



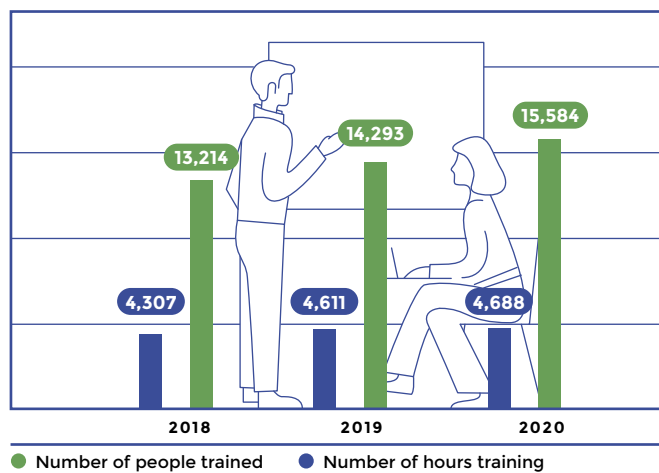
Alim'Confiance rating: 1: urgent corrective action required - 2: improvement required - 3: satisfactory - 4: highly satisfactory.

### Change in the average rating and number of official health inspections - France.

## TRAIN TEMPERATURE-CONTROLLED EXPERTS

STEF's food safety training programme ensures the proficiency of all those involved in the cold chain within all the Group's organisations. This programme, combined with the on-site staff induction processes, is one of the essential building blocks in the Food Safety Culture that the Group wishes to encourage in its teams at all levels.

The number of training hours and individuals trained is constantly increasing, in line with the Group's growth.



### Number of people trained and number of hours training in food safety - Group.

# GOVERNANCE AND ETHICS

The governance policies adopted by STEF contribute to business ethics and help to respect the areas covering human rights and fundamental freedoms and the health and safety of the people in the seven countries where the Group operates.

## GOVERNANCE

The Sustainable Development and Social Responsibility Departments are responsible for deploying the CSR policy, coordinating the various internal actors, listening to stakeholders and monitoring and executing the HSW/QWL and Environment action plans. They develop and deploy policies in these areas. Management of the CSR process is set out in the first section of the Economic and Financial Planning document, “Challenges and Commitments”.

## ETHICS AND BUSINESS CONDUCT CHARTER

STEF’s ethics and business conduct charter contains the standards for good business practices applicable in the Group, as well as the provisions of the law on transparency, the fight against corruption and the modernisation of economic life (known as the “Sapin II” Law). STEF has set up an organisation, tools and a procedure that it can use to comply with these obligations.

The ethics and business conduct charter defines the behaviour standards to be respected by all employees in situations presenting risks of corruption and influence peddling. It follows the Middledex reference system to which STEF has chosen to refer. The ethics and business conduct charter appears on STEF’s intranet and internet sites. An external whistleblowing platform (EQS Integrity Line) completes the system.

An training module has been set up using an e-learning format, customised for STEF (HR Module - Social Liaison). This is aimed at the 1,200 executives, managers and employees who, due to their roles, are likely to face situations of corruption or influence peddling. This scheme was presented to all management committees for central functions and business units.





# MONITORING PLAN

STEF's monitoring plan presents the reasonable due diligence measures established within the Group to identify risks and prevent serious breaches regarding human rights and fundamental freedoms, the health and safety of people and the environment resulting from the Company's activities and those of its consolidated subsidiaries and the activities of subcontractors or suppliers with which the Group maintains established business relationships.

STEF operates in seven countries in Europe as a refrigerated logistics company and in economic and socio-cultural environments that have few structural differences; consequently, the plan can be deployed uniformly throughout the Group. The Group's business model is set out in the first section of the Economic and Financial Planning document.

## METHODOLOGY AND DRAFTING OF THE MONITORING PLAN

The drafting of this STEF Monitoring Plan brought together the Group's main functions (Human Resources, Sustainable Development Department, Purchasing, Business Unit, Internal Audit, Food Safety, Company Secretary). This plan specifies the rules and provisions that enable the Group to identify and prevent actual or potential breaches related to its activities and where necessary, to limit their effects.

Ongoing discussions with internal and external stakeholders have long been used to involve them in the choice of actions carried out and their deployment.

## ENVIRONMENTAL MONITORING PLAN

The mapping of STEF's environmental risks results in impacts on:

- the **climate**, through GHG (greenhouse gas) emissions mainly resulting from hydrocarbon combustion (vehicle traction and operating onboard refrigerated units, ship propulsion) and, to a lesser extent, electricity consumption (quayside supply for vessels, refrigeration of platforms) and refrigerant emissions for maintaining the cold production facilities of the warehouses and platforms;
- **air quality**, through emissions into the atmosphere (NOx, HC and particles) during hydrocarbon combustion (vehicle traction and operating onboard refrigerated units, ship propulsion and berthing);
- **food safety** which emerges as a major challenge for the company given STEF's principal activity, temperature-controlled logistics for food products.

