

FIRST CHEREAU CSR REPORT

2020



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



INNOVATION DRIVES YOU FORWARD

Key Figures

> 2020

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



Almost 1000
employees



Turnover of
€190 million



More than 3,400
vehicles produced



43 %
of sales for export



51 % market
share in France



15 % market
share in Europe



€5 M invested in production equipment



€2.6 M for basic and custom R&D



Shareholders
committed to CSR

Majority shareholders



Editorial



At the end of 2019, the management team took some time to reflect on how to redefine CHEREAU's purpose and mission. We then shared our convictions with our employees, our customers, our partners and our environment to define the commitments that dictate our today's decisions.

One year after reaffirming CHEREAU's DNA, and after going through the COVID-19 crisis, we are producing our first voluntary Corporate Social Responsibility report. The year 2020 was rich in experiences and lessons learnt. It has reinforced our core convictions, particularly concerning the challenges of the energy transition. Writing and communicating is a powerful act because it bears witness to the commitments we have made, our journey so far and the road we are going to travel together. It is indeed essential to be sincere and make sure that our intentions and words follow through in our acts.

Thus, this first document unveils our ambitions and intentions, and constitutes a real guideline for all our teams. It allows us to draw up an annual assessment of our collective progress and to present to all of our stakeholders the future actions that will give concrete form to what we want for the CHEREAU of tomorrow.

Beyond the traditional indicators, this magazine format will take you right into the heart of CHEREAU and enable you to visit each of our commitments to discover how they are translated into action.

I hope that this journey will make you love CHEREAU even more. Enjoy your reading.



Damien Destremau
Chief Executive Officer
THE REEFER GROUP
and CHEREAU.

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CSR management

Corporate Social Responsibility (CSR) is defined by the European Commission as the voluntary integration by companies of social and environmental concerns into their business activities and their relations with stakeholders.



Nicolas Lehericey
QSE & CSR director,
CHEREAU.

At CHEREAU, CSR is not new in itself. It is part of the continuity of our social, societal, environmental and economic approaches and is the continuation of the strategic orientation of the last four years.

As QSE and now CSR Director, I welcomed this approach as a structuring support that enables us to better understand the new challenges facing our company and to drive our strategy within the company.

Joining me on the CSR committee, the entire management team is supporting this initiative, which aims to give concrete expression to our 4 convictions and 16 commitments.

This committee is responsible for defining, steering and evaluating the improvement process. Today, it is the foundation of CHEREAU's CSR policy. Each member of the committee is responsible for its implementation within their team.

To support our action and to help us consider the issues objectively, we are assisted by the firm "ECOEVOLUTION" which has enabled us to evaluate our maturity in this field and which guides us in the construction of our progress plan.

Thanks to this structuring, we are going into 2021 aiming to continue to satisfy our stakeholders and make CHEREAU the brand that everyone loves!

SUSTAINABLE DEVELOPMENT GOALS



Our purpose and vision

To offer the best temperature-controlled transport solutions.

Every day, our teams, driven by their passion, conceive, design, produce and commercialise the sustainable refrigerated vehicles and services that make CHEREAU such a popular brand.



our 4 convictions

#01

Customers are at the heart of our actions.

#02

Each employee is a cornerstone in our value creation process.

#03

Our growth is driven by innovation.

#04

We have chosen to focus on **protecting our environment** and preparing for the future.

Our convictions and commitment

16 commitments give concrete expression to our four convictions focusing on customers, employees, innovation and the environment.

These will be illustrated one by one in these pages to take you right to the heart of what drives CHEREAU on a daily basis.

#01

CUSTOMERS ARE AT THE HEART OF OUR ACTIONS

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

#02

EACH EMPLOYEE IS A CORNERSTONE IN OUR VALUE CREATION PROCESS

- We cultivate exemplary behaviour and high standards in a caring, respectful working environment.
- We value teamwork and collective success.
- We foster enthusiasm through personal growth and development.
- We encourage initiative and allow room for error.

#03

OUR GROWTH IS DRIVEN BY INNOVATION

- Encourage breakthrough innovation to generate value.
- Enable everyone to contribute to continuous improvement.
- Make life easier for users of our products through simple, practical developments.
- Promote eco-design and clean technologies.

#04

PROTECTING OUR ENVIRONMENT AND PREPARING FOR THE FUTURE IS OUR CHOICE

- Eliminate waste and reduce our emissions.
- Encourage the reuse of our products.
- Develop green energies and support the hydrogen sector.
- Measure, improve and communicate on our environmental performance.



#01



Customer conviction

Customers are at the heart of our actions.



Customer commitment #01

Understand their needs to provide tailor-made solutions that create added value.

The basis of everything, the starting point, is the customer's need, the problem to which we must provide a solution. This solution can be, and often is, unique, tailored to each of our customers' needs to enable them to respond appropriately and effectively to their own customers.

Interview



Olivier Chasseloup
Managing Director,
Martin Brower France.

I love CHEREAU because:

«CHEREAU took the time to study our needs and to offer us a tailor-made, innovative solution in order to successfully complete this strategic project for us. Thank you to all the CHEREAU teams! It is in this type of project that our partnership takes on its full meaning.»



Just the kind of ambitious goal that CHEREAU likes.

