



ANNUAL

REPORT

2021



CONTENTS

INTERVIEW WITH STANISLAS LEMOR — 01

GROUP'S GOVERNANCE — 03

THE GROUP'S SOCIAL VALUE — 04

Food ecosystem — 05

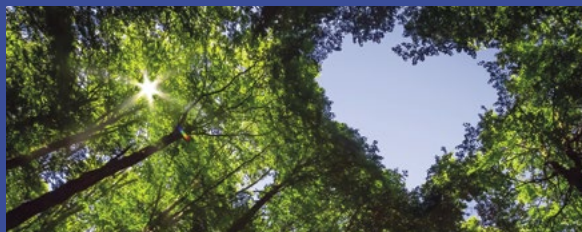
Business model — 07

STEF'S mission — 08

THE GROUP'S PERFORMANCE — 11



CSR REPORT 2021 — 33



CORPORATE GOVERNANCE REPORT — 77



CONSOLIDATED FINANCIAL STATEMENTS — 96



INTERVIEW WITH STANISLAS LEMOR



Stanislas Lemor
Chairman & Chief Executive Officer of STEF

STEF saw a wealth of developments in 2021. Has the Group emerged stronger?

We experienced a year of economic recovery almost everywhere in Europe, despite the instability related to the health crisis and an economic situation marked by strong inflationary pressures. This situation has required a renewed ability to adapt, but thanks to everyone's commitment, we have been able to return to our 2019 performance and even improve on it.

More than ever, the Group has demonstrated its strength and its capacity to invest in the future. In practical terms, this means that, despite the uncertain climate, we have continued to embark on major projects that will be the backbone of our future development. For example, last year we allocated nearly €300 million - a record for the Group - to new investments in real estate, equipment and our external growth operations.

These investments led to you making inroads into Northern Europe with the acquisition of Langdons. What made the Group decide to take this strategic step?

This acquisition is a natural and logical step in the construction of our network, which started over 30 years ago. We wanted to make this strategic move into the United Kingdom in order to meet our customers' increasingly globalised requirements and consolidate our presence in Western Europe.

We can now offer them quality support in an eighth country, relying on the expertise of our British employees and a network that covers the entire country.

The recovery of the British economy and the synergies that we can create with our continental network promise very positive prospects.

I believe that you have also consolidated your presence in your operating countries?

It is true that we have strengthened our development strategy in several countries.

In Italy, Belgium and the Netherlands, this was achieved through the acquisition of the Nagel Group's international transport operations and the signing of partnership agreements which mean we can provide our customers with services to Germany and Central and Northern Europe.

In France, the purchase of LIA and Nagel Airfreight France have also opened up new international opportunities and are the prelude to the creation of a new business unit specialising in international consignments.

Finally, we have also consolidated our presence in Italy with a stake in the SVAT Group, the specialist in frozen transport, and we have finalised the purchase of Enaboy, which will improve the density of our transport network in Spain.

In addition to our usual scope, for the first time we have invested in new forms of e-commerce with a stake in Califrais, a start-up designed to support the Rungis market in accelerating its digital transformation.

Do you have as positive an assessment in terms of organic growth?

Although 2021 was in no way comparable to 2020, the health situation, with its successive lockdown periods and restrictions, continued to affect the business climate. This impacted our operational system which suffered from major variations during the year, against a backdrop of obvious labour shortages.

However, the recovery in the agrifood sector and the positive trend in consumption have resulted in us returning to our pre-pandemic growth. The rebound of most our activities in France, with a notable improvement in our seafood and

out-of-home foodservices businesses and the good growth recorded in all our countries, with a return to operational performance for Switzerland, prove that we have a strong business model.

But this is nothing without the trust placed in us by our customers throughout Europe. Consequently, we are delighted to have signed new contracts and renewed existing ones and I would like to thank them sincerely.

These good results have come in a complicated environment since you have suffered a sharp increase in the cost of energy...

The strong recovery of the global economy has suddenly brought the issue of inflation back into focus. This is particularly true in terms of energy where the second half of the year was marked by soaring costs. While the substantial increase in oil has partly been absorbed by certain re-invoicing mechanisms, the rise in the cost of electricity has greatly impacted our results.

With the current geopolitical situation further increasing tensions on the energy market, we are determined to make progress with regards energy management. More than ever, the question being asked is how we can carry out our mission while reducing our emissions, decreasing our use of fossil fuels and finding alternative energy sources. This is central to our climate commitments. We have launched an ambitious investment programme to fit photovoltaic panels for energy production in our warehouses and platforms. In addition to this, we have opted to reduce our use of diesel to fuel our vehicles by gradually introducing a 100% plant-based biofuel, OLEO 100 into our energy mix. This will represent 30% of our total consumption by 2025.

It has been almost 12 months since you announced that you were committing your Group to a climate process. One year on, what are your results?

The commitments made as part of our Moving Green initiative are designed to clarify our energy transition up to 2030 and set us apart on our market. I am delighted with the momentum that this approach has created internally among all our employees and the first encouraging results that we are seeing. With regards our first objective to reduce our greenhouse gas emissions by 30%, we have already lowered these by 13% compared with 2019, which

is our reference year. Obviously, we are hoping that the movement will speed up with the large-scale deployment of the B100 biofuel, extending the use of electric refrigerated units to replace diesel ones in our lorries and using gas-powered lorries for distribution in low emission zones (LEZ).

As for our second objective which is to consume 100% low-carbon energy on our sites by 2025, the implementation of 10 photovoltaic installations means our consumption is now comprised of 76% low-carbon energy, for an investment of €25 million over 2021 and 2022. And that's not all, we should reach 42 operational photovoltaic power plants by the end of 2022.

We can therefore say that we are on the right road.

Finally, how are you approaching 2022? Will it mark a turning point?

The first challenge to be addressed will be that of the integration of Langdons, which is the largest acquisition in the Group's history. The second will undeniably be to maintain rigorous management and a strong commercial presence in a context of rising inflation. Lastly, the third issue will obviously revolve around the attractiveness of our professions along with skills development and employee retention. In this respect, I would like to point out that in 2020 we launched our Mix Up initiative on professional equality and diversity in the Group, through which we have committed to increase the number of women in the Group by 25% by 2030. Simultaneously addressing each of these areas is a prerequisite for coping with the growing tensions on the market.

We know that we will have to deal with a complex environment, marked by significant geopolitical uncertainties, ever-increasing energy scarcity and the challenge of improving the attractiveness of our professions.

However, we also believe that this period can offer companies the opportunity to redesign their relationships with their stakeholders and become a definitive part of the two major movements that are affecting our world, that of energy transition and that of innovation.

Because we think that everyone can work towards a more sustainable world and that a company, regardless of its business, can drive change, we are embarking on 2022 with conviction.

GROUP'S GOVERNANCE

CHAIRMAN AND EXECUTIVE MANAGEMENT

Stanislas LEMOR
Chairman and Chief Executive Officer

Marc VETTARD
Deputy Chief Executive Officer

EXECUTIVE COMMITTEE (MARCH 2022)

Bertrand BOMPAS
Deputy Chief Executive Officer France

Marco CANDIANI
Managing Director of STEF Italy

Jean-Yves CHAMEYRAT
Human Resources Director

Damien CHAPOTOT
Deputy Executive Officer
of STEF Transport

Christophe GORIN
Managing Director
Northern Europe

Vincent KIRKLAR
Real Estate Director
Managing Director of IMMOSTEF

Olivier LANGENFELD
Development, Sales and
Marketing Director

Ludovic LAPORTE
Financial Director

Ángel LECANDA
Business Director

Stanislas LEMOR
Chairman and Chief Executive Officer

Marie-Line PESQUIDOUX
Company Secretary

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

Marc VETTARD
Deputy Chief Executive Officer

BOARD OF DIRECTORS (AT 10 MARCH 2022)

Stanislas Lemor, Chairman

Ahkim BEHNAMOUDA

Sophie BREUIL

Jean-Charles FROMAGE

Estelle HENSGEN-STOLLER

Bernard JOLIVET

Jean-François LAURAIN

Murielle LEMOINE

Lucie MAUREL-AUBERT

Dorothee PINEAU

Dominique RAMBAUD

ALLIANZ Vie,
represented by
Rémi SAUCIÉ

ATLANTIQUE MANAGEMENT,
represented by
François de COSNAC

THE GROUP'S SOCIAL VALUE



THE GROUP'S FOOD ECOSYSTEM



2021: A YEAR OF UNUSUAL RECOVERY IN AN UNCERTAIN ENVIRONMENT

The health uncertainty continued in 2021. While the mass vaccination campaigns implemented from the second quarter broadly slowed the pandemic and enabled economies to bounce back, the resurgence of successive waves of the virus forced governments to take restrictive measures throughout the year. Organisations in the agrifood industry had no other choice than to adapt to this situation.

Change in GDP in 2021 vs 2020 and 2019

Annual change, in % of real GDP	2021 (vs 2020)	2020 (vs 2019)
Eurozone	5.2	-6.4
FR	6.7	-8.0
BE	5.6	-6.3
IT	6.2	-8.9
ES	4.9	-10.8
PT	4.4	-8.4
ND	3.8	-3.8
CH	3.7	-2.5
UK	7.2	-9.4

Source IMF.

In several European countries, growth, supported by domestic consumption, returned to its pre-crisis level from early 2022, and even from autumn 2021 in France. However, the strong demand caused by this sudden recovery and the return of inflation, boosted by the increase in energy prices, created tensions. Growth slowed in the third quarter, disrupted by a new wave of the virus.

HEAVILY DISRUPTED GLOBALISED SUPPLY CHAINS

In 2021, the uncertainties of international maritime transport disrupted globalised supply chains. Combined with extreme weather events, these disruptions led to the sharpest rise in the price of agrifood raw materials for over ten years (+28.1% vs 2020 according to the FAO index).

In Europe, road transport had to overcome a shortage of drivers. In terms of logistics, the catch up in consumption, combined with the growth in e-commerce, increased the need for labour, creating tensions on the job market. Finally, the soaring price of fuel, electricity and packaging, and the expenses related to implementing the health standards has pushed up costs in the sector. This environment has required a real capacity for resilience from organisations in the food sector.



AN ESSENTIAL TRANSITION TO THE GREEN ECONOMY

Since, by nature, the food industry is particularly sensitive to CSR challenges, the issues related to the transition to a green economy shape the expectations of stakeholders across the entire agrifood value chain. In terms of regulations, the reports published during the last international climate conference (COP 26) and the European Commission's "Fit for 55"⁽²⁾ European Climate Package are the source of measures and reforms that will profoundly affect the transport and logistics sectors.

Organisations in the agrifood chain are committed to countering the negative externalities of their activities through action plans.

The increasing number of voluntary commitments made by the Group's customers is evidence of this dynamic. Alongside its stakeholders, STEF has decided to accelerate its transformation to low-carbon logistics, as evidenced by its Moving Green programme, launched in 2021.

THE REMODELLING OF THE FOOD SUPPLY CHAIN

Lifestyle changes caused by the continued health crisis have firmly established new eating habits. The hybridisation of work encouraged by the development of remote working and even the eat local movement⁽¹⁾ are examples of new behaviours that have greatly affected distribution channels. Consequently, consumption areas are changing, as shown by the decline in footfall in the business districts, leading to a shift in the food volumes consumed to residential areas. Whether these changes are cyclical or lasting, successive waves of the virus have accentuated this volatility and resulted in a restructuring of logistics operations for those in the sector.

The supply chain for retailers and agrifood manufacturers has had to be resilient and efficient, with agrifood manufacturers having to ensure quality operational continuity at a time when demand and supplies have been unstable.

Out-of-home foodservices has also demonstrated a need for continuous adjustment, due to the variations in health restrictions throughout the year.

The growth in food e-commerce has continued and alongside traditional retailers and pure players, a profusion of hybrid models have appeared such as quick commerce, dark kitchens and even home delivery companies. In search of suitable solutions, these models challenge the economic balance of conventional logistics plans and encourage us to revisit the issues of urban logistics; a frantic race has therefore begun on this exciting segment.

The last two years have proved the essential nature of logistics in a context of profound change for the food ecosystem. Its organisations' supply chains are under even greater pressure and scrutiny with, in addition, strong requirements in terms of the transition to a greener economy.

⁽¹⁾ Consumption of food products produced close to where someone lives.

⁽²⁾ Named "Fit for 55", the European Union's legislative climate package sets out a series of measures to achieve a 55% reduction in greenhouse gas emissions by 2030, compared to 1990. Such measures include ending the sale of petrol and diesel cars by 2035, reforming the carbon market, imposing a kerosene tax and the development of renewable energies in the electricity mix.

THE GROUP'S BUSINESS MODEL

At the centre of the food logistics chain, the Group connects food market players.

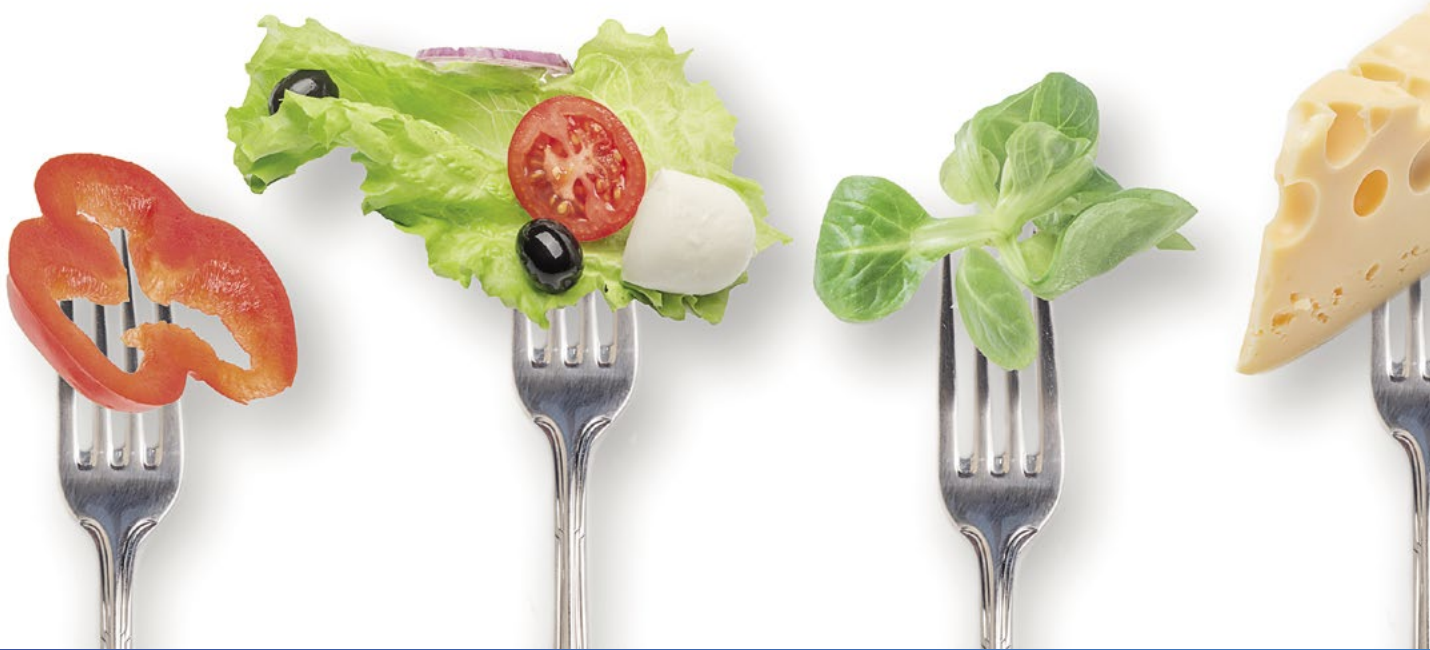
As a European leader in temperature-controlled logistics and transport services (-25°C to $+15^{\circ}\text{C}$), every day the Group carries fresh, frozen and thermosensitive products from their production sites to their consumption sites under the best conditions in terms of food safety, lead time and quality.

Its business model as a pure player in temperature-controlled transport, logistics and packaging is based on its unique expertise, acquired over

a century, which gives it an in-depth understanding of the market and its developments in Europe. This guarantees its customers that their products are treated in strict accordance with food safety regulation and available throughout Europe, every time a consumer requests them.

Since its creation, the STEF Group has played a pioneering role in its business sector. It is constantly evolving to offer its customers the best services and guarantee that, regardless of their circumstances, everyone has sustainable access to a variety of safe, enjoyable food.

STEF'S PURPOSE



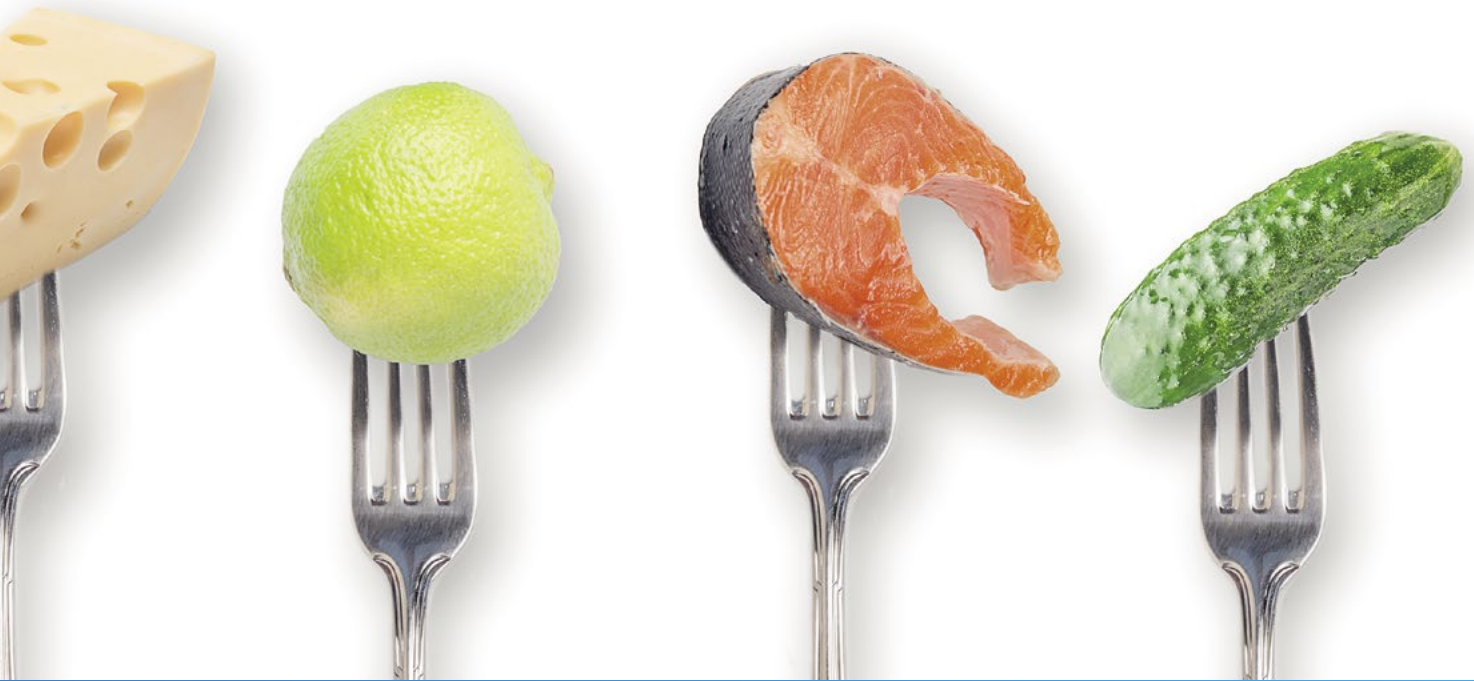
Since the Group was created, it has been clear on its mission: to serve humans. Driven by a shared culture and values, its teams use their expertise to bring food supplies to populations. With enthusiasm, respect, reliability and performance, they work to guarantee the confidence and pleasure that Europeans enjoy in the everyday food products that they

consume. As a service company, STEF's teams are also committed to building trusting and reciprocal human relationships with all stakeholders. This is reflected in the care they take with the products of the Group's customers and the way in which the results of the Group's collective success are shared through employee shareholding.

“

WE GUARANTEE SAFE AND
SUSTAINABLE ACCESS TO
A DIVERSE RANGE OF
PRODUCTS SO EVERYONE
CAN ENJOY FOOD

”



STEF describes itself as “connecting values”. The Group plays a key role at the centre of the food logistics chain by generating added value for all food market players. By connecting producers, retailers and restaurant managers, it provides effective solutions that:

- guarantee the integrity and safety of food products;

- respond to changes in the market and consumption habits;

- support the development of its customers in Europe.

The Group’s convictions are conveyed in its “Sustainable commitments”. Its daily mission to supply people with food products gives STEF a strong social responsibility. Every day it

encourages the Group’s employees to focus all their energies for a more ethical food industry, one with greater respect for the environment and people. STEF’s ambition is clear: to be a responsible leader within its sector by becoming a model for improving our carbon footprint.



THE GROUP'S PERFORMANCE

CONTENTS

THE GROUP'S PERFORMANCE

- Key figures — 13
- Milestones — 14
- STEF France — 16
- STEF International — 21
- Maritime — 25

OUTLOOK FOR 2022 — 26

CENTRES OF EXPERTISE

- Real estate — 28
- Information Systems — 30

THREE OPERATIONAL SEGMENTS



1

STEF FRANCE

Transport and logistics activities in France are grouped under the name STEF France, with a market segmentation of activities. This organisation provides support for the changing trends and the needs of the Group's customers in order to take better account of their specific requirements. The performances of the businesses are monitored by customer market segment, through eight business units (BU).



2

INTERNATIONAL ACTIVITIES

In Italy, Spain, Portugal, Belgium, the Netherlands and Switzerland, international activities are brought together within the STEF International Division, which also covers European consignments.



3

THE MARITIME DIVISION

La Méditerranée is the Group's maritime subsidiary with 4 ro-ro mixed passenger and cargo vessels. It transports passengers and freight between Corsica and the continent under a public service concession. In 2020, it expanded its operations with the opening of a freight and passenger service between Marseille and Tangier.

KEY FIGURES

CONSOLIDATED TURNOVER

€3,507 M

CONSOLIDATED INCOME

€110 M

CONSOLIDATED EQUITY

€912.7 M

20,528
EMPLOYEES



8
EUROPEAN COUNTRIES



OVER
10,000
CUSTOMERS

OVER
100,000
DELIVERIES PER DAY



257

MULTI-TEMPERATURE SITES
(PLATFORMS AND WAREHOUSES)

Of which 173 in France
and 84 in other countries

REFRIGERATED QUAY AREA

556,000 M²

STORAGE VOLUME

10,000,000 M³



2,340 OWN VEHICLES
OUT OF A TOTAL OF
4,000 VEHICLES



4
RO-RO MIXED PASSENGER
AND CARGO VESSELS



KEY EVENTS

A YEAR OF IMPROVEMENT AND DEVELOPMENT

At 31 December 2021, the STEF Group posted a turnover of €3,507 million, an increase of 11.5% compared with 2020 (9.4% at comparable scope) and an operating profit up by 31.7%.

The first months of the year were marked by the resurgence of a new wave of the Covid-19 epidemic in Europe. This led to health restrictions and successive returns to lockdown in the Group's operating countries. The situation gradually eased in the spring to become tougher again at the end of the year.

The STEF Group's operations followed this trend. The lockdown periods and health and movement restrictions affected growth during the first part of the year. From May, the easing of health measures and the reopening of restaurant chains generated an acceleration in volumes and a return to growth in all countries which stabilised over the end of the year. This upturn in business resulted in a return to pre-pandemic trends with the Group's performances approaching their 2019 level.

2021 was a year which saw a wealth of developments and external growth operations:

The Group reached an important milestone in its development strategy with the acquisition of Langdons in the United Kingdom on 31 December 2021.



The integration of the Nagel group's operations in Italy, Belgium and the Netherlands (from 30 June for the Netherlands). The acquisition of a 49% shareholding in the company SVAT in Italy, a transport and logistics company specialising in frozen products.



In France, the acquisition of the balance of the shares in Logistique Internationale Alimentaire which specialises in international consignments to Northern and Eastern Europe.

An upturn in business and a return to growth for almost all the business units in France and the Group's other operating countries.



The return to a balanced situation for out-of-home foodservices activities.

The Group's strong positioning in terms of CSR with the launch of the Group's environmental Climate 2030 initiative: **Moving Green** focusing on reducing its environmental footprint.



Mix-up a programme on diversity and professional gender equality.



STEF FRANCE



STEF France operates on the logistics, consolidated transport for temperature-controlled food products and industrial packaging markets. It is a demanding market governed by traceability, time and temperature constraints.

IN ORDER TO MEET THESE CHALLENGES, STEF FRANCE DISTINGUISHES ITSELF THROUGH:

- 1** — the density of its network of platforms and warehouse, in proximity to the local economic fabric and constantly evolving to optimise and anticipate developments;
- 2** — its expertise in the dynamic management of consignments;
- 3** — the added value of a service differentiated according to temperatures and types of consignee customers;
- 4** — technologies and innovative information systems which enable it to organise the storage, order preparation, monitoring and management of its customers' consignments;
- 5** — the commitment, expertise and sense of service of its teams.

The performances of STEF France's operations are monitored by customer market segment, through 8 business units: Chilled Consignments/Chilled Supply Chain/Frozen/Ambient and temperature-controlled/Out-of-home foodservices/Retail/Seafood/Packaging.

In 2022, a 9th BU, "International consignments" will be created. This will incorporate the international consignments activities currently accommodated in the Chilled Consignments BU and the business from the company Logistique Internationale Alimentaire (LIA), acquired from the Nagel group in 2021. LIA is based in Rungis and handles consignments from France to Germany and Eastern and Northern Europe.

ANALYSIS BY SEGMENT

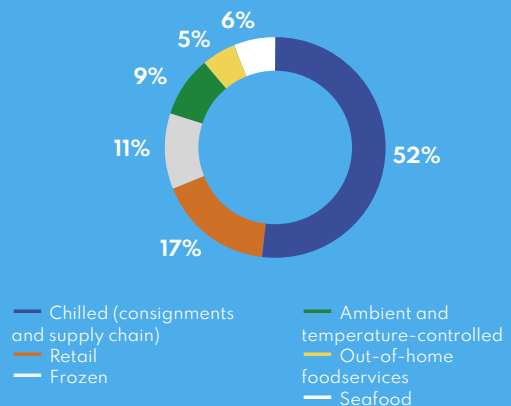
In 2021, STEF France posted a turnover of €2,079 million, an increase of +6.8% compared with 2020 (+6.8% at comparable scope) and +1.2% (+€24 million) compared with 2019, the last financial year prior to the health crisis.

The continued health crisis has resulted in impacts that contrast to those encountered in 2020, due to the changes in consumption patterns that have led to transfers from one BU to another. At the same time, all STEF France's sectors have had to manage extreme volatility in volumes, even more marked than in 2020, an unprecedented labour shortage and a rapid increase in absenteeism at the end of the year, linked to the contagiousness of the Omicron variant. The challenge for all business units has been to avoid shortages and provide customers with the expected service.

These new disruptive factors which emerged in 2021, led to an inversion in the performances of the BUs compared with 2020. Two BUs - Chilled consignments and Supply Chain - experienced good growth, while the Out-of-home foodservices and Seafood BUs saw the early shoots of recovery and the Packaging BU returned to profitability. Conversely, the performance of the Frozen and Retail BUs were impacted by the soaring costs of electricity and the Ambient and temperature-controlled BU floundered.

Despite the extreme volatility of its volumes and the external factors referred to, performance was maintained with STEF France's operating profit up sharply.

Breakdown of STEF France turnover by customer market



CHILLED — 1 CONSIGNMENTS

The chilled consignments business experienced a strong recovery in 2021, with turnover up by +8.3% due to the combined effects of the economic recovery, the commercial growth of customers and gains in market share.

Successive phases of health restrictions generated high volatility in volumes, requiring the teams' ability to adapt the production facilities. Operating profit rose by +39% compared to 2020.

In order to support the sector's growth and its developments, STEF intensified its investments in training, in particular by creating a driving school and signing partnerships to promote the integration of those furthest from the labour market.

STEF continued to move its fleet of vehicles towards more ethical solutions for the environment as part of the Moving Green programme, which will enable the Group to achieve its objectives to reduce CO₂ emissions by 2030.

CHILLED SUPPLY CHAIN — 2

The BU returned to growth due to a strong commercial momentum with the start of new contracts. Turnover increased by +6%.

The growth in activity was accompanied by strong operating constraints due to unusual variations in volumes and the site saturation situation, especially in the Lyon region. The extension projects for several sites should enable the BU to respond fully to these new requirements, with a renewed real estate instrument suited to the Group's growth challenges. The sector has been faced with the problems of labour shortages.

FROZEN — 3

The BU's turnover increased by +4.5% compared to 2020. On the whole, network consignment activities have returned to their pre-crisis situation, with however, increased variability and peaks in activity during the summer period and in the run up to Christmas and New Year, leading to bottlenecks.

Logistics turnover maintained a satisfactory level despite a slightly lower occupancy coefficient at 87.8%, compared with 91.1% in 2020. Order preparation activities and associated services were buoyant.

2021 will be marked by the very sharp rise in electricity prices, particularly in the last quarter, which affected performance. Without this external element, economic performance would have been equivalent to that of 2020.

