

# CHEREAU CSR REPORT

## 2022



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



INNOVATION DRIVES YOU FORWARD

# KEY FIGURES FOR 2022

CHEREAU, VEHICLE BODY MANUFACTURER, PRODUCING CUSTOM-MADE REFRIGERATED VEHICLES SINCE 1953.

**THE REEFER**  
GROUP



**ALMOST 1,000**  
EMPLOYEES



**€226M**  
IN TURNOVER



**OVER 3750**  
VEHICLES MANUFACTURED



**55%** OF SALES IN EXPORT



**45%** MARKET SHARE IN FRANCE



**15%** MARKET SHARE IN EUROPE



**€3.2M** OF INVESTMENTS IN OUR PRODUCTION TOOL



**€3.7M** IN RESEARCH AND DEVELOPMENT AND CUSTOM PRODUCTION



**A SHAREHOLDER BASE**  
COMMITTED TO CSR

MAJORITY SHAREHOLDERS

**Amundi**  
ASSET MANAGEMENT

**bpifrance**  
SERVIR L'AVENIR

**QUEST CROISSANCE**  
COOPÉRATIVE D'INVESTISSEMENT  
NANTES • BORDEAUX • PARIS

**CA**  
UNEXO



# EDITORIAL

Dear readers,

This is the 3<sup>rd</sup> edition of our voluntary CSR report. Once again, this year's report follows on from its predecessors. Many of you have appreciated the fact that, from one year to the next, we have been able to talk about our progress, but also discuss our challenges, transparently, in dealing with a subject as vast as corporate social responsibility. This is why we are again including our "They said it - did they do it?" section, where we take each of our beliefs in turn, and illustrate our successes and sometimes our failures, in all humility.

Today, more than ever, **CSR is at the heart of our general policy**. CSR is no longer just optional, like some kind of extra bonus feature. It has now become an essential part of what we do for CHEREAU's long-term future. This will be particularly helpful in terms of attracting the investors and employees of tomorrow, and moving forward with our customers in the vital processes of decarbonization and transition to clean energy, in which we are making great progress (see back cover).

For years now, **we have been focusing our development efforts on more sustainable vehicles to help with saving energy and gradually replacing fossil fuels** with more environmentally-friendly forms of energy, in this case electricity stored in batteries or in the form of hydrogen. Having begun this approach in 2016 with "Road: the semi-trailer of the future", it is now clearly proving to be the right one to guide our company, but above all to support our customers and all our stakeholders. In particular, it is taking material form with **the go to market of VIP insulation, aerodynamic devices and the continuation of our hydrogen tests in operation**. We are firmly on the way to decarbonising temperature-controlled transport.

I hope that you enjoy reading this report, and that it provides an opportunity for you to appreciate the work that has been done, but also the areas where progress is still needed.



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

## CONTENTS

Key figures	2
Editorial	3
Our purpose	4
Our 4 beliefs	4
Our 16 commitments	5
CSR, a dynamic, constantly evolving field	6
Industry 4.0 and CSR	7

### Customer belief

Customers are at the heart of our actions

Headwinds!	8
Our other achievements in 2022	9

### Employee belief

Each of our employees is a cornerstone  
in our value creation process

All aboard!	10
Our other achievements in 2022	11

### Innovation belief

Our growth is driven by innovation

Updraft!	12
Our other achievements in 2022	13

### Environment belief

Protecting our environment and  
preparing for the future is our choice

On course for decarbonization!	14
Our other achievements in 2022	15

Compilation of indicators	16
Crossed perspectives on CSR	18

Decarbonization: the surfing wave of the century or a devastating tsunami?	20
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## OUR PURPOSE

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

## OUR 4 BELIEFS

#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

PROTECTING OUR  
ENVIRONMENT AND  
PREPARING FOR  
THE FUTURE IS OUR  
CHOICE.



## OUR BELIEFS AND COMMITMENTS

**16 COMMITMENTS CLOSELY ALLIED TO OUR 4 BELIEFS, WITH THEIR FOCUS ON THE CUSTOMER, THE EMPLOYEE, INNOVATION AND THE ENVIRONMENT. THEY PROVIDE THE KEY SUPPORT POINTS TO GUIDE OUR DECISIONS AND DIRECT OUR ACTIONS.**

### #01

#### CUSTOMERS ARE AT THE HEART OF OUR ACTIONS

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

### #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 and commitment by encouraging the growth and development of each employee.
- We encourage initiative and allow room for error.

### #03

#### OUR GROWTH IS DRIVEN BY INNOVATION

- Encourage breakthrough innovation to generate value.
- Make life easier for the users of our products by simple, practical developments.
- Promote eco-design for more sustainable products.
- Reduce carbon impact with more fuel-efficient vehicles and new energy sources.