The example of the solution offered to Martin Brower is very telling. In 2017, the exclusive distributor of McDonald's restaurants wanted to offer its customer a solution for collecting and recycling food waste from the restaurants' kitchens in the same vehicle as the one making deliveries.

A great idea for a circular, responsible economy!

The aim is to send this organic waste to a biogas plant to be used to produce biogas. In return, the regional biogas plant connected to the GRDF® network allows Martin Brower vehicles to be supplied with biogas when filling up at the petrol station.

So we worked with Martin Brower's teams to integrate an external pump and tank into the vehicles to collect this organic waste, after it had been transformed into a substrate.

Mission accomplished.

In 2020, 5 CHEREAU vehicles equipped with this system were produced, and 1,796 kg of biogas were generated from 41.4 tonnes of organic waste collected through this revolutionary process.

Through the studies they require, these innovative projects reinforce CHEREAU's know-how and expertise in made-to-measure customer solutions.

SUSTAINABLE DEVELOPMENT GOALS

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Objective

Improve the level of satisfaction

Indicator

Level of satisfaction: **87 %**
(Source: Customer satisfaction survey 2020)

Customer commitment #02

Formalise and meet our commitments



Think back to 16 March, 2020 when the first lockdown was announced in France.

On 18 March, we published the partial shutdown of production from 23 March, and announced our plan for the continuity of CHEREAU services throughout the lockdown period.

In this way, we committed ourselves to supporting our customers, who are always mobilised to make all the deliveries that our country needs.

In the wake of this, on 23 March, we launched a series of daily posts on LinkedIn called «Keep in Touch» in order to keep in contact with our customers and the whole of our business environment.

On 6 April, CHEREAU production restarted, allowing our customers

to receive their new vehicles, which are essential to supply food and pharmaceutical products.

Formalising our commitments compels us to achieve them. It is a guideline to avoid losing sight of our objectives and a good way to communicate what we want to do so that everyone has the right level of information.

Then it is our actions that must speak louder than our words so that the commitments made are heard by all our stakeholders and they can trust CHEREAU. We are continuously improving by learning from our mistakes, and this is essential for long-lasting relationships such as those we have with each of our clients.

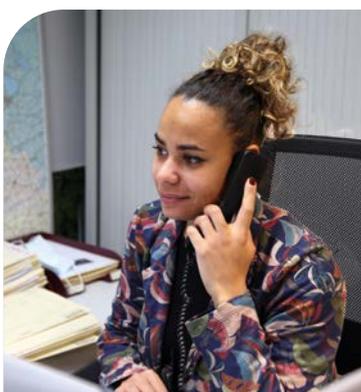
► Interview



Denis Bouquet
President,
VP Transports.

I love CHEREAU because:

«The company is sensitive to customer satisfaction. Listening, responsiveness and innovation are its strong points. I always find this «family spirit» when I meet someone from the team and that makes all the difference... It is this kind of partnership that makes us grow.»



Objective

Improve the service rate

Indicator

Service rate: **68 %**
(ability to produce on time)



Customer commitment #03

Provide top-quality services and products that are both competitive and sustainable.

France was one of the first countries to adopt the ATP – the Agreement on the International Carriage of Perishable Foodstuffs - and also applies it to its national transport, which is not the case in all European countries.

This agreement imposes an **obligation of means**, i.e. an initial level of thermal performance and periodic inspections for temperature-controlled vehicles. It replaces the French regulation of 1952 which already required a high quality of temperature-controlled transport equipment.

Driven by these requirements, CHEREAU has always sought to offer its customers **the best insulated and most robust vehicles with the perspective of a long life cycle**. Thus, many customers do not hesitate to extend the life of their truck or their CHEREAU semi-trailer, even going so far as to invest several thousand Euros after 12 years of operation to renew the ATP approval of the vehicles. For example, a truck for transporting meat belonging to the Timmerman company was FRC-classified by CEMAFROID* until it was 24 years old. It was then downgraded to FNA and still operational after more than 30 years of use. Moreover, a study carried out by the same CEMAFROID shows that nearly 65% of the vehicles that have gone through the test tunnel at 12 years of age are manufactured by CHEREAU.

While new vehicles are operated throughout Europe, it is not uncommon to see them being used second- or even third-hand in Africa and the Middle East.

Their long-lasting performance makes them highly sought-after vehicles - a true benchmark in terms of value on the second-hand market.

On the service side, we support our customers with a network in which training is regularly updated so that vehicles can be maintained and repaired wherever necessary. A technical support team reinforces our presence in the field, meeting with customers to provide expertise and help our products evolve towards ever better performance.

Finally, we regularly measure our customers' satisfaction through direct surveys. This allows us to be closer to our customers, to identify areas for improvement and to be ever more responsive.

* Competent ATP authority in France recognised by the UN

► Interview



Gérald Cavalier
President,
Cemafrroid.

I love CHEREAU because:

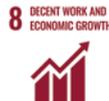
«It is a French company that has never stopped innovating, challenging itself and seeking to satisfy its customers for more than 60 years. I also like it because it does not consider regulations as a constraint today, but as an opportunity that has always pushed it towards excellence and helped it to become the industrial flagship that it is today.»