AMBIENT AND — 4 TEMPERATURE-CONTROLLED

With a rise in turnover of +8.9%, the ambient and temperature-controlled business continued to increase and benefited from its customers' growth.

Several businesses began on the Orléans-Nord and Isle-d'Abeau sites, bringing the occupancy rates to 70% across both these sites. The real estate investment programme will be fully optimised in 2022 with the arrival of new customers.

Development prospects are such that real estate is currently being sought to supplement the investment programme, particularly in the Orléans region where the capacity limit will be reached by 2023. Other real estate projects are underway in response to the customer projects of the BU. These include the extension to the Saint Sever site in order

to support one of the BU's main customers in its project to outsource packaging operations and the prospect of a new warehouse in Normandy for a customer wanting to organise its 4PL with the Group.

OUT-OF-HOME — 5 FOODSERVICES

The out-of-home foodservices activity was greatly impacted during the first half-year by successive lockdowns and curfews resulting in a very sharp fall over the period.

From June, business returned to a more sustained pace, which balanced out in the second half of the year in terms of volume, close to pre-health crisis standards.

Ultimately, turnover rose by +6.8% in 2021.

The strategic decisions made on the customer portfolio and the development of other businesses led to economic balance being achieved in the 2nd half of 2021. Support for the discharge of two contracts led to a restructuring of the sites and brought operating costs into line with the volume of business handled, since the fixed costs inherent in the requirements of this activity are particularly high.

The BU is now developing on a solid and healthy foundation. Its expertise has been recognised by two brands of a restaurant group managing central kitchens with contracts which will begin in 2022.



RETAIL — 1

This BU's activity focuses on the "contract logistics" model which brings together storage and order preparation activities for major retailers, across BtoB and BtoC operations.

Turnover was identical to that of 2020, for a scope which has been considerably transformed with the opening of two sites and the closure of two others. The Covid effects that had greatly bolstered the business in 2020 faded in 2021.

However, the environment remained heavily disrupted, with erratic volumes and uncertain forecasts as the health crisis developed, which combined with high pressure on resources, substantially affected performance.

2021 confirmed the accelerated changes in consumption habits, with trends such as the need for local stores, food safety, omnichannel experiences and competitive prices.

Food e-commerce activities now represent a quarter of the business unit's turnover. Two sites dedicated to this activity were opened in 2021, one in south-east France in Aix-en-Provence and the second in the Paris region in Lieusaint in order to offer pure players in food e-commerce⁽³⁾ a turnkey solution which combines a tri-temperature transport and logistics offer including storage, order preparation and distribution.

⁽³⁾ New players on this market that sell their products exclusively over the internet or agrifood manufacturers that want to develop their sales through direct consumer sales.



The outlook is positive for this e-commerce market with new deals currently being developed for the Group.

SEAFOOD — 2

The BU's turnover grew by +2.9%. Despite a recovery in consumption at the end of the year, the health restrictions, with the closure of restaurants for the first five months of the year did not allow a return to normal tonnages for restaurants and food wholesalers.

Following on from 2020, the BU continued its plan to adapt its operating costs in order to align its operating resources as closely as possible to the fall in activity, while respecting the promise of quality services expected from the sector's customers.



INDUSTRIAL PACKAGING — 3

The industrial packaging BU brings together the Group's co-packing and co-manufacturing skills and aims to support customers in marketing and promoting their products in the fresh, frozen or ambient and temperature-controlled segments.

In 2021, the structuring of packaging operations continued by strengthening the capacities to study and respond to numerous tenders resulting in an increase of +24.3% in turnover. Growth was driven by one-off projects with cosmetics customers and by the launch of a business in the specialised distribution sector.

These new projects helped to offset a still sluggish demand from the "Travel Retail" divisions of luxury and cosmetics customers. The business returned to its normative profitability level.



STEF

INTERNATIONAL



STEF INTERNATIONAL'S ACTIVITIES

The Group's transport and logistics operations in Italy, Spain, Portugal, Switzerland, Belgium and the Netherlands are brought together under STEF International which also includes the international consignments business from all these countries as well as Germany and Eastern Europe.

This division also handles relationships with the Group's partners in the United Kingdom, Scandinavia and Eastern Europe.

In 2021, STEF International posted a turnover up by +19.3% at €972 million (+11.4% at constant scope). The effect on the scope is related to the integration of the Nagel group's activities in Belgium (+38.2%), the Netherlands (+33.6%) and Italy (+21.8%).

The contribution to turnover from Nagel's operations in these countries was €72.3 million, including €7.8 million for the Netherlands which was integrated on 30 June 2021.

Driven by sustained sales, the increase in turnover was very strong for Switzerland (+22.4%). The European consignments activity was boosted by the strong recovery in national and international consignments.

Overall, there was investment and development in all the Group's operating countries, whether in terms of external growth operations or real estate projects.

The end of 2021 was marked by the acquisition of Langdons in the United Kingdom from the Nagel Group. Langdons is a national specialist in temperature-controlled transport and an importer/exporter of chilled and frozen food products between the United Kingdom and continental Europe. In 2021, Langdons posted a turnover of €174 million. The company employs 1,436 employees and has eight sites in Britain which it uses to serve 20,000 consignees.

Langdons represents an important step the STEF Group's development strategy. It is its 8th operating country.

ITALY — 1

For STEF in Italy, 2021 closed with a rise in turnover of 21.8%. Organic growth proved to be very buoyant in all business sectors, especially the frozen sector. STEF Italy benefited from the full-year contribution of the Nagel Group's operations, acquired in late 2020. These operations have contributed to the development of national and international consolidation activities as well as full lorry loading activities.

Economic performance was satisfactory, due to the good control over resources in line with the adaptation plan launched in 2020.

STEF Italy continued to construct buildings with the opening of two sites, one near Bergamo in Lombardy and the second in Veneto (Padua).

In terms of external growth, the Group acquired a 49% shareholding in the SVAT company specialising in the transport and logistics of frozen food products. This operation strengthens the synergies between the two groups in the distribution of this product type.

SPAIN — 2

STEF's activities in Spain have recorded a significant rise with turnover up +12.6%. Growth was boosted by the strong development of international transport activities and the signing of a new logistics contract with a retailer.

2021 was also marked by the increased density of the national transport network with the opening of an acceleration point for consignments in an agrifood production region in Benavente (Castille and León) and the launch of a shipping business in Ciudad Real (Castille-La Manche). The densification of the network has reached another new milestone with the acquisition of the activities of Enaboy Castilla which enables the Group to strengthen its position in the Castille and León region through its platforms based in Benavente, Salamanca and Valladolid.

PORTUGAL — 3

In 2021, STEF Portugal returned to growth, posting a turnover up 11% compared with the previous financial year. Two key events were illustrative of the financial year; the opening of the transport platform to the north of Lisbon in Alenquer and the creation of a fruit and vegetable offer under the banner “Colheita do Dia”.

At the same time, STEF Portugal has developed new services and functionalities in the digital field so as to offer targeted solutions to its customers.

As seen in the Group’s other operating countries, the year’s performance was affected by the high increase in electricity costs. STEF Portugal is counting on the policy to reduce the Group’s carbon impact and on equipping its platforms with photovoltaic panels so that it can better control the impact of these cost fluctuations.

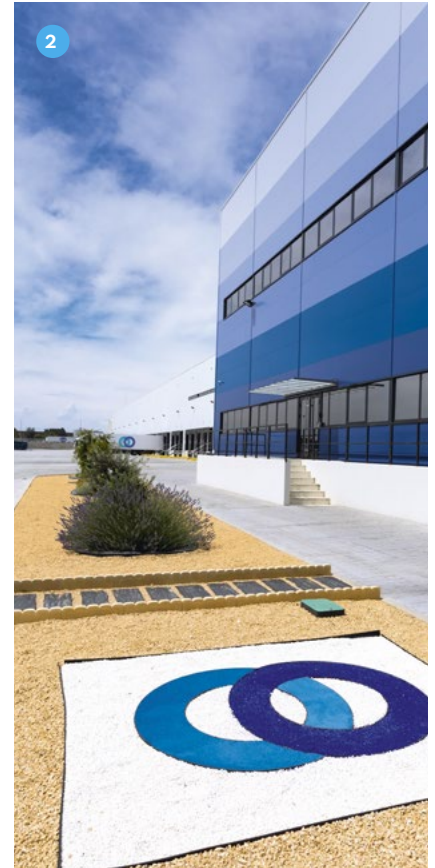
BELGIUM — 4

In Belgium, STEF mainly operates two types of activity: the national and international consolidation of chilled and frozen products and consolidation logistics for fresh food producers.

2021 was marked by two distinct phases for STEF Belgium. In the first part of the year, operations related to export and catering activities were heavily impacted by the effects of the health crisis. In the second half-year, the sudden recovery in business across all segments, including the domestic retail market generated major disruptions in operational management.

The year’s notable development was the acquisition of Nagel Nazareth in the west of the country, effective on 31 December 2020, a sign of the Group’s ambition to continue to strengthen its position on the domestic market. This integration is a key step in the creation of a distribution network which is structured around two main platforms in Nazareth and Saintes and two secondary platforms in Brussels and Liège.

In terms of logistics activities, the Group has decided to increase its capacities and has started to build a new warehouse in Tubize in the Walloon region. This will be delivered in 2023 and will contribute to the development of supply chain activities.



THE NETHERLANDS — 1

In 2021, STEF Nederland continued its recovery actions and successfully integrated the Nagel group's Dutch operations from 30 June 2021. The synergies created by the pooling of these activities and the contribution of new customers have helped to develop and improve the business' economic performances.

With the integration of Nagel's operations, a fourth platform in Raalte which specialises in international consignments now complements the Group's real estate investment in the country, in addition to the three sites already present in Bodegraven, Eindhoven and Raalte.

SWITZERLAND — 2

Following the changes in the structure of STEF Switzerland over the previous two years, commercial momentum reached a new milestone in 2021. Growth was present on all markets, with the launch of a new e-commerce

logistics business and, in the autumn, a frozen logistics business on the Kölliken site. The average occupancy rates of the frozen warehouses returned to normal standards for STEF Switzerland (92%). The European consignments activity is growing strongly.

As part of its involvement in the Moving Green project, STEF Switzerland equipped the Kölliken platform with photovoltaic panels across the entire roof. This installation will cover 20% of the platform's electricity consumption.

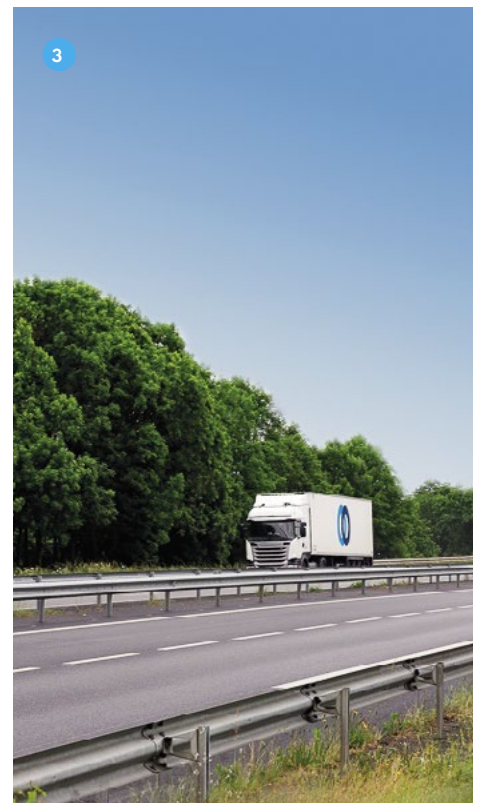
EUROPEAN CONSIGNMENTS — 3

The Group's dedicated subsidiary, STEF Eurofrischfracht (EFF) operates on the intra-community consignments market along the north-south (consignments from Germany heading for France, Spain and Portugal) and south-north (consignments leaving Spain and France for Germany and Austria) axes.

It provides its expertise to European manufacturers and retailers and relies on its platform in Strasbourg to do so.

The growth in European consignments was maintained in 2021 due to an increase in order preparation activities for retailers. Successive lockdowns generated large variations in the volumes to be handled, due to the closure of restaurants and the shift in food volumes consumed to residential areas.

The second half-year was marked by rising transport costs, in a context of increasing scarcity of rolling stock, a shortage of drivers in Europe and more expensive fuel.



MARITIME

LA MÉRIDIONALE

traditionally provides a public maritime passenger and freight service based on the use of ro-ro mixed passenger and cargo vessels between Marseille and Corsica.

It has four ro-ro mixed passenger and cargo vessels. Their total capacity is 7,600 linear metres (which is the equivalent of 560 trailers and 2,300 passengers with their cars).

On 1 March 2021, La Méditerranée was awarded a new public service concession for providing services to Corsica for a 22-month period. This concession relates to the port of Ajaccio, in partnership with Corsica Linéa, and the regional port of Propriano. Two vessels are used for these services, the Piana and the Kalliste.

La Méditerranée also closed a full year of operation of the maritime route opened in December 2020 between Marseille and Tangier (Morocco), in the form of a regular freight and passenger service using two vessels, the Pelagos and the Girolata.

These developments generated a positive effect on turnover which was similar to a normative level, standing at €90 million which is an increase of +58.5% compared with the 2020 financial year which was heavily affected by the loss of the service to the ports of Bastia and Ajaccio under the previous public service concession for Corsica.

However, in 2021, continued health restrictions in terms of the movement of passengers and freight weighed heavily on La Méditerranée's business, for both its activity to Corsica during the first half-year and its new Marseille-Tangier line, which continued to have a major impact on its profitability.

Eventually, while La Méditerranée achieved the expected performances for its crossings to Corsica, the situation was different with regards to the Marseille-Tangier line for which La Méditerranée has not been able to implement the planned service due to the country's persistent health restrictions throughout the year.

OUTLOOK

— **Services to Corsica:** the next public service concession for which the specifications will be released in spring 2022 and which is set to come into effect on 1 January 2023, is a major challenge for La Méditerranée;

— **Marseille-Tangier Line:** the growth in the line was once again impacted by the restrictions on passengers in the 1st quarter of 2022. However, this maritime offer comes at an opportune moment in terms of the search for alternative solutions to road traffic via Spain;

— **In terms of the environment,** La Méditerranée is fully involved in the Group's Moving Green initiative to reduce the impact of its activities, particularly with the particulate filter system which is producing very good results in lowering the amount of sulphur and fine particles discharged into the sea. La Méditerranée's actions in this area are presented in the Environment section.



OUTLOOK FOR 2022





STEF

In 2021, the health situation, with its successive lockdown periods and restrictions, continued to affect the business climate. For STEF, its customers' growth in the agrifood sector and the recovery in volumes have enabled it to return to its pre-pandemic performance parameters.

2022 will bring uncertainty, in particular due to possible developments in the health crisis and the effects of rising inflation. The STEF Group is confidently committed to 2022 and its major challenges to:

- integrate Langdons in the United Kingdom;
- continue to adapt its network to changes in the agrifood markets, while focusing on adapting real estate resources, digitalisation and information systems;
- maintain rigorous management and a strong commercial presence in an

inflationary environment in order to cover the rising costs of its operating resources and the additional costs related to situations of scarcity or shortages that could arise;

- strengthen its human resources policy by prioritising the attractiveness of the professions, skills development, professional career management and building employee loyalty.

2022 will also be the year of the Group's next medium-term strategic plan, intended to construct its ambitions in terms of development and innovations to support its changing market and that of its customers as closely as possible.

CENTRE OF EXPERTISE

REAL ESTATE

Within its organisation, IMMOSTEF brings together expertise dedicated to the acquisition of real estate assets, the design and construction of new facilities, real estate asset management and improving former operating sites that have become obsolete. The STEF Group has long maintained a policy of owning its real estate assets.



In 2021, with the acquisition of Langdons in the United Kingdom, 15 new platforms⁽⁴⁾ were acquired/ opened and 4 sites were closed. The Group's real estate assets have therefore increased to 257 sites, representing a total warehouse volume of over 10 million m³ (10.1 million m³) and a surface area of over 556,000 m² of temperature-controlled quay areas and business premises.

IMMOSTEF is responsible for the technical and environmental maintenance standards for buildings and facilities throughout Europe. It manages and coordinates continuous improvement and innovation projects. It was within this framework that in 2021, this team, which guarantees the supply and maintenance of all the information systems related to real estate and facilities, deployed MATIS 2.0, the new interconnected and user-friendly version of the computerised maintenance management system across over 200 sites.



BUILDING PROJECTS STARTED IN 2021

Investments will continue in 2022 with the delivery of new buildings, including particular:

- a chilled consignments transport platform in Longiano (Cesena-Rimini in Italy);
- a chilled supply chain platform at Tubize (Belgium);
- a frozen site at Yffiniac dedicated to storage and freezing activities for manufacturers in the Saint-Brieuc region; another in Malaga in Andalusia;
- the creation of new negative cold chambers at Ifs (Caen) and Alcalá (Madrid) for the Frozen BU;
- the extension of the sites of Madrid Torrejón (Spain), Darvault and Aurice for storage and co-packing activities for fresh and temperature-controlled products;
- extensions to many sites in Padua (Italy), Toussieu, Boulogne and Carvin, Angers, Agen, Laval;
- the remodelling of sites in Rennes and Lieusaint, Yffiniac chilled consignments and Girona in Spain.

ACQUISITION OF LAND AND REAL ESTATE ASSETS

As part of the Group's active policy to acquire strategic land reserves, 27 ha were acquired or secured in 2021, thus bringing the portfolio of land reserves in Europe to over 130 ha at the end of 2021.

MAIN PROJECTS DELIVERED IN 2021

IMMOSTEF supports the Group's development through acquisitions, new buildings and re-engineering and renovation projects.

BUILDING PROJECTS DELIVERED IN 2021

Two new sites will be used to strengthen the operating facilities:

- in France, a platform in Lisieux for the Chilled Consignments BU;
- in Italy a fresh products transport platform in Basiano, to the north-east of Milan.

Site extensions and re-engineering projects:

- in France, 111,000 m³ of frozen volumes were built to extend the sites of Saint-Sever, Burnhaupt and Châteaubourg;
- the sites of Sorgues, Pessac, La Crèche and Donzenac were extended with over 13,000 m² of additional space;
- finally, the re-engineering of the sites of Aix-en-Provence (dedicated to e-commerce) and Mâcon (retail and chilled supply chain) should be noted.

Blue EnerFreeze, IMMOSTEF's subsidiary dedicated to energy management, continued its development with the creation of subsidiaries in Spain and Portugal. It also offers services to the Group's partner companies.

Blue EnerSun, a joint venture with Blue EnerFreeze (majority shareholder) and its partner StoreWatt, delivered new photovoltaic power plants in southern Europe and launched several projects in Italy, Spain, Portugal and France. After the delivery of the various projects completed or started in 2021, over 27 MWp will supply low-carbon energy to the warehouses on which the panels are installed. This development of photovoltaic power plants producing photovoltaic electricity puts STEF on the right path to achieving one of its objectives of its Moving Green initiative: to have a production capacity of 80 MWp by the end of 2025 making it self sufficient for 20% of the total energy needed by the Group.

(4) In 2021, the Group acquired and/or opened five platforms: two in France (St Genis Laval and Lisieux), two in Spain (Salamanca and Valladolid), three in Italy (Basiano, Verona and Padua), one in Belgium (Nazareth), one in the Netherlands (Raalte) and six in the United Kingdom - Four sites were closed (three in France and one in Italy).

CENTRE OF EXPERTISE

INFORMATION SYSTEMS



STEF Information et Technologies (STEF IT) designs software solutions and integrates and maintains the information systems that the Group needs to support its customers and improve the productivity of the business divisions.

STEF IT:

- provides changes to the SAP tool used for support functions;
- supports the Group in its digital transformation through innovative projects;
- produces applications for STEF's industrial and retail customers.



BUSINESS AND SUPPORT FUNCTIONS PERFORMANCE ASSISTANCE

In the context of the continued pandemic, infrastructures and applications have been constantly updated to enable the Group's employees to alternate periods of work on site with remote working, under the most flexible and best quality of service and security conditions.

Priority was given to continuing and deploying business IS projects based on the TMS (Transport management systems) and WMS (Warehouse management systems) applications across the entire Group, along with decision support tools for the support functions and investments in digital tools.

STEF IT continued to build an end-to-end digital transport documents solution and consolidated the deployment of its time and position traceability solution for its own fleet



drivers and subcontractors. The operational management of shipments and distribution has been modernised with the implementation of a user-friendly trucking application. Use of the portal has become widespread for all transport customers in Europe.

The performance of the logistics activity in Italy and its synergy with the transport activity were sustained by implementing a new WMS Group tool and an integrated customer service management solution. The SAP ERP was fully deployed for all customer catering businesses in France.

STEF IT supported the Group's central functions in order to improve efficiency, responsiveness and the quality of their actions. Many projects were completed on time:

- for the human resources function, the move to digital employee documents (digital safes), the automation of the relationship with temporary employment agencies for the use of temporary workers and the implementation of an e-learning MOOC (courses accessible to everyone online);

- for the finance function, the finalisation of the paperless tax solution for customer and supplier invoices;

- and finally, for the business support functions, the deployment in France of the maintenance management application for vehicles, handling equipment and the Group's real estate assets.

DIGITAL TRANSFORMATION

STEF IT conducts technological projects which demonstrate the progress of the Group's digital transformation. For example:

- the deployment of a mobile application including all the safety instructions for drivers (STEF Driver);

- the implementation of an application for monitoring the integration of new employees on operational sites (STEP by STEF);

- a Hackathon which focused on the theme of Dock Management brought together dozens of participants and generated five innovative projects to be completed.

An agile approach has been formalised by appointing ten "Digital Champions", creating a digital community, defining a method (333), referencing and finally, deploying presentation, collaboration and prototyping tools. This unifying project has led to initiatives from the field to be carried out and deployed rapidly on pilot sites.

The following developments can be given as examples:

- a mobile application for tracking deliveries for restaurant customers of the Out-of-home foodservices BU;

- customer satisfaction measuring delivered by the Out-of-home foodservices BU and the STEF Portugal subsidiary;

- declaration of delivery anomalies subsequent to deliveries;

- consultation of deliveries by the recipient and downloading of documents for subsidiaries in Italy;

- estimating driver downtime using artificial intelligence (machine learning);

- management of transport company appointments for the Frozen BU;

- supervision of storage racks in the frozen environment.



CSR

REPORT

2021



CONTENTS

- Introduction
- CHALLENGES AND STRATEGY** — 36
 - CSR Policy and purpose
 - Business model
 - Challenges and commitments
 - Stakeholders
- ENVIRONMENT**
- OUR COMMITMENTS FOR THE PLANET** — 43
 - Moving Green Initiative
 - Energy transition
 - Climate change
 - Other environmental issues related to the business
 - Green taxonomy
- SOCIAL**
- OUR COMMITMENTS FOR OUR TEAMS** — 57
- SOCIETAL**
- OUR SOLIDARITY COMMITMENTS** — 66
- FOOD SAFETY**
- OUR COMMITMENTS FOR CUSTOMERS AND CONSUMERS** — 68
- GOVERNANCE AND ETHICS** — 70
- MONITORING PLAN** — 71
 - Methodology and drafting of the Monitoring Plan
 - Environmental Monitoring Plan
 - Human Resources and Fundamental Rights Monitoring Plan
 - Relationships with suppliers and subcontractors
 - Training and information
 - Alerts and whistleblowers
- METHODOLOGICAL NOTE** — 73
- AUDITORS' CERTIFICATE** — 74

INTRODUCTION

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

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

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

CHALLENGES AND STRATEGY



CSR POLICY AND PURPOSE

Driven by the Group's Executive Management, the CSR policy is an integral part of STEF's mission to:

“guarantee safe and sustainable access to a diverse range of products so everyone can enjoy food”

It fuels its strategic choices and business conduct and guides its commitments.

BUSINESS MODEL



Our purpose

Guarantee safe and sustainable access to a diverse range of products so everyone can enjoy food

A balanced business portfolio

- National and international transport
- Logistics
- Packaging
- Maritime





Our assets

- 20,000 experienced and committed employees
- 10,000 customers who put their trust in us every day
- A recognised expertise in consignment management and food safety
- Strong ties in the regions
- Integrated real estate, IT and energy centres of expertise
- A culture of innovation
- A solid financial situation
- A stable share ownership comprised mainly of employees
- A long-standing societal commitment

Our values

- Enthusiasm
- Respect
- Reliability
- Performance

resources

- 
 - A unique network of over 250 multi-temperature sites
- 
 - A presence in 8 European countries
- 
 - 4,000 vehicles for serving our customers
- 
 - 4 ships

OTHERS
—
WHOLESALE
—
AGRIFOOD PRODUCERS
—
AGRIFOOD INDUSTRIES

RETAIL
—
WHOLESALE
—
E-COMMERCE
—
COLLECTIVE AND COMMERCIAL CATERING

PRODUCERS
FARMERS
FISHERMEN

CONSUMERS

HOW CAN WE CREATE SUSTAINABLE VALUE FOR OUR STAKEHOLDERS?

For our customers

- | | |
|--|---|
| <ul style="list-style-type: none"> — Find targeted transport and logistics solutions to optimise their supply chain — Work together to build competitive solutions for their businesses and products — Contribute to their environmental commitments through our capacities to consolidate consignments and an increasingly ethical fleet | <ul style="list-style-type: none"> — Nearly 15 million food products handled annually — Over 100,000 deliveries per day throughout Europe — An expert organisation structured around 8 BU specialised in its customers' businesses |
|--|---|

For our employees

- | | |
|--|--|
| <ul style="list-style-type: none"> — Take pride in the collective for a noble mission; helping to feed people — Experiment with a differentiating equal opportunities and internal promotion policy — Benefit from a respectful remuneration policy and working conditions — Develop skills and employability — Be able to find a job near to where they live and as close as possible to the regions | <ul style="list-style-type: none"> — Over 3,000 people recruited per year — Over 24,000 hours of training given, partly by an integrated university — Every employee received an average of 1.23 training days in 2021 — 70% of management positions filled through internal promotion — Personalised career development defined by annual appraisals |
|--|--|

For our suppliers and partners

- | | |
|---|--|
| <ul style="list-style-type: none"> — Be able to rely on long-term, balanced relationships — Responsible and ethical cooperation — Support for environmental transition | <ul style="list-style-type: none"> — 336 new contracts incorporating the responsible purchasing policy signed in 2021 |
|---|--|

For the public authorities

- | | |
|---|---|
| <ul style="list-style-type: none"> — Be involved in the vibrancy, economic life and financing of the regions in line with our commitments for the Districts of the City Policy — Become part of the associative fabric: food aid and fostering job opportunities for people furthest removed from the job market — Work with the regional authorities to build the logistics solutions of the future (multimodal, sustainable urban logistics, etc.) | <ul style="list-style-type: none"> — Commitments with Sport in the City and our Districts have Talent to integrate young people into the world of work — Commitment for the professional integration of refugees — Multi-year commitments with Restaurants du Cœur in France and Banco Alimentario in Spain — An internal structure that includes 80 Sustainable Urban Logistics contacts spread throughout the regions |
|---|---|

For our shareholders

- | | |
|--|--|
| <ul style="list-style-type: none"> — Focus on the long-term development and sustainability strategy — Be part of a unique shareholding model which puts employees at the heart of the company's capital — Propose a regular redistribution policy | <ul style="list-style-type: none"> — 12,000 employees are Group shareholders through the FCPE — Over 17% of capital held by employees through the FCPE — A steady growth in dividends in line with the trend in the Group's performance |
|--|--|

For society and the planet

- | | |
|---|---|
| <ul style="list-style-type: none"> — Every day ensure the food safety of the products consumed — Commitments for the energy transition of the supply chain sector through the Moving Green plan | <ul style="list-style-type: none"> — Over 20,000 hours of food safety training given in 2021 — 1,500 vehicles fitted with advanced driving and temperature alert technologies — Programme of climate commitments audited annually — Signing of the AFILOG Charter with the French government for the environmental and economic performance of the logistics facilities |
|---|---|

CHALLENGES & COMMITMENTS

CSR PROCESS MANAGEMENT

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

STEF's CSR policy is defined by the various departments concerned (Sustainable Development, Human Resources, Purchasing, Food Safety, etc.), in line with the company's general strategy and the expectations of the Group's identified stakeholders. It then has to be approved by the Board of Directors, which in 2021 validated the "Climate 2030" and "Mix' Up" commitments for professional equality.

The Departments then deploy their process. They draft their roadmap, propose the tools and the methods for implementing them, define the performance monitoring indicators and propose progress plans as part of a continuous improvement process. To do so, they use a network of advisors who cover all the Group's operating countries. The Executive Committee dedicates several sessions a year to monitoring the CSR process.

METHODOLOGY AND IDENTIFICATION OF SOCIAL, SOCIETAL AND ENVIRONMENTAL RISKS

At the end of 2021, the STEF Group updated its materiality matrix to take into account the new and current perceptions of its internal and external stakeholders. So, employees, experts, customers, partners (service providers, suppliers, subcontractors, associations, professional organisations) and civil servants from regional authorities shared their vision of STEF's major CSR challenges, by questionnaire or telephone interview.

For a comprehensive vision of the subjects to which the Group must pay attention, the results of the materiality matrix were cross-referenced with a CSR risk analysis conducted by STEF's CSR experts. They based this analysis on their technical expertise, their knowledge of the Group and the ISO 14001 and ISO 26000 standards, including the French "CSR logistics reference system" produced by the Directorate-General for Transport, Infrastructure and the Sea (DGITM).