### #04

#### PROTECTING OUR ENVIRONMENT AND PREPARING FOR THE FUTURE IS OUR CHOICE

- Reduce the carbon footprint of our industrial activity.
- Hunt down wastage and reduce our emissions.
- Promote the reuse and recycling of our products.
- Set high CSR ambitions and measure our performance regularly.

# CSR, A DYNAMIC, CONSTANTLY EVOLVING FIELD

The first thing needed, when coordinating a sustainable development approach within a company, is the ability to adapt to circumstances and current events. And 2022 featured so many new developments: a crisis for all types of components, an explosion in the price of raw materials, a profitability crisis, war in Ukraine and, last but not least, a worrying energy crisis caused by the combination of shortages and soaring costs. How can we stay on course to meet the challenges of sustainable development as we face the ups and downs of the markets and the geopolitical situation? There's only one answer: **"providing meaning"**.



**Nicolas Lehericey**  
QSE & CSR Director



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

Organising our annual plenary session provided an opportunity for us to bring together our employees and their families for a festive and educational day, an opportunity to mobilise and embody our "Corporate Social Responsibility". A **round-table discussion of viewpoints on CSR**, with a diverse group of stakeholders - customers, elected representatives, shareholders, suppliers and senior executives - shed light on some issues in sustainable development. We came away from this wonderful day with full confidence that our company had a meaning, a purpose, and that within that we would be able to stay on course.

**Providing meaning also means working on highly concrete and pragmatic activities**, such as being moderate in our use of materials when we had such a shortage of them, or in our energy consumption when the

outlook for gas and electricity supplies was at its bleakest.

This report shows that results for these items with more limited availability are improving, much more than we could have envisaged. So today, we need to **set ourselves higher ambitions for moderating our use of materials and our greenhouse gas emissions** for the years ahead, by re-evaluating our potential for progress.

This is the context in which we are welcoming new regulations such as the CSRD (Corporate Sustainability Reporting Directive) and the Green Taxonomy, which is dedicated to directing financial flows towards sustainable activities. These may appear to be constraints, but ultimately they will make faster progress possible, by interlinking our results with those of all our stakeholders.

## SUSTAINABLE DEVELOPMENT GOALS





# INDUSTRY 4.0 AND CSR

**Over the last few years, we have been working on automating a number of production operations in order to improve not just our industrial efficiency but also our ergonomics, for our employees. This reduces laborious and repetitive activity and helps to improve the working experience.**

Having invested in a new metal workshop in 2021, with a dedicated building, a laser cutting system and new digital bending machines, 2022 saw the completion of the **first phase of investment in new automatic machines for the joinery sector.**

We use polyurethane foam for our vehicle insulation, which has to be machined to size depending on the different parts into which it is to be inserted. We now have an automatic machine that receives the information directly in digital form and then manages the loading and machining of the insulating foam modules by itself. At the end of the cutting cycle, the modules are identified, then stacked on trolleys in the production order using a latest-generation robot. We support our employees as they develop their skills accordingly, to acquire technical expertise and take on more fulfilling work.



**This new phase of the digitalisation process coincides with our increase in capacity for the CHEREAU Performance VIP range using vacuum encapsulation technology to place panels inside foam modules, offers up to 25% greater insulation, and consequently energy savings, for our customers.**

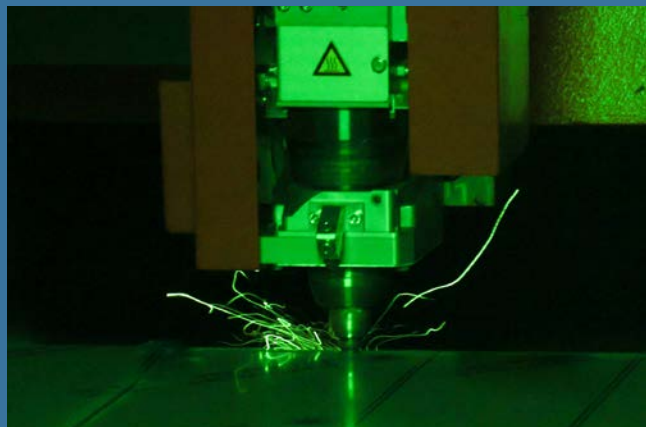
The new digitally-controlled machines are used to produce this range, with strong industrial performance. We should also mention here the considerable assistance provided by the government in the 'Domino' internal project, within the French automotive industry recovery plan.

**With faster turnaround times, less laborious work and high quality, digital tools are driving a small internal revolution that will bring many more changes over the course of 2023.**

Soon a full digital process will be available for brand new features.

In addition, a proportion of the energy we use will come from renewable sources!

Check out our next CSR report to find out about all our progress.