Objective

Improve our Net Promoter Score (NPS)

Indicator

Recommendation of CHEREAU products NPS (Basis: -100 à +100): **49**





Customer commitment #04

Build straightforward, friendly, trust-based relationships



This fourth commitment is closely linked to the second, as trust is based on respect for people and the commitments made. **This trust is essential in a long-term business-to-business relationship that goes far beyond the simple customer-supplier relationship** to embody real professional partnerships, such is the strength of our ties. Beyond the performance and durability of the products or the quality of the services, it is the relationship, or rather the daily relationships between CHEREAU's employees and those of the client company that weave these true partnerships.

For us, the notion of user-friendliness is also important. Indeed, temperature-controlled transport is a very demanding activity, with many constraints

that put pressure on operators. It is essential that in the midst of sometimes difficult-to-manage hazards, there is a little simplicity and warmth in human relations. This is what we mean by "conviviality" and what we want to share with our contacts, so **that everyone can enjoy working with each other.**

Building trust-based relationships also means opening our doors and allowing people to visit the company. We have developed a **factory tour programme with a dedicated team** to welcome our customers and share a professional, friendly experience. These tours are an opportunity for them to discover the production of their vehicles and for us to raise their awareness to the diversity of the CHEREAU offer, based on

tailor-made solutions to fully satisfy the operating needs of each sector.

Finally, building trust means making the latest generation of CHEREAU innovations available for testing under real operating conditions, allowing **new technical solutions to be evaluated before committing to a purchase.**



Objective

Further development of factory visits

Indicator

Customer satisfaction with their reception and delivery: **94 %**

▶ Interview



Kara Mendjel
President,
STAF.

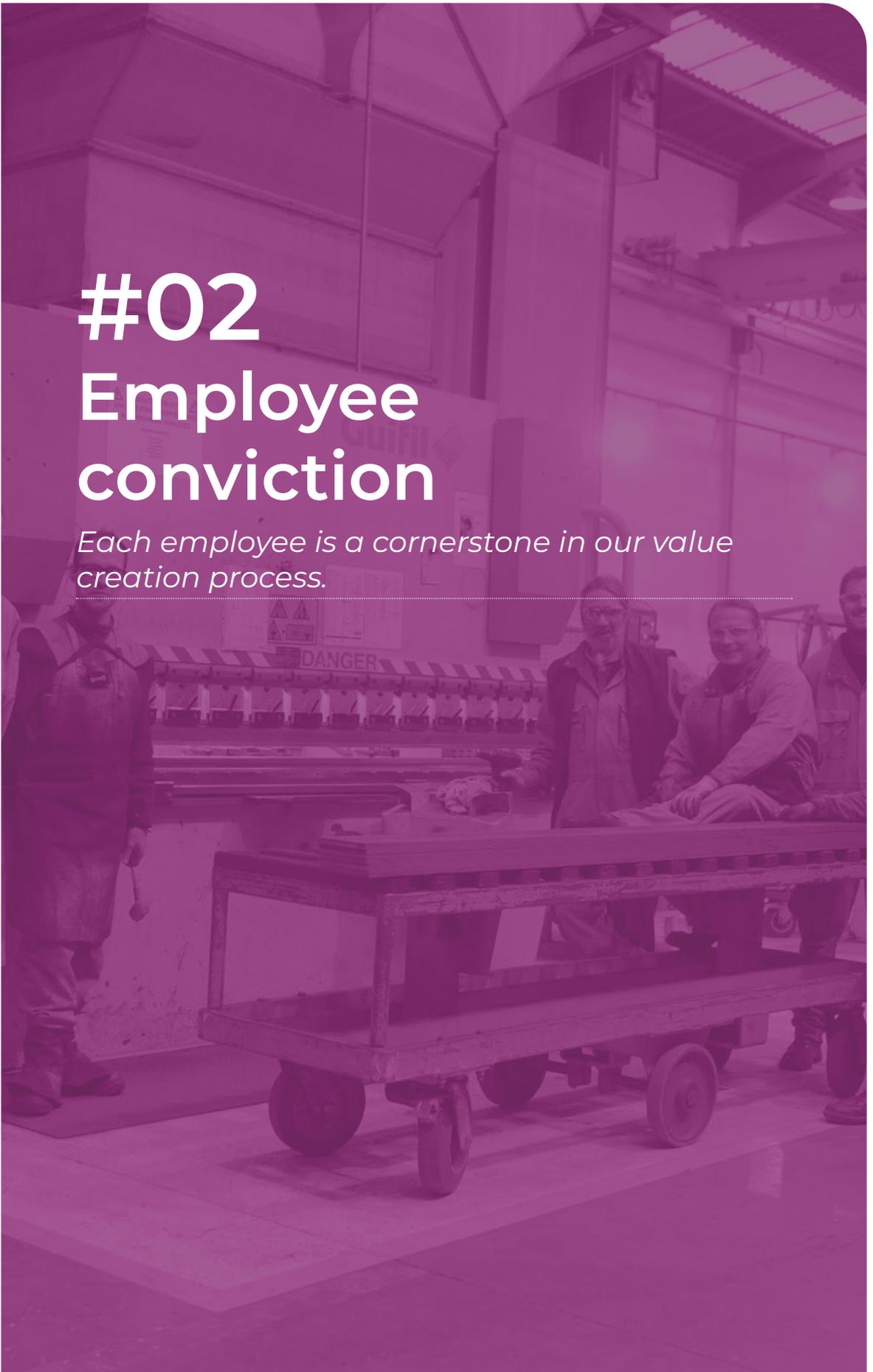
I love CHEREAU because:

«This company is very adaptable. It listens to its customers, and I have a special relationship with its representatives.»