In order to reduce its emissions, STEF has implemented a structured process resulting in specific investments (ongoing replacement of its vehicle fleet and facilities, quayside electrical supply for ships, particulate filters for La Méridionale), combined with proactive accreditation and certification policies.

## HUMAN RESOURCES AND FUNDAMENTAL RIGHTS MONITORING PLAN

The STEF Group complies with the social regulations in force in each of its operating countries.

In addition to the fundamental principles set out in the Group's ethics and business conduct charter relating to the respect for human rights, STEF has chosen to focus its actions on a policy of diversity and equal opportunities. This is currently being deployed in each of its operating countries.

A Group Health and Safety at Work roadmap is applicable to each country and each organisation. It is comprised of different themes:

- supervision of the Health and Safety at Work process by management;
- risk control and prevention:
  - integration of the HSW process upstream, from the design of facilities, work processes, vehicles or handling machines;
  - major risks identified in terms of Health and Safety at Work:
    - accidents related to the circulation of vehicles or handling equipment in the warehouses;
    - musculoskeletal issues;
    - addictive consumptions and behaviours.
  - principle of supervision and monitoring managed directly by the operating sites: risk evaluation documents, accident monitoring indicators (frequency and severity rates) consolidated at country and Group level.
- deployment of the Health and Quality of Working Life procedure:
  - redesign of the range of work clothes;
  - programme for the prevention of psycho-social risks;
  - improved working environments;
  - actions promoting fulfilment at work for employees: work/life balance, health practices, employee support.
- targeted communication at all levels of the organisation order to share a common culture.

## RELATIONSHIPS WITH SUPPLIERS AND SUBCONTRACTORS

As a purchaser in various business sectors, including transport subcontracting and construction site management and across other purchasing categories, STEF has a proactive and inclusive policy with regards its main suppliers and subcontractors. In addition to respecting people's fundamental rights, in terms of the environment and business ethics, this policy is reflected by:

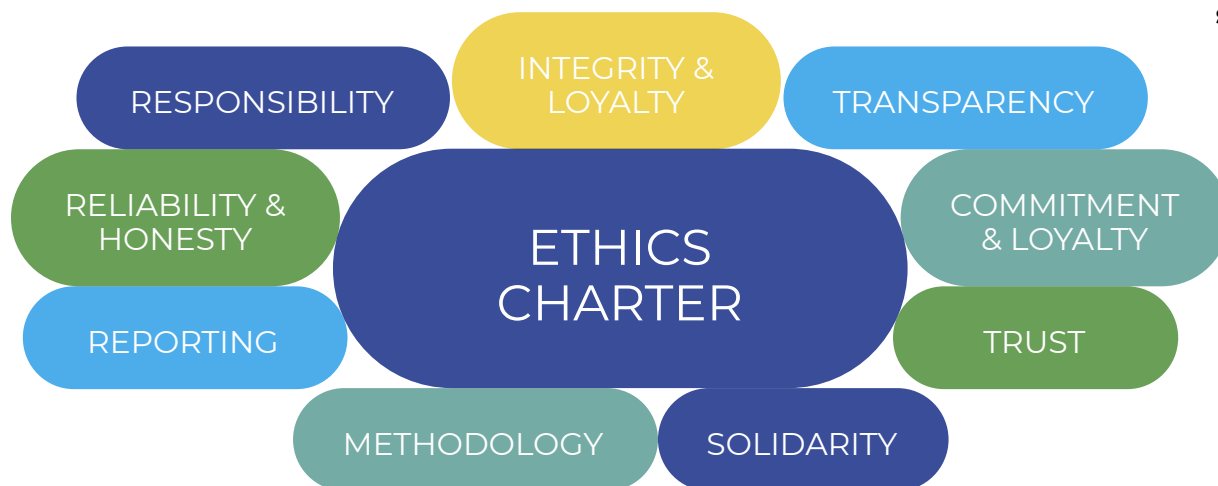
- the inclusion of a CSR clause in all purchasing and subcontracting contracts;
- the signing of a sustainable purchasing charter;
- the addition of CSR criteria in the specifications during calls for tenders.

In 2020, a second edition of the Group's sustainable purchasing charter was produced. This is aimed at all suppliers, without exception, and sets out the main ethical, social and environmental commitments to which they are asked to adhere.

They must also convey these principles among their own suppliers. The sustainable purchasing charter, available in all the Group's working languages, has been incorporated into the general terms and conditions of sales and standard contracts.