# HEADWINDS!

2022 was a year marked by renegotiations with our customers, which put our belief to the test, but also highlighted a robust spirit of partnership.



This year has been a stormy one for our customer belief! Yet back in January, everything looked good, just as in 2021. Our order book was full and our industrial visibility was extremely good. But in February, events in Ukraine shook the world: raw material prices and energy costs soared.... **Our full order book for 2022, which should have been a definite asset, suddenly became a major risk.** With vehicles needing to be produced, after being sold months beforehand, and without any consideration for the explosion in our production costs, like many other companies, CHEREAU suddenly found itself in a difficult position.

This meant that we needed to adapt, in the first instance by introducing **variable prices on new orders**. After some trial to find the fairest model for us and our customers, we finally chose an official **Eurostat** index, which

reflects industrial production costs in France. This index is published every month, available for anyone to see, and produced by an independent body. It provides a solid basis for confidence and is close enough to the reality of changes in our production costs to enable us to **calibrate our sales prices and to share increases and decreases fairly with our customers**.

For orders placed previously, we had to review the contracts we had signed and renegotiate them with each customer. We knew that we were going against two of our customer commitments, but we had no choice.

The shortfall in operating income would have substantially undermined our ability to self-finance, in particular to ensure all the necessary investment for the ongoing process of energy transition.

It was therefore a particularly delicate task that we were asking of our sales force, and we would like to thank them for having had the courage to take on this decision on behalf of the company.

We would also like to thank our customers warmly for their understanding in accepting these **renegotiations, in order to find a compromise acceptable to everyone**, thus reinforcing the spirit of partnership that binds us.

All in all, this is the lowest annual result we have achieved in recent years, despite our unprecedented efforts.



# OUR OTHER ACHIEVEMENTS IN 2022



**Factory tours: a record year, with almost 100 tours and over 400 visitors.**

This activity is very popular with our sales staff, as it allows us to develop really close relationships with our customers, to gain a better understanding of their requirements and to showcase the expertise of the company and our employees.

In addition to these visits, we have also developed a seminar package, to allow our

customers to organise meetings on our premises.

**Trade fair:** faced with the explosion in the price of many raw materials and the significant drop in our margins, we decided very early on to limit our communication costs.

As a result, we cancelled our stand at the IAA in Hanover and reduced our presence to a concept semi-trailer - solar & hydrogen - exhibited on the stand of a partner equipment manufacturer.



## TESTIMONIAL



**Anita Bertin,**  
President of Transports Bertin.

"We've been delighted to see how deeply rooted the CHEREAU Group's values are, through your testimonials and the discovery of your expertise.

Your teams demonstrate human qualities as well as skills.

We thank you for your warm welcome and we look forward to travelling our shared route ahead."



## They said, did they do it?

**Performance achieved with regard to the 2022 objectives**

**→ Improve our service level:**

unfortunately, frequent disruptions to the supply of components have prevented us making sufficient progress in this area.

Throughout the year, we had a large stock of incomplete vehicles awaiting

completion, and there were delays to very many deliveries.

Nevertheless, we were able to adhere to our guiding principle: not to shut the factory down!

That was a real challenge, and we would like to thank all the CHEREAU teams, who showed incredible flexibility in keeping our production sites running throughout 2022.



## 2023 objectives

- Prepare the connectivity of all our semi-trailers for integration into logistics 4.0.
- Support our customers in decarbonising, by offering them a responsible choice.

# ALL ABOARD!

The highlight of the year in terms of this belief was probably our plenary meeting. We have a tradition of bringing our employees and their families together on the first Saturday in January to present a review of the year and the outlook for the year ahead.



In 2022, we postponed this date to coincide with the release of our second voluntary CSR report. We thus gathered together a large number of employees and their families for a look at our sustainable development approach. This generated recognition that **the company is not just there to run a business model, but is truly an entity that acts for its social environment** in the broadest sense of the term. To mark the occasion, we brought together a variety of speakers for a round-table discussion of viewpoints on CSR. At the end of the event, we offered employees several awareness-raising workshops in the presence of a number of partners: an energy-saving stand, a road safety area with role-playing exercises, another on waste management and the problem of final waste, trials of electric bicycles to encourage

soft mobility and, finally, the launch of our car-sharing website. All these are factors that encourage our employees to contribute to a sustainable world within CHEREAU and within their own homes.

This year, our proposal to open up the company's capital to all employees was one of our attempts and, let's face it, one of our failures. Through profit-sharing and incentive schemes, we offered them the opportunity to invest their savings in company shares. This idea did not attract sufficient interest for us to be able to activate it. The economic climate was not the best, with inflation having an impact on us all, but our communication with our employees and provision of information for them was insufficient. This is an area that we will tackle in a different way in

years to come, as it seems to us that **when employees subscribe to the company's capital, they have a much stronger and lasting connection to the company, with even greater commitment.**

Finally, we do appreciate the excellent social climate and the high quality of discussions between management and the 5 organisations that represent staff, with the unanimous signature of 8 company agreements.