#02 Employee conviction

Each employee is a cornerstone in our value creation process.



Employee Engagement #01

We cultivate exemplary behaviour and high standards in a caring, respectful working environment

High standards and exemplarity go hand in hand, because how can we be demanding of others if we are not demanding of ourselves and setting an example?

► Testimonial



Laurent Ettien Dibie
Bodybuilder,
CHEREAU.

I love CHEREAU because:

«Since my arrival in 2012, I have seen many changes, both in terms of working conditions, with the many improvements made to my job (learning the job, ergonomics, etc.) and in terms of personal development.

The company has enabled me to discover different professions and to undertake training courses leading to qualifications.»

We have been progressing towards an ideal for years, and we wish to maintain this progress dynamic. Our first focus is the production workshops, where we can see the results of all the risk hunting and the work done on ergonomics. **No fewer than 159 improvement projects have been carried out in three years.** The living areas and offices have been extensively redesigned, with a complete overhaul of the staff rooms and dining halls on the three sites, as well as the Avranches and Ducey reception areas, and the creation of a new delivery hall.

We have also worked to further **integrate disabled employees**, for example by purchasing a golf cart to facilitate internal mobility. Workstations have also been adapted to enable employees to continue working for the company, while maintaining our high standards in terms of know-how and interpersonal skills.

While this has led to a profound transformation and improvement of the «working environment», it is obviously not the only area of progress.

The environment, in its human dimension, is equally essential. In this respect, we have continued our **bi-annual social survey which shows positive developments** in all areas, even though the previous results were already of a good standard.

Finally, we would like to emphasise the **quality of social dialogue within CHEREAU**. This point alone is a reflection of this commitment, as it shows a good balance between high standards on the one hand and exemplary behaviour, benevolence and respect on the other.

Every employee is the cornerstone of our value creation. Beyond words, it is our daily actions that breathe life into this corporate conviction.

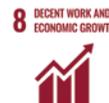


Objective

Reduce the physical strain of workstations

Indicator

Number of CHEREAU employees who are recognised as disabled workers: **32**



Employee Engagement #02

We value teamwork and collective success

«Individual work allows you to win a match, but it is team spirit and collective intelligence that allows you to win the World Cup.»
Aimé Jacquet.

► Testimonial



Cindy Thébault
Spare parts sales manager,
CHEREAU.

I love CHEREAU because:

«It is a company in which we can discuss, share our ideas, and evolve. The promising VSM project has been very enriching individually and also collectively. It has allowed us to discuss with different people (from all positions and all departments) in order to find solutions to specific problems. These projects are a source of wealth that prove that anyone can have a say within the company and that every idea is exploited to benefit the group.»



Everything is summed up in this quote by Aimé Jacquet, coach of the French football team and winner of the 1998 World Cup.

Although CHEREAU trains its employees so that they can individually gain in competence and know-how, **the company's success is based on the functioning of several groups among themselves.** To encourage these groups, the members of the management committee have been sharing the same open space for the past three years: no more individual offices and no more silos.

Everyone gains by putting their contribution forward and learning from others. The team also gains in creativity, innovation and conviviality.

At the same time, **an ambitious managerial training programme was set up** to instil this team spirit in each department and service. This new way of working was also cultivated during **major cross-functional projects**, of which the VSM* is a fine example. The benefits of this unifying project include better cooperation, greater fluidity and efficiency.

*Value Stream Mapping

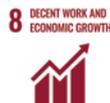


Objective

Deploy the sustainable performance programme

Indicator

Number of collaborative projects in progress: **88**



Employee Engagement #03

We foster enthusiasm and passion through personal growth and development



Passion is something that Jean CHEREAU, founder of the company in 1951, managed to instil, notably a passion for innovation, work well done and product performance.

Today, with a company that has evolved from the artisanal to the industrial and soon to digital 4.0, we continue to cultivate this passion and our historical know-how. It is key to CHEREAU's success, as it generates loyalty and fosters the expertise of our employees.

We do not claim to hold the secret to each person's fulfilment, as everyone has different motivational drivers. However, we strive to give meaning by communicating through regular meetings in order to **share a vision and common objectives, and to allow each person to understand their role in the company as a whole.**

Every year, we welcome our employees and their families to a large, convivial meeting to present our areas of focus. We also hold a monthly meeting for all the teams to share results,

successes, areas for improvement and key news. **This valuable time, dedicated to teamwork, allows each team to fully participate in the company's orientations.**

All employees are actively involved in their own development. They are listened to and supported through individual meetings. We are careful to allow each person to develop through internal promotion, thus favouring their employability and the dynamics of the company.

CHEREAU invests in training well beyond its legal obligations. It is a strong policy which allows us to integrate the developments in technologies and know-how essential to our profession as a refrigerated body builder.



► Testimonial



Marie-Laure Erambert
Sales Administration Manager, CHEREAU

I love CHEREAU because:

«The company has allowed me to develop by giving me new responsibilities on several occasions and by offering training to enable me to fulfil them. Today I am proud to be a female manager in a traditionally male industrial environment.»