Information on the challenges now considered as "major" will be published from 2022.

THE FIVE MAJOR CHALLENGES FOR THE STEF GROUP

The five major challenges arise from the Group's convictions and the imperatives related to its businesses.

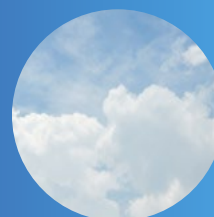
1

Climate change



2

Air quality



3

Attracting, developing and retaining talents



4

Health and safety at work




5

Food safety




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


CLIMATE CHANGE

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


AIR QUALITY

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


ATTRACTING, DEVELOPING AND RETAINING TALENTS

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

HEALTH AND SAFETY AT WORK (HSW)

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

FOOD SAFETY

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

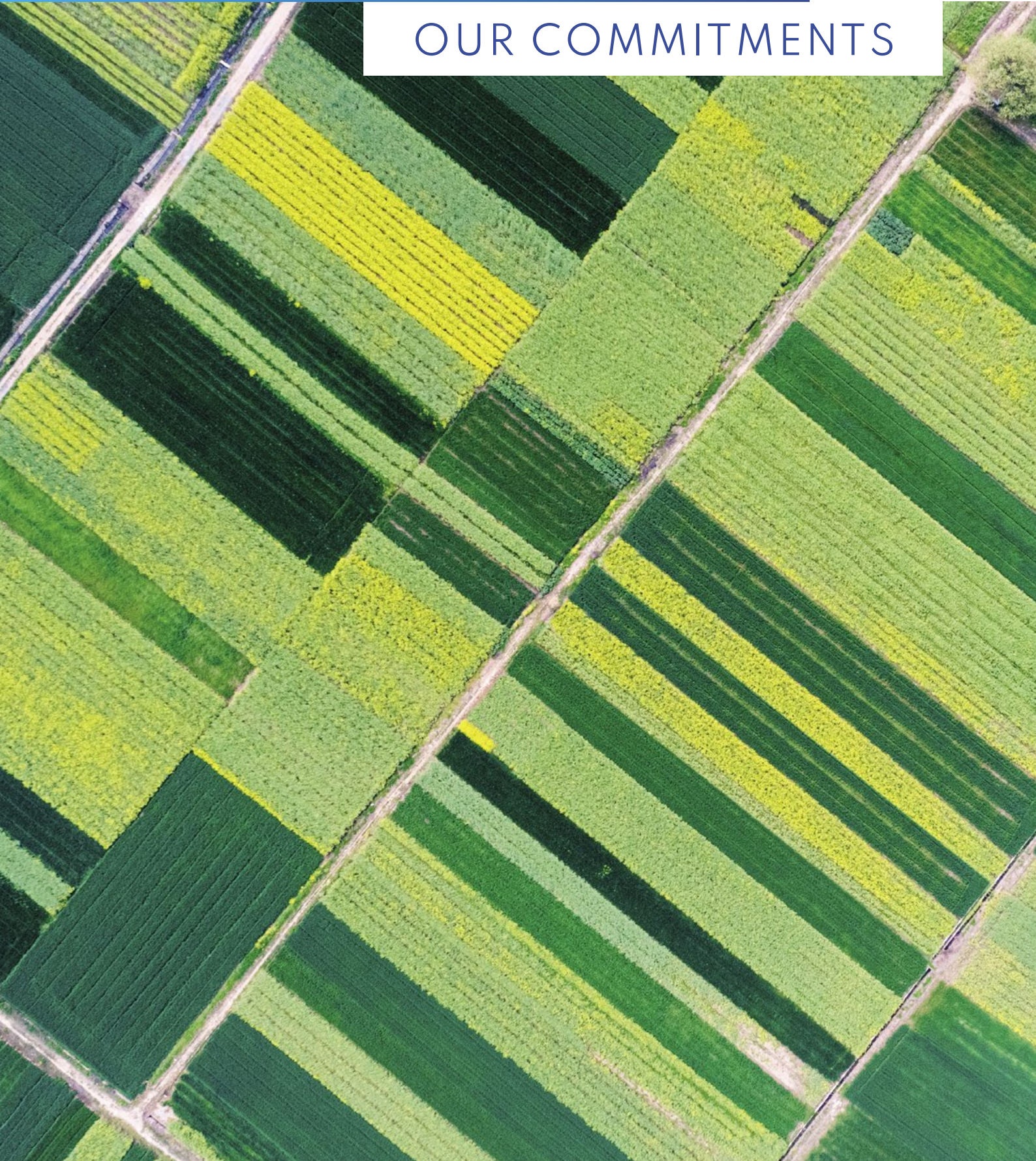
STAKEHOLDERS

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

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

ENVIRONMENT

OUR COMMITMENTS



OUR COMMITMENTS FOR THE PLANET

Climate change is a hot topic around the world and since 2020, it has resonated strongly due to the global health crisis. Long-committed to a process of reducing its emissions, the Group has decided to give fresh impetus to its Climate process. Moving Green, the STEF Group's climate policy, focuses on 4 major challenges:

- sustainable mobility
- a more responsible refrigeration
- support for transport subcontracting
- employee involvement

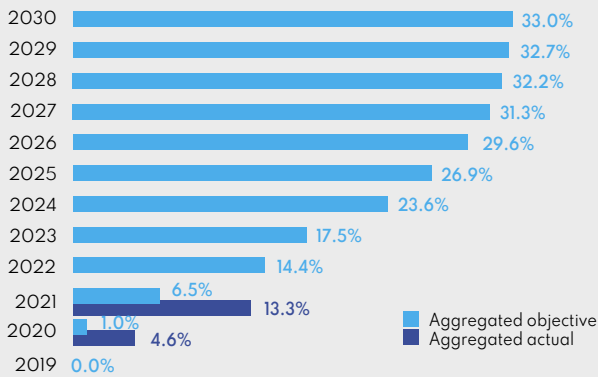


MOVING GREEN INITIATIVE

OBJECTIVE 1

- Reduce our vehicles' GHG emissions by 30% by 2030 (in gCO_{2e}/t.km, reference 2019).

Reduction in the GHG emissions of STEF's vehicles



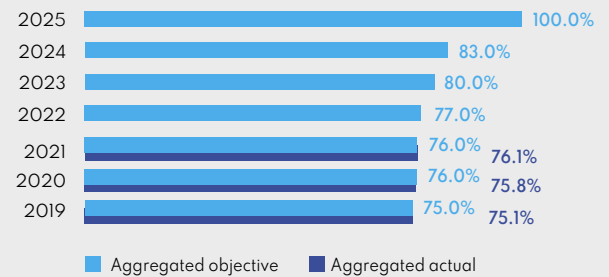
Our progress in 2021:

- reduction in the consumption of vehicles' onboard refrigerated units using engineless units and optimising their operation;
 - reduction in the consumption of vehicles/100 km, by replacing vehicles and continuously improving driving behaviours;
 - optimisation of transport schemes and increased load densities.
- The fuel technology changes started in 2020 and 2021 have not yet had a significant impact at Group level.

OBJECTIVE 2

Use 100% of low-carbon electricity on our sites by 2025.

STEF low-carbon electricity consumed



Our progress in 2021:

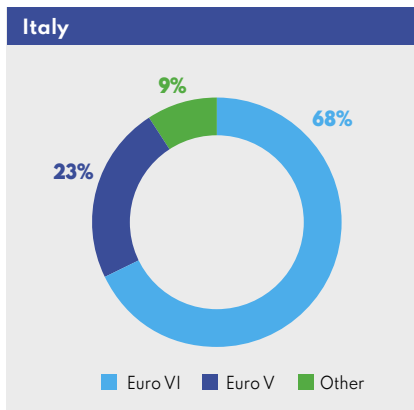
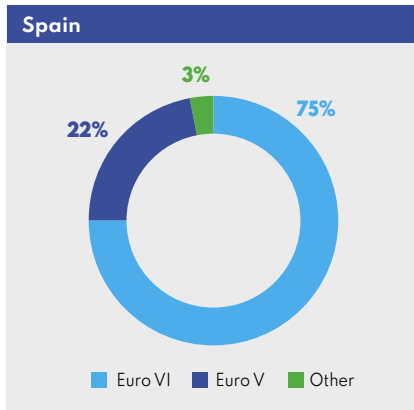
- low-carbon electricity mix: 76.06%;
- implementation of ten photovoltaic systems providing a total installed power of 11 MWp.



OBJECTIVE 3

Establish a process of supporting transport subcontractors.

Completion of an inventory of the subcontracting vehicle fleet in Spain and Italy (Spain: 75% Euro VI and 22% Euro V; Italy: 68% Euro VI and 23% Euro V).



Our progress in 2021:

- creation of a transport subcontracting department within the Group;
- survey conducted among the Group’s transport subcontractors on their commitments and expectations in terms of reducing their carbon footprint;
- support for some transport subcontractors to replace some of their vehicle fleet (49 in Spain, 57 in France);
- inclusion of a carbon footprint reduction clause in the specifications for certain transport partners.

OBJECTIVE 4

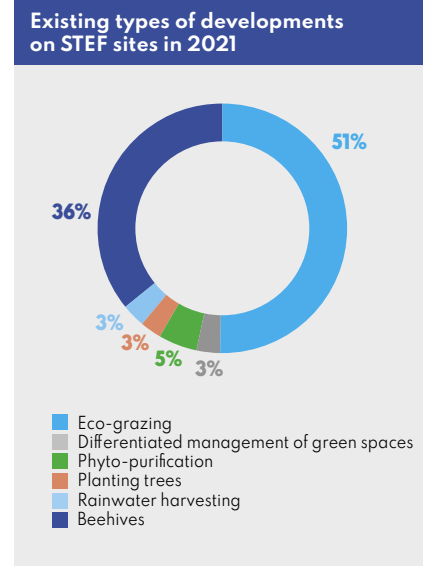
Make each employee responsible for reducing the carbon footprint in their professional and personal lives.

Our progress in 2021:

- launch of an internal communication and training programme to involve all employees in environmental issues with:
 - training for management bodies, the departments of operational entities and support functions and sales forces for key accounts, delivered by an external expert;
 - an internal communication campaign through a special programme aimed at the Group’s main executives and the provision of tools for relaying this to their teams.
- launch of the Plastic Free Italy project:
 - nearly 2 tonnes of plastic prevented in 6 months across 2 pilot sites;
 - over 10 sites involved in 2021.
- order for electric service vehicles: 20 vehicles to be delivered in 2022.
- launch of a Biodiversity initiative across our real estate projects:
 - a catalogue of development

solutions that can be used to preserve and promote biodiversity on sites was distributed within the Group;

- 40 sites involved in a process to preserve biodiversity, with 28 projects started in 2021.



ENERGY TRANSITION

As a European leader in temperature-controlled food logistics and transport, STEF intends to play its role in supplying people in a more sustainable way. It aims to be a benchmark in its sector in terms of combating climate disruption. In 2021, the Group bolstered its environmental roadmap and gave itself the human and economic resources to achieve its aims. It is investing in greener logistics and preparing the Group for the future based on one basic principle: the greenest energy is the energy we do not use.

A VIRTUOUS MODEL

The Group’s model is based on its consolidation activity. Resembling “public transport” for food goods, consolidation is used to optimise transport schemes and consolidate the loads in the vehicles, thus reducing the number of distribution rounds. It limits the number of kilometres travelled and reduces the environmental impact of the transport operations. STEF is also a local company; it does not operate transcontinental transport but through its 257 sites throughout Europe, it is as close

as it can be to regional producers and retailers. By centralising the movement of goods, STEF limits flows and empty kilometres.

150,000 tonnes of CO₂ saved over the last 10 years

For over 10 years, the Group has had a proactive policy to reduce the main emissions related to its business: greenhouse gas (GHG) and air pollutant emissions. It therefore reduced:

- its CO₂ emissions in tonne transported by 20% between 2010 and 2020, mainly due to the replacement of the vehicle fleet with vehicles with more efficient engines;
- its CO₂ emissions in docked tonne by 22% between 2014 and 2019 in France by deploying an Energy Management System for buildings;
- the share of refrigerants in its fixed facilities by 50% between 2013 and 2019 by replacing these with natural refrigerants, 1,000 to 4,000 times less harmful to the climate;
- CO₂ emissions for the energy of its Spanish platforms by 75% through the purchase of renewable electricity;
- CO₂ emissions for its cryogenic cold refrigeration units (compared with off-road diesel) by 77% with over 90 vehicles equipped and

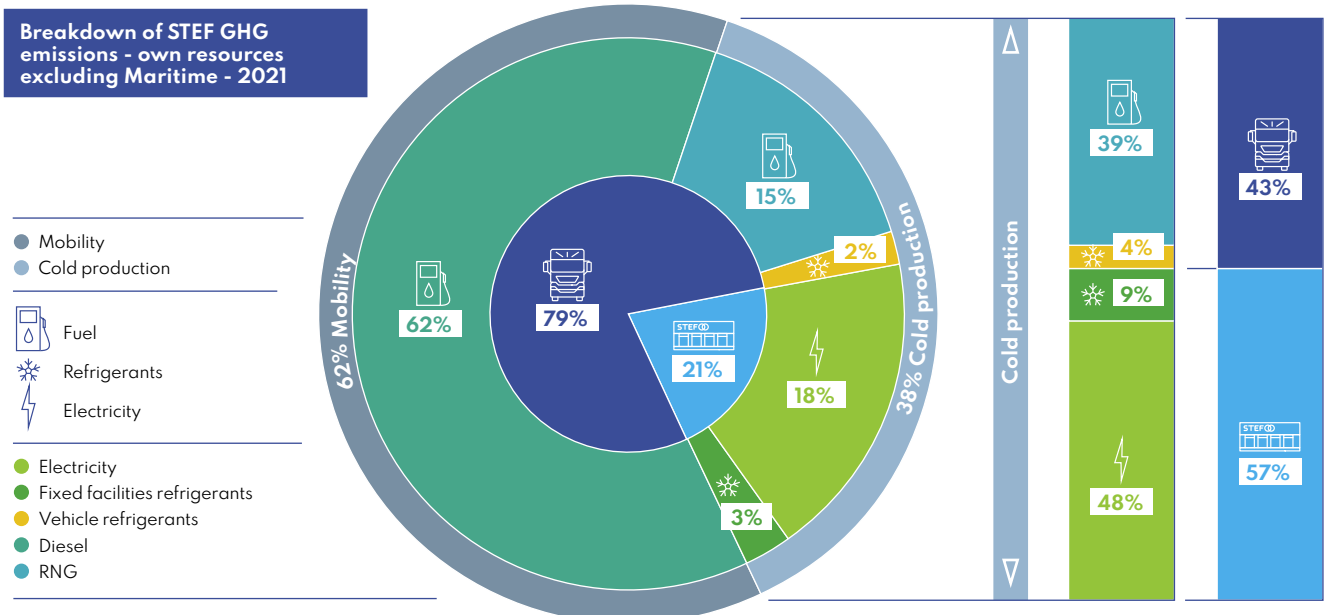
deployed across urban distribution services;

— and finally, due to the replacement of its vehicles with vehicles that comply with the Euro VI standard: nitrogen oxides by 80%, hydrocarbons by 70% and of particles by 50%.

MOVING TOWARDS A DECARBONISED FOOD SUPPLY CHAIN

Encouraged by the results obtained in previous years, the Group has decided to increase its efforts to reduce its carbon footprint. In line with this, its teams have worked to define its commitment to decarbonise the food supply chain and therefore help to achieve the European objectives of “Carbon Neutrality” by 2050 (Green Deal) and comply with the 2°C trajectory defined by world experts (COP 21 - Paris Agreements).

Every year, to activate the right drivers, STEF identifies the main sources of its GHG emissions and their breakdown. This analysis complies with the methods of the GHG Protocol.





A STRUCTURED CLIMATE PROCESS

This diagnosis has resulted in a roadmap which is adapted to the Group's commitments while respecting a current and future economic balance. Moving Green, STEF's Climate initiative was created from this analysis.

A SUITABLE AND RESPONSIVE ORGANISATION

Driven by the Executive Management, the Group's climate strategy is supported at the highest levels of the company. Validated by the Board of Directors, it benefits from its support and is given the associated resources. A suitable organisation has been set up.

— The Sustainable Development Department supports all those involved in the initiative by providing them with its environmental expertise. It is responsible for reporting to the Executive Committee every six months, and to the Board of Directors annually. It coordinates the initiative across all cross-functional issues and guarantees a standardised deployment among the different entries.

— Its purpose is to guarantee the Group's progress towards the objectives set, make judgements on

choices as part of the initial strategy and contribute to the enhancement of the process through its overall vision of climate issues. In 2021, it met 11 times.

— Internal Advisors have been identified in each country and each business unit. Their role is to adapt the Group's climate policy objectives within their entity depending on its contribution to STEF's carbon footprint and monitor their own indicators to ensure the effectiveness of their actions.

— Towards carbon accounting Carbon accounting should help to construct and monitor the internal indicators on GHG emissions of every operational entity, monthly and refine the monitoring of GHG emissions on behalf of the Group's customers.

ONGOING RELATIONS WITH STAKEHOLDERS

STEF supports its transport subcontractors and the Group's experts participate in the sector's inter-professional working groups on innovative technologies for transport and cold production.

STEF is a member of "France Logistique", the professional association that advises the French legislative and governmental bodies

on the promotion and energy transition of transport and logistics.

STEF is now one of the 18 European companies and organisations that make up the "European Clean Trucking Alliance" (ECTA) the objective of which is to support the decarbonisation of the road haulage of goods in the European Union.

STEF works closely with its equipment and materials suppliers to reduce the fuel consumption and CO₂ emissions associated with these different technical resources.

Finally, the Group participates in many consultations with the regional authorities in order to define transport and distribution schemes that are best suited to the planned local provisions.



CLIMATE CHANGE



In 2021, the Group set out to improve its environmental performance and reduce GHG emissions. The year was marked in particular by internal awareness campaigns which are essential for involving STEF's teams at all levels.

SUSTAINABLE MOBILITY FOR VEHICLES

For several years, the Group has been committed to a structured programme to experiment with diesel alternatives. In 2021, it took action to achieve its objective to reduce GHG emissions by 30%: 25% based on savings related to alternative fuels and 5% on managing operations (optimising transport schemes and training drivers).

— **Reduce fuel consumption => Objective: 5% decrease in GHG emissions**

The Group is giving itself the resources to reduce its consumption through the contributions of artificial intelligence to optimise its transport schemes and the deployment of new forms of eco-driving, a practice now widespread within the company.

Since 2021, working with Dcbrain, a company specialising in artificial intelligence applied to complex physical networks, STEF has been experimenting with a solution that allows a more virtuous operation of the transport network, improved energy efficiency and an increased ability to deal with peaks in activity.

STEF is experimenting with mega-trucks in Portugal, Spain and the Netherlands. These can be used to consolidate transport, decrease the number of kilometres travelled and therefore reduce CO₂ emissions by approximately 60%. These vehicles are currently only permitted in a few countries (Portugal, Spain and the Netherlands).

At the same time, STEF continues to promote eco-driving which was strengthened in 2021 by a genuine driving behaviour management system. This is used to analyse behaviour behind the wheel and improve it on a daily basis. STEF also uses:

- Alert Gasoil, which monitors driving behaviour and consumption;
- Ethical consumers, who involve the managers, instructors and drivers in controlling consumption and behaviour;
- STEF Driver which, using gamification, will help drivers to be independent and work on improving their daily behaviour.

In France, since 2016, the Group's results have been backed by the ADEME "Objective CO₂ - Environmentally-friendly transport" accreditation.

— **Promote the use of alternative fuels = Objective: 25% decrease in GHG emissions**

STEF has decided to opt for low-carbon energies that are available now or in the short-term, which will gradually replace diesel: a B100 biofuel produced in France and biogas for vehicles (bioNGV).

- Biodiesel B100: objective for 30% of the STEF fleet to be equipped by 2025 - STEF and Saipol (Groupe Avril) have signed a contract to fuel 1/3 of STEF's fleet of heavy goods vehicles with Oleo100. This "B100" type renewable energy produced from French rapeseed can reduce greenhouse gas emissions by 60%. STEF intends to move 700 vehicles to Oleo100, saving 100,000 tonnes of CO₂ by 2025.

- **Biogas:** objective to equip 25% of STEF lorries by 2030 - For vehicles that operate in low emission zones (LEZ), STEF is implementing bioNGV vehicles. Produced by recycling bio-waste (agricultural waste, sludge from waste water treatment plants and food residues) using anaerobic digestion, biogas can reduce GHG emissions by 80% compared with diesel.
- **Electric vehicles:** STEF is working with manufacturers to make these vehicles compatible with its operating constraints. Such constraints are currently mainly related to range and charging time, particularly with regards refrigerated use. STEF also has a continuous testing policy.
- **Hydrogen solution** - STEF is involved in studies and projects relating to the use of hydrogen-

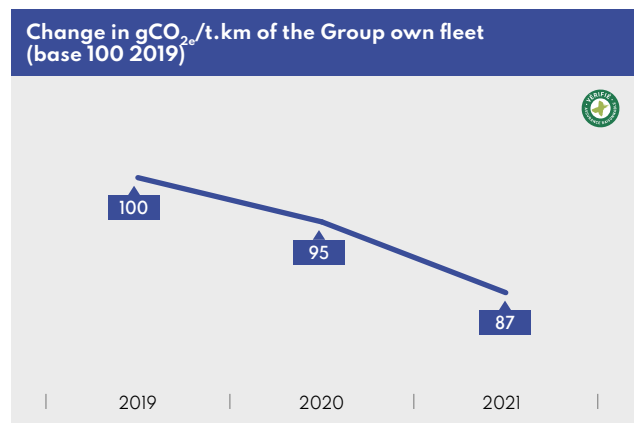
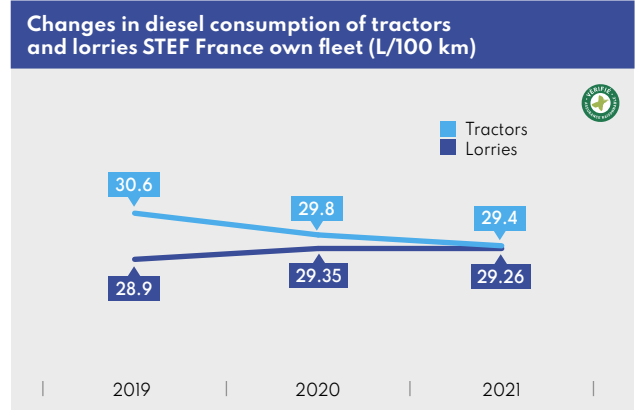
powered heavy goods vehicles in Europe.

— **Improve onboard refrigeration systems in vehicles**

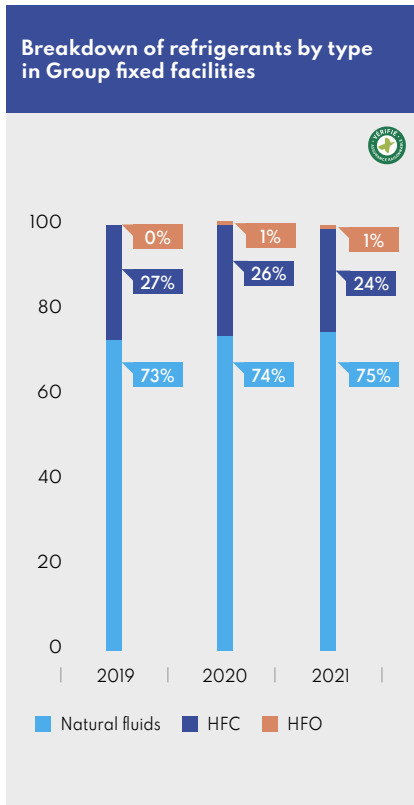
Traditional solutions allowing vehicles to be maintained at temperature use off-road diesel which has a high impact on CO₂ emissions. STEF is therefore experimenting with alternative solutions and deploying these when they are mature and reliable.

- **Hydrogen with the “FresH2” project** - Started by Bosch and Carrier Transicold in association with the bodywork manufacturer Lamberet, the hydrogen fuel cell project has entered the road testing phase with STEF. The system has been tested under real-world usage conditions by the teams at the Chambéry site.

- **“Engineless” electric refrigerated units powered by the vehicle’s engine** - 20 vehicles were tested in 2020. In 2021, STEF decided to standardise the implementation of electric refrigerated units on all its lorries. These now operate more quietly, with a more ethical cold production in terms of CO₂ emissions while producing the same amount of refrigeration.
- **Cryogenics** - 90 vehicles are already fitted with this direct expansion system of compressed nitrogen which creates fuel-free refrigeration. This technology, certainly more expensive and onerous with regards the fuelling network, is attractive in terms of air quality and reducing GHG emissions and noise pollution.



At the same time, STEF continues with its plan to replace refrigerants with ones with low global warming potential. The objective is to reduce the carbon impact due to refrigerant leaks by 70%.



MOBILISING AND RAISING THE AWARENESS OF THE GROUP'S ECOSYSTEM

This commitment is essential for injecting momentum into the climate process and making progress together. In 2021, particular attention was paid to providing information and raising the awareness of internal teams and transport subcontractors.

Support transport subcontracting

Reducing GHG emissions is a major requirement for the Group's customers. This must also be the case for its transport subcontractors, who represent 65% of its GHG emissions. STEF's aim is to enable its partners to align themselves with its own objectives. Given the size of the scope and the number and diversity of the subcontractors that STEF uses, this support project will be spread over several years. Various actions began in 2021 to inform them of the project and include them in the process.

- The creation of a Group transport subcontracting department is a powerful marker of STEF's commitment to support its subcontractors in reducing their emissions, but also in food safety, customer service, quality and digitalisation.

- STEF carried out diagnoses with its subcontractors to draw up an inventory.
- In France, contracts with deconsolidators⁽⁵⁾ now include environmental commitments which enable them to adhere to the Group's Responsible Purchasing Charter. They agree to adopt an approach to reduce their GHG emissions as stated in ADEME's Objective CO₂ charter. Their actions will be assessed annually. The intention is to deploy these standard contracts across all the Group's operating countries.

Train employees and raise their awareness of environmental issues

Several training and information initiatives took place in 2021: training on the mechanisms and challenges of climate change, organisation of an internal programme and webinars, contributions to professional trade shows (SITL, Produrable, Solutrans).

⁽⁵⁾ STEF used deconsolidators in areas where its own network has little coverage.



OTHER ENVIRONMENTAL ISSUES RELATED TO THE BUSINESS

In order to protect the health of citizens and reduce its environmental impact, for several years, STEF has undertaken various initiatives to improve the performance of its vehicles' engines and refrigeration units. These initiatives also enable it to respond to the growth in the low emission zones (LEZ) established in Europe.

REDUCE AIR POLLUTION FROM VEHICLE ENGINES

The actions of the last 10 years and more have yielded results. Due to the regular replacement of its vehicle fleet, STEF owns a fleet that meets the Euro VI standard and which releases 80% less NOx and 50% fewer particles than Euro V vehicles. The Group is also committed to adjusting its vehicle

policy every year in line with technological developments. Its teams take part in various working groups with manufacturers.

PROTECT BIODIVERSITY

Protecting biodiversity is another subject to which the Group is committed. However, this issue is becoming increasingly sensitive and STEF is giving itself the resources to strengthen its approach with:

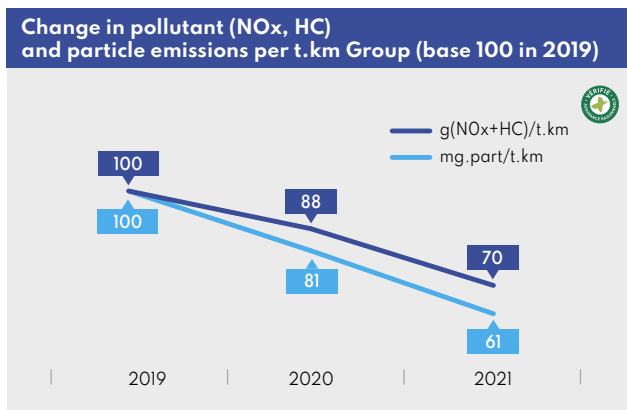
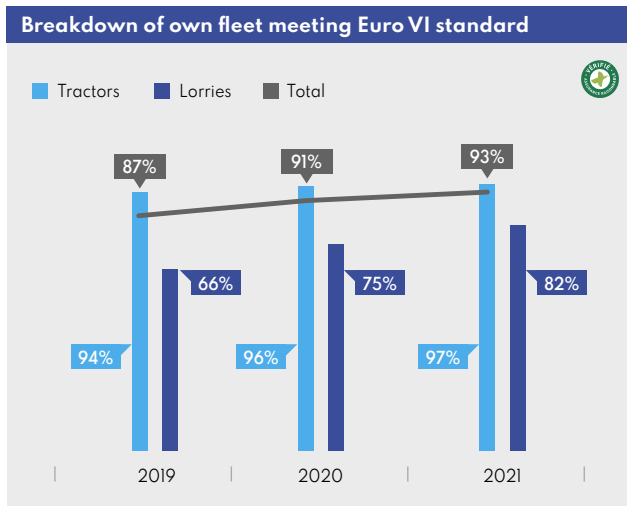
- an environmental impact analysis for every real estate project;
- monitoring procedures for the operation of facilities and compliance with the regulations in every operating country, particularly in France with the ICPE (Installations Classées pour la Protection de l'Environnement) scheme for facilities classified for environmental protection;
- the recruitment of a specialist Masters student tasked with encouraging the deployment

of developments to promote biodiversity;

- working with the real estate team to incorporate biodiversity issues into all the Group's projects;
- together with AFILOG (Association Française des Professionnels de l'Immobilier Logistique), signing a reciprocal commitment charter with the public authorities concerning land take, among other things.