# OUR OTHER ACHIEVEMENTS IN 2022

## Launch of the "Attractiveness Focus Project": initiatives to improve loyalty and make the company more attractive.

These days, employees should be offered more than just a job, a salary or even prospects for promotion. It is becoming essential for companies to offer a better work-life balance, but also to meet new expectations in terms of the services provided to employees.

This new project aims to **create a genuine employee experience, bringing meaning to the workplace in a respectful and fulfilling environment.**

We are confident that this will also enable us to achieve other objectives: building employee loyalty and attracting more talented people to respond more quickly to customer demand; further reducing the number of accidents and minimising absenteeism by improving working conditions and employee well-being within the company.

## PSR survey: making sure everyone is in good health.

During 2022, we conducted a wide-ranging survey on psychosocial risks. In 2023 we will be able to use the results to identify several areas for improvement to enhance the quality of working life.

## Inflation compensation:

In line with our belief, we have taken care to support our employees to deal with the consequences of inflation, by implementing additional salary increases over the year, therefore outside the scope of the mandatory annual negotiations, and also outside the budget.

It is vital, particularly for those on the lowest salaries, that employees feel supported by the company during this lengthy inflationary period.



## TESTIMONIAL



**Aureore Dudouit,**  
Semi-trailer finishing  
operator

"I joined a year ago.  
At first, I didn't think

I had the skills to join the company. And one thing I've noticed is that there's a real spirit of mutual support and of almost being like a family. I'm being given more and more responsibilities, which I really appreciate. I always put myself in the customer's shoes. He needs to feel happy with what we've created for him. The semi-trailers are custom-made and they cost a ton of money; the customer has to be satisfied.

I've also seen a lot of progress in just one year. Training times have been extended, and paper drawings are gradually being replaced by digital ones, which is very convenient. "



## They said it, did they do it?

### Performance achieved with regard to the 2022 objectives

→ **Increase the percentage of women working in the company:** to paraphrase one of our three recruitment officers in last year's report, "we made up 8% in 2019, 10% in 2021, the proportion of women is increasing".... and it continues to

increase in 2022, with women making up 12.15% of employees. Admittedly, there is still a long way to go, but on our scale, the figure has already risen by 50% in 2 years. So will women form nearly 20% of our workforce by the end of 2024?

We very much hope so and we will continue to do everything we can to achieve it, such as our presentation of welding activity last May.



### 2023 objectives

- Develop the quality of working life and improve our ability to attract and retain new employees.
- Facilitate access to working position.



# UPDRAFT!

Last year, as a matter of course, we continued to develop our dedicated decarbonization package focused on two main areas: "less consuming", i.e. providing our customers with vehicles that consume less energy; and "better consuming", i.e. running refrigeration units using battery packs or on-board hydrogen.



In terms of structuring and organisation to prepare for the future, which are prerequisites for development of new products, we have readapted our R&D organisation with the **creation of centres based on skills and activities**, such as the 3E centre (Embedded Electricity and Electronics) and the Mechanics and Calculation centre. We have also set up a **new building, C-lab, dedicated to renewable energy vehicles using hydrogen or electricity from batteries**.

In addition, all production staff are being supported in upgrading their skills in these new areas. Finally, adapting our

industrial organisational structure has led to us digitising our processes and introducing new digital tools.

We should have started test of **two new H2 refrigerated semi-trailers** in real-life operation as part of the Hygo hydrogen ecosystem based in Vannes. As this project has been slightly delayed, the vehicles will be made available to two customers, STEF and DELANCHY, in the first half of 2023, as soon as the recharging station is operational. 2022 has enabled us to **continue our trials of battery electric vehicles with energy recovery axles**. These vehicles are offered

in a hybrid configuration to avoid taking any risks in the event of potentially insufficient electrical range during operational trials.

With use for positive cold transport conditions, tests showed that there was no need to use diesel. With use for negative cold transport conditions, in the middle of summer in the south of France (finding harder conditions would have been a challenge!), the electrical system succeeded in covering 70% of the energy requirement for cold production. This may be indicative of extremely significant **reductions**

**in CO<sub>2</sub> emissions and energy costs for our customers.**

All these tests are generating highly significant feedback and data to improve our prediction of possible uses with these new energies.

We have also provided one of our partners with a concept vehicle using hydrogen and solar panels for its stand at the IAA show in Germany.

The Huckepack project, a road-rail semi-trailer, has been finalised with the production of the first series vehicles. It should be noted that CO<sub>2</sub> emissions are divided by 9 when a refrigerated semi-trailer is transported on a train.