Objective

Become an approved training centre

Indicator

Number of employees trained: **796**



Employee Engagement #04

We encourage initiative and allow room for error

Being daring means accepting to make mistakes! In a world focused on productivity, constantly seeking to push the limits towards greater performance, granting the right to make mistakes might seem to be a risky move at first sight.



Before



After

In our view, the right to make mistakes is key to taking the initiative, the fertile ground on which everyone can let their ideas germinate and perhaps grow a new project.

At CHEREAU, where everything is moving faster and faster, **the right to make mistakes encourages initiative** and promotes the company's agility. Employees who are challenged by a situation within their scope of action can thus usefully decide to act.

That is why we want to make this commitment clear. We go even further by encouraging shared vigilance, which consists of friendly interference and accepting it from others.

In concrete terms, an employee who notices risky behaviour outside of their current working area is encouraged to act.

In order to ensure that this spirit and commitment are rooted in our corporate culture, **we encourage risk hunting and ideas for progress** that aim to improve the working conditions of employees in terms of safety, ergonomics, performance, etc.

This seemingly simple notion of the right to make mistakes allows the company to unleash the creative potential of each individual and encourages fulfilment in a caring professional environment.

Objective

Develop initiative and awareness through proposals from the field («Ideas box»)

Indicator

Number of risk hunts suggested during the year: **36**



Testimonials



Alexis Renault
Team Leader,
CHEREAU.

I love CHEREAU because:

«There are prospects for development. We can make a contribution through the progress actions where we work independently.»



Claude Clogenson
Machinist,
CHEREAU.

I love CHEREAU because:

«This company allows me to create and improve the working conditions of the employees through risk hunting operations.»

#03 Innovation

Innovation is our growth driver.



Innovation Commitment #01

Encourage breakthrough innovation to create value

Innovation has always been in CHEREAU's DNA, so much so that we have chosen «Innovation drives you forward» as our brand signature.

▶ Interview & Testimonial



Patrick Cholton
President of the FFC (French Bodywork Federation) and of the Solutrans exhibition.

I love CHEREAU because:

« It is a dynamic, innovative player in the industrial and urban vehicle sector. CHEREAU highlights French know-how in the refrigerated vehicle sector, notably by successfully participating in the Solutrans Innovations Awards.»



Arthur Monti
R&D Project Manager, CHEREAU.

I love CHEREAU because:

«It is a brand that does not hesitate to take inspiration from the most efficient technologies and to integrate them into its products in order to better serve its customers while seeking to reduce its impact on the environment.»

This «You» who is driven forward by innovation represents our customers, the users of our products, the customers of our customers, the end consumers, all those directly or indirectly concerned by our products. «You» in perfect harmony with our vision of **making CHEREAU the brand that everyone loves!** After all, at the end of the day, everyone is concerned by the cold chain, and with one in two refrigerated semi-trailers sold in France and one in six sold in Europe being a CHEREAU, we are a key player.

Breakthrough **innovation** involves providing new solutions that will eventually replace existing solutions. There is only one objective and that is to create value by offering products that are more efficient, more environmentally friendly, more pleasant to use, safer, etc. Behind each innovation, there must be this value generated for one or other or all of the stakeholders.

So, for example, when we develop vacuum insulation - vacuum is the most efficient insulation available - this represents a real break with the current state of the art of polyurethane foam. Thanks to the experience gained from numerous tests, including the one carried out on the ROAD collaborative project vehicle, we have launched the new

CHEREAU Performance range which uses this technology.

By using **VIP - Vacuum Insulated Panels - we ensure a record level of thermal insulation**, which translates into a reduction of the refrigeration unit's consumption and emissions by up to 25%. The advantages of this technology do not stop there: fewer hours of operation of the unit, less maintenance, less risk of loss of goods in the event of a breakdown, the possibility of slowing down or even switching off the refrigeration unit if the vehicle is waiting in a noise-sensitive area, a longer life span for the vehicle which will mechanically increase its residual value... In short, it is a real virtuous innovation and an excellent investment for the future.

Hydrogen as an energy vector, tested by CHEREAU as a world first, is another example of a breakthrough innovation in development. We are convinced that on-board electricity is the energy of the future for mobility and will replace diesel in refrigeration units.

The axle-mounted generator and solar panels are other alternatives that will enrich a low-carbon offer to make CHEREAU vehicles the new standard for energy transition.

Objective

Offer our customers "White Certificates" (Energy Efficiency Certificates)

Indicator

Number of patents maintained per year: **35**





Innovation Commitment #02

Enable everyone to contribute to continuous improvement

Innovation and continuous improvement are first and foremost based on a willingness to accept questioning, an essential condition for progress.

► Testimonial



Jérôme Touleron
Product Quality Manager,
CHEREAU.

I love CHEREAU because:

«This company creates a team spirit and working groups close to the field, while encouraging feedback using the latest technology available to optimise product quality.»

This state of mind means that everyone's ideas are taken into account, whatever the field of application: processes, products, services, environment, quality of life at work, etc.

To move from willingness to reality, we are working on several areas. The first, already underway, is **digitalisation to provide feedback on progress in the production workshops**. In concrete terms, it is a smartphone app that allows each operator to report and document a need for progress in relation to the process or product. This data is instantly communicated to the person who will be able to deal with the issue in question, both curatively and preventively.