MITIGATE NOISE POLLUTION

In 2021, STEF continued its policy of tests and solutions designed to limit noise pollution and dialogue with local authorities to meet their requirements for urban delivery. For example, this is the case in Montpellier where the Group is involved in the Carreta experiment using autonomous vehicles or Lyon where an urban delivery test has been conducted with a next generation ZE electric lorry.





All the Group’s new rolling stock meets the PIEK standard and therefore complies with a sound threshold below 60dB (A). In order to mitigate noise pollution during city centre deliveries, STEF chooses the equipment with the lowest noise emission levels on the market (e.g. electric or cryogenic refrigerated units).

Before they become operational, the sites are subject to an impact study which includes noise measurements. Most of their refrigerated facilities are located in premises which substantially mitigate the noise from the compression equipment. Specific constructions (containment, bunds) are also used to limit noise levels.

PROMOTE THE CIRCULAR ECONOMY AND OPTIMISE PURCHASE MANAGEMENT

STEF does its best to set up “reverse logistics” processes to optimise transport schemes and occupancy rates for vehicles and therefore promote the circular economy.

Non-hazardous waste is sorted on site, or directly by the service providers, to be recovered by material or energy recycling. The production of hazardous waste is restricted to the maintenance of rolling stock. Such waste is therefore collected and processed in compliance with the regulations in the operating countries.

A “zero plastics” programme is also underway in the offices.

OPTIMISE WATER RESOURCE MANAGEMENT

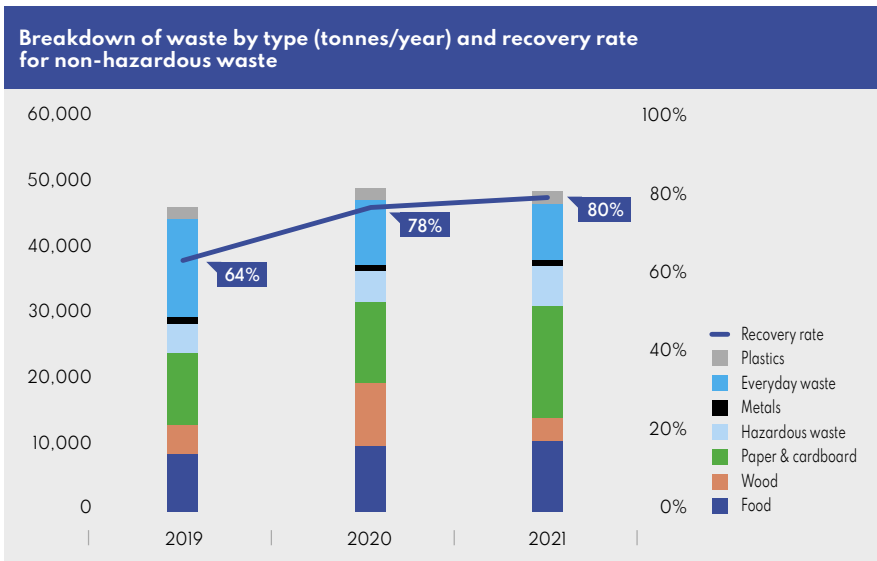
The Group’s operations use few water resources, with the exception of the regular washing of the vehicles. The Group’s washing stations are equipped with systems that optimise consumption and control discharges. Site effluents are checked regularly for compliance with the applicable regulations.

POSSIBLE SOURCES OF POLLUTION AND/OR INCIDENTS

These are strictly defined by the implementation of regular, internal audits across all of the Group’s sites. These audits concern both the safety and security of people and goods and compliance with technical instructions and procedures. Every site has an emergency plan which includes an “accidental spillage” section for intervention in the event of an incident.

RESPONSIBLE, FAIR AND SUSTAINABLE FOOD/THE FIGHT AGAINST FOOD WASTE

STEF is one of the links in the food distribution chain: the producers who entrust it with their products are mostly SMEs from the agrifood industry based in the regions. STEF collects and transports their goods in optimum temperature-controlled conditions which guarantees their shelf life, thus helping to prevent food waste.



COMMITTED TO THE MARITIME ENVIRONMENT

STEF's maritime activities are subject to a specific environmental process. A pioneer in environmental protection, La Méridionale innovates so as to reduce the ecological impact of its crossings.

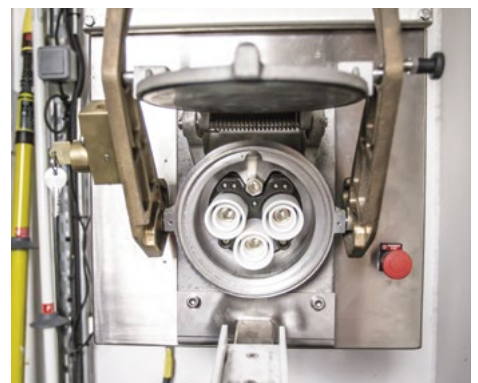
— **The particle filter** – La Méridionale is the world's 1st shipowner to have fitted a particle filter on a vessel. This removes 99% of the fine and ultrafine particles discharged at sea during crossings. It has selected a solution developed by Solvay and Andritz in order to condition their dry desulphurisation of exhaust gases technologies for sea use. The process is based on a chemical reaction using a natural

product, sodium bicarbonate, which totally eliminates the sulphur contained in the exhaust gases, without any discharge into the sea. The dirty bicarbonate is then sent to a waste treatment facility. The Pelagos vessel also has a hybrid scrubber system that can operate as an open or closed loop.

— **Quayside electrical connection** – La Méridionale commissioned the quayside electrical connection at the Port of Marseille in 2017. It is the first and only maritime company in the Mediterranean to use this solution for two of its ships.

This equipment is used to reduce diesel consumption during berthing periods, not only removing the resulting emissions but also noise pollution and vibrations related to the operation of engines when in port.

— **Protecting biodiversity in the Mediterranean** – La Méridionale has helped to develop the REPCET (REpérage des CETacés) software designed to avoid collisions between vessels and large Cetacea. The company's sailors are trained in spotting cetacea. La Méridionale was one of the first to be awarded the "Green Marine Europe" accreditation.



GREEN TAXONOMY

REGULATORY FRAMEWORK

In accordance with Regulation (EU) 2020/852 of 18 June 2020 (“Taxonomy Regulation”), for the 2021 financial year, STEF publishes the share of its turnover, investments and some of its operational expenses considered as eligible under climate change mitigation and adaptation objectives.

An economic activity is considered as eligible if it is included on the list of activities set out in the delegated acts to the taxonomy regulation, corresponding to the activities that the European Commission has identified as being likely to make a contribution to the first two environmental objectives referred to below, out of the six long-term objectives:

- climate change mitigation;
- climate change adaptation;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy, waste prevention and recycling;
- pollution prevention and control;
- the protection of healthy ecosystems.

APPLICATION AT 31 DECEMBER 2021

The Group conducted a detailed analysis of its activities in order to identify those corresponding to the activities set out in the appendices to Regulation (EU) 2021/2139 on Climate. The following activities were identified as eligible:

- district heating/cooling distribution (activity 4.15);
- transport by motorbikes, passenger cars and light commercial vehicles (activity 6.5);
- freight transport services by road (activity 6.6);
- sea and coastal freight water transport, vessels for port operations and auxiliary activities (activity 6.10);
- construction of new buildings (activity 7.1);

— renovation of existing buildings (activity 7.2);

— installation, maintenance and repair of energy efficiency equipment (activity 7.3);

— installation, maintenance and repair of renewable energy technologies (activity 7.6);

— acquisition and ownership of buildings (activity 7.7);

The share of turnover, investments and operating expenses considered as eligible at 31 December 2021 is presented in the table below.

Eligible turnover	3.73%
Eligible investments	56.61%
Eligible operating expenses	22.84%

SCOPE

— The turnover, investment expenditure and operating expenses considered cover all the Group’s activities corresponding to the scope of the companies under its control;

— The companies in which the Group has joint control or notable influence are excluded from the calculation of the ratios defined by the delegated act relating to Article 8 of the taxonomy regulation published on 6 July 2021;

— The financial data comes from the accounts at 31 December 2021; turnover and investment expenditure can therefore be reconciled with the financial statements.

The ratios have been calculated as detailed below. Since the taxonomy regulation is evolving, the Group’s analysis will be adapted as changes occur in the future.

Turnover

At 31 December 2021, eligible turnover amounted to €131 million and mainly corresponds to the turnover achieved by the operation of the four vessels of La Méridionale, the operation of vehicles covered within the scope of step E of the Euro VI standard and the lease or provision of premises.

It is compared to the Group’s total turnover at 31 December 2021 of €3,507 million.

The low eligibility percentage of the Group’s turnover at 31 December 2021 is explained by the limited number of Euro VI-E vehicles. This eligibility percentage should however increase in the coming years, with the replacement of the fleet, the introduction of new vehicles that meet the regulation’s criteria and the growing acquisition of electric vehicles.



The share of eligible turnover relating to freight transport services by road has been calculated by considering that the turnover was achieved uniformly by all vehicles in the fleet and on a straight-line basis over the year and that the eligibility percentage across the subcontractor fleet and the fleet on short-term lease was identical to that of the own fleet.

Investments

At 31 December 2021, eligible investments amounted to €162 million and mainly correspond to expenses related to the construction, renovation, purchase or increase of IFRS 16 rights of use of buildings (offices and warehouses), to investments made in the four vessels of La Méridionale and the acquisition of Euro VI-E vehicles.

They correlate to the total amount of acquisitions and additions to the scope of intangible and tangible fixed assets and rights of use relating to leases of €286 million at 31 December 2021.

Operating expenses

In accordance with the Delegated Regulation (EU) 2021/2178, the operating expenses to be taken into account in the taxonomic ratio correspond to the direct costs not entered on the assets side which relate to research and development, the renovation of buildings, short-term leases, maintenance and

repair and any other direct expense related to the routine maintenance of assets.

Within the Group, the corresponding operating expenses are maintenance and cleaning charges, short-term lease charges and other IFRS 16 exemptions.

At 31 December 2021, eligible operating expenses amounted to €31 million and mainly correspond to cleaning and maintenance charges on buildings and the four vessels of La Méridionale. The cleaning and maintenance charges on eligible vehicles were not significant at 31 December 2021 due to the limited number of vehicles in the fleet covered under the scope of step E of the Euro VI standard. Operating expenses related to the purchase of alternative fuels are not included.

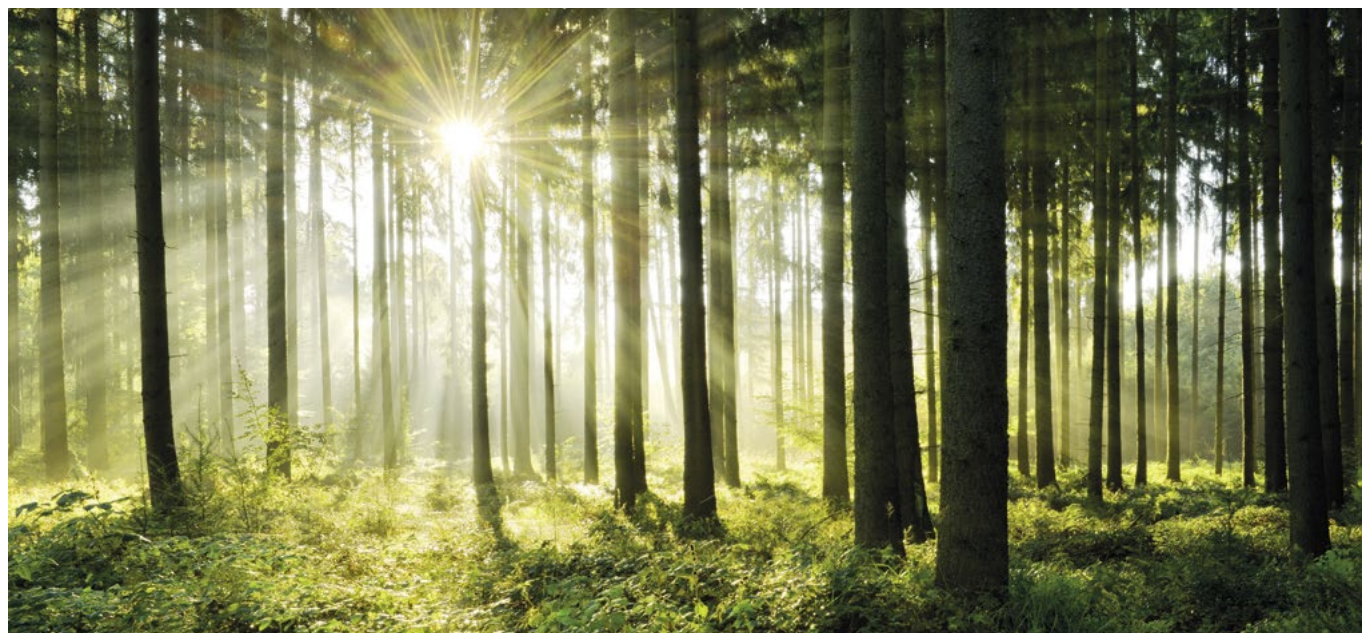
The eligible operating expenses correlate to the total amount of cleaning and maintenance charges, short-term lease charges and other IFRS 16 exemptions at 31 December 2021, which amounted to €137 million.

DEVELOPMENTS AND OUTLOOK

The Group's analysis of the alignment and share of eligible turnover, investments and operating expenses does not predict the aligned share which will be published in 2022.

From 31 December 2022, the Group will publish the share of its turnover, investments and operating expenses resulting from economic activities considered as "aligned" with the two climate objectives, i.e. contributing substantially to at least one of the objectives while not causing significant harm to the other objectives and respecting the guiding principles of the OECD and the United Nations relating to companies and in particular human rights and fundamental rights at work.

The regulatory taxonomic ratios only partially reflect the Group's Moving Green strategy set up in 2021. Indeed, the Group is pursuing its objectives to reduce the greenhouse gas emissions related to its activities with alternative techniques not taken into account by the taxonomy. The use of biofuels is not one of its eligibility criteria, but contributes to the reduction in vehicles' GHG emissions. This reduction (of 60% for the biodiesel Olea 100 and 80% for bioNGV) is effective on the full production cycle of these fuels and not only on exhaust emissions.



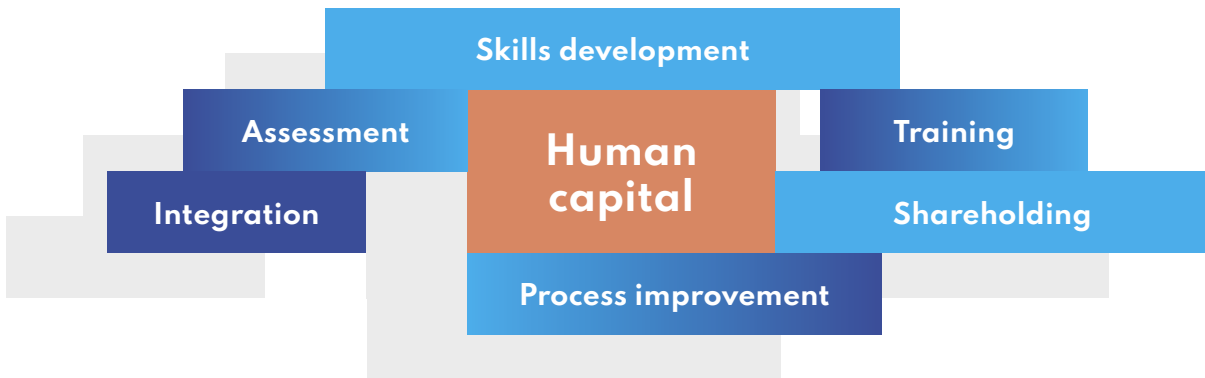
SOCIAL

OUR COMMITMENTS



OUR COMMITMENTS FOR THE TEAMS

The performance and quality of STEF's services relies on its teams: diverse teams who are rich in the different cultures of the Group. Training and developing the career of every team member and ensuring their health, safety and quality of working life are therefore key issues for the Group in its eight operating countries. In 2021, STEF committed to making diversity and professional gender equality a priority subject.



PROTECTING EMPLOYEE HEALTH

The health and safety of employees are subject to ambitious policies that favour prevention. Regardless of their job, everyone is supported to ensure that their aspirations match STEF's needs and thus create the conditions for a sustainable commitment.

REDUCING ACCIDENT RATES: A MAJOR AND LONG-TERM PRINCIPLE

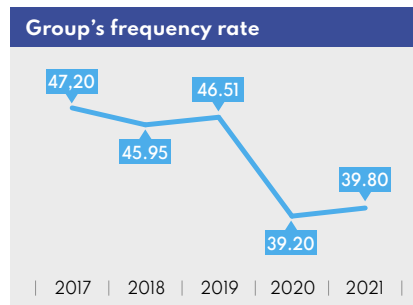
Following on from 2020, the Group's commitment is reflected through:

- the inclusion of new Health and Safety at Work (HSW) monitoring indicators in the performance audit and prevention elements for the design of the Group's new sites;
- improving the induction of new recruits on the HSW component;
- employee awareness;

— deploying Safety Committees (COSEC) across all sites in France in order to move forward together.

Accident rates down:

- the frequency rate fell from 47.2 in 2017 to 39.8 in 2021;
- for the entire Group, the frequency rate for occupational lost-time accidents increased slightly: 39.8 in 2021 for 39.2 in 2020. The severity rate was 2.8 in 2021 (excluding United Kingdom).



AN EVER MORE CROSS-FUNCTIONAL AND COLLABORATIVE APPROACH

The HSW approach is based on prevention. This requires collective and individual awareness, changes in practices and transformations at all levels which involve operational staff as well as support functions. The commitment of management is a key success factor.

— From the “Health and Safety at Work” process to the “Health, Safety and Working Conditions” process - In 2021, the Group accelerated its approach by reasserting its prevention objective and its goal for the sustainable improvement of its working environments. The HSW Steering Committee, therefore became the “Health, Safety and Working Conditions Steering Committee”. It now includes different support functions and centres of expertise: Group Business Unit (Studies, R&D, etc.) Real Estate, Ergonomics, Innovation...

— A stronger working relationship with CARSAT and CRAMIF⁽⁶⁾— To improve relevance and effectiveness, STEF has elected to work in partnership with one of its stakeholders, CARSAT which is the reference body for occupational risk prevention. From the analysis grids supplied, STEF conducted an inventory of all its sites in France and defined three priority areas:

- strengthen the actions regarding musculoskeletal issues related to manual handling;
- reduce the occurrence of long-term sick leave related to sick leave/ occupational diseases and prevent professional inadaptability;
- develop the safety culture and managerial commitment in terms of prevention and safety.

COMMITTED ACTIONS TO IMPROVE THE WORKING ENVIRONMENTS AND CONDITIONS

STEF integrates risk prevention at work prior to transformation projects (operating processes, organisation, design, equipment, etc.). The teams are involved in this, particularly with regards major risks such as musculoskeletal issues, manoeuvring vehicles, the unexpected departure of lorries and addictive behaviours.

— The prevention of musculoskeletal disorders remained a priority issue in 2021. The search for organisational, technical and human solutions benefited from the inherent synergy in the creation of the Health, Safety and Working Conditions Steering Committee (HSWC) and the commitments made in partnership with CARSAT. At the same time, the Group continued its benchmarking work on innovative solutions and has developed tests for physical assistance devices: 3 new devices were tested in 2021 and a further 14 handling assistance solutions were deployed with the contribution of over 340 people.

— Site renovation or design projects benefited from the support of internal specialist teams. Ergonomists can also be used to improve the working environments on sites. In 2021, 14 renovation and extension projects were conducted with the teams from the Real Estate Division.

- Work clothes developed with and for employees. Ongoing deployments based on this principle of involving employees related to clothing in the ambient environment and the range of clothes for technical and real estate personnel that need to respond to the diversity of their tasks.

- New tests (gloves, shoes) on personal protective equipment (PPE) were conducted in 2021 in order to take advantage of the latest technological innovations. The Group won the 2021 “Initiatives des leaders bienveillants” compassionate leaders award at the Préventica trade show for the quality of the collaboration with its teams in implementing good HSW initiatives. Quality of working life initiatives.

The Quality of Working Life (QWL) helps to strengthen employee commitment. Actions take place across three areas: work-life balance (e.g. implementation of a school support platform for employees who are parents), health practices (e.g. online medical consultation) and support for people in difficulty (e.g. network of social workers and occupational psychologists).

The remote working experiment during the pandemic has proved conclusive. In France the implementation of remote working for up to two days a week was approved in 2021 for positions that allow such working practices and on a voluntary basis, while endeavouring to maintain the social link.

⁽⁶⁾ Caisse Régionale d'Assurance Maladie d'Ile-de-France: responsible for preventing, supporting and rectifying social and professional weaknesses related to health in Ile-de-France.





ATTRACTING, DEVELOPING AND RETAINING ALL TALENTS

One of the Group’s major challenges is ensuring it has resources that match its needs. In 2021, STEF continued its long-standing substantive programmes. Its work focuses on three areas: the attractiveness of the Group’s professions, developing team skills and building employee loyalty.

IMPROVING THE ATTRACTIVENESS OF THE GROUP’S PROFESSIONS

The health crisis brought STEF’s professions out of the shadows. In order to improve the visibility of its employer brand “Build your future at the heart of the food world”, the Group wanted to capitalise on this spotlight. It has continued to consolidate its presence on all recruitment channels so as to raise greater awareness of the assignments that it offers and the career prospects that it opens up to its employees.

— **New recruitment campaign**

-Promoting four operational jobs: maintenance technician, driver, order picker, quay or team manager.

— **Relations with schools** - STEF took part in online events (forums, job dating). It maintained its “*Talent Spotters*” programme, the aim of which is to identify and attract future talents, across all study levels and its “*Campus Connectors*” who are in contact with around fifty target schools to raise awareness of the Group’s professions among young graduates.

— **The applicant experience.** The digital recruitment tool implemented in 2019 has improved the visibility of the Group’s vacancies on its job site www.stef.jobs. New tools designed to strengthen the direct link between applicants and the Group were deployed in 2021 in all countries with the exception of Switzerland and the Netherlands who will benefit from this in 2022.

— **Three specific programmes for highly-challenging jobs** - The “Graduate Programme”

targeting young graduates (108 graduates in training in 2021); the “Middle Management” course (24 attendees in 2021); and the internal driving school, deployed in France and dedicated to drivers through professionalisation or apprenticeship contracts, this profession being under great pressure. Launched in 2021, this internal driving school was created with AFTRAL, the leading transport and logistics training body, in order to support the recruitment campaign for 500 drivers in France. This school, open to STEF employees and new recruits, delivered 8 sessions (82 trainees including 18 internal) with a success rate of 96%.

Since 2017, STEF has been one the **25 largest recruiters in France** (Usine Nouvelle Survey – February 2022).

In 2021, STEF recruited **2,591** permanent employees for jobs as diverse as local managers, young graduates, experienced executives, order preparation and driving teams.

A WORKFORCE THAT REFLECTS THE GROUP'S GROWTH

At 31 December 2021, the Group's workforce (permanent and fixed term employment contracts) totalled 20,528 employees, an increase of +9.42% when compared to 2020 (+1,767 people).

The change in workforce in 2021 reflects the change in scopes

— In France, the workforce fell slightly.

• In all other countries, the strengthening of the teams led to an increase in the workforce, in particular in Italy and Belgium, following the integration of the Nagel group's activities in these countries and in Switzerland with the incorporation of new businesses.

In Spain, the workforce grew and stood at roughly the same level as at the end of 2019.

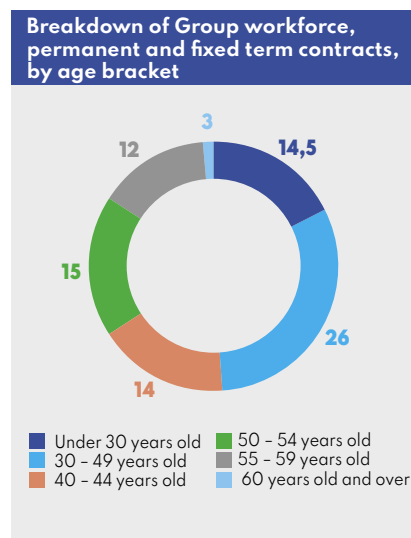
• 1,436 employees from Langdons⁽⁷⁾ in the United Kingdom joined the Group on 31 December 2021.

These figures do not take into account assisted contracts which accounted for 521 people at 31 December 2021 (primarily apprenticeship and professionalisation contracts) or temporary staff (4,974 in full time equivalent).

Including all contract types, the increase in the workforce was +11.9% over the period, a result of the integration of the workforce from Nagel's activities in Belgium, the Netherlands, Italy and the United Kingdom.

BREAKDOWN OF WORKFORCE BY DIVISION/BU/COUNTRY

	Permanent and fixed term employment contracts	31/12/2019	31/12/2020	31/12/2021
STEF France		13,689	13,619	13,569
Chilled Consignments BU		7,992	7,852	7,896
RETAIL BU		1,751	1,956	1,881
Frozen BU		1328	1271	1289
Chilled Supply Chain BU		748	805	806
Seafood BU		858	766	701
Out-Of-Home Foodservices BU		594	549	540
Ambient And Temperature Controlled BU		142	139	156
Packaging BU		136	140	132
Cross-functional departments BU		140	141	168
STEF International		4,150	3,897	5,684
Spain		1,854	1,751	1,873
Portugal		554	415	432
Italy		856	826	956
Belgium		379	371	431
The Netherlands		311	329	334
Switzerland		123	133	148
European Consignments		73	72	74
United Kingdom		-	-	1,436
Maritime		537	573	584
Other activities and central functions		669	672	691
Group Total		19,045	18,761	20,528



⁽⁷⁾ With the exception of the table on the breakdown of the workforce at 31 December 2021, the workforce from Langdons in the United Kingdom is excluded from all other indicators in the "Social - Our commitments for our teams" section due to the recent nature of its acquisition.

DEVELOPING SKILLS AND RETAINING ALL TALENTS

Professional training is one of the pillars of STEF's human resources policy. Transport and logistics roles are highly competitive, constantly evolving and demanding in terms of working conditions. The challenge therefore is to develop employee skills that support the Group's operations while ensuring their welfare at work. The training process is based on the educational resources of STEF's university which is organised into campuses, and those of the Institut des Métiers du Froid developing professional expertise. Reorganised in 2021, it is now digital and structured around 4 priorities.

— Ensuring that employees master basic skills – In order to facilitate the integration of new recruits, the digital pre-reception process and the induction process (Step by Stef) focus on understanding the working environment, safety and the perception of their contribution to serving the Group's customers. These digital tools are strengthened by the support of professional trainers.

— Promoting the development of every employee for their professional fulfilment – Obtaining recognised qualifications outside the Group is a valuable experience and a source of performance. Inspired by this conviction, the Group has made training in basic knowledge and certified courses a key factor. The programmes on offer include: "Devenir", a certified team leader course (3 groups in 2021); Recognition of Prior Learning (70 individuals have gained qualifications ranging from vocational diplomas to masters degrees over the last 3 years).

— Developing a strong managerial culture – Training is provided to support managers in their role: partnership with HEC focused on "Leadership and strategy" (20 managers a year on average), Executive MBA.

— Anticipating future changes and fostering the emergence of new skills for building the future – There are different courses (campus) on offer. Each country can adapt the content to match its culture and

challenges. Once again this year, many training courses, initially planned as face-to-face sessions were changed to remote sessions: "Tech Campus" (technical real estate course); "Sales Campus" (73 training actions in 2021); Job advisors (in France approximately 80 "driver" training advisors and 150 "quay advisors"). The LMS (Learning Management System) project to support employees with new societal challenges and change management was deployed across five of the Group's countries (France, Italy, Belgium, Spain and Switzerland). In 2022, this will be extended to Portugal and the Netherlands. It is used to anchor employee skills development using innovative methods, including digitalisation and provide better management of the training offered.

TROPHÉES DES BINÔMES CEO/HRD PARTNERSHIP AWARDS

In 2021, Stanislas Lemor and Jean-Yves Chameyrat received the CEO/HRD Partnership Award along with the public "Favourites" Award. Organised by the RH&M group, this award aims to promote the role of the HR department in the company's strategic decision-making and shows that the CEO/HRD partnership is a key factor in the company's economic and social performance.



The Group arranges career management schemes at all levels of the organisation in order to build employee loyalty. In addition to the career development paths previously mentioned, a digital platform is used to manage the main HR development processes in all countries. 70% of executive and senior positions are therefore filled through internal promotion. Annual appraisals are a real basis for developing skills and careers. STEF also uses professional evaluation experts. The Group complies with the provisions of the "Professional Future" Law. One of the future major challenges will be empowering employees to be responsible for their own development, in particular by enabling them to identify possible gateways beyond their jobs.