Our VIP insulation, based on vacuum panels, is also entering its production phase, with fifteen vehicles manufactured for 2022.

Our operational data shows that the energy savings generated by the VIP system for long-distance operations are exactly proportional to the insulation gains, as has already been proved by the tests performed with Cémafroid. VIP therefore offers not only a way to **reduce CO<sub>2</sub> emissions and save energy, but also a technology that provides an unparalleled level of safety** for transport of sensitive goods such as pharmaceutical products.

We are working with a partner on an ongoing basis to create an Energy Savings Certificate record to provide support for our customers in this virtuous investment.

We are also working on another record, the aerodynamic 'Aeroflap' system, for which we have patented the storage and automatic deployment when rear doors are opened and closed.



## OUR OTHER ACHIEVEMENTS IN 2022



**From a societal point of view, we have continued to take a spokesperson role to represent solutions for decarbonising temperature-controlled transport at various public events:**

- ▶ the DEKRA "Industrial Vehicle of the Future" conference in Berlin in June,
- ▶ the Pharma Logistics Club TIPS events in Lyon in November,

- ▶ the "rencontres de la filière" by the French Bodybuilder Federation in Lyon in November.

We have also presented at the following events:

- ▶ the Hyvolution show in Paris in May,
- ▶ hydrogen events in Rouen in July.



### They said it, did they do it?

**Performance achieved with regard to the 2022 objectives**

→ **Bring our new energy construction project to fruition:** following on from C1 (chassis manufacturing and finishing), C2 (vehicle bodywork manufacturing),

C3 (rigid bodywork and services) and C4 (spare parts warehouse), we are pleased to announce the birth of C-lab, our new industrial building dedicated to new energy vehicles.

Classified as an ATEX zone, the building houses our hydrogen-powered and battery-electric vehicles.



### 2023 objectives

- ▶ Support the hydrogen sector with the introduction of new vehicles into use by our customers.
- ▶ Expand our range of environmentally responsible products in terms of sustainable energy and multimodal solutions.



# ON COURSE FOR DECARBONIZATION!

Perhaps this is the belief that has shown the greatest progress this year in terms of our actions. The energy crisis and soaring energy costs for businesses have prompted us to work quickly to find a number of solutions for limiting our gas and electricity consumption.



Concrete measures have been put in place: a reorganisation of our paint flow to limit oven usage time, a **reduction in the volume of space to be heated by compartmentalising our factories** for bodywork moulding (photo above), optimisation of temperatures in work areas and the gift of a CHEREAU branded fleece for every employee, that was very much appreciated by all.

Although from a financial point of view, it is clear that our gas and electricity bills are going up, because these actions can only reduce the increases, they have nevertheless had a highly significant and lasting positive effect on our greenhouse gas

emissions. In fact, **in 2022 we are achieving the objective that we set ourselves for 2026.** We will therefore be able to revisit this objective with greater ambition from now on.

We have also continued to roll out our **waste reduction plan, in particular with the renewal of the sustainable development challenge.** Our employees have been involved through voluntary team projects. Eight particularly relevant initiatives have been selected for their impact in terms of limiting waste and associated costs. The teams were rewarded with a guided tour of the Mont-Saint-Michel bay and the prizes for the overall winners

were passes to the "Papillons de Nuit" music festival.

We have continued to work with our suppliers to reduce the packaging used for delivery of our various products and to use sustainable solutions. **CSR is also now included in our supplier evaluation criteria.**

On the basis of the work undertaken since 2020 and the knowledge of carbon emissions associated with our industrial processes, we have been able to draw up a plan for decarbonising our facilities in order to work towards the objectives set by the Paris Agreements on global warming.



As a result, the 2023 budget includes a green investment envelope to ensure that our industry takes part in the general drive to reduce greenhouse gas emissions. Among the projects linked to this envelope is a **biomass heating plant, which will mean that we can reuse certain waste products** and limit our gas consumption.

We are also planning to install solar panels on some of the roofs of our buildings and parking areas.



## OUR OTHER ACHIEVEMENTS IN 2022



**There have been three separate operations focusing on the mobility of our employees.**

At our plenary meeting in June, we launched a carpooling application so that journeys between home and work could be shared. In 6 months, this has already led to savings for our employees of **more than 22,000 km of travel** and 3 tonnes of CO<sub>2</sub>.

At the same time, we are gradually renewing our fleet of company vehicles with 100%

electric or Plug in hybrid solutions, depending on their suitability for different uses.

This renewal has been accompanied by the installation of **18 recharging stations**, in addition to the 4 stations installed 10 years ago for our electric vehicles in use for inter-site travel.



### They said it, did they do it?

#### Performance achieved with regard to the 2022 objectives



#### → Identify new ways to recover and recycle our products:

it should be noted that our ambitions have been slowed down by the limited

availability of second-hand equipment. However, we have fitted out one semi-trailer as a storage space for our marketing department, with an autonomous ventilation system powered by solar panels.