The app includes a dashboard that provides a global view of the actions in progress and their stakes. It is a real dynamic, 100% digital management tool.

The second focus is on the **implementation and promotion of a suggestion scheme** that will take this commitment to a broader level, involving all CHEREAU employees.

The aim is to ensure that everyone is fully involved in continuous improvement.



Looking for the best result, we compare different systems that have proved their worth in large industrial groups in order to adapt the most relevant to our structure.

To follow that project, see a future CSR report for details and effects of the implementation of this system.

Objective

Broaden the contributor base

Indicator

Number of "product improvement" initiatives created during the year: **89**



Innovation Commitment #03

Make life easier for users of our products through simple, practical developments

Innovation is not only about major technological breakthroughs, it is also about all the «small» developments that will meet the needs of users and customers.

Interview



Gildas Guérin
Manager,
Dougen Prim.

I love CHEREAU because:

«From a blank page I can make the semi-trailer that corresponds exactly to my needs, i.e. those of my customers. For example, we were able to equip our latest city-trailer with a custom-made box for an electric pallet truck, something which did not yet exist in the CHEREAU range.»

Each year we reflect on our customers' business, their daily tasks, the difficulties they encounter and the gains they could expect. By taking a step back, we are able to identify new solutions that will make their lives safer and the use of our products easier.

Concrete answers.

In response to the problem of serious accidents caused by vehicles moving unexpectedly during loading or unloading at the dock, our teams have developed a secure system called ADI which prevents unexpected vehicle movement. This solution locks the brakes of the semi-trailer at the dock when the door is open.

In practice, the dock and the vehicle communicate. With the dock door open, no departure is possible and the staff loading or unloading the CHEREAU semi-trailers can operate in complete safety.

Safety and ergonomics.

In the same vein, we have developed the Life-line-C, which enables a life-line to be attached to the top of the front of the trailer to ensure the safety of people working at height on the refrigeration unit.



The development of a sliding connection panel is another solution, this time designed for the driver's well-being. It allows the driver to connect the trailer and tractor plugs while keeping two points of contact on the ground, making the task easy and comfortable, something that is much appreciated by users.

Through our annual reviews, we take into consideration all the people who work on, in or around the vehicle. This allows us to remain true to our vision: to design and produce CHEREAU products that everyone loves!

Objective

The number of tailor-made options standardised

Indicator

Number of tailor-made options created: **442**



Innovation Commitment #04

Promote eco-design and clean technologies

Eco-design allows us to limit the resources needed to produce our vehicles or to substitute certain materials.

► Testimonial



Samy François
Rigid Truck Business Manager, CHEREAU.

I love CHEREAU because:

«CHEREAU has a very pragmatic approach to its market by being very close to its customers. The installation of our own CNG station is an example of this. Before, it was necessary to make a long diversion or even tow the CNG vehicle using a diesel vehicle to refuel it at a station. Since the end of March 2020, we have our own station and, more than 70 clean vehicles have been refuelled with CNG and transported directly to customers from the DUCEY site.»

Objective

Review our manufacturing processes to accommodate clean technologies

Indicator

Number of alternative energy vehicles produced in the year: **104**



Numerical calculation and simulation tools have helped us make a great deal of progress.

For example, they have helped us to requalify our semi-trailer chassis to improve the performance of the trailer while limiting the need for raw material and therefore limiting its weight.

On the ROAD vehicle, we have designed and tested rear doors incorporating flax fibres instead of glass fibres. The new Aero-C aerodynamic kits, which reduce the tractor's fuel consumption by up to 2 l/100 km, are made of aluminium for complete recyclability and can be easily repaired in the event of a collision.

We are also building more and **more alternative energy vehicles.** Faced with the growing demand for gas-powered trucks, we have equipped our Ducey site with a CNG station connected to the natural gas network. It enables us to refuel the vehicle for its transit through our production flows and the delivery

of the equipment to the end customer.

We have also trained many of our employees for high-voltage electrical accreditation. With this qualification, they can build bodies for all-electric trucks, such as the one delivered to Arla, a large dairy cooperative in northern Europe, which has been operating in downtown Copenhagen since October.

We also equipped the first hydrogen-powered truck that will deliver to Carrefour supermarkets via Chabas transport in the south of France.

Electric units are increasingly used for refrigeration, as is cryogenics. The latter is another emission-free technology (indirect nitrogen injection) that we have been deploying for more than three years and that equips many fleets. One of these fleets is STEF, which is particularly significant with more than 100 trucks operating in the Lyon region.



#04 Environment

Protecting our environment and preparing for the future is our choice.



Environmental Commitment #01

Eliminate waste and reduce our emissions

Let's be frank, we believe that our business still has too much impact on the environment.

► Interview



Simon Loisel
Director,
Les Champs Jouault.

I love CHEREAU because:

«The company has always integrated waste management into its industrial strategy. It has put in place a global management system and has made it possible to define areas of work to reduce and recover waste. Thanks to the commitment of the CHEREAU teams, our partnership has been strengthened through a global flow optimisation project.»



If we want to - and should - preserve the environment for future generations, beyond simply stating the fact, we must ask ourselves the following question: what are we doing?