The Institut des Métiers du Froid (IMF) – STEF University aims to pass on expertise and train employees in the skills of the future. Organised by campus, it relies on the best partners on the market as well as IMF which was one of the first in-house training bodies to be Qualiopi (national quality reference system) certified. In 2021, a Group employee attended an average of 1.23 training days a figure equivalent to 2020. In total, 24,077 training actions were completed. 🌱

EMPLOYEE SHAREHOLDING

Employee shareholding is one of the key priorities on which the Group is built. This model, unique in its business sector, is not only a powerful uniting force, but also a true lever for economic performance and a differentiating factor for the Group's customers.

Today, 72.56% of STEF's capital is held by its management and employees, including 17.73% through the dedicated company mutual fund (FCPE). Through this, over 12,000 employees are Group shareholders, across all socio-professional categories. The FCPE has been put in place in almost all of the countries where STEF operates. In 2021, the move to digital led to greater flexibility and convenience for shareholders' transactions.



KEY FIGURES

13.49%

staff turnover⁽⁸⁾, an increase compared with 2020 🌱

2,591

permanent appointments or promotions⁽⁹⁾

including **1,931** in France

2,225

permanent contract departures

including 758 redundancies or negotiated terminations

including 282 retirements or early retirements

7.2%

absenteeism rate due to illness or accident at work⁽¹⁰⁾, directly related to the health crisis 🌱

⁽⁸⁾ Permanent employees (new appointments and departures)/2/workforce at 31 December 2021, including takeovers and transfers.

⁽⁹⁾ Takeovers are included.

⁽¹⁰⁾ Including occupational diseases and commuting accidents, excluding maternity/paternity leave; all contract types included, except for La Méridionale where interns (assisted contracts) are excluded. The ratio is calendar days lost by number of theoretical calendar days. It should be noted that for Italy and Belgium, the ratio is calculated based on working days and not calendar days.

PROMOTING PROFESSIONAL GENDER EQUALITY, DIVERSITY AND EQUAL OPPORTUNITIES

STEF has always been committed to ensuring that there is a place for everyone within the Group. The inclusion of people with disabilities and the professional integration of young people are some of the major projects successfully conducted in recent years. 2021 will see an increased focus on professional gender equality and gender diversity.

NEW PROFESSIONAL GENDER EQUALITY DRIVE WITH MIX'UP

A diagnosis, based on quantitative and qualitative surveys, was used to establish a professional gender equality and diversity process, called MIX'UP. This was launched across the Group in October 2021. It has an ambitious objective to achieve 25% of women in the workforce by 2030. To strengthen this new momentum, the Group has set up a "Professional equality/professional diversity" committee which drives and coordinates the actions.

— The MIX'UP commitments
-Supported by the Group's Executive Committee and Executive Management, who have signed

a letter of commitment to all employees, the process is based on 5 commitments:

- increase diversity in the teams;
- guarantee fair integration and career development;
- promote the work/live balance;
- adapt our working conditions and environments;
- change the image of our professions.

These commitments structure, complement and strengthen the processes already in place in order to increase the representativeness of women in the Group, especially in its various management bodies in France and Europe: people review, talent management to identify women with potential, integration of young women in the Graduates Program.

— A systemic approach -These five commitments refer to a diverse range of challenges and require an integrated approach which mobilises the different disciplines at all levels of the company. The action plan distributed to and shared by all countries is the translation of this: it covers awareness of stereotypes, recruitment, integration and career management, the adaptation of working environments but also internal and external communication, support for sites to facilitate diagnoses of the comparative gender situation and dialogue with social partners. Action

plans adapted to the local situation are currently being created. They will be combined with progress objectives and regular monitoring.

— MIX'UP in action - Breaking down stereotypes - even kind ones - is an essential prerequisite. Launched in March 2021, awareness actions have increased throughout the year. Training modules are also the opportunity to raise awareness of all the diversities present within the Group (intercultural, intergenerational). Hierarchy levels are challenged, making it easier for women to find their place in the company and to be part of so-called "male" environments. A communication kit has been distributed which includes an anti-prejudice guide for transport jobs. MIX'UP can also be used to build on innovative initiatives that have emerged locally and showcase and duplicate them. Such is the case for the mentoring programme "Elles pour elles" in Italy and the various association partnerships such as "Capital Filles" and "Femmes en mouvement".



At end of 2021, the number of women had increased and accounted for 21.3% of the workforce (compared with 20.5% in 2020)

% of women in the Group's workforce	
France	20.0%
Spain	26.3%
Portugal	28.5%
Italy	35.4%
Belgium	14.6%
The Netherlands	15.3%
Switzerland	7.4%
Total	21.3%

Inclusive Business Award 2021.



INTEGRATION OF PEOPLE WITH DISABILITIES

The Group’s commitment to employ people with disabilities is producing results. The employment rate across France is 7.77% (compared with 2.28% in 2012) and 6.8% across the Group for 2020⁽¹⁾. In 2021, the sites continued their employee awareness and training actions. In early 2022, a 6th Disability agreement was unanimously signed by union organisations in France.

— **The integration of the teams from the adapted company DYAD** - was completed. This company with special facilities for providing employment for individuals with disabilities was acquired in 2019. An obvious sign of success; the Group has built its own Packaging BU based on this adapted company specialising in packaging.

— **Dedicated HR Innovation workshop** - In 2021, the Group continued its HR innovation workshop based on the theme “Work and Cancer/Chronic Diseases” in partnership with the New Institute and the AGEFIPH.

— **STEF won the Inclusive Business Award** - Organised by Manifeste Inclusion and under the patronage of the Secretary of State for People with disabilities, the Inclusive Business Award is designed to highlight innovative initiatives by companies that are committed to inclusive actions for people with disabilities.

ENSURING A CALM SOCIAL CLIMATE

Social dialogue is the basis of staff relations within the STEF Group. Driving the desire to share the business’ challenges, it contributes to a calm and stable social climate. During the health crisis, social dialogue continued despite the organisational difficulties caused by social distancing requirements.

Social dialogue is structured around staff representative bodies, present in all the countries and at all levels of the organisations, in compliance with the various legislation. These bodies allow comprehensive and constructive discussions on the business’ challenges and structural decisions. Consequently, our main international external growth operations are presented to the European Works Council for information or for an advisory opinion if required.

In order to promote a rich dialogue covering all operational or cross-functional issues, supra-legal bodies have been created: union coordinators and transport and

logistics committees therefore complement the legal systems of the European Works Council and Group Committee. Illustrating this co-construction ambition, an agreement renewing and refining these supra-legal bodies was unanimously signed by union organisations at the end of 2021. This common desire to promote dialogue also helps to resolve any social conflicts that may arise in our organisations.

Finally, the schedule for the negotiations with social partners is consistent with the Group’s challenges and policy: a 6th agreement on the policy for workers with disabilities was unanimously signed in 2022 by union organisations; a negotiation on the Quality of Life and Working Conditions (QLWC) will be launched in 2022 in accordance with the Group’s commitments on the general improvement of working conditions.

⁽¹⁾ Since 2020, the employment rate in France has been calculated mid-year.

SOCIETAL: OUR SOLIDARITY COMMITMENTS

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



FOSTERING THE PROFESSIONAL INTEGRATION OF PEOPLE FURTHEST REMOVED FROM THE JOB MARKET

Work is a key driver of social integration. As a creator of jobs, STEF intends to be an actor and partner in the development of the regions in which it operates.

INTEGRATION OF YOUNG PEOPLE

Despite the pandemic, the Group has continued its partnerships with associations working for the professional integration of young people. For example, in France, initiatives with the “Sport in the City”, “Our Districts have talent” and “ARPEJEH” associations have been extended and a partnership has been launched with “Nés & Cité” a social meditation and recruitment firm.

EDUCATION AND GUIDANCE FOR YOUNG PEOPLE

In 2021, over 410 young people took part in various initiatives. The Group set up remote sessions to maintain the information days on its sites (Spain, Italy, France) and did its utmost to continue to welcome young trainees and interns. In France, the TEKNIK programme designed for college and high school students continued. The Group strengthened its links with the local missions. STEF also embarked on the Cordées de la Réussite scheme alongside the AgroParisTech

foundation to encourage the tutoring of young college students by young engineers.

INCLUSION AND INSERTION OF REFUGEES

Several refugee inclusion projects were started in France. The non-profit organisation, Tent Partnership for Refugees is helping the Group to identify and contact associations and NGOs. The training and

skills development programme is structured around two priorities: training in key FFL (French as a Foreign Language) skills and professional training. NGOs complement the scheme with social support (housing, citizen integration, etc.). In total, around twenty people with refugee status benefited from this scheme with STEF in 2021. Other groups are expected in 2022.

FACILITATING ACCESS TO FOOD PRODUCTS FOR PEOPLE IN NEED

Access to food products is intrinsically linked to the Group’s purpose. This year, STEF continued its action under the three-year sponsorship agreement signed in 2020 with “Restaurants du Cœur”. This partnership is based on training volunteers in employment law (25 people in 2021), supporting the national collection with the provision of transport resources and storage areas (1,771 pallets collected for 1,170 tonnes of goods in 2021), collecting donations from manufacturers and delivering them to the Restaurants du Cœur warehouses (8,465 pallets collected for 2,505 tonnes of goods in 2021) and skills-based sponsorship. Several projects supporting associations have also been set up in Spain, Portugal and Italy.



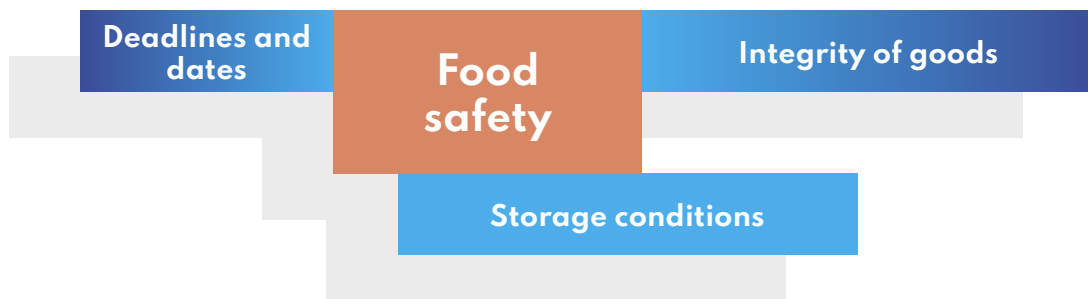
FOOD

SAFETY



OUR COMMITMENTS FOR CUSTOMERS AND CONSUMERS

Food safety is ingrained in STEF's purpose. It concerns consumer health, the Group's reputation and that of its customers. To improve accuracy, responsiveness and efficiency, the Group is standardising its processes and investing in new systems. Because the key to performance is also based on team behaviour, STEF is developing a positive and shared culture of food safety with the commitment to go beyond the regulations and turn it into a competitive advantage.



MONITORING AND CONTROLLING TO GUARANTEE THE COLD CHAIN

For a specialist in temperature-controlled food transport, guaranteeing the cold chain is a top priority.

HEALTH CONTROL PLAN

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

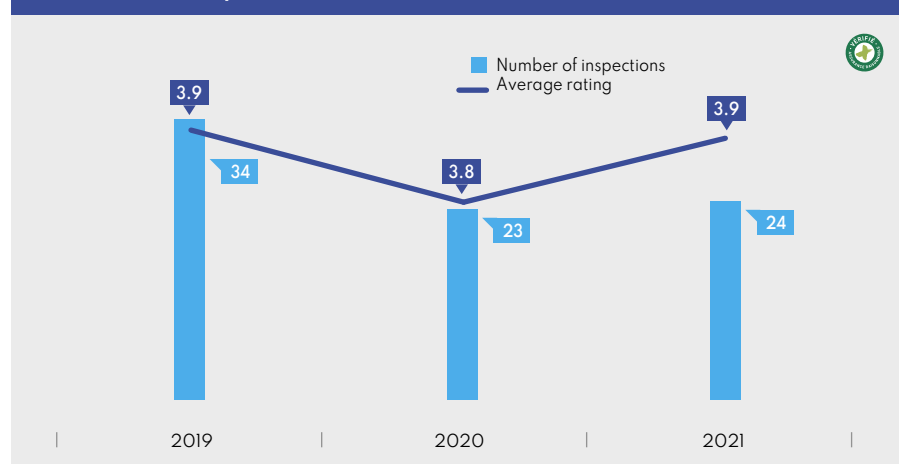
- potential biological, physical, chemical and allergen contamination. This plan's deployment is consolidated through internal and external audits conducted by independent

bodies, our customers and even the health authorities;

- potential drift of the storage temperature of foods during their warehousing, transit and transport. The provision of safe food products is also based on compliance with deadlines and dates (delivery,

use-by dates, best before dates, stock management rules, etc.) and the commitments made to our customers.

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



MONITORING SYSTEMS AT ALL STAGES

For many years, operating information systems (WMS and TMS) have ensured the traceability of goods and archiving:

- in the warehouses - Systems for tracking, recording and managing the alarms related to the temperature of the premises are set up and regularly audited and monitored;

- during transport -STEF's refrigerated vehicles are fitted with a temperature recording system in each compartment. The Group requires that its subcontractors comply with these rules.

NEW SYSTEMS FOR CONSISTENT ALERT MANAGEMENT AND CONTROL

To ensure consistent alert management and control, provide a better service to its customers and anticipate regulatory changes, in 2021, STEF decided to improve its temperature monitoring systems further and, based

on a collaborative diagnosis, worked on implementing common management rules.

AN ACTION PLAN THAT CAPITALISES ON THE LATEST TECHNOLOGICAL DEVELOPMENTS

The action plan is based on the latest proven technologies (wireless, digital documents, Internet of Things) and the implementation of new devices (sensors, remote control of facilities). It also plans to integrate all the data into the Group's information systems, making it easier to exploit real-time data to manage more responsive and sophisticated alarm systems, which interact strongly with their environment and thus arrange a relevant response from the "pre-alert" level. It facilitates decision making by anticipating the organisational, operational and technical solutions to be implemented and interprets the data to establish operational diagnoses for facilities. Tested in 2021, these solutions will be deployed and extended to all Group partners from 2022.

WORKING TOWARDS A POSITIVE FOOD SAFETY CULTURE

Food safety is based on processes and tools, but above all, on everyone's behaviours. In order to have a positive impact on daily mindset and behaviours, STEF intends to make people more important than ever in its Quality Management Systems (QMS). This approach will also be incorporated into the food safety training programme already in place in order to ensure the proficiency of all those involved in the cold chain within all the Group's organisations.



Despite the absenteeism related to the pandemic (absences and periods of partial unemployment) STEF has managed a substantial increase in the number of training hours dedicated to food safety.

GOVERNANCE AND ETHICS

The governance policies adopted by STEF contribute to business ethics and help to respect the areas covering human rights and fundamental freedoms and the health and safety of the people in the 8 countries in which the Group operates.



GOVERNANCE

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

ETHICS AND BUSINESS CONDUCT CHARTER

STEF's ethics and business conduct charter contains the standards for good business practices applicable in the Group, as well as the provisions of the Sapin II law. STEF has set up an organisation, tools and a procedure that it can use to comply with these obligations.

The ethics and business conduct charter defines the behaviour standards to be respected by all employees in situations presenting risks of corruption and influence peddling. It follows the Middelnext

reference system to which STEF has chosen to refer. The ethics and business conduct charter appears on STEF's intranet and internet sites. An external whistleblowing platform (EQS Integrity Line) completes the system.

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



MONITORING PLAN

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



STEF operates in Europe in economic and socio-cultural environments that have few structural differences; consequently, the plan can be deployed uniformly throughout the Group. The Group's business model is set out in the first section of the annual report and the CSR report.

METHODOLOGY AND DRAFTING OF THE MONITORING PLAN

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

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

ENVIRONMENTAL MONITORING PLAN

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

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

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

HUMAN RESOURCES AND FUNDAMENTAL RIGHTS MONITORING PLAN

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

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

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

— Supervision of the Health and Safety at Work process by management.

— Risk control and prevention:

- integration of the HSW process upstream, from the design of facilities, work processes, vehicles or handling machines;
- major risks in terms of HSW have been identified:
 - accidents related to the circulation of vehicles or handling equipment in the warehouses;
 - musculoskeletal issues;
 - addictive consumptions and behaviours.
- principle of supervision and monitoring managed directly by the operating sites: risk evaluation documents, accident monitoring indicators (frequency and severity rates) consolidated at country and Group level;
- deployment of the Health and Quality of Working Life procedure:
 - redesign of the range of work clothes;

- programme for the prevention of psycho-social risks;
- improved working environments;
- actions promoting fulfilment at work for employees: work/life balance, health practices, employee support.

•• targeted communication at all levels of the organisation order to share a common culture.

RELATIONSHIPS WITH SUPPLIERS AND SUBCONTRACTORS

As a purchaser in various business sectors, including transport subcontracting and construction site management and across other purchasing categories, STEF has a proactive and inclusive policy with regards its main suppliers and subcontractors. Favouring local sourcing (95% of national suppliers in France), the Group has also strengthened the CSR criteria in its tenders.

A PROACTIVE AND INCLUSIVE POLICY

This policy is reflected by:

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

The Group's sustainable purchasing charter, updated in 2020, is aimed at all suppliers and sets out the main ethical, social and environmental commitments to which they are asked to adhere.

They must also convey these principles among their own suppliers. The sustainable purchasing charter has been incorporated into the general terms and conditions of sales and standard contracts.

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

A survey of the 100 principal suppliers

In order to take better account of the CSR factors in the relationship and selection of its suppliers, in 2021, STEF conducted a detailed survey among its principal suppliers. The challenge was to respond to the requirements of standards and accreditations, refine the Group's materiality matrix and offer a better idea of their maturity level on these commitments:

- a global approach: this survey was based on the major CSR priorities defined by the ISO 26000 international standard: governance, environment, human rights, industrial relations and working conditions, fair practices, consumer-related issues and local development;
- encouraging results: 72% of suppliers confirmed that they have implemented a CSR policy and 90% are committed to an environmental process. Almost all of them ensure respect for human rights in their value chain and 87% are involved in actions designed to promote diversity and equal opportunities. Over half of the suppliers questioned have an Ecovadis rating. Finally, 72% take CSR into account when selecting their own suppliers.

Strengthening the CSR criteria in calls for tenders

The Group's consultation, selection and monitoring documents contain environmental and societal criteria that are strengthened and clarified every year in accordance with the Group's policy and regulatory requirements. The CSR criteria included in the tenders are weighted according to the nature of suppliers' activities: for product suppliers, the emphasis is on environmental criteria while for service providers, the social aspect prevails.

TRAINING AND INFORMATION

— The standards for good business practices appear in the Group's ethics and business conduct charter.

— The Group has implemented a specific e-learning training course and whistleblowing scheme in relation to combating corruption.


— Finally, the Group relies on a community of European correspondents to deploy the action plans and distribute the rules concerning the themes of HR, Health and Safety at Work and Environment.

ALERTS AND WHISTLEBLOWERS

— Contentious cases are reported through the managerial channel, according to the Group's organisation and the recommendations of the ethics and business conduct charter.

— The Group has supplemented its alert and whistleblowing scheme with the implementation of an external whistleblowing platform for situations that may present risks of corruption and influence peddling.

METHODOLOGICAL NOTE

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

— **Scope** - Quantitative and qualitative information is provided about the entire Group. Where appropriate, the differences in scope are specified for the relevant indicators. Consequently, there is a paragraph dedicated to the "maritime" activity covering La Méridionale and its subsidiaries. Companies acquired and/or sold during the year are excluded from the scope. The calculation of the gCO₂e/t.km KPI excludes customers for which the Group has only partial information.

— **Selection of reporting information and indicators** - The information has been selected for its relevance with regard to STEF's main CSR impacts, given its core business and the challenges of corporate social responsibility identified as strategic for the Group. These indicators are used to measure the results of its policies and action plans. Thus, the following topics, required by Article L. 22-10-36 of the French Commercial Code, are excluded because they are not relevant to STEF's operations: the fight against tax evasion, the fight against food insecurity, respect for animal welfare and responsible, fair and sustainable food production and actions designed to promote the practice of physical and sporting activities.

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

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

AUDITORS' CERTIFICATE

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

Year ended 31 December 2021


To the Shareholders,


In our capacity as an Independent Third Party Organisation, a member of the Mazars network and as the STEF company's Statutory Auditors, accredited by the COFRAC Inspection under number 3-1058 (accreditation scope available on the www.cofrac.fr website), we conducted the work to formulate a reasoned opinion expressing a limited assurance conclusion on the historical information (recorded or extrapolated) of the consolidated declaration of extra-financial performance, and at the Company's request and outside the scope of accreditation, a reasonable assurance conclusion on a selection of information, prepared in accordance with the entity's procedures (hereafter the "Reference System") for the financial year ended on 31 December 2021 (hereafter the "Information" and "Declaration" respectively), presented in the Group's management report in accordance with Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.


Conclusion

Based on the procedures that we implemented, as described in the paragraph "Nature and extent of the work", and the elements we collected, we found no material misstatement that would call into question the fact that the consolidated declaration of extra-financial performance complies with the applicable regulatory provisions and that the information, taken in its entirety, is presented, in all material respects, in a sincere way in accordance with the Reference System.


Reasonable assurance report on selected information

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

The sample selected represented 76% of the workforce and between 67% and 91% of the environmental information identified by the sign .

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

Conclusion

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

Preparation of the declaration of extra-financial performance

The absence of a generally accepted and commonly used reference framework or established practices on which to rely to evaluate and measure the information allows the use of different, but acceptable measurement techniques that can affect comparability both between the entities and over time.

Consequently, the information must be read and understood by referring to the Reference System, the significant elements of which are presented in the Declaration and available on request from the entity's head office.

Limits inherent in the preparation of the information

As indicated in the Declaration, the information can be subject to an uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates selected for its preparation and presented in the Declaration.

Company's responsibility

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the information;
- preparing a Declaration in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied with regards these risks and the results of these policies, including the key performance indicators and the information set out in Article 8 of the Regulation (EU) 2020/852 (green taxonomy);
- and implementing the internal control that it believes necessary for producing the information to be free of material misstatement, whether due to fraud or errors.

The Declaration has been produced by applying the Reference system of this entity as referred to above.

Responsibility of the independent third party organisation

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

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

As our role is to formulate an independent conclusion on the information as prepared by the management, we are not authorised to be involved in the preparation of the aforementioned information as that could compromise our independence. Our role is also to express, at the entity's request and outside the scope of accreditation, a reasonable assurance conclusion on the fact that the information selected by the entity has been established, in all material respects, in accordance with the Reference Systems used.

It is not for us to decide on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly in terms of the information set out in Article 8 of the Regulation (EU) 2020/852 (green taxonomy), the monitoring plan and combating corruption and tax evasion);
- the sincerity of the information set out in Article 8 of the Regulation (EU) 2020/852 (green taxonomy);
- the compliance of the products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

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

Independence and quality control

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

professional standards of the national auditing body (Compagnie Nationale des Commissaires aux Comptes).

Means and resources

Our work used the skills of 5 people and took place between November 2021 and March 2022 over a total procedure time of 3 weeks.

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

Nature and extent of the work

We planned and conducted our work taking account of the risk of material misstatements on the information:

- we believe that the procedures we conducted using our professional judgement have enabled us to express a limited assurance conclusion;
- we reviewed the activity of all the companies included in the scope of consolidation and the exposure to the main risks;
- we assessed the appropriate nature of the Reference System with regards its relevance, exhaustiveness, reliability, neutrality and clarity, taking into consideration industry good practice, where necessary;
- we verified that the Declaration covers every category of information set out in III of Article L. 225 102 1 regarding social and environmental issues, as, well as the respect of human rights and combating corruption and tax evasion;
- we verified, when it was relevant with regards the main risks presented, that the Declaration presents the information set out in II of Article R. 225-105, and where applicable, that it includes an explanation of the reasons justifying the absence of information required by the 2nd paragraph of III of Article L. 225-102-1;
- we verified that the Declaration presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation, including, if necessary and proportionate, the risks created by their business relations, products or services together with the policies, actions and results, including the key performance indicators associated with the main risks;
- we consulted documentary sources and conducted interviews to:
 - assess the selection and validation process for the main risks and the consistency of the results, including the key performance indicators selected with regards the main risks and policies presented; and

- corroborate the qualitative information (actions and results) that we considered most important presented in appendix 1. For some risks, GHG emissions and air pollutants, our work was carried out at the level of the parent company, for other risks, work was conducted at the level of the parent company and in a selection of entities;

— we verified that the Declaration covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16 within the limits specified in the Declaration;

— we reviewed the internal control and risk management procedures implemented by the entity and assessed the collection process aimed at providing complete and sincere information;

- for the key performance indicators and other quantitative results that we considered most important presented in appendix 1, we implemented:
 - analytical procedures that involved verifying the correct consolidation of the data collected and the consistency of its development;
 - detailed tests based on samples or other selection techniques, that involved checking the correct application of the definitions and procedures and reconciling data with the supporting documents. This work was conducted with a selection of contributing entities and covered between 67% and 91% of the consolidated data selected for these tests;

— we assessed the consistency of the entire Declaration compared with our knowledge of all the entities included in the scope of consolidation.

The procedures implemented within the framework of a limited assurance mission are less extensive than those required for a reasonable assurance mission conducted in accordance with the professional standards of the national auditing body (Compagnie Nationale des Commissaires aux Comptes); the procedures implemented for the reasonable assurance required more extensive verification work.

The independent third party organisation, Mazars SAS

Paris La Défense, 11 March 2022

Anne-Laure ROUSSELOU

Associate
Edwige REY
CSR and Sustainable Development
Associate

Appendix 1: information considered most important

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

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

Quantitative indicators including key performance indicators

- End of period workforce
- Absenteeism rate
- Number of training actions
- Staff turnover
- Frequency rate and severity rate
- Diesel consumption at 100 km for own fleet (STEF France)
- CO₂ emissions in gCO₂/t.kilometre
- Breakdown of refrigerants by type in fixed facilities
- Electricity consumption per tonne carried
- Pollutant emissions, emitted during land transport operations in g(NO_x+HC)/t.kilometre and in mg.part/t.kilometre
- Change in the average rating obtained by sites during inspections by the authorities (STEF France)
- Number of training hours and number of people trained in health and safety

CONTENTS

THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT	78
REMUNERATION OF COMPANY OFFICERS	82
GENERAL INFORMATION	87
RISK FACTORS	91



GOVERNANCE



THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Chairman and Executive Management

The positions of Chairman and Chief Executive Officer were reunited: Mr Stanislas LEMOR is the Chairman and Chief Executive Officer.

Mr Marc VETTARD is Deputy Chief Executive Officer in charge of operations. He assists the Chairman and Chief Executive Officer in managing the Group's business.

The Chief Executive Officer has full authority to act on behalf of the Company in any circumstances.

He exercises these powers within the limits of the corporate purpose and subject to the powers that the law expressly assigns to the Shareholders' meetings and the Board of Directors.

The Board of Directors

On the date of the report, the Board of Directors comprises 13 members, one of whom represents employee shareholders, Ms Hensgen-Stoller and two of whom represent the employees: Mr Benhamouda and Mr Rambaud.