We have other projects in the pipeline, for office spaces, which will see the light of day in 2023 - 2024.

#### → Launch a Life Cycle Assessment programme for our products:

this year was an opportunity for us to take our first steps in LCA, to learn about the method, the tools, the scope and the interpretation of the results. This meant we were able to carry out an LCA for a characteristic component of our bodywork. The result is a rich learning experience,

which enables us to go ahead in creating a broader approach.

At the same time, we undertook in-depth monitoring of materials to ensure that we had all the data we needed to launch a systematic eco-design approach.

#### 2023 objectives

- Pursue our energy efficiency initiatives and reduce the proportion of carbon-based energy used in our production.
- Develop our moderation in use of materials and reduce our non-recyclable industrial waste.

# COMPILATION OF INDICATORS



As noted earlier in this report, we view CSR as a dynamic field. As we continue in this field, we are becoming more mature in our CSR practice and it is now something that we cover systematically in our discussions with our shareholders.

The logic of these discussions has led us to agree on the key indicators to be monitored together, so the table below differs significantly from that of previous years. In addition, we are retaining a number of specific indicators as a 'compass' for more precise guidance in our business activities.

Domain	Indicators	Results
ENV	Non-recycled waste (ordinary and hazardous) produced by the company	460 Kg/vehicle
ENV	Scope 1 & 2 GHG emissions Teq CO2	3231 Teq CO2
ENV	Scope 1 & 2 GHG emissions Teq CO2/vehicle	0.904 Teq CO2/vehicle
ENV	Total volume of water consumed in litres/vehicle	4374 l/vehicle
ENV	Energy consumption in MWh/vehicle	5.56 MWh/vehicle

ENV: environment  
SOC: social  
GOV: governance

Domain	Indicators	Results
<b>SOC</b>	Percentage of women working in the company	<b>12.15%</b>
<b>SOC</b>	Percentage of women among managers	<b>15%</b>
<b>SOC</b>	Professional equality index Male/Female	<b>79/100</b>
<b>SOC</b>	Number of accidents (TF2)	<b>38</b>
<b>SOC</b>	Severity of accidents (Severity level)	<b>1.8</b>
<b>SOC</b>	Level of deployment of the PEPS approach (Preparation for Exercise and Health Prevention)	<b>9%</b>
<b>SOC</b>	Training contribution in euros	<b>€227,115</b>
<b>GOV</b>	Service level	<b>49%</b>
<b>GOV</b>	Customer satisfaction level	<b>84%</b>
<b>GOV</b>	Net Promoter Score (NPS)	<b>57</b>
<b>GOV</b>	Proportion of purchases made with regional producers (North Western France)	<b>17%</b>
<b>GOV</b>	Proportion of purchases made from national producers	<b>51%</b>
<b>GOV</b>	Investments over 3 years	<b>€ 14,973,049</b>
<b>GOV</b>	Total value of local tax contributions (regional scope)	<b>€ 1,070,371</b>



# CROSSED PERSPECTIVES ON CSR

Last year we published a discussion of the different viewpoints on CSR held by the members of our management committee, to understand the forms it takes in each area.

This year, we wanted to give our employees the opportunity to tell us how they experience this approach, how it has changed things, and also what next steps could we envisage to enable us all to continue to move forward together. This is a way of taking the pulse of sustainable development at the heart of CHEREAU.



**Emilie Lepage**, Product Manager

I'm part of a generation who were brought up with these CSR challenges, and at CHEREAU I find a determination and initiatives that prove that the company wants to have an impact. CSR is embodied in many projects designed to **support our customers in the future transition they will have to make**, whether it be environmental or social, and we are already proposing solutions at our vehicle manufacturer level. When I'm in the workshop, what I find really interesting and what surprises me every time are the women who work there. There's a **real desire to give women a place**, even in jobs that can sometimes seem quite physical. That's an added value that we don't emphasise enough.



**Ludovic Guibert**, Vehicle Body Finisher, CHEREAU Services

We've recycled a number of old vehicle bodies to give them a new lease of life. I took part in the construction process for building a yoghurt-making laboratory on a farm, some offices for our new metal workshop and a cold store for a local butcher. I'm **proud to have worked on these projects, which allow items to be reused** instead of going into landfill.



**Hervé Poullain**, metal worker and machinist, CHEREAU Services

For some time now I've been managing waste from repair operations. I was really surprised by the amount of waste we produce, but we've made an effort and we sort much more than we used to. I had the opportunity to visit Champs Jouault (landfill site) and I saw what was happening to final waste. It's always a good idea to **recycle as much as you can**. The next step would be to recycle damaged bodywork panels, which would greatly reduce the volumes that need to go into landfill.