Our first lever of action is to reduce our emissions and hunt down wastage for greater optimisation in terms of materials and energy.

Our starting point for raising awareness of these issues among our employees was to promote collective awareness of our environmental impact. We therefore asked Les Champs Jouault, our partner in waste management and recycling, to give our teams the opportunity to discover **the consequences of final waste on the ground.**

Thus, the executive committee and managers visited their processing centre. The presentation of the recycling chains gave full meaning to sorting at source and the reuse of materials to limit processing

costs. Seeing the limited storage capacity for final waste encourages us to reduce the amount of waste we produce.

At the same time, **we are carrying out a process to quantify our waste** and we can now move forward with an ambitious programme with quantified reduction targets in kilograms per vehicle manufactured. Our product and process developments have also led us to significantly reduce our VOC (volatile organic compound) emissions.

We are also working on the energy aspect in order to consume less and better. In terms of reduction, we note, for example, the replacement of all site lighting with LEDs and the installation of automatic doors. In terms of «better consumption», the development of our new CHEREAU Hydrogen Power H2 range invites us to think about our energy choices for tomorrow with a search for partial self-production to meet our needs.

Objective

Develop waste reduction projects

Indicator

Quantity of waste per vehicle produced: **918 kg**



Environmental Commitment #02

Encourage the reuse of our products

With products that combine quality, high performance and durability, it is as if CHEREAU has always been in the circular economy.

► Interview



Eric Lepage
Manager,
La Ferme des Glycines.

I love CHEREAU because:

«We share a common goal in our respective fields, which is to offer better products for our customers and for the planet. Like a symbiosis between two plants, our objectives are the same: CHEREAU needs to find solutions (which include us) to recycle its bodies, and we need CHEREAU to have a body that is still of very good quality and durable even when recycled after several years of operation.»



A CHEREAU vehicle is built to last, because it is solid and its performance level remains high over time. It is not uncommon for our vehicles to have their ATP approval renewed at 12 or 15 years. It is true that our bodies are more expensive than those of many competitors, who operate with a different mindset in which equipment is often renewed after 5 or 6 years. This has never been our philosophy. **Producing less but producing better, selling less often but for a longer period of time – this is much closer to how we operate.** Our customers benefit, as does our environment.

In order to go even further, we are working on upcycling our vehicles when they have ended their operation on the road.

Upcycling is healthy from an ecological and economic point of view. It is a win-win approach which we wish to develop and promote to limit the impact of our products.

The CHEREAU Services teams are therefore seeking to give our equipment a second life. For example, at the end of 2020, we delivered buildings made from old bodies to a farm, the Ferme des Glycines. These buildings are used as a laboratory for the production of organic yogurt. This is not an isolated case. Other bodies have been used to create offices or to be used as changing rooms at a local football club.

Objective

Identify new sources of reuse for our products

Indicator

Number of vehicles reused: 2



Environmental Commitment #03

Develop green energies and support the hydrogen sector

Among green energy sources, hydrogen (H2) is expected to play a major role in the coming years.

► Interview & Testimonial



Valérie Nouvel
Vice President for Energy Transition, Environment and Innovation of the La Manche department.

I love CHEREAU because:

«*Its employees, in addition to being people from Manche who innovate on a daily basis, resolutely share my commitment to the hydrogen sector. Together, the energy transition is becoming a formidable development project for an entire region.*»



Benoit Courteille
Research and Development Manager, CHEREAU.

I love CHEREAU because:

«*We are experimenting with more environmentally friendly solutions with our customers. This shared feedback allows us to accelerate changes and make the right technological choices.*»

It should be remembered that hydrogen is not an energy in the strict sense of the word, but an energy vector that can be used to store and transport energy. It should also be remembered that to be green, hydrogen must be produced from renewable energy sources.

In 2016, when working on the refrigerated semi-trailer of the future through the ROAD project, **CHEREAU made an important choice to develop hydrogen energy for mobility.** Five years later, the media are talking about it every day and projects are flourishing everywhere. The results of our tests carried out with Transports Malherbe and Transports Delanchy validate our determination to industrialise a specific product range: CHEREAU Hydrogen Power H2.

At this stage, hydrogen is not simply a question of use, because no use is possible without a refuelling station. It is **therefore a question of creating a complete sector.** This is why CHEREAU is fully involved in this development by participating in numerous working groups, both at the European level with Hydrogen Europe, and in France within France Hydrogène (formerly Afhyac) and in the regions, via numerous territorial projects for the implementation of H2 ecosystems.

Hydrogen will definitely develop for heavy goods transport, but it is not the only alternative energy source of the future. Natural gas is already replacing diesel in many applications, although we see it as a transitional fossil energy that would be advantageously replaced by biogas.

However, electricity seems to us to be the most promising source of energy, whether it comes from hydrogen or is stored directly in batteries. In addition to the fuel cell, we are also working on other sources of electrical power, such as e-axle generators or photovoltaic panels.

In addition to product developments for our customers, and as mentioned earlier in this report, we also want to **change the energy mix of our production facilities** that use too much natural gas and electricity. Photovoltaics and hydrogen storage are serious avenues of study for our buildings, as is reinforced insulation. We have therefore approached the Energy Observer technical teams in order to qualify several scenarios and guide our future choices.