Strategic suppliers are subject to regular evaluations. This survey is used by internal stakeholders to give their perception of such suppliers. These assessments are shared with the suppliers themselves and, where necessary, result in corrective action plans.

In addition to strengthening the environmental and societal criteria in its consultation, selection and monitoring documents, in 2021, STEF launched an assessment scheme for the Group's 100 strategic suppliers. The objective is to share STEF's CSR values and commitments with them and establish a shared progress plan on common issues.




## TRAINING AND INFORMATION MECHANISMS

- The standards for good business practices appear in the Group's ethics and business conduct charter.
- On the issue of combating corruption, the Group has implemented a specific e-learning training course and whistleblowing scheme.
- Finally, for deploying the action plans and distributing the rules concerning the themes of HR, Health and Safety at Work and Environment, the Group relies on a community of European correspondents.

## ALERTS AND WHISTLEBLOWERS

- Contentious cases are reported through the managerial channel, according to the Group's organisation and the recommendations of the Group's ethics and business conduct charter.
- The Group has supplemented its alert and whistleblowing scheme with the implementation of an external whistleblowing platform for situations that may presenting risks of corruption and influence peddling.

### Methodological note on the publication of financial information


The STEF Group's extra-financial information is published in accordance with the obligations arising from Order 2017-1180 of 19 July 2017 and the Decree of 9 August 2017 which made it possible to take the necessary provisions for the transposition of Directive 2014/95/EU. Information identified by the sign  has been verified with a reasonable level of assurance<sup>(6)</sup> by the Independent Third Party Organisation.

**Scope** - Quantitative and qualitative information is provided about the entire Group. Where appropriate, the differences in scope are specified for the relevant indicators. Consequently, there is a paragraph dedicated to the maritime activity covering La Méridionale and its subsidiaries. Companies acquired and/or sold during the year are excluded from the scope.

**Selection of reporting information and indicators** - The information has been selected for its relevance with regard to STEF's main environmental and social impacts, given its core business and the challenges of corporate social responsibility identified as strategic for the Group. These indicators are used to measure the results of its policies and action plans. Thus, the following topics, required by Article L. 225-102-1 of the French Commercial Code, are excluded because they are not relevant to STEF's operations: the fight against tax evasion, food waste and food insecurity, respect for animal welfare and responsible, fair and sustainable food production.

**Information collection and assessment** - The methods for reporting information are defined in an internal protocol (annually, over 12 months of the calendar year) based on datasheets describing the methods for assessing, collecting and checking the CSR indicators.

**External audit** - The extra-financial information published has been audited by an Independent Third Party Organisation.

<sup>(6)</sup>The level of reasonable assurance, symbolised by the logo , is a voluntary procedure on the part of the STEF Group. It requires more in-depth work on the part of the Independent Third Party Organisations than that implemented within the framework of limited assurance.

## AUDITORS' CERTIFICATE

### Report by the Independent Third Party Organisation on the consolidated declaration of extra-financial performance appearing in the management report

Year ended 31 December 2020

To the Shareholders,

In our capacity as an Independent Third Party Organisation, a member of the Mazars network and as the STEF company's Statutory Auditors, accredited by the COFRAC Inspection under number 3-1058 (accreditation scope available on the [www.cofrac.fr](http://www.cofrac.fr) website), we hereby present our report on the consolidated declaration of extra-financial performance for the year ended 31 December 2020 (hereafter the "Declaration") presented in the management report, in accordance with Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

#### Corporate social responsibility

It is incumbent upon the Board of Directors to prepare a Declaration in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied with regards these risks and the results of these policies, including the key performance indicators.

The Declaration has been produced by applying the Company's procedures (hereafter the "Reference system") the significant elements of which are presented in the Declaration and available on request from the Company's head office.

#### Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the professional code of ethics. In addition, we have established a quality control system that includes documented policies and procedures to ensure compliance with the applicable laws and regulations, the rules of ethics and professional standards.

#### Responsibility of the independent third party organisation

Our role, based on our audit, is to formulate a reasoned opinion expressing a limited assurance conclusion on:

- the Declaration's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the sincerity of the information provided under 3° of I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including the key performance indicators and the actions relating to the main risks, hereafter the "Information".

Our role is also to express, at the entity's request and outside the scope of accreditation, a reasonable assurance conclusion on the fact that the information selected by the entity has been established, in all material respects, in accordance with the Reference Systems used.

However, it is not for us to decide on the Company's compliance with other applicable legal and regulatory provisions, particularly in terms of the monitoring plan and combating corruption and tax evasion nor the compliance of the products and services with the applicable regulations.