**David Alexandre**, Business Manager, CHEREAU Services

Our approach to after-sales service is to recycle everything we can. Reusing a component, repairing it instead of replacing the part. And if we do have to replace it, we look at how the waste can be recycled. We also offer **second-hand, reconditioned products**, for hanging systems for example. It's a win-win situation! In terms of image, it's good to recognise that we're part of a developing company that is considering the future as part of that development process, I really like that.



**Jean-Pierre Cotrel**, Accessories Expert

When it comes to laser parts, the new metal workshop is great. There are fewer operations and less transferring of parts. We're saving time and reducing laboriousness. The subject of waste and scrap is also something very close to my heart. Having tools like these will help with waste reduction, but we also need to continue to make the whole team aware of material costs, so that they pay **more attention and waste less**.



**Benoit Adam**, Sales Support Technician

Our customer focus is good and real, in the sense that it takes tangible forms. We listen carefully to our customers' requirements. When I went to the Solutrans trade fair and discovered all the forward-looking solutions that we're offering customers, such as Huckepack (rail-road semi-trailer) or new energy sources, I thought it was a good fit with our slogan "Innovation drives you forward". The area where I'm less aware of CSR is that of employee belief. Maybe because I'm expecting so much. We could work even better together, between teams, and **focus more on "good handovers" and the collective result of the company rather than that of our own individual area**.

Finally, I think it's great that we've established the PSR approach (psychosocial risks) to take better care of our employees. I myself went through a difficult period some time ago, and it's important for the entire management chain to adopt a supportive stance.



**Cécile Barnier**, Sales Administrator, France-Export

I'm proud of working for CHEREAU and of our company's premium image, and I think we need to make our CSR commitment even more visible. For example, **I'd very much like our company to become a mission-driven business**, in other words, to take part in a transport revolution. I'd also like to see our product evolve and become greener, just like our working environment; if it were more plant-based, less mineral, that would also be a great step forward for the well-being of all of us. Finally, in my area of expertise, the next step could be to make more of our documents paperless, because we're still doing a lot of printing.



**Jean-Marc Gavard**, CAE Engineer (Computer-Aided Engineering)

The first undeniable benefit of CSR is that the company shares and clearly states its objectives. So we know what's important to the company, what it wants to achieve and where it wants to go. **In practical terms, in my job, this sets a course ahead for organising support resources for projects in R&D and Series Production.** This

perspective makes it easier to organise and prepare in advance, particularly with regard to our requirements for developing skills and acquiring increasingly innovative tools and specialist expertise. Being concerned about the environmental impact of what we do - that's everyone's business. We are fortunate to have control over the development of our products, which means we can work to limit the impact of their life cycle on the environment. The content of the CSR reports still needs to be taken on board by the members of the company, but the momentum is building. The consequences will soon make themselves felt in upcoming CHEREAU innovations.



**Valérie Plaquet, Team Leader for the finishing and accessories**

We know what the company's objectives and plans are. It also sharpens the focus on our values and gives us a framework.

However, not everyone has grasped the scope and importance of CSR yet. We need to provide some education and explanation of what it's for and how it works in practice, beyond the report. As team leaders, we could have better training to be able to speak the same language and share the same message with our teams.

I'm also realising that **the new generation is more aware of environmental issues, and their energy drives the whole team**. For example, we pay more attention to waste sorting.

Last but not least, having female colleagues in the team (3 out of 20) is unbelievably beneficial! We work much better together and the finishing is even more meticulous. It raises our game.



**Marina Esnault, Gel Coating Operator**

I see the impact of CSR mainly in three areas: sorting, continuous improvement and safety. Over the last two years, I've seen many improvements in sorting, including

the appearance of different bins depending on the condition of the glass cloth. Within the team, this is generally respected and, above all, there's a lot less mixing now than there was at the start. **I also appreciate the open approach that allows us to make proposals for improving our working conditions** and to discuss them with my manager.

When an idea is accepted, we implement it together, for example our idea to make it easier to clean the machine by fitting mylar protection. In terms of safety, the company is very vigilant and takes care of us so that we can work calmly. To take things further, we could hold small meetings for each workstation, focusing on continuous improvement and coming up with even more ideas for ergonomics and safety.



**Stéphane Lelièvre, Moulding Operator**

I was going to say that things haven't changed much in 34 years, but then again, if I look at recycling, it's really very well managed; product separation is working

well, whereas before it was all mixed together. And this was no imposition for me, because nature is close to my heart. Even so, I think it would be possible to get workers more involved by organising games to continue to reduce our waste levels. Machine safety and ergonomics have also improved a lot in recent years, due to the automation and installation of detection cells.