OFFICES AND POSITIONS HELD BY DIRECTORS

Offices held on the date the Board of Directors closed the accounts - 10 March 2022

Mr Stanislas LEMOR

Chairman and Chief Executive Officer

- Appointed to the STEF board on 30 April 2019
- Director of STEF Transport Saintes, STEF Logistics Saintes, STEF Logistics Courcelles and STEF Transport Nazareth (Belgium)
- Chairman of STEF Italia Holding S.R.L., STEF Logistics Italia S.R.L. and STEF Frozen Italia S.r.l., Director of STEF Italia S.P.A. and STEF International Italia S.P.A. until 31 December 2021 (Italy)
- Director of STEF Iberia (Spain) and Director and Vice-Chairman of STEF Suisse (Switzerland)
- representative of STEF on the Board of Directors of GEFA and IMMOSTEF
- Director of Primever and Primever IMMO
- Deputy Chief Executive Officer of UEF
- Member of the Board of Directors of France Logistique

Mr Ahkim BENHAMOUDA

Appointed to the Board in 2021

Ms Sophie BREUIL

Appointed to the Board in 2020

- Chairperson of SAS HâpyFew

Mr Jean-Charles FROMAGE

Appointed to the Board in 2005

- Director of Atlantique Management and La Méridionale
- Director of Primever and Primaver

Ms Estelle HENSGEN-STOLLER

Appointed to the Board in 2013

Mr Bernard JOLIVET

Appointed to the Board in 1996

- Chairman & CEO of Atlantique Management

Mr Jean-François LAURAIN

Appointed to the Board in 2016

- Managing Director of Unigrains, terms as Chairman and/or Corporate Manager in companies belonging to the Unigrains Group (Director and Managing Director of Unigrains Diversification, Director and Chairman of Messis Finances, Director and Managing Director of Unigrains Equipements, permanent representative of the company Unigrains in the company Unigrains Développement, Managing Director of Unigrains Avenir, Managing Director of Agricéreales and Unicéreales, Managing Director and permanent representative on the Board of Directors of Unigrains partenaires)
- Director of SAIAM, permanent representative of the company Unigrains
- Director of Atlantique Management

Ms Murielle LEMOINE

Appointed to the Board in 2011

- Corporate Director of Crédit Agricole Assurances
- Director of SER and of the company IMMOSTEF

Ms Lucie MAUREL-AUBERT

Appointed to the Board in 2017

- Vice-Chairperson of Rothschild Martin Maurel Associés
- Vice-Chairperson of the Supervisory Board of Rothschild and Co
- Director of the SNEF Group and of Plastic Omnium

Ms Dorothee PINEAU

Appointed to the Board in 2016

- Member of the supervisory board of Chevrillon & Associés
- Member of the supervisory board of ACA (Aéroports Côte d'Azur) from June 2020
- Director of Axa Lard SA
- Co-Manager of the company DP Conseil Sarl
- Corporate Manager of the Vérigny and Heyrault SCIs (real estate investment company)
- Corporate Manager of D2Pconseil

Mr Dominique RAMBAUD

Appointed to the Board in 2019

Allianz Vie

appointed to the Board in 1997, represented by Mr Rémi SAUCIÉ. Rémi SAUCIÉ holds offices as Chairman and Corporate Manager in the member companies of the Allianz Vie Group

Atlantique Management

represented by Mr François de COSNAC, appointed to the Board in 2010

- Director of Immostef and UEF, Permanent representative of the company UEF, Director of Atlantique Management
- Chairman of Gerignac SAS and Géribourg until 31 December 2021
- Corporate Manager of FDC Conseil Patrimoine
- Chairman of the Supervisory Board of Auris Gestion Privée

OFFICES AND POSITIONS HELD BY THE SECOND MEMBER OF THE EXECUTIVE MANAGEMENT IN 2021**Mr Marc VETTARD**

Deputy Chief Executive Officer

- Chairman of STEF Logistique and STEF Transport
- Director of IMMOSTEF
- Chairman of the Board of Directors of STEF Italia S.p.A. and STEF Nogarole S.r.L. until 31 December 2021
- Director of STEF Italia Holding S.r.L., STEF Logistics Italia S.r.L., STEF Frozen Italia S.r.L. and STEF International Italia S.r.L. until 31 December 2021 (Italy)
- Chairman of the Board of Directors of STEF Iberia (Spain)
- Director of STEF Transport Saintes, STEF Logistics Saintes, STEF Logistics Courcelles and STEF Transport Nazareth (Belgium)
- Director of Primever
- Permanent representative of STEF Transport on the Board of Directors of Froidcombi
- Director of Chaîne Logistique du Froid

OFFICES AFTER THE SHAREHOLDERS' MEETING OF 28 APRIL 2022

After the Shareholders' Meeting of 28 April 2022, the Board of Directors will be comprised of 11 members; Ms Dorothee Pineau's term of office ending after the Shareholders' Meeting and the company Allianz Vie also set to stand down on this date.

In addition, Mr Jean-François Laurain, having retired from his professional activities, wanted to make his office available to STEF's Board of Directors which, on 10 March 2022, co-opted Mr Maxime Vandoni, Managing Director of Unigrains as a replacement. The ratification of Mr Vandoni's co-option is subject to the approval of the Shareholders' Meeting of 28 April 2022.

Thus, as of 28 April, the Board of Directors will comprise 11 members with:

- four independent directors: Ms Breuil, Ms Lemoine, Ms Maurel-Aubert and Mr Vandoni
- a parity ratio of 44% with 4 women on the Board: Ms Breuil, Ms Lemoine, Ms Maurel-Aubert and Ms Hensgen-Stoller

THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

The Rules of Procedure for the Board of Directors organise the operation of the Board of Directors within the legislative and regulatory framework applicable to the Company. They determine the scope of the Board of Directors' responsibility and that of its members, its mode of operation and that of the Audit Committee and the Remuneration and Appointments Committee. They also include the Director's charter.

The Company's corporate governance code

The corporate governance code that the Company refers to is the Middlednext Code. The Board of Directors believed that the Middlednext Code provided governance principles better suited to STEF's size and capital structure. This Code, published in 2009, was recently updated in September 2021. The Board of Directors has examined the new provisions and focused its attention on three new recommendations and one strengthened recommendation relating to the self-assessment of the Board of Directors' work.

New recommendations and the strengthened recommendation

Creation of a CSR Committee: the STEF Group's CSR process is structured at Group level and supervised by the Executive Committee. In order to provide everyone with consistent information and foster close discussions with all its members, the Board of Directors believed that it would be more appropriate not to create a specialist CSR Committee but to handle CSR issues directly within the Board of Directors. Twice a year, the Board reviews the monitoring of the CSR action plans, the achievement of the objectives and the performance indicators. In 2021, the Board of Directors as a whole was presented with the Group's sustainable development policy with

the "2030 Climate commitments" and the "Mix-up" initiative for professional equality and diversity.

Training for members of the Board of Directors: a specific 5.5-day training plan was set up with a third party body for directors representing employees in order to give them the necessary information in terms of their role and responsibilities, so they can fully understand their mandate. The Board of Directors' self-assessment questionnaire enables all directors to express their desire to benefit from additional information on issues, so as to provide a better understanding of the scope of their mission and the challenges that the company is facing (Group's professions, site visits).

Diversity and fairness policy within the company: the Group has set up a "Professional equality/ Professional diversity" Committee which coordinates and deploys initiatives in this area. The Board of Directors was presented with its roadmap for professional diversity and particularly the commitment to raise the proportion of women in the company by 25% by 2030. Social actions including this issue are discussed by the Board of Directors at least once a year (analysis of the change in the situation, monitoring of action plans, dashboards and indicators).

Self-assessment of the Board of Directors' activities: every year, how the Board of Directors operates is analysed in the Board of Directors' session that prepares the corporate governance report. In order to formalise this process further, in 2022, a questionnaire was sent to every director so that they could give their opinion on the operation of the Board of Directors and the committees through eight topics: the Board's role and powers, the Board's composition, the organisation of sessions and the operation of the Board, the Board's information and directors, the directors' remuneration policy, relations within the Board, the

ethics of the Board members and finally, the operation of the specialist committees. A report was made at the Board meeting of 27 January 2022. The results of the assessment and the discussions were used to produce an action plan, one of the components of which, for 2022, focuses on training directors. As part of a continuous improvement approach this process will be repeated every two years.

Other recommendations of the Middlednext Code

Independent directors: on the date of this report, the Board of Directors includes five independent Directors in the sense of the Middlednext Code that characterises the independence of Directors by the absence of any shareholding, financial, payroll, contractual or close family relationship likely to affect their independence of judgement. These Directors are Ms Breuil, Ms Lemoine, Ms Maurel-Aubert, Ms Pineau and Mr Saucié.

Concurrent holding of company office – employment contract: the employment contracts of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer were suspended at the time of their appointment.

Length-of-service awards for senior executives: commitments exceeding the conventional limits were subject to meeting the performance criteria, assessed against those of the company and which are the achievement of an annual increase in consolidated turnover and operating profit. These commitments were approved by the Company's Shareholders' Meeting.

Remuneration of company officers: the remuneration policy for senior executives is determined in accordance with Article L.22-10-8 of the French Commercial Code. Remuneration is comprised of a fixed salary, a variable share and long-term profit-sharing (allocation of performance shares). This policy establishes a balance between short- and medium-term

performance factors and those over the longer-term.

Equality: the Board of Directors includes five female Directors: Ms Breuil, Ms Hensgen-Stoller, Ms Lemoine, Ms Maurel-Aubert and Ms Pineau. The Company complies with the requirements of Article L. 225-17, paragraph 2 of the French Commercial Code on balanced representation of women and men on the Board of Directors. In accordance with the law, the two Directors representing employees are not taken into account when determining this percentage.

Preparation and organisation of the Board of Directors' activities

1. Organisation of the Board of Directors' activities

The Chairman of the Board of Directors will convene the Board as often as he deems appropriate. Five meetings were planned according to a provisional schedule, other meetings are optional depending on the corporate interest.

Each Director is individually requested to attend each Board of Directors meeting; calls to attend are sent approximately 15 days before each meeting. The calls to attend are sent together with the meeting's agenda and a draft of the minutes of the previous meeting. In the days preceding a meeting (usually five days), each Director receives a file containing the documents relating to the main topics on the agenda.

The articles of association and rules of procedure of the Board of Directors set out the terms for Directors' participation in Board meetings via video conferencing.

The issues likely to be dealt with and decisions made by this mode of participation are governed by the applicable laws and regulations.

The attendance rate of Directors at Board meetings in 2021 was 92% (89% in 2020).

2. Board of Directors' activities

The Board of Directors met five times in 2021.

The forecast results from the preceding year and the main components of the budget for the current year are usually discussed at the meeting which is held at the end of January.

The meetings in March and the end of August are mainly devoted to approving the annual and half-yearly accounts.

The meeting held as a result of the Shareholders' Meeting in late April is normally used to implement the share repurchasing plan voted by the Shareholders' Meeting.

In December, the Board examines any changes to the Group's business over the current financial year and compares it to the updated budget projection.

The monitoring of the CSR action plans is reviewed during two sessions in late April and December.

At every board meeting, the Group's results from the previous month are analysed. Furthermore, every month, the Directors receive financial data with comments enabling them to assess the Group's performance for the previous month.

The Board of Directors is advised by two specialist committees.

Committees of the Board of Directors

1. The Audit Committee

On the date of the report, the Audit Committee is comprised of four members: Ms Breuil, Ms Lemoine, Mr Jolivet and Mr Saucié. Ms Murielle Lemoine independent Director, chairs the Audit Committee.

In addition to the functions relating to the review of accounting and budgetary statements, the Audit Committee is responsible for monitoring the effectiveness of internal control and risk management systems. In this context, it ensures the establishment of the internal control and risk management procedures and the adequacy of assignments undertaken by the internal audit department in terms of these issues and the effectiveness of the checks performed on identified risks.

The Audit Committee defined its mode of operation, for both its internal functioning and in respect of its contacts within the company, and specified its field of action. Members of the Executive Management and representatives of financial management and the internal audit department may be seen by the Audit Committee, as well as the statutory auditors.

The Audit Committee generally meets three times a year, with an attendance rate of 100% in 2021 (93% in 2020).

At the sessions preceding the Board of Directors' meetings to prepare the annual and half-yearly accounts, the Committee reviews the presentation of the accounting statements submitted to it.

In December, the Audit Committee reviews the work conducted by the audit department over the past year, the analysis of reports on specific assignments, the examination of the internal audit work schedule for the coming year and, finally, the review of the statutory auditors' fees.

The Chair of the Audit Committee reports on the Committee's work to the Board of Directors.

REMUNERATION OF COMPANY OFFICERS

2. Company Officers' Remuneration and Appointments Committee.

This Committee is comprised of three members: Ms Maurel-Aubert (Chair), Ms Lemoine and Mr Laurain. It is responsible for making recommendations to the Board of Directors for determining senior executives' remunerations. The Chairman of the Board of Directors participates in the work of the Committee, presenting the elements for achieving the objectives set for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer. The Committee also reviews the policy and the draft allocation plan for performance shares.

In addition, it makes recommendations to the Board on its composition by expressing its opinion on the renewal of directorships or the appointment of new directors.

The Committee met twice in 2021 with an attendance rate of 100% (100% in 2020). It reviewed the draft allocation plan for 2021 performance shares and formulated its recommendations for determining the remuneration of the two senior executives, approved by the Shareholders' Meeting of 29 April 2021.

The remuneration of the Chairman and Chief Executive Officer (Mr Stanislas Lemor) and the Deputy Chief Executive Officer (Mr Marc Vettard) is set by the Board of Directors on advice from the Company Officers' Remuneration and Appointments Committee and in accordance with Articles L22-10-8 and L22-10-34, paragraph II of the French Commercial Code.

The members of the Board of Directors receive directors' remuneration, for which the total budget was fixed at €126,000 for each Shareholders' Meeting. Of this, €12,000 is reserved for members of the Audit Committee and €9,000 for members of the Remuneration and Appointments Committee. This remuneration is paid solely on the criteria of meeting attendance. It was proposed that the Shareholders' Meeting of 28 April 2022 set the total budget at €150,000, the shares attributable to the Audit Committee and the Remuneration and Appointments Committee remaining the same.

Directors with positions within the company are remunerated under the terms of their employment contract.

REPORT ON THE REMUNERATION POLICY FOR SENIOR EXECUTIVES (ARTICLE L.22-10-8 OF THE FRENCH COMMERCIAL CODE)

The Board of Directors submits, for the approval of the Shareholders' Meeting, the principles and criteria applicable to the determination, distribution and allocation of the fixed, variable and extraordinary components comprising the total remuneration and benefits of any kind attributable to senior executives due to the execution of their mandate and making up the remuneration policy regarding them.

The two senior executives concerned by these provisions are Mr Stanislas Lemor and Mr Marc Vettard.

Their remuneration is comprised of three main elements: a fixed salary, a variable share and long-term profit-sharing (allocation of performance shares). This remuneration policy establishes a balance between short- and medium-term performance factors and those over the longer-term.

Fixed salary

The policy for determining and updating the fixed portion of the remuneration results from a constant process in the company, based on objective measurement and comparison criteria. Special attention is paid to the fact that it is in line with market practices, while remaining consistent with the overall salary policy within the Group.

Principles for determining annual variable remuneration

This is based on an assessment of the objective approved every year by the Board of Directors, on advice from the Remunerations Committee, which is based on predefined principles.

Annual variable remuneration is awarded under the performance conditions defined in relation to three criteria: the Group's economic performance, a general performance criterion in terms of corporate social responsibility and lastly, a qualitative criterion for implementing the strategic plan.

The quantitative, economic component is established in relation to achieving budgetary objectives referring to the indicators on which STEF usually communicates with the market, namely, the Group's growth in turnover (excluding third party sales) and current profit before tax, an indicator of the Group's management. Achieving both these criteria represents 20% and 55% of the amount of variable remuneration respectively. Achieving the CSR performance criteria corresponds to 10% of the amount of variable remuneration

and the qualitative criteria based on the implementation of the medium-term plan corresponds to 15%. On this last component, Stanislas Lemor is assessed on the implementation of the strategic plan and Marc Vettard on the operational implementation.

Achieving all the criteria leads to 100% of the amount of variable remuneration, which is 70% of the fixed remuneration. Exceeding each of the quantitative economic performance objectives may lead to an increased variable remuneration which cannot exceed 85.75% of the fixed remuneration.

Conversely, in the event of a failure to meet the budgetary forecasts beyond a certain %, the variable share calculated on the financial criteria may be zero. There is therefore no lower limit in this assumption.

The objectives assessment grid is approved by the Board of Directors after review by the Remuneration Committee.

Performance shares

The awarding and performance criteria for the 2022 performance plan were set out by the Board of Directors on 10 March 2022. The definitive acquisition of performance shares depends on achieving performance criteria based on the STEF Group's annual turnover and on the net profit attributable to STEF Group shareholders after tax. These two conditions are supplemented by a condition of presence in the company from the allocation. The two senior executives each benefited from a total maximum number of 4,228 performance shares under the 2022 plan.

Additional information

— Payments in the event of termination of the employment contract: the employment contracts of Messrs Stanislas Lemor and Marc Vettard contain provisions relating to payments to be made to them in the event of termination

of their employment contracts that fall within the scope of regulated agreements and commitments covered by Article L.225-42-1 of the French Commercial Code. In accordance with the law, commitments exceeding conventional limits were subject to the satisfaction of the performance criteria assessed in view of those of the Company and which were to achieve an annual increase of at least 3% in consolidated turnover and operating profit. These commitments were approved by the Company's Shareholders' Meeting.

- Existence of a benefit in kind comprised of a company car.
- Absence of supplementary pension benefit commitments as defined under Article L137-II of the French Social Security Code.

REMUNERATIONS PAID TO THE TWO SENIOR EXECUTIVES, NET OF SOCIAL SECURITY CONTRIBUTIONS, IN 2020 AND 2021

The table below contains the data relating to the two senior executives enabling the Shareholders' Meeting to decide on approval of the remuneration relating to them (Art. L.22-10-34 of the French Commercial Code).

In euros	Fixed remuneration		Variable remuneration			Directors remuneration		Benefits in kind	
	2020	2021	Paid in 2020 under 2019	Paid in 2021 under 2020	To be paid in 2022 under 2021 ⁽¹⁾	2020	2021	2020	2021
Stanislas LEMOR, Chairman and Chief Executive Officer	357,758	348,939	222,000	148,000	252,000	19,603	19,054	7,746	6,436
Marc VETTARD, Deputy Chief Executive Officer	285,055	277,185	178,000	117,000	200,000	2,898	2,898	6,103	5,935

⁽¹⁾ This variable remuneration is set in accordance with the criteria set out in the "Remuneration policy for senior executives" section, pursuant to Article L.22-10-8 of the French of Commercial Code and is subject to the approval of the Shareholders' Meeting.

PROPOSED VARIABLE REMUNERATION FOR COMPANY OFFICERS, NET OF SOCIAL SECURITY CONTRIBUTIONS, UNDER THE 2021 FINANCIAL YEAR FOR APPROVAL AT THE SHAREHOLDERS' MEETING OF 28 APRIL 2022

The Board of Directors, on the advice of the Remuneration and Appointments Committee, decided to propose that the Shareholders' Meeting approve the allocation of variable remuneration to the two senior executives, net of social security contributions, of an amount of 252,000 euros for Stanislas Lemor and 200,000 euros for Marc Vettard.

The Board of Directors, following the analysis of the objectives assessment grid in accordance with the aforementioned three criteria, namely, the Group's economic performance, the performance in terms of corporate social responsibility and the qualitative criterion for implementing the strategic plan, agreed the allocation of variable remuneration corresponding to 72.1% of the fixed remuneration (which is 103% of the achievement of the objectives). The quantitative economic performance objective relating to the increase in turnover was exceeded by 3% and consequently led to a greater overall variable remuneration.

The Group's economic performance corresponds to the growth in turnover compared with the budget and that of the profit before tax which represent 20% and 55% of the variable base respectively. These two criteria were satisfied at 115% and 100% respectively.

The CSR performance represents 10% of the base and was 100% satisfied: this criteria was partly satisfied due to the finalisation of the Moving Green programme with quantified commitments in terms of reducing the environmental footprint and the launch of the Mix Up programme for diversity and professional gender equality.

The qualitative criteria relating to the achievement of the Group's medium-term plan represents 15% of the base and was 100% satisfied with:

- the completion of the strategic plan with the acquisition of Langdons in the United Kingdom;
- operationally, the implementation of a new International Consignments business unit and the recovery of businesses in difficulty.

EQUITY RATIOS

In accordance with the provisions of Article L22-10-9, the table below presents the level of remuneration of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer compared with the

average and median remuneration of STEF SA employees (excluding company officers) and the change in these ratios over the past five financial years.

		2021	2020	2019	2018	2017
Stanislas Lemor Chairman & Chief Executive Officer	Remuneration compared to the average salary of STEF SA employees	8.3	9.5	7.4	6.4	5.6
	Remuneration compared to the median salary of STEF SA employees	10.8	12.5	9.4	8.2	7.0
Marc Vettard Deputy Chief Executive Officer	Remuneration compared to the average salary of STEF SA employees	6.7	7.7	6.3	N/A	N/A
	Remuneration compared to the median salary of STEF SA employees	8.7	10.1	8.0	N/A	N/A

AGREEMENTS WITH DIRECTORS

None.

GENERAL INFORMATION

At 31 December 2021, the share capital amounted to €13,000,000, comprising 13,000,000 shares of a nominal value of €1, without modification during the financial year.

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2021

9,628,145 shares had double voting rights under the provisions of Article 18 of the Company's articles of association.

	Shares	% capital	Theoretical voting rights	% Theoretical voting rights	Exercisable voting rights ⁽¹⁾	% Exercisable voting rights
Atlantique Management ⁽¹⁾	4,017,666	30.91%	8,024,388	35.46%	8,024,388	36.45%
FCPE STEF ⁽²⁾	2,305,118	17.73%	4,507,888	19.92%	4,507,888	20.48%
Société des Personnels de la Financière de l'Atlantique (S.P.F.A) ⁽¹⁾	1,296,578	9.97%	2,593,156	11.46%	2,593,156	11.78%
Union Économique et Financière (UEF) ⁽³⁾	981,345	7.55%	1,958,690	8.66%	1,958,690	8.90%
Société Européenne de Logistique du Froid ⁽⁴⁾	771,809	5.94%	1,543,618	6.82%	1,543,618	7.01%
Mr Francis Lemor	60,187	0.46%	120,374	0.53%	120,374	0.55%
Sub-total – concerted action	9,432,703	72.56%	18,748,114	82.85%	18,748,114	85.17%
Treasury shares	613,476	4.72%	613,476	2.71%	0	0.00%
Others (shareholders owning less than 5% of the share capital)	2,953,821	22.72%	3,266,555	14.44%	3,266,555	14.83%
Total	13,000,000	100.00%	22,628,145	100.00%	22,014,669	100.00%

⁽¹⁾ Excluding voting rights pertaining to shares without voting rights (treasury shares, etc.).

⁽²⁾ Limited company (SA) controlled by STEF senior executives and executives.

⁽³⁾ The STEF FCPE is managed by Natixis Interépargne and brings together STEF employees.

⁽⁴⁾ Limited company (SA) controlled by the Lemor family.

⁽⁵⁾ SAS 72.82% owned by the company Union Économique et Financière with the remainder owned by STEF senior executives.

Thresholds exceeded during the financial year

None.

Statutory provisions on change in control

The Company's articles of association do not contain provisions that would delay, defer or impede a change of control.

Shareholders' Meeting attendance

Shareholders' attendance at Shareholders' Meetings is governed by the conditions established by law and the provisions of Articles 17 and 18 of the Company's articles of association. In accordance with this last article, a double voting right is awarded to shares registered in the name of the same shareholder for two years.

Delegations of power concerning increase of capital/securities giving access to the share capital

None.

Factors likely to have an influence in event of a public offer

The information in this "General Information" section is used to satisfy the provisions of Article L. 22-10-11 of the French Commercial Code relating to factors likely to have an influence in the event of a public offer.

LONG-TERM PROFIT-SHARING PLAN - PERFORMANCE SHARES

The Shareholders' Meeting of 29 April 2021 authorised the implementation of a new allocation plan for performance shares for employees and/or senior executives of the STEF Group for 1.5% of the share capital for a duration of 38 months. It assigned its authority to the Board of Directors to implement the decision for a new duration of 38 months. In this context, the Board of Directors allocated:

- on 10 March 2022, a maximum number of 111,408 performance shares, representing 0.86% of the share capital;

The definitive acquisition of performance shares depends on achieving performance criteria based on the STEF Group's annual turnover and on the net profit attributable to STEF Group shareholders after tax. These two conditions are supplemented by a condition of presence in the Company from the date of granting by the Board of Directors. Senior executives must retain a minimum percentage of the shares acquired until the end of their term.

The Shareholders' Meeting of 2 May 2018 authorised the implementation of a allocation plan for performance shares of 1.5% of the share capital. Under the delegation of power granted to it, the Board of Directors allocated:

- on 14 March 2019, a maximum number of 93,456 performance shares, representing 0.72% of the share capital;

- on 12 March 2020, a maximum number of 104,016 performance shares, representing 0.80% of the share capital;

- on 11 March 2021, a maximum number of 111,936 performance shares, representing 0.86% of the share capital.

The Shareholders' Meeting of 18 May 2016 authorised the implementation of a performance share plan for a maximum percentage of 1.5% the share capital. Under its authority, the Board of Directors allocated the shares in three successive sub-plans. At the end of these plans, 65,616 performance shares were definitively acquired, representing 33.25% of the initial budget allocated, which is 0.50% of the share capital.

SUMMARY OF PERFORMANCE SHARE PLAN AT 10/03/2022⁽¹⁾

	Performance plan 2018	Performance plan 2019	Performance plan 2020	Performance plan 2021	Performance plan 2022
Date of the Shareholders' Meeting	18/05/2016	02/05/2018	02/05/2018	02/05/2018	29/04/2021
Date of Board of Directors Meeting	14/03/2018	14/03/2019	12/03/2020	11/03/2021	10/03/2022
Maximum performance shares to be allocated	75,680	93,456	104,016	111,936	111,408
Performance shares actually allocated	16,720	33,141	0⁽²⁾		
Of which to senior executives:					
- to be allocated	7,920	8,448	8,448	8,448	8,448
- allocated	1,100	3,464	None		
Effective acquisition date French tax residents	01/04/2019				
		01/04/2022	—	01/04/2024	01/04/2025
Effective acquisition date non-French tax residents	01/04/2021				
End of vesting period All beneficiaries	01/04/2021	01/04/2022	—	01/04/2024	01/04/2025
Total number of shares having been acquired	16,720	0	—	0	0
Number of beneficiaries at original grant date	88	94	106	115	117
Number of beneficiaries at 10/03/2022	79	79	None	111	117
Number of invalid shares	58,960	60,315	104,016	2,640	0
Remaining performance shares allocated	0	33,141	None	109,296	111,408

⁽¹⁾ Reporting date of the management report by the Board of Directors.

⁽²⁾ No performance shares were allocated under the 2020 Plan, as the awarding criteria were not met for the financial year.

ACQUISITION OF TREASURY SHARES BY THE COMPANY IN 2021

Use of treasury shares	Annual accounts 31/12/2020	Shares acquired in 2021	Shares sold in 2021	Shares transferred in 2021	Annual accounts at 31/12/2020
Supporting the share price through a liquidity contract	8,358	30,890	- 31,956		7,292
Hedging of shares allocated to employees as part of the company savings plan	15,997			- 5,452 ⁽¹⁾	10,545
Hedging of the allocation plan for the performance share plan (article L225-197-1 of the French Commercial Code)	49,178			- 3,410 ⁽²⁾	45,768
Shares used for payment or exchange as part of an acquisition	549,871				549,871
Total	623,404	30,890	- 31,956	- 8,862	613,476

⁽¹⁾ Allocation of shares to employees as part of the company savings plan.

⁽²⁾ Allocation to the beneficiaries of the performance share plan.

2021 SHARE REPURCHASING PLAN

In the 2021 financial year, there were two share repurchasing plans. With a maximum term of 18 months, they were communicated in accordance with Article 241-2 of the AMF's General Regulations:

— Shareholders' Meeting of 30 April 2020 – 17th resolution – maximum purchase price: €100 – maximum share of the share capital to be acquired: 10%.

— Shareholders' Meeting of 29 April 2021 – 13th resolution – maximum purchase price: €100 – maximum share of the share capital to be acquired: 10%.

Transactions can be performed at any time, even when a public tender is underway, subject to the applicable regulations.

LIQUIDITY CONTRACT

A liquidity contract concerning Euronext Paris was entrusted to the stock exchange company Gilbert Dupont.

This contract complies with the Ethics Charter established by the French association of investment companies and approved by the AMF decision of 22 March 2005.

At 31 December 2021, the balance of treasury shares under the liquidity contract stood at 7,292 shares.

SHARE PRICE

Between 4 January and 31 December 2021, the share price ranged from a €72.90 low and a €114.80 high.

Over the same period, the daily average number of shares exchanged was 2,223, for an annual average share price of €92.28.

RISK FACTORS

The Company regularly reviews the risks likely to have a significant adverse effect on its business, its financial situation or its results. The Group considers, to the best of its knowledge, that there are no other significant risks likely to have such an effect, other than those presented.

The last two years have been marked by the Covid-19 health crisis which caused economic and financial upheavals in all countries of the world and which changed the perception of risks in companies. The STEF Group was no exception to this trend. In 2021, it updated the mapping of its main identified risks and the conclusions of this work highlighted changes in their priorities, with regard to their probability of occurrence and their estimated potential impact.

RISKS ASSOCIATED WITH GROUP ACTIVITIES

Health risk

STEF's Health Control Plan (HCP) describes the measures taken to ensure the health and safety of the Group's activities regarding potential biological, physical and chemical risks. The HCP is part of the European "Hygiene Package" regulation. In applying this regulation, STEF has implemented measures to control this risk through its HCP: "good hygiene practices", procedures based on HACCP (system of identifying, evaluating and managing significant hazards with regard to food safety) as well as traceability and non-compliant product management procedures.

The Health and Safety Division is responsible for standardising the procedures across the entire Group. For example, in 2020, it played a central role in the Covid-19 epidemic risk management unit set up to define the information, prevention and protection policies for employees.

Information systems risks

Due to its dependence on information flows and their necessary security, the backup and security of data are a priority. This is why the Group has a centre of expertise dedicated to information systems, STEF Information et Technologies. Data security and its rapid recovery in the event of an incident affecting the central units and ensuring inviolability of information systems is a key ongoing component of customer relations. In 2020, the Group's physical infrastructures (servers, storage units, backup system) were updated and now meet the highest standards required, following the migration of its outsourced transport, logistics and "decision-making" applications to a new operator. Cybercrime risks are treated with the utmost vigilance, STEF Information et Technologies, working with specialist firms, tests the resilience of the resources implemented against the risk of intrusion.

Business disruption risk

In 2021, the Group continued to be impacted by the Covid-19 pandemic but to a lesser extent than in 2020. Due to the tools implemented and the rapid adaptation of its operating methods, it was possible to continue operations and the food supply chain remained intact.

More generally, solutions were implemented to ensure business continuity (Business Continuity Plans) in the event of risks arising from pandemics, climate, labour disputes or accidents.