#### Nature and extent of the work

We conducted the following work in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional standards of the national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this work and the international standard ISAE 3000<sup>(1)</sup>:

- we reviewed the activity of all the companies included in the scope of consolidation and the exposure to the main risks;
- we assessed the appropriate nature of the Reference System with regards its relevance, exhaustiveness, reliability, neutrality and clarity, taking into consideration industry good practice, where necessary;
- we verified that the Declaration covers every category of information set out in III of Article L. 225-102-1 regarding social and environmental issues as well as the respect of human rights and combating corruption and tax evasion;
- we verified, when it was relevant with regards the main risks presented, that the Declaration presents the information set out in II of Article R. 225-105, and where applicable, that it includes an explanation of the reasons justifying the absence of information required by the 2<sup>nd</sup> paragraph of III of Article L. 225-102-1;
- we verified that the Declaration presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation, including, if necessary and proportionate, the risks created by their business relations, products or services together with the policies, actions and results, including the key performance indicators associated with the main risks;
- we consulted documentary sources and conducted interviews to:
  - assess the selection and validation process for the main risks and the consistency of the results, including the key performance indicators selected with regards the main risks and policies presented; and
  - corroborate the qualitative information (actions and results) that we considered most important presented in Appendix 1. For some risks, GHG emissions and air pollutants, our work was carried out at the level of the parent company, for other risks, work was conducted at the level of the parent company and in a selection of entities<sup>(2)</sup>;
- we verified that the Declaration covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16 within the limits specified in the Declaration;

<sup>(1)</sup> ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

<sup>(2)</sup> STEF France and STEF Italie.



- we reviewed the internal control and risk management procedures implemented by the entity and assessed the collection process aimed at providing complete and sincere information;
- for the key performance indicators and other quantitative results that we considered most important presented in Appendix 1, we implemented:
  - analytical procedures that involved verifying the correct consolidation of the data collected and the consistency of its development;
  - detailed tests based on samples, that involved checking the correct application of the definitions and procedures and reconciling data with the supporting documents. This work was conducted with a selection of contributing entities and covered between 66% and 94% of the consolidated data selected for these tests;
- we assessed the consistency of the entire Declaration compared with our knowledge of all the entities included in the scope of consolidation.

We believe that the work that we conducted using our professional judgement has enabled us to express a limited assurance conclusion; a higher level of assurance would have required a more extensive audit.

#### Means and resources

Our work used the skills of 4 people between November 2020 and March 2021 over a total procedure time of 6 weeks.

We conducted around fifteen interviews with the people responsible for preparing the Declaration, in particular representing Executive Management, Management Control, Sustainable Development, Human Resources and Health and Safety.

#### Conclusion


Based on our work, we found no material misstatement that would call into question the fact that the declaration of extra-financial performance complies with the applicable regulatory provisions and that the information, taken in its entirety, is presented, in all material respects, in a sincere way in accordance with the Reference System.


#### Comment


Without prejudice to the conclusion expressed above and in accordance with the provisions of Articles A. 225-3 of the French Commercial Code, we make the following comments:

The data control process relating to the breakdown of refrigerants by type in fixed facilities could be improved.


#### Reasonable assurance report on selected CSR information

Regarding the information selected by the Company and identified by the  sign, at the Company's voluntary request, we conducted work of the same nature as that described in the paragraph "Nature and extent of the work" above for the key performance indicators and for the other quantitative results that we considered most important, but in greater detail, particularly regarding the number of tests.

The sample selected represented 81% of the workforce and between 66% and 94% of the environmental information identified by the sign .

We believe that this work allows us to express reasonable assurance concerning the information selected by the Company and identified by the sign .

#### Conclusion

In our opinion, the information selected by the Company and identified by the sign  has been established, in all material respects, in accordance with the Reference System used.

Paris La Défense, 31 March 2021

#### The independent third party organisation, Mazars SAS

Anne-Laure ROUSSELOU, Associate  
Edwige REY, CSR and Sustainable Development Associate

#### Appendix 1: Information considered most important

##### Qualitative information (actions and results) relating to the principal risks

- Human capital
- Supervision of the Health and Safety at Work process by management
- GHG emissions from fuel consumption
- Use of refrigerants
- Electricity consumption
- Air pollutants
- Health and safety of consumers-food safety

##### Quantitative indicators including key performance indicators

- End of period workforce
- Absenteeism rate
- Number of training actions per employee
- Staff turnover
- Frequency rate and severity rate
- Diesel consumption at 100 km for own fleet (STEF France)
- CO<sub>2</sub> emissions in gCO<sub>2</sub>/tonne.kilometre
- Breakdown of refrigerants by type in fixed facilities
- Electricity consumption per tonne carried
- Pollutant emissions, emitted during land transport operations in g(NOx+HC)/t.kilometre and in mg.part/t.kilometre
- Change in the average rating obtained by sites during inspections by the authorities (STEF France)
- Number of training hours and number of people trained in health and safety

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