**In terms of products for customers, we're seeing the introduction of new VIP side panels to reduce the motor running time needed for the refrigeration units.** We're innovative and ahead of the game, and we're going to save them money. Let's carry on being involved, because it's our future that's at stake, and the future of those who come after us.



**Patrick Chevalier, Side Kitting Operator**

Like my colleagues, I'm going to highlight waste sorting and management, which has made considerable progress. With one more year before I retire, I'd also like to

make a few suggestions on how we can take our approach further with our employees: beyond each individual's beliefs, we need to encourage those who are most motivated, why not reward them, like we did with the sustainable development challenge. It's also important that we continue to **think about the design of our vehicles so that one day we can use something other than resin**, which is not ideal to work with. In my immediate area of activity, I share my ideas for the next generation of kitting trolleys and people listen. Finally, because employee satisfaction is sometimes hidden in the small details, to increase everyday comfort even more, it would help to have work clothes that fit better than the most recent batch.



**Frédéric Defurne, Regional Sales Manager for Western France**

CSR is a subject that is starting to come up in discussion with our customers, but also internally among colleagues. As far as our customers are concerned, not many mention subjects related to the ecological transition (ZEZs, the European GREEN DEAL, the VECTO standard, taxonomy, etc.) Those that do, tend to be large companies. To those who are most sensitive on the subject, **I spontaneously promote certain options that are already available on our vehicles** and that allow their activity to be partially decarbonised; I'm thinking in particular of aerodynamic devices and VIP vacuum insulation. Unfortunately, the financial cost of certain solutions tends to limit the initial good intentions!

That's why obtaining Energy Saving Certificates (CEEs) would give a boost to the marketing of this equipment. (Available in France).

CHEREAU did not wait until it was obliged to do so before committing to CSR; this is rewarding as an employee. But I'd also like to see CHEREAU step up the pace in the area of energy autonomy (solar panels, wind turbines, etc.), equipment that I'm starting to see on customer sites. I'd also like us to be able one day to produce on a single site and make a definite CO2 saving.

On a personal level, I pay close attention to my travel, in terms of both organisation and driving: once a week, I have my "optimised consumption" day, a kind of personal competition!

## Decarbonization: the surfing wave of the century or a devastating tsunami?

Let's answer this question straight away: it's actually all a question of point of view. But before you can have a point of view on this - very large - wave, you need to be able to see it! For those who don't see it coming, it's definitely going to be a tsunami. For those who do see it coming, there are two scenarios: either they see it as an unprecedented opportunity and they'll be surfing on it, or they'll go under and risk being swept away.

It's clear that **decarbonization is going to sweep across Europe**. What makes us say that?

Year after year, the IPCC reports show the importance of controlling greenhouse gas emissions in order to preserve life. Other organisations, such as the Shift Project, also show the importance of taking action on this issue, particularly in the most industrialised countries. The European Union is committed to a green pact based on the principle that **Europe's future depends on a healthy planet**. The pact aims to achieve carbon neutrality by 2050.

This target is supported by a European climate law, with an interim milestone in 2030, as part of a **"Fit for 55"** package, which sets the rules for reducing greenhouse gases by 55% compared with 1990.

Fit for 55 is a package of legislative proposals to support these ambitions. Some of these proposals directly affect our vehicle bodywork manufacturing business and/or that of our customers in haulage.

Firstly, CO2 emission standards for vehicles and the establishment of infrastructure for alternative fuels; secondly, the **European Union Emissions Trading Scheme, which will start to include freight transport from 2027**; and thirdly, new taxes on energy.

At the same time, from 1 January 2023, under French climate law, companies with more than 500 employees will have to draw up a full balance sheet (Scopes 1, 2 and 3) of their greenhouse gas emissions, including upstream transport and use of their products. **Hauliers will therefore have to provide many of their customers with information about the quantities of CO2 generated by their service activities.**

All over Europe, Low Emission Mobility Zones (LEZ/ZEZ) are springing up in conurbations with more than 150,000 inhabitants (in France), creating new access constraints and calling for greener vehicles and multimodal logistics that haven't yet proved their viability.

The recent economic climate highlights the complexity of accelerating these changes, and it is likely that these roll-outs will be spread out over time.

**From 2026, the CSRD (Corporate Sustainability Reporting Directive) will require most European companies to declare and publish their share of green activities and investments** (green taxonomy) in a non-financial report. These new obligations, which affect a very large part of the European economy, demonstrate the scale of the wave of measures aiming to achieve a low-carbon world.

Fortunately, all this is in line with our corporate beliefs, and the testimonies of our employees also seem to indicate that they are aligned with this roadmap. Many of our customers and suppliers also share this commitment. So, **we intend to be among those who manage to surf the wave and to take our customers with us**, offering them products and services to meet these new, much-needed requirements.



INNOVATION DRIVES YOU FORWARD

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