The Group's organisation and national network of facilities enable it to manage the eventuality of not being able to use one or more of its operating facilities quickly. At Group level, the fire risks are limited, because of the number of warehouses and platforms in operation, which mean that the Group can rapidly transfer the consignments affected by the damage to another site. STEF has implemented a structured maintenance programme and invests each year in making these sites safe, thus reducing the risks of any such an event occurring as far as possible and limiting the damage thereof. A dedicated department manages these actions and a standardised prevention policy for property risks has been deployed based on evaluation tools and following recommendations.

Risk of a break in the cold chain

The backbone of the Group's business is perishable goods and products that must comply with temperature and date constraints. It is therefore exposed to the risk of a break in the cold chain.

The Group has implemented security and control procedures and has mobile energy production resources. The Group's facilities are equipped with temperature recording systems when operating, and remote-monitoring systems when not operating.

Road risk

Road risk is inherent in the transport business and STEF has made road safety a priority.

Road risk is controlled through a safety training plan (outside compulsory training) which in 2021 amounted to 7,890 hours⁽¹⁴⁾ for 1,587 trained drivers and 26 specialist road safety trainers.

Furthermore, the deployment of the specific prevention plan has led to a regular improvement in the number of road accidents. Actions are managed and coordinated by a "national road risk advisor" who relies on a network of 112 road risk prevention correspondents.

Risks related to the effects of climate change

The Group's sustainable development policy is based on controlling the energy consumed by the operating facilities, mainly buildings and vehicles, and on reducing the main emissions related to its business: greenhouse gas (GHG) and air pollutant emissions. In 2021, the Group defined its sustainable development policy for the next 10 years through its "2030 Climate Commitments", described in the "Declaration of extra-financial performance" section.

The STEF Group also complies with Regulation (EU) 2080/852 of 18 June 2020 ("Taxonomy Regulation"), and for 2021 publishes the share of its turnover, investments and operating expenses resulting from its economic activities considered as eligible under the climate change mitigation and adaptation objectives (ref. Environment section).

In addition to the Group's sustainable development policy, a climate change adaptation process is currently in progress with, in particular, the resizing of fixed cold facilities and the establishment of risk mapping.

Risks related to the labour shortage

As a constantly developing service company, STEF is fully aware of the issues related to the shortage of labour. In order to anticipate and respond to this issue, in 2018, the Group launched its employer brand "Build your future at the heart of the food world", in order to give all its stakeholders, and obviously, job applicants a view of their prospects at STEF.

The employer brand was deployed both internally and externally and is subject to regular actions to ensure its relevance and its suitability to the Group's professions and their developments (for example, videos showcasing the work of employees in various jobs). Recruiters are regularly trained in recruitment methods, while their tools have been bolstered by the deployment of an ATS (Applicant Tracking System), allowing the entire recruitment process to be digitised.

Maritime - Services to Corsica

La Méridionale is party to a Public Service Concession (PSC) concluded with the Corsican Authorities for the delivery of maritime services to Corsica. In 2020, its business was limited to serving two regional ports, a situation which created a strong financial imbalance. In 2021, La Méridionale served the ports of Ajaccio and Propriano using two vessels and, with the aim of diversifying, opened a freight and passenger maritime route between Marseille and Tangier using its two remaining ships. Health restrictions between France and Morocco did not permit the hoped for objectives to be achieved, once again impacting the financial situation of La Méridionale in 2021.

⁽¹⁴⁾ The number of training hours increased in 2021 compared with 2020, but was still down by 25% on the hours completed in 2019, due to the continued health restrictions linked to the pandemic.

The improvement in the results is based on three areas, the growth in the Marseille-Tangier line, the continued PSC to Corsica in 2022 and its future positioning under the new concession from 1 January 2023.

Risks related to the control of staff relations

Within the STEF Group, bodies have been set up at all levels of the company. Their importance was reaffirmed in January 2022 with the unanimous signing of an agreement on the Group bodies by the union organisations. This reflects the importance of the social dialogue with the establishment of “supra-legal” bodies. Indeed, in addition to the European Works Council and the Group Committee, transport and logistics committees were created in line with the Group’s two main professions. All these bodies promote close discussions between elected officials and the Group’s management at all levels on structural subjects such as the economic situation, the social situation, investment projects and working conditions.

Furthermore, the Group has set up a training course on managing staff relations aimed at directors of the Group’s subsidiaries and human resources managers, giving these individuals a common foundation and tools in terms of the daily management of staff relations and social dialogue.

Macro-economic risks related to the economic situation in certain geographical areas

The economic situation in some countries could be reflected by a fall in the turnover and profitability of the relevant subsidiaries. In order to limit its exposure to these macro-economic risks, STEF is focusing its strategy on creating a balance between its main business units on the one hand, and on the other hand, diversifying its customer portfolio between the sectors (industrial producers, retail, wholesalers and out-of-home foodservices) and key accounts and mid-market companies.

Compliance with environmental standards

Compliance with the environmental standards in force for each activity and in each operating country is an essential criterion in the managerial choices. The centralisation of technical resources, real estate and processes guarantees compliance with these regulations across the entire Group. An ongoing dialogue with all stakeholders ensures that the activities are properly integrated into the regulatory ecosystem on which they depend and is used to anticipate developments. In France, capital investment projects are examined to ensure compliance with the regulation specific to facilities classified for environmental protection (ICPE). Environmental impacts are taken into account in accordance with the recommendations of the AFILOG “sustainable logistics platform” Charter and the High Environmental Quality (HEQ) guidelines specific to refrigerated storage.

Insurance and risk hedging

In 2021, in an erratic insurance market, the Group adapted the underwriting policy for its insurance cover (real estate/business interruption, public liability, fleet of vehicles, other) in order to secure its growth and the development of its business. In addition, the Group implemented a proactive prevention and training policy through a dedicated team that conducted risk prevention visits in partnership with the insurers. This team also supported and advised on real estate development projects.

MARKET RISKS

Liquidity risk

The Group's cash needs are provided mainly by:

- credit lines at parent company level: at 31 December 2021, STEF had 10 confirmed medium-term credit lines totalling €195 million. At 31 December 2021, up to €75 million had been drawn down. The applicable interest rate on these credit lines was that of the day of the drawdown;

- issuing of negotiable debt securities over terms ranging from a few days to one year. These debt securities, commonly called "NEU CP" (Negotiable European Commercial Paper) amounted to €350 million at 31 December 2021.

STEF also has spot loans totalling €14 million, unused at 31 December 2021 and overdraft agreements, with no agreed expiry dates, totalling €150 million, of which €18 million was used at 31 December 2021. The current cash needs of the subsidiaries are provided mainly by the parent company through a European centralised cash management agreement.

Confirmed, unused credit lines and available overdrafts and spot loans, together with effective cash flow planning, ensure that the Group has excellent control of its liquidity risk. Some lines and loans are supported by commitments from the Group, including compliance with financial ratios. The main ratios are as follows: EBITDA/Net financial expenses higher than 6 or 6.5 and Net Debt/Equity less than 2. At this date, the Group met all commitments attached to the funding available to it.

The Company conducted a specific review of its liquidity risk and considers itself able to meet its future maturities.

Interest rate risk

The Group's policy is to maintain a balance between the share of its fixed rate and variable rate debt. This strategy should enable the Group to take advantage of the current low interest rates while limiting the risks from any future rate rise.

At 31 December 2021, the floating rate debt component, after hedging, represented 44% of the Group's gross financial debt. The details of the Group's exposure to interest rate risk are presented in note 25.2 of the notes to the consolidated financial statements.

The Group's objective as regards interest rate risk management is to use micro-hedging for long-term debt, either by setting up new finance contracts at fixed rates or by concluding hedging instruments as and when new finance contracts at variable rates are signed. This policy should enable the Group to improve its hedging against interest rate risk and comply with its accounting obligations.

Exchange rate risk

Most of the flows outside the Eurozone concern Switzerland, where the business represents a small part of the Group's turnover. In this scope, the income and associated costs are accounted for in Swiss francs, which limits the impact of a change in the €/CHF exchange rate on the Group's results. From 2022, the STEF Group will also be exposed to the British pound, following the acquisition of Langdons on 31 December 2021. Its exposure to exchange rate risk will

be increased to approximately 6% of its turnover (vs 1% in 2021).

Customer credit risk

The policy for depreciation of trade account receivables at STEF is as follows: receivables considered as bad debts, using a legal or financial approach, are depreciated for the entire amount deemed to be non-recoverable. Receivables judged to be at issue, or uncertain, particularly all receivables older than 6 months which are not included in the previous category, are subject to depreciation for the total amount excluding taxes.

Furthermore, for the transport business, the "direct action" mechanism of the transport company with regards the shipper and/or final consignee of the goods, and more generally, the right of retention over the goods, considerably reduce the risk of non-recovery of trade receivables. Finally, the Group has credit insurance with a well-known partner covering all its activities and no customer accounts for more than 5% of the Group's turnover, which limits the risk that the bankruptcy of one customer could have a significant impact on the Group's profit.

Diesel risk

As a large consumer of diesel for its activities, STEF is exposed to changes in the price of this fuel. In France, a regulatory scheme is used to pass on variations in the price of fuel to customers, at the bottom of the invoice, thus greatly limiting the residual exposure to this risk. Therefore, the use of hedging instruments is not a priority at this stage.

RISK OF FAILURE OF THE INTERNAL CONTROL SYSTEM

The Group's internal control system is designed to improve control of activities and effectiveness of its operations. Like any control system, the internal control system, as comprehensive as it is, can only give reasonable assurance and not an absolute guarantee that the risks to which the Group is exposed have been completely removed. For 2021, the audits carried out did not reveal any failure of the internal control system which could result in substantial risks.

PROCEDURES, TAX AUDITS AND DISPUTES

To the Company's knowledge, there are no governmental, legal or arbitration proceedings, including any proceedings of which the Company is aware, which are unresolved or with which it is threatened, liable to have or which have had a material impact on the financial position or profitability of the Company and/or Group over the last twelve months. The evaluation of the provisions recorded at the reporting dates for the accounts is considered relevant by the Company.

INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The processing of the accounting and financial information is structured as follows:

- the Financial Division is responsible for producing and ensuring the reliability of accounting, taxation and financial information, managing financial risks, the Group's financing policy and monitoring objectives through the budgetary process. Group accounting is placed under the auspices of the Financial Division;

- the accounting function for the whole Group is provided by a dedicated company, STEF-TFE Services, which prepares the individual financial statements for the French companies and draws up the Group's consolidated financial statements. This division is responsible for structuring and standardising the accounting treatment of transactions and meeting the requirements relating to the application of IFRS and legislative and regulatory developments.

The organisation in place is based on regional accounting centres run by accountants who perform the tasks to prepare the financial statements for the companies in their scope. These regional accounting centres ensure that a good separation of tasks is maintained. This Group-wide organisation strengthens the independence of the accounting function in relation to the operational divisions.

- the Group's Accounting Division draws up directives through procedures and working groups. It consolidates the Group's accounts. It collects and controls the information from all the companies then performs the adjustments and finally, prepares the consolidated financial statements;

- the Group's Accounting Division handles all the tax obligations to be declared in association with the Group's Taxation Division. This organisation is used specifically to satisfy the provisions of Article L22-10-36 of the French Commercial Code relating to combating corruption and tax evasion;

- the Group's Taxation Division also monitors the regulatory development and ensures compliance with the applicable rules in the countries where the Group operates;

- the consolidation team also monitors any developments to IFRS and distributes procedures and instructions to accounting managers to ensure the consistency of the consolidated whole;

- each administrative and regional accounting manager, together with the audit department, verifies that, within the scope of their regional action, the organisation meets the expected safety and quality requirements for financial information.

Through the consolidation software (SAP), the audit department has permanent access to all accounting entries made in the branches and subsidiaries. It can then examine all the accounting entries and carry out any consistency checks.

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED TURNOVER	98
CONSOLIDATED INCOME	100
CHANGE IN THE SCOPE OF THE GROUP	101
CONSOLIDATED INCOME STATEMENT	102
CONSOLIDATED BALANCE SHEET	104
CHANGES IN CONSOLIDATED EQUITY	105
CASH FLOW STATEMENT	106
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	107
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	161

ANNUAL FINANCIAL STATEMENTS

PARENT COMPANY RESULTS	166
------------------------	-----



CONSOLIDATED

FINANCIAL STATEMENTS

2021



Consolidated financial statements

(in millions of euros)

Annual turnover	2020	2021	Change
Group's operations	2,838	3,163	+11.5%
Third party sales(*)	307	344	+11.9%
Group's total turnover	3,145	3,507	+11.5%

(*) Third party sales represent the turnover from trading transactions for catering logistics customers and appear under "purchase of goods".

The Group's turnover increased to €3,507 million (+11.5% compared to 2020 and +9.4% at comparable scope).

The increase in turnover was driven by a strong growth in activities, both in France and abroad.

The effect on the scope was significant in 2021 and concerns the international business. It consists of the full-year effect of the acquisition of the Nagel Group's operations in Italy and Belgium, acquired on 31 December 2020 for €64 million. The acquisitions of Langdons Group and Logistique Internationale Alimentaire (LIA) on 31 December 2021 will only take effect in the Group's income statement from 2022.

Business segments	Turnover		Operating profit	
	2020	2021	2020	2021
STEF France	1,946	2,079	113.6	122.9
STEF International	815	972	29.5	49.3
Maritime	57	90	(26.3)	(19.5)
Other activities	327	367	0.1	1.2
Total	3,145	3,507	116.9	153.9

STEF FRANCE

STEF France's growth was driven by all BUs in France where operations were boosted by the strong recovery in volumes after a 2020 which was greatly impacted by the health restrictions.

The improved operational performance also resulted from this recovery.

INTERNATIONAL ACTIVITIES

International activities also experienced very good growth, accentuated by the investments made in all countries.

Operating profit was driven by the good results in almost all countries.

MARITIME

2021 was marked by:

- the beneficial effect of the new public service concession from 1 March 2021 (service from the ports of Ajaccio and Propriano);
- the negative impact of the health restrictions in terms of the movement of passengers and freight on the Tangier route.

Income

(in millions of euros)

	2020	2021	Change (in %)
Turnover	3,145.0	3,506.6	+11.5
Operating profit	116.9	153.9	+31.7
Financial income	(7.5)	(6.4)	
Profit before tax	109.4	147.5	+34.8
Tax expense	(42.2)	(45.9)	
Share in net profit (loss) of companies accounted for by the equity method	5.2	8.2	
Net profit	72.4	109.8	+51.7
— of which profit attributable to Group shareholders	72.8	110.0	+51.1
— of which profit attributable to minorities	(0.4)	(0.2)	
Earnings per share in euros (basic)	5.88	8.88	+51.0
Earnings per share in euros (diluted)	5.86	8.78	+49.8

The Group's operating profit benefited from the growth in the operating margin for both STEF France and the international business, driven by the return to volumes of activity similar to those of 2019. The operating profit also saw an improvement in the profits from the maritime business.

The operating margin amounted to 4.9% of turnover (excluding third party trading activity) compared to 4.1% in 2020.

The Group's financial cost was down, as a result of the continued fall in rates.

The activity of associated companies was dynamic over the period and benefited from the strong contribution of Primever.

Based on the preceding items, net profit attributable to Group shareholders is up 51.1% compared to 2020.

In 2021, the Group continued its investments for a total net amount of €295 million compared with €233 million in 2020, including in particular the acquisition of Langdons Group in the United Kingdom.

Gearing stood at 1.04 at 31 December 2021 (it was 1.11 at the end of December 2020).

Change in scope – acquisitions of shareholdings in 2021

Acquisitions, start-ups, disposals

France

- In February: acquisition of 100% of the shares in SCI Fonciex
- In December: acquisition of 51% of the company Logistique Alimentaire Internationale (LIA) and 100% of the company Nagel Airfreight France

Belgium/The Netherlands

- Creation of the companies Immostef Belgique and Immostef Nederland

Spain/Portugal

- Creation of the companies Iberfroid, Blue EnerFreeze Espana and Blue EnerFreeze Portugal

Italy

- In October: acquisition of 49% of the company Intermedia SRL (SVAT Group)

Luxembourg

- In December: creation of Cold Ré, the Group's reinsurance captive

United Kingdom

- In December: acquisition of 100% of the shares in Langdons Group and its subsidiaries

Internal restructuring

Italy

- Merger of the company STEF Seafood Italia with the company STEF Italia SPA

Tunisia

- Liquidation of the company STEF Over Tunisie (company previously 49% owned)

Important events occurring between the balance sheet date and the date of this report

None.

Consolidated income statement

(in thousands of euros)

	note	2021 financial year	2020 financial year
Turnover	4	3,506,647	3,145,040
Purchases from third parties	5	(2,162,437)	(1,873,533)
Taxes and related expenses		(46,713)	(65,079)
Payroll expenses	6	(937,445)	(903,899)
Depreciation and amortisation	7	(178,524)	(174,270)
(Net charges to) net reversals of provisions	8	(3,095)	(4,618)
Other operating income and expenses	9	(24,494)	(6,738)
Operating profit		153,938	116,903
Financial expenses		(7,740)	(8,577)
Financial income		1,299	1,040
Financial results	11	(6,441)	(7,537)
Profit before tax		147,496	109,366
Tax expense	12	(45,853)	(42,161)
Share in net profit of companies accounted for by the equity method	15	8,169	5,156
Profit for the period		109,813	72,361
- of which profit attributable to Group shareholders		110,008	72,767
- of which profit attributable to minorities		(195)	(407)
EBITDA	10	358,051	303,333
Earnings per share:		(in euros)	(in euros)
- basic earnings per share	20.3	8.88	5.88
- diluted	20.3	8.78	5.86

Consolidated comprehensive income statement

(in thousands of euros)

	note	2021 financial year	2020 financial year
Profit for the period		109,813	72,361
Actuarial gains and losses on pension plans	21.3	1,631	1,536
Revaluation of financial assets		538	
Tax expense on non-recyclable items		(887)	(445)
Other items of comprehensive income, net of income tax which are not subsequently reclassified into income		1,282	1,091
Unrealised foreign exchange gains or losses from activities abroad		677	119
Effective portion of change in fair value of cash flow hedging derivatives		5,663	583
Tax expense on recyclable items		(905)	8
Other items of comprehensive income, net of income tax which are subsequently reclassified into income		5,435	710
Comprehensive income for the period		116,529	74,161
— of which profit attributable to Group shareholders		116,675	74,563
— of which profit attributable to minorities		(145)	(402)

Consolidated balance sheet

(in thousands of euros)

Assets	note	31 December 2021	31 December 2020*
Non-current assets			
Goodwill	13.1	281,864	206,177
Other intangible fixed assets	13.1	15,085	13,779
Tangible fixed assets	13.2	1,383,171	1,303,673
Right of use under leases	13.3	241,823	222,792
Non-current financial assets	14	43,638	39,889
Investments in associated companies	15	65,344	48,583
Deferred tax assets	12.3	10,837	8,502
Total non-current assets		2,041,762	1,843,394
Current assets			
Inventories and work in progress	16	86,229	81,153
Customers	17	612,962	510,514
Other receivables and current financial assets	18	138,752	140,109
Current tax assets		3,454	10,520
Cash and cash equivalents	19	92,239	54,413
Total current assets		933,637	796,709
Total assets		2,975,399	2,640,103
Liabilities	note	31 December 2021	31 December 2020*
Equity			
Share capital	20	13,000	13,000
Share premium account		0	0
Reserves		899,242	809,957
Equity, Group share		912,242	822,957
Minority interests		476	863
Total equity		912,719	823,819
Non-current liabilities			
Non-current provisions	21/22	69,100	40,147
Deferred tax liabilities	12.3	27,007	22,769
Non-current financial liabilities	23	371,769	362,111
Non-current lease obligations	23	183,003	159,244
Total non-current liabilities		650,880	584,271
Current liabilities			
Trade accounts payable		557,551	461,047
Current provisions	21/22	16,254	15,915
Other current liabilities	24	349,784	316,832
Current tax liabilities		5,960	363
Current financial liabilities	23	426,841	380,855
Current lease obligations	23	55,412	57,002
Total current liabilities		1,411,801	1,232,013
Total liabilities		2,975,399	2,640,103

*Restatement of the balance sheet for the 2020 financial year in application of the IFRS IC decision of May 2021 (cf. note 1).

Changes in consolidated equity

(in thousands of euros)

	Share capital	Share premium account	Consolidated reserves	Translation reserves	Treasury shares	Fair value reserve	Equity attributable to equity shareholders of the parent company STEF	Minority interests	Total equity
Equity at 31 December 2019*	13,000	0	795,674	256	(39,454)	(4,167)	765,309	1,478	766,787
Dividends paid			(18,563)				(18,563)	0	(18,563)
Acquisition and disposal of treasury shares					617		617		617
Other share transactions	0		1,163		(86)		1,077	13	1,090
Transactions with minority interests			(46)				(46)	(226)	(272)
Total transactions with shareholders	0	0	(17,446)	0	531	0	(16,915)	(213)	(17,128)
Comprehensive income for the period	0	0	73,861	119	0	582	74,563	(402)	74,161
Equity at 31 December 2020	13,000	0	852,089	375	(38,923)	(3,585)	822,957	863	823,819
Dividends paid			(30,957)				(30,957)	0	(30,957)
Acquisition and disposal of treasury shares					614		614		614
Other share transactions	0		3,151		0		3,151	0	3,151
Transactions with minority interests			(198)				(198)	(241)	(439)
Total transactions with shareholders	0	0	(28,004)	0	614	0	(27,390)	(241)	(27,630)
Comprehensive income for the period	0	0	110,902	677	0	5,096	116,675	(145)	116,529
Equity at 31 December 2021	13,000	0	934,987	1,052	(38,309)	1,511	912,242	476	912,719

*In May 2021, the IFRS IC published a final decision providing clarification on attaching benefit entitlements to periods of service. The resulting impact of ensuring that the consolidated financial statements comply with the decision detailed in note 1, was retrospectively recognised in the equity as of 31 December 2019.

Cash flow statement

(in thousands of euros)

	note	2021 financial year	2020 financial year
Profit for the period		109,813	72,361
+/- Net depreciation, amortisation, impairment of non-current assets and provisions	27.2	204,336	186,666
+/- Gains or losses from the sale of non-current assets		(799)	(518)
+/- Share in net profit (loss) of associated companies	15	(8,169)	(5,156)
+/- Change in market value of derivatives	11	0	(120)
+/- Other expenses and income, generating no change in cash		3,937	(798)
- Deferred tax	12.1	(630)	3,280
Cash flow from operations (A)		308,487	255,714
Cancellation of the tax expense (income)	27.1	46,483	38,881
Taxes paid	27.1	(28,942)	(49,064)
Changes in the other items of the WC	27.1	42,188	(24,080)
+/- Change in working capital (B)		59,729	(34,263)
Net cash from operating activities (C) = (A+B)		368,216	221,452
- Cash used in acquiring intangible assets	27.1	(3,431)	(3,263)
- Cash used in acquiring tangible fixed assets	27.1	(161,697)	(204,864)
+/- Change in granted loans and advances, financial assets		(2,754)	(6,425)
-/+ Proceeds and cash used in the acquisition and sale of subsidiaries net of acquired cash	2.2.1.A	(135,332)	(32,353)
+ Proceeds from sale of tangible and intangible fixed assets		5,683	12,602
+ Dividends received from associated companies		2,412	1,199
Net cash from investment activities (D)		(295,119)	(233,104)
+/- Acquisition and disposal of treasury shares		267	(172)
- Dividends paid to STEF owners		(30,957)	(18,563)
- Dividends paid to minority shareholders		0	0
+ Proceeds from new borrowings	23	208,499	110,306
- Repayment of borrowings and lease obligations	23	(184,490)	(111,281)
Net cash from financing activities (E)		(6,680)	(19,710)
Net cash position at beginning of period		7,387	38,749
Net cash position at end of period	19	73,803	7,387
= Change in net cash position (C+D+E)		66,417	(31,362)

Notes to the consolidated financial statements at 31 December 2021

Note 1	Accounting policies	108
Note 2	Scope of consolidation	111
Note 3	Segment information	114
Note 4	Income from ordinary activities	117
Note 5	Purchases from third parties	118
Note 6	Payroll expenses	118
Note 7	Depreciation and amortisation	119
Note 8	Charges net of reversals to provisions	119
Note 9	Other operating income and expenses	120
Note 10	EBITDA	120
Note 11	Financial income	121
Note 12	Income tax	121
Note 13	Intangible and tangible fixed assets	125
Note 14	Non-current financial assets	132
Note 15	Investments in associated companies	132
Note 16	Inventories	133
Note 17	Customers	134
Note 18	Other receivables and current financial assets	134
Note 19	Cash and cash equivalents	135
Note 20	Equity and earnings per share	135
Note 21	Staff benefits	136
Note 22	Provisions	140
Note 23	Financial liabilities	141
Note 24	Other current liabilities	144
Note 25	Financial risk management	144
Note 26	Operations with related parties	149
Note 27	Link between the cash flow statement and the notes to the financial statements	150
Note 28	Statutory auditors' fees	151
Note 29	Off-balance sheet commitments	152
Note 30	Contingent liabilities	152
Note 31	Events subsequent to year-end closing	152
Note 32	List of consolidated companies	153

Introduction

The main activities conducted by STEF and its subsidiaries (hereinafter referred to as STEF or the Group) are temperature-controlled road transport and logistics as well as maritime transport.

The parent company, STEF SA, is a company incorporated under the laws of France, having its registered office at 93 boulevard Malesherbes – 75008 Paris, and with its shares listed on the NYSE Euronext Paris' B compartment.

The STEF Group's consolidated financial statements for the financial year ending on 31 December 2021 were approved by the Board of Directors on 10 March 2022. They shall be subject to shareholders' approval at the Shareholders' Meeting on 28 April 2022. Unless otherwise specified, the consolidated financial statements are presented in euros which is the functional currency of STEF, rounded to the nearest thousand.

NOTE 1

Accounting policies

1.1

Accounting standards

The consolidated financial statements for the financial year ended 31 December 2021 for the company STEF have been prepared in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union and applicable for the financial year ending 31 December 2021. These accounting policies are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2020.

The consolidated financial statements are prepared using the historical cost method, except for derivatives and financial assets classified at fair value through OCI (Other Comprehensive Income) and cash equivalents, which are accounted for at fair value in profit and loss.

The application over the period of the following new standards and interpretations did not have a significant effect on the consolidated financial statements at 31 December 2021:

- amendment of IAS 39, IFRS 7, IFRS 9, IFRS 4 and IFRS 16: interest rate benchmark;
- amendment of IFRS 16: Covid-19 - Leases.

Amendments to the standards IAS 39, IFRS 7, IFRS 9, IFRS 4 and IFRS 16 - Interest rate benchmark reform (IBOR) - Phase 1 and 2

There are two phases to this amendment to the standards IAS 39, IFRS 7, IFRS 9 and IFRS 4 relating to the reform of interest rate benchmarks which are used as a valuation basis for many financial instruments:

- phase 1, applicable from 1 January 2020, which allows uncertainties about the future of benchmark rates to be ignored when evaluating the effectiveness of hedging relationships and/or the highly probable nature of the hedged liability;
- phase 2, applicable from 1 January 2021, which sets out that the accounting impacts related to the actual replacement of the benchmarks are to be specified. Phase 2 has no impact in the absence of an actual modification of the benchmarks in the Group's contracts at 31 December 2021. The transition to the new benchmarks will not have a significant impact.

Amendments to the standard IFRS 16 - Leases on the Covid-19 related rent concessions

This amendment to the IFRS 16 standard permits lessees not to apply the IFRS 16 guidelines on accounting for contract modifications for rent concessions granted by lessors and resulting directly from the Covid-19 pandemic. This does not impact the Group's consolidated financial statements.

IFRS IC decision - Attributing benefit to periods of service (IAS 19)

In May 2021, the ASB approved the IFRS IC decision on attributing post-employment benefit plan rights. This decision focuses on the attachment of a plan's benefit to periods of service and encourages the approach that consists in linearising the period preceding retirement age and allowing the capped rights to be obtained.

For the Group, only retirement benefit plans in France are affected by this decision. Other plans in our different geographical areas do not satisfy the characteristics set out by the IFRS IC.

At 1 January 2020, the impact represented a reduction in the commitment of €7.7 million. The application of this decision is retrospective and its consequences have been recorded in the retained earnings of the comparative financial year presented:

Assets	31/12/2019 published	Impact related to the IFRS IC decision - IAS 19	01/01/2020 restated	31/12/2020 restated
Non-current assets	1,735,613		1,735,613	1,843,394
Current assets	809,796		809,796	796,709
Total assets	2,545,410		2,545,410	2,640,103
Liabilities	31/12/2019 published	Impact related to the IFRS IC decision - IAS 19	01/01/2020 restated	31/12/2020 restated
Share capital	13,000		13,000	13,000
Share premium account	0		0	0
Reserves	746,266	6,043	752,309	809,957
Equity, Group share	759,266	6,043	765,309	822,957
Minority interests	1,478		1,478	863
Total equity	760,743	6,043	766,787	823,819
Non-current provisions	46,585	(7,682)	38,903	40,147
Deferred tax liabilities	16,188	1,639	17,827	22,769
Other non-current liabilities	490,815		490,815	521,355
Non-current liabilities	553,588	(6,043)	547,546	584,271
Current liabilities	1,231,078		1,231,078	1,232,013
Total liabilities	2,545,410	0	2,545,410	2,640,103

The consolidated income statement and the consolidated comprehensive income statement for 2020 have not been restated because the application of the IFRS IC decision has not had a significant impact on these statements.

In addition, the Group did not apply the following standards and interpretations, which were not adopted by the European Union at 31 December 2021 or the application of which was not mandatory at 1 January 2021:

— Standards adopted by the European Union:

- amendments to IFRS 3 - Reference to the conceptual framework;
- amendments to IFRS 16 - Covid-19-related rent concessions after 30 June 2021;
- amendments to IAS 16 - Proceeds before intended use;
- amendments to IAS 37 - Costs considered in assessing whether a contract is onerous;
- annual improvements to IFRS Standards 2018 - 2020;
- IFRS 17 standard - Insurance contracts.

— Standards not yet adopted by the European Union:

- amendments to IAS 1 - Classification of liabilities as current or non-current;
- amendment of IAS 1 - Presentation of financial statements and IFRS practice statement 2: disclosure of accounting policies;
- amendments to IAS 8 - Definition of accounting estimates;
- amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction.

The potential impact of the standards not applicable to the consolidated financial statements are currently being analysed.

At this stage, the Group does not expect any material impact on its consolidated financial statements.

1.2

Use of estimates and assumptions

The preparation of financial statements according to IFRS standards requires the management to make estimates for the financial year concerned and to make assumptions that have an impact on the application of the accounting methods, on the amounts recorded for certain assets, liabilities, income and expenses as well as on certain information provided in the notes attached to the financial statements. The estimates and assumptions made are those that the management considers as being the most relevant and achievable, in view of the Group's environment and available feedback.

Because of the uncertain nature inherent in these estimates, the final amounts may be different from those originally estimated. To limit these uncertainties, the estimates and assumptions are periodically reviewed and the changes are accounted for immediately.

The use of estimates and assumptions is of particular importance in the following areas:

- determination of the periods of use of non-current assets (notes 13.1 and 13.2);
- determination of lease terms (note 13.3);
- determination of the recoverable amount of non-current non-financial assets (note 13.4);
- valuation of identifiable assets and liabilities acquired as part of business combinations;
- valuation of staff benefits (note 21);
- evaluation of the provisions for risk and expenses (note 22);
- recognition of deferred tax assets (note 12).

1.3

Presentation options

The Group has chosen to present, by nature, the operating expenses in the income statement.

The costs of the defined benefit pension plan for the financial year are included in the operating expenses for the total amount including the financial component.

The "other operating income and expenses" include capital gains and losses on disposals of non-current assets, impairments of non-current assets and the operating income and expenses of significant amounts related to unusual events or operations and which are likely to affect the comparability of the financial years.

Net foreign exchange gains and losses are presented in financial income (net gain) or in financial expenses (net loss).

Cash flows generated by the activity are presented in the cash flow statement, using the indirect method.

1.4

Non-accounting indicators

The Group presents the following performance indicators in its financial statements:

EBITDA: this indicator is equal to the operating profit before depreciation and amortisation of fixed assets, impairment of fixed assets including the loss in value of intangible items, allocations to/(reversals of) provisions and negative goodwill;

Net debt: this indicator is equal to the total current and non-current financial liabilities (including current and non-current lease obligations), less cash and cash equivalents.

Note 2

Scope of consolidation

2.1

Rules and consolidation methods

A. Subsidiaries

The accounts of subsidiaries controlled by the parent are consolidated according to the method of full consolidation. STEF has control of a subsidiary when it has, either directly or indirectly, the right to make decisions on the subsidiary's operations and finances with the aim of benefiting from the subsidiary's activities. STEF is assumed to have control when it has, directly or indirectly, power over the subsidiary and is exposed or entitled to variable returns due to its involvement with the subsidiary. STEF also has the ability to exercise its power over the subsidiary in order to influence the amount of any returns it receives. The appreciation of the existence of control is based on the voting rights that the Group has. The subsidiary's consolidation into the Group's accounts begins from the date on which control is obtained and ends when the control ends.

B. Associated companies

The companies jointly controlled by or in which the Group has significant influence but not control are consolidated under the equity method. The Group is assumed to have significant influence when it owns, directly or indirectly, at least 20% of a company's voting rights. A company's consolidation into the Group's accounts under the equity method begins when the significant influence is obtained and ends when the significant influence ends.

C. Cancellation of intra-group transactions and profit

Receivables, liabilities and transactions between consolidated entities are fully cancelled. Intra-group profits realised on the sale of assets are also cancelled, as are intra-group losses. The existence of intra-group losses is an indication of depreciation.

Internal profits and losses between the Group and associated companies are cancelled in proportion of the percentage of the Group's shareholding in these companies.

D. Business combinations

The acquisitions of subsidiaries and shares in associated companies are accounted for under the acquisition method.

During the transition to IFRS, the Group chose not to restate business combinations prior to 1 January 2004. For these business combinations, the goodwill corresponds to the amounts recognised according to the Group's prior accounting standards.

Goodwill on acquisitions after 1 January 2004 is equal to the difference, on the acquisition date, between the acquisition cost and the acquired share of the fair value of assets, liabilities and contingent liabilities.

The Group calculates goodwill on the acquisition date as follows:

- the fair value of the payment made for the investment, plus
- any minority interest in the acquired company; plus, if the acquisition is made in stages, the fair value of any shareholding previously owned in the Company; less
- the net amount recorded at fair value of the difference between the assets, liabilities and contingent liabilities.

When the difference is negative, the gain is taken directly to profit and loss.

Goodwill is valued subsequently at acquisition cost, less total impairments. Goodwill is subject to impairment tests when there is any indication of impairment in value and at least once a year (cf. note 13.4).

E. Acquisition of minority interests

The acquisition of minority interests is accounted for as transactions with owners in their capacity as owners and, as such, no goodwill arises.

Adjustments to minority interests are determined on the percentage of the subsidiary's net assets attributable to equity holders of the parent STEF SA.

F. Currency translation

Accounts receivable and accounts payable denominated in foreign currencies are translated at the applicable exchange rates at the balance sheet date. The corresponding exchange rate changes are recorded in profit and loss, except for those relating to receivables and payables which belong, in substance, to net investments in foreign subsidiaries and that are recognised in other comprehensive income.

The assets and liabilities of foreign subsidiaries whose functional currencies are not the euro are translated at the applicable exchange rate at the balance sheet date. Income and expenses are translated at the period's average exchange rate, which, provided there are no significant exchange rate changes, is taken as being close to the applicable exchange rates on the transaction dates. The resulting exchange rate changes are recorded in other comprehensive income.

2.1

Change in scope

2.2.1

Acquisitions and disposals over the period

A. Acquisitions

Langdons Group

On 31 December 2021, the Group finalised the acquisition of 100% of the shares in Langdons Group for a purchase price of €128.9 million paid entirely in cash. In 2021, Langdons Group had a turnover of €173.8 million for a net profit of €5.7 million.

Langdons Group was consolidated into the Group's accounts on the acquisition date. The allocation of the purchase price required by IFRS 3R was not finalised on the closing date of the financial year. Preliminary goodwill of €67.4 million was recognised on the acquisition date.

The impact of this acquisition is as follows:

Acquisition of Langdons Group	
Business activity	Temperature-controlled transport
Location	Bridgewater (England)
Acquisition date	31/12/2021
Percentage of acquired equity instruments conferring voting rights	100%
Cost of the combination (paid in full in cash)	€128,919 thousand
Fair value of acquired assets and assumed liabilities	€61,489 thousand
Goodwill (Profit on acquisition)	€67,431 thousand
Turnover since acquisition	€0 K
Operating profit since acquisition	€0 K

Logistique Alimentaire Internationale (LIA)

On 31 December 2021, the Group acquired 51% of the shares in LIA, a company previously integrated under the equity method. The Group now holds 100% of the share capital in this entity. The purchase price of the 51%, fully paid in cash, was €9 million. In 2021, this company had a turnover of €36.1 million for a net profit of €1.4 million.

LIA was fully consolidated into the Group's accounts on the acquisition date. The allocation of the purchase price required by IFRS 3R was not finalised on the closing date of the financial year. Preliminary goodwill of €11.9 million was recognised on the acquisition date.

Intermedia SRL (SVAT Group)

On 28 October 2021, the Group acquired 49% of the shares in the company Intermerdia SRL in Italy, a holding company of the SVAT Group for €20,580 thousand. The rest of the share capital is held by long-standing shareholders. The Italian group specialises in the transport and logistics of frozen products. In 2021, the company had a turnover of €70.5 million for a net profit of €3 million. The company was consolidated under the equity method from 28 October 2021.

Cash used in the acquisition and sale of subsidiaries

	31 December 2021	31 December 2020
Net cash paid out following the acquisition of consolidated shareholdings	(116,952)	(17,077)
Net cash paid out following acquisition of interests not giving control	(20,580)	(10,070)
Net cash following the sales of subsidiaries	0	0
Other items (additional prices/recapitalisation, etc.)	2,200	(5,206)
Total acquisitions	(135,332)	(32,353)

B. Sales, liquidations, universal transfer of assets (TUP)

There were no disposals in 2021.

2.2.2**Monitoring of 2020 acquisitions****The Nagel Group's operations in Italy and Belgium**

During the 2021 financial year, the Group finalised the allocation of the purchase price for the Nagel Group's operations in Italy. The purchase price of the shares in STEF Nogarole (formerly Nagel Italia) was subject to a downward price adjustment of €2,200 thousand during the first half of 2021. This price adjustment corresponds to the difference between the net cash position estimated on the acquisition and the actual net cash position at 31 December 2020. At the same time, in the second half of the year, the net assets were revalued by €1,286 thousand corresponding to the recognition of deferred tax assets.

Consequently, the goodwill recorded at 31 December 2020 and relating to the acquisition of the Nagel Group's operations in Italy and Belgium (€9,633 thousand) was reduced by the same amount (€3,486 thousand) to amount to €6,147 thousand at 31 December 2021.

Furthermore, these activities acquired at the end of 2020 contributed €64.5 million to the Group's turnover in 2021.

Note 3**Segment information**

An operational segment is a component of the Group:

- that is engaged in activities from which it is likely to receive income and to incur expenses, including income and expenses related to transactions with other components of the Group;
- the operating profit or (loss) of which is regularly examined by general management with a view to making decisions regarding the resources to be allocated to the segment and assessing its performance; and
- for which separate financial information is available.

Segment information comprises an analysis of the consolidated data by activity and by geographical area.

Readers are reminded that, in accordance with IFRS 8 "Operational segments", the Group identifies and presents three operational segments based on the information sent internally to senior managers, who are the main operational decision makers for the Group.

Information on the results of the segments is shown in the tables below. The performance of each segment is assessed by the executive management based on their operating profit or loss.

3.1

Information by activity

2021	STEF France	STEF International	Maritime	Others	Consolidated data
Turnover from activities (inter-segment sales included)	2,110,341	988,670	89,731	443,072	3,631,815
Inter-segment	(31,685)	(17,153)	0	(76,331)	(125,169)
Net consolidated turnover	2,078,656	971,518	89,731	366,741	3,506,647
Recurring operating profit	147,798	48,624	(19,470)	1,481	178,432
Other operating income and expenses	(24,927)	651	(9)	(209)	(24,494)
Operating profit (loss) of activities	122,870	49,275	(19,479)	1,272	153,938
Net financial expenses					(6,441)
Income tax expenses					(45,853)
Profit attributable to shareholders of associated companies					8,169
NET INCOME					109,813
Activities' assets	1,610,730	1,072,829	155,286	136,554	2,975,399
Unallocated assets	0	0	0	0	0
Total assets	1,610,730	1,072,829	155,286	136,554	2,975,399
of which goodwill	123,434	148,760	6,816	2,854	281,864
of which associated companies	38,922	26,423	0	0	65,344
Activities' liabilities	565,289	358,408	78,214	23,746	1,025,657
Unallocated liabilities and equity					1,949,743
Total liabilities					2,975,399
Depreciation, amortisation recorded in the financial year	(108,212)	(46,413)	(12,673)	(11,226)	(178,524)

2020	STEF France	STEF International	Maritime	Others	Consolidated data
Turnover from activities (inter-segment sales included)	1,972,573	832,373	56,610	403,825	3,265,382
Inter-segment	(26,203)	(17,860)	0	(76,279)	(120,342)
Net consolidated turnover	1,946,370	814,513	56,610	327,546	3,145,040
Recurring operating profit	112,508	37,694	(26,324)	(237)	123,641
Other operating income and expenses	1,042	(8,165)	(18)	403	(6,738)
Operating profit (loss) of activities	113,550	29,529	(26,342)	165	116,903
Net financial expenses	0	0	0	0	(7,537)
Income tax expenses	0	0	0	0	(42,161)
Profit attributable to shareholders of associated companies	0	0	0	0	5,156
NET INCOME	0	0	0	0	72,361
Activities' assets	1,524,064	831,324	149,307	135,408	2,640,103
Unallocated assets	0	0	0	0	0
Total assets	0	0	0	0	2,640,103
of which goodwill	111,691	84,816	6,816	2,854	206,177
of which associated companies	34,235	14,347	0	0	48,583
Activities' liabilities	556,592	302,946	46,829	(43,252)	863,115
Unallocated liabilities and equity					1,776,988
Total liabilities					2,640,103
Depreciation, amortisation recorded in the financial year	(105,733)	(44,261)	(9,747)	(14,529)	(174,270)

The turnover of the "Others" segment includes goods trading for third parties €344 million in 2021 compared with €307 million in 2020.

The divisions' assets comprise all the balance sheet assets. Liabilities that are not allocated are financial liabilities, which, in so far as the Group's financing is provided by a central structure, cannot be reasonably allocated.

Note 4

Income from ordinary activities

A. Accounting policies

Income from ordinary activities is measured at the fair value of the consideration receivable, net of granted discounts and remissions. Revenue is recorded once every performance obligation is satisfied, *i.e.* when the service is transferred to the customer.

The income from transport activities is recorded when the service has been rendered.

Income from logistics activities is recorded as the rendering of services proceeds.

Products under the supply contract for the out-of-home foodservices business are reported on the sale of goods at the points of sale.

Income from maritime activities includes the financial compensation from the Corsica Transport Office provided for under the Public Service Concession contract. This compensation is recognised at the same rate as the underlying performance obligation.

B. Key figures

	France	Other regions	Consolidated data
2021			
Turnover	2,516,835	989,812	3,506,647
Areas' non-current assets	1,285,592	756,170	2,041,762
2020			
Turnover	2,299,806	845,234	3,145,040
Areas' non-current assets	1,259,239	584,155	1,843,394

Other regions include the entities in Europe outside France, with trading.

Note 5**Purchases from third parties**

	2021	2020
Purchases other than energy (including foodservice goods)	(387,827)	(351,662)
Purchases of diesel and other fuels	(144,147)	(117,129)
Purchases of other energy	(62,925)	(40,612)
Transport subcontracting	(1,119,007)	(965,389)
Rent and lease expenses	(25,652)	(21,069)
Maintenance	(102,005)	(93,763)
External staff and intermediaries' wages and salaries	(185,312)	(164,147)
Insurance and losses	(58,948)	(52,670)
External services and miscellaneous	(76,613)	(67,092)
Total	(2,162,437)	(1,873,533)

The change in this item is primarily explained by:

- the increase in transport subcontracting in relation to the upturn in business in 2021, after the severe restrictions experienced in 2020;
- the rise in fuel and electricity costs in 2021.

Rents and lease expenses mainly correspond to the expenses for leases that are exempt in accordance with the IFRS 16 standard (short term and/or for an asset with a low unit value) and the lease services component (predominantly real estate lease expenses and maintenance and cleaning contracts for rolling stock).

Note 6**Payroll expenses**

The arrangements for evaluating and accounting for the allocation plans for performance shares are defined by the IFRS 2 standard "Share-based payments". The allocation of performance shares in France and internationally is an agreed benefit for their beneficiaries and as such is in addition to the remuneration paid by STEF. Their evaluation is directly related to the Group's performance. Consequently, STEF has included the corresponding expense in the operating profit under payroll expenses.

	2021	2020
Salaries and other compensation	(896,395)	(868,802)
Net length-of-service awards payable to staff on retirement	(4,863)	(4,886)
Employee incentive bonuses and profit-sharing	(36,187)	(30,211)
Payroll expenses	(937,445)	(903,899)

The “Salaries and other compensation” item includes the expense relating to the allocation plans for performance shares. In 2021, this amounted to €3.9 million, including employer expenses (€1.1 million in 2020). The characteristics of the allocation plans for performance shares are described in the “General information” section of the corporate governance report.

Payroll expenses include the benefits paid for long-service awards and retirements.

The items relating to these commitments are shown in notes 21 and 22.

Note 7

Depreciation and amortisation

	2021	2020
Amortisation of intangible fixed assets	(2,867)	(3,572)
Amortisation of tangible fixed assets	(121,824)	(116,376)
Amortisation of rights of use	(53,833)	(54,322)
Total	(178,524)	(174,270)

Note 8

Charges net of reversals to provisions

	2021	2020
Net depreciation on current assets before financial income	(46)	(883)
Impairment of other financial assets	36	(99)
Other net changes in provisions	(3,085)	(3,636)
Total	(3,095)	(4,618)

Changes in provisions are analysed in note 22.

Note 9**Other operating income and expenses**

	2021	2020
Fixed asset sales	631	679
Sales of rolling stock	808	2,156
Impairment of assets	0	(10,375)
Others including scrapped goods	(25,933)	802
Total	(24,494)	(6,738)

Other operating income and expenses were mainly impacted by the provision set aside for a dispute with customs regarding the taxation of its electricity purchases for an amount of €21.9 million. The risk is detailed in note 22.

In 2020, the impairments of assets included the impairment of goodwill within STEF International for €7.1 million.

Note 10**EBITDA**

	2021	2020
Operating profit	153,938	116,903
Net depreciation and amortisation of fixed assets	178,524	174,270
Net impairment and provisions and other items that do not have any impact on the cash recognised under payroll expenses and other operating income & expenses	25,590	12,161
Total	358,051	303,333

Note 11**Financial income**

	2021	2020
Financial income		
Income from fair value of financial assets and liabilities recorded at fair value in the profit and loss	44	120
Other financial income	788	920
Net foreign exchange gains	148	0
Financial expenses		
Net interest expenses on financial liabilities measured at amortised cost	(5,590)	(6,507)
Interest expenses on lease obligations	(1,831)	(2,038)
Net foreign exchange losses		(32)
Total	(6,441)	(7,537)

The Group's debt is mainly fixed-rate debt (note 25).

The financial results benefited from negative rates (Euribor 3 month at -0.55% on average in 2021 vs. -0.42% in 2020) despite the increase in the Group's financing needs following real estate investments and external growth operations.

The weighted average incremental borrowing rate relating to the lease obligations was approximately 0.81% for the period (0.94% in 2020).

Note 12**Income tax**

The expense (or income) from income tax includes, on the one hand, the tax payable for the year, and, on the other hand, the expense or income from deferred taxes. Payable and deferred taxes are recorded in profit and loss unless they are related to a business combination or to elements that are posted directly to equity or to other comprehensive income, in which case they are recorded in equity or in other comprehensive income.

Deferred taxes are calculated by tax entity when there are temporary differences between the book values of assets and liabilities and their tax values. They are valued by applying the tax rates that will be in force when the temporary differences are settled, on the basis of tax legislation adopted or virtually adopted on the balance sheet date.

Deferred tax assets are only reported under deductible temporary differences and tax loss carry forwards and unused tax credits when it is likely that the tax entities concerned will have future taxable profits against which these tax assets could be charged. They are reviewed at each balance sheet date. The tax rate used to calculate deferred taxes is that known on the balance sheet date. The effects of rate changes are recorded in profit and loss over the period during which the decision of this change is made.

12.1

Breakdown of the income tax expense in the income statement

	2021	2020
Current tax expense	(46,483)	(38,881)
Deferred tax expense/income (note 12.3)	630	(3,280)
Total	(45,853)	(42,161)

12.2

Reconciliation between tax expense calculated based on the rates of tax applicable to the parent company and the actual expense

	2021	2020
Profit before tax	147,496	109,366
Current tax rate	28.41%	32.02%
Theoretical tax at the rate of current tax	(41,904)	(35,019)
Impact of the profits from the maritime business subject to tonnage tax	(6,023)	(7,557)
Use of previous deficits not activated	63	105
Creation of deficits in the period not activated	(778)	(1,291)
Deficits activated in the period	0	0
Depreciation of activated deficits	(658)	0
Difference in foreign tax rates	561	399
Effect of rate changes on deferred taxes	381	0
Other elements and permanent differences	2,505	1,202
Effective tax	(45,853)	(42,161)
Effective rate of tax	31.1%	38.6%

The effective tax rate was mainly affected by the losses of the maritime business which did not affect the tax expense given the specific taxation of this business (tonnage tax).

The fall in the effective rate is mainly related to the reduction in corporate tax on companies in France (from 32.02% in 2020 to 28.41% in 2021) and the reduction in the losses of the maritime business between the two periods.

12.3

Deferred tax assets and liabilities

The net deferred tax positions for each country at the balance sheet date, are as follows:

2021	France	Belgium	Spain	Italy	United Kingdom	The Netherlands	Portugal	Switzerland	Group total
Deferred tax	(20,720)	(859)	(850)	7,702	(2,160)	8	222	487	(16,170)
2020 restated*	France	Belgium	Spain	Italy	United Kingdom	The Netherlands	Portugal	Switzerland	Group total
Deferred tax	(19,637)	(1,001)	(1,003)	6,232	0	606	208	327	(14,267)

*The restatement of the deferred tax assets and liabilities is related to the impact of the IFRIC decision on attributing post-employment benefit plan rights (cf. note 1).

The main types of deferred tax, and their changes during the year are as follows:

2021	1 January 2021 restated*	Changes in profit and loss	Other changes	Changes in OCI	31 December 2021
Deferred tax assets					
Temporary tax differences	9,615	34	1,748	0	11,397
Fair value of hedging instruments	1,228	21	10	(1,061)	198
Loss carryforwards	3,104	(1,075)	1,346	0	3,375
Others	12,305	290	(1,096)	(744)	10,755
Effect of the offsetting	(17,750)	0	0	0	(14,888)
Total deferred tax assets	8,502	(730)	2,007	(1,805)	10,837
Deferred tax liabilities					
Additional depreciation	(20,951)	(1,678)	16	0	(22,613)
Capitalised leases	(8,990)	2,921	137	0	(5,932)
Revaluation of fixed assets	(5,082)	495	0	0	(4,586)
Others	(5,496)	(378)	(2,904)	13	(8,765)
Effect of the offsetting	17,750	0	0	0	14,888
Total deferred tax liabilities	(22,769)	1,360	(2,750)	13	(27,007)
Net impact	(14,267)	630	(743)	(1,792)	(16,170)

*The restatement of the deferred tax assets and liabilities is related to the impact of the IFRIC decision on attributing post-employment benefit plan rights (cf. note 1).

2020	1 January 2020 restated*	Changes in profit and loss	Other changes	Changes in OCI	31 December 2020 restated*
Deferred tax assets					
Temporary tax differences	17,364	(1,887)	(5,862)	0	9,615
Fair value of hedging instruments	1,344	(55)	(69)	8	1,228
Loss carryforwards	3,668	(862)	298	0	3,104
Others	5,687	(523)	7,585	(445)	12,305
Effect of the offsetting	(22,027)	0	0	0	(17,750)
Total deferred tax assets	6,037	(3,327)	1,952	(437)	8,502
Deferred tax liabilities					
Additional depreciation	(20,217)	(714)	(21)	0	(20,951)
Capitalised leases	(14,244)	759	4,495	0	(8,990)
Revaluation of fixed assets	(5,393)	413	(101)	0	(5,082)
Others	0	(412)	(5,084)	0	(5,496)
Effect of the offsetting	22,027	0	0	0	17,750
Total deferred tax liabilities	(17,827)	47	(711)	0	(22,769)
Net impact	(11,790)	(3,280)	1,241	(437)	(14,267)

*The restatement of the deferred tax assets and liabilities is related to the impact of the IFRIC decision on attributing post-employment benefit plan rights (cf. note 1).

Other changes include the impact of additions to the scope and reclassification by nature.

The Group believes that, based on the local action plans and subsequent profit forecasts made using conservative estimates, the subsidiaries carrying these assets will in the foreseeable future have sufficient taxable profit against which the recognised deferred tax assets will be able to be charged.

All the bases for unrecognised deferred tax under loss carryforwards amounted to €45.5 million at the end of 2021, primarily in France for €14.6 million, Switzerland for €14.4 million and the Netherlands for €14.3 million.

Note 13

Intangible and tangible fixed assets

Tangible and intangible fixed assets are reported at amortised cost less deductions for losses in value in application of IAS 36 (note 13.4).

13.1

Goodwill and intangible fixed assets

A. Goodwill

The accounting principles relating to goodwill are described in note 2.1.D.

The change in goodwill over the period is as follows:

	31 December 2021	31 December 2020
Net value at 1 January	206,177	203,824
Acquisition of subsidiaries and businesses	75,687	9,448
Sale of subsidiaries		
Depreciation		(7,095)
Net value at 31 December	281,864	206,177

In 2021, new goodwill for the period comprised €67.4 million relating to the acquisition of Langdons Group in the UK and €11.9 million relating to the acquisition of 51% in Logistique Internationale Alimentaire 49% of which was acquired by STEF last year. In addition, a decrease in goodwill due to the adjustment of the purchase price for STEF Nogarole was posted during the period for (€3.5 million).

In 2020, goodwill for the period mainly comprised €9.6 million relating to the acquisition of the companies, Nagel Italia S.r.l. (now STEF Nogarole S.r.l.) in Italy and Nagel Belgium BVBA (now STEF Transport Nazareth) in Belgium. A €7.1 million impairment relating to international activities was recorded for the same period.

B. Intangible fixed assets

Accounting policies

Intangible assets, other than goodwill, mainly comprise computer software that is either developed in-house or purchased. They are stated at their historic or production cost in the balance sheet. They are amortised on a straight-line basis over their expected useful life, which currently is no longer than five years.

Development costs for software for internal use or intended for sale are fixed from the day when certain conditions are met, especially when it is shown that this software will generate probable future economic benefits due to a significant improvement in operating processes, and that the Group has adequate technical and financial resources to produce it and intends to use it, or sell it.

Change in the net book value

The detail of the intangible fixed assets is as follows:

Gross values	Software	Other intangible fixed assets	Total
At 31 December 2019	131,830	27,730	159,560
Acquisitions	1,910	1,353	3,263
Changes in scope	541	8	549
Other changes	790	(1,819)	(1,029)
Sales and scrapped goods	(657)	0	(657)
At 31 December 2020	134,414	27,272	161,686
Acquisitions	2,024	1,407	3,431
Changes in scope	988	514	1,502
Other changes	459	(640)	(181)
Sales and scrapped goods	(299)	0	(299)
At 31 December 2021	137,586	28,553	166,139
Depreciation, amortisation and impairment	Software	Other intangible fixed assets	Total
At 31 December 2019	127,703	13,776	141,479
Allocations	3,478	3,374	6,852
Changes in scope	391	8	399
Other movements	(91)	(89)	(180)
Reversals and sales	(643)	0	(643)
At 31 December 2020	130,838	17,069	147,907
Allocations	2,822	45	2,867
Changes in scope	773	7	780
Other movements	(201)	(6)	(207)
Reversals and sales	(293)	0	(293)
At 31 December 2021	133,939	17,115	151,054
Net book values	Software	Other intangible fixed assets	Total
At 31 December 2020	3,576	10,203	13,779
At 31 December 2021	3,647	11,438	15,085

The Nagel Group's operations in the Netherlands were acquired on 30 June 2021 in the form of an "asset deal" for €3.4 million. A business was acquired for €0.6 million along with a real estate platform in Raalte (under acquisitions of intangible assets) for €2.8 million.

13.2

Tangible fixed assets

Accounting policies

Tangible fixed assets mainly comprise cold stores, platforms, transport vehicles, ferries and office buildings. With regard to fixed assets revalued prior to 1 January 2004, the date of transition to IFRS, their restated values were presumed to correspond to their purchase cost on this date.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful life. The depreciable amount is the acquisition cost, except for recent warehouses and platforms, for which the depreciable amount is 90% of the acquisition cost. Where some construction components have a useful life that is less than the useful life of the whole construction, they are depreciated over their own useful lives.

Land is not depreciated. The useful lives, which are estimated from new delivery, are as follows:

— warehouses and platforms	25 to 30 years
— later extensions	20 years
— office buildings	40 years
— equipment and production facilities	10 years
— fixtures and fittings	6 to 10 years
— photovoltaic facilities	25 years
— vessels	20 years
— equipment for transport	5 to 9 years
— office furniture	7 to 10 years
— computer equipment	3 to 5 years

The borrowing costs directly attributable to the purchase, construction and production of an eligible asset are incorporated into the cost of the asset. Eligible assets are vessels bought new, where the duration of construction greatly exceeds 12 months.

Investment grants are assistance received from the public authorities to contribute to the financing of certain investments. In accordance with the option offered by IAS 20, the Group has opted to present investment grants as a deduction to the cost of the fixed assets financed, which has the effect of reducing the depreciation bases and depreciation and amortisation.

Change in the net book value

The change in tangible fixed assets, including the rights of use under leases, is as follows:

Gross values	Land and buildings	Equipment for transport	Vessels	Others	