Objective

Industrialise the H2 range

Indicator

Number of hydrogen vehicles manufactured: 1



In 2019, we joined Energy Observer as an Official Supporter. Beyond the commitment to promote soft mobility, which is as neutral as possible for the environment, and the promotion of hydrogen as an energy vector, it is the global project and its systemic dimension that attracted us. The environment is a whole, of which humans and companies are part.

Victorien Erussard, Founder, president and captain of Energy Observer.



«CHEREAU is the perfect example of a committed partner for Energy Observer, not only in the promotion of concrete sustainable development, but also in the technological projects that the

company implements, such as the ROAD collaborative project. Like Energy Observer, CHEREAU takes action, gathers skills and takes risks to innovate. This is what makes our association strong. We are actively involved in the energy and ecological transition.»



Environmental Commitment #04

Measure, improve and communicate on our environmental performance

This first voluntary CSR report demonstrates our determination and reflects this commitment.

► Testimonial



Juan Eusebio Pujol
Miura, investment fund shareholder of CHEREAU from 2016 to 2021.

I love CHEREAU because:

«The company and its employees are committed, energetic and resourceful in leading the industry in addressing environmental issues.»



We see this report as a milestone that allows us to **take stock of our annual progress** and to set out our future areas of progress, in line with our 4 corporate convictions and 16 commitments.

Through this tool, we wish to have a basis for measurement that will allow us to monitor our developments and also to become aware of our possible difficulties in **implementing the CHEREAU of tomorrow** and to find ways to overcome each of them.

We are sharing a number of indicators with you today, and others will certainly emerge over time. To those who might be surprised that a particular indicator is not yet at the expected level or that our environmental performance is modest for the moment, we say «yes, you are certainly right».

However the road ahead of us is a long one, and although we are starting from a point where there is room for much improvement, **we are strong from what has already been achieved and from our will to grow in complete transparency.**

Through the ROAD project and its environmentally friendly innovations (hydrogen, vacuum insulation, weight reduction, aerodynamics, intelligent operation, etc.), we have also proven that we are firmly committed. We are now entering the industrialisation phase of these innovations and will be pleased to share our new advances with you in the near future.

Communicating this report widely is a way for us to maintain our high standards to satisfy each of our stakeholders by delivering on our commitments

Objective

Publication of the first CSR report in May 2021

Indicator

Number of hours devoted to the coordination of the CSR approach: **102 h**



Compilation of indicators

Domain	Indicators	Values
SOCIAL	Net balance of employees at the end of the period	-49
SOCIAL	Workforce by type of contract (fixed-term / permanent)	101/815
SOCIAL	Ratio of annual promotions	5%
SOCIAL	Number of work-study students	17
SOCIAL	Number of accidents	62
SOCIAL	Number of agreements signed	3
SOCIAL	Training contribution in Euros	€150,000
SOCIAL	Percentage of men / women in the company	91.60% / 8.40%
SOCIAL	Level of satisfaction with working conditions	74%
SOCIAL	Number of employees with safety training	756
ECO GOV	Classification of CHEREAU as an employer in its region	2
ECO GOV	Conversion from fixed-term to permanent contracts	35
ECO GOV	Share of purchases made via regional producers (Grand Ouest region)	18%
ECO GOV	Share of purchases from national producers	48%
ECO GOV	Investments over 3 years	€12,982,000
ECO GOV	Total value of local tax contributions (regional scope)	€1, 877,000
ENV	Energy consumption by volume in MWh / Vehicle	6.32 MWh
ENV	Annual decrease in gas & electricity consumption on total production volume	-5.30%
ENV	Total volume of water consumed in litres / vehicle	3086 L
ENV	GHG emissions, scopes 1 and 2 TeqCO2	3383 TeqCO2
ENV	Total weight of waste	3149 T
ENV	% of waste recovered	40.10%
ENV	VOC emissions	387 T

CHEREAU, a committed company

Beyond our convictions, which you will discover in these pages, focusing on customers and employees, innovation and the environment, CHEREAU plays a significant role in its economic and societal environment. Our company is one of the largest employers in the region and feels responsible, beyond just its employees, for all the families it provides for either directly or indirectly.

A member of the companies club Sud-Manche, linked to the Chamber of Commerce and Industry, a member of the board of Latitude Manche - our region's attractiveness agency - and a board member of the ETI Normandes club and member of the UIMM Manche, CHEREAU is involved in a strong local and regional dynamic.

Through the Alizé programme, we support small and medium enterprise founders in the Manche region as part of a mutual entrepreneurial aid approach.

At national level and beyond, we have been flying the flag for La French Fab since its beginnings, and we are involved in associations representing our sector such as the Pharma Logistic Club, France Hydrogène, Hydrogen Europe, Transfrigoroute International, Cold Chain Logistics and the French Federation of Bodybuilders, of which we are administrators.

Our employees actively participate on various committees to represent our company and the interests of the bodybuilding profession with various bodies.

Although CHEREAU is not a société à mission* in the sense of the Pacte law of May 2019, it strives to offer the best solutions for temperature-controlled transport while integrating as harmoniously as possible into its environment.

**a French company that writes social or environmental goals into its by-laws*



INNOVATION DRIVES YOU FORWARD

JEAN CHEREAU SAS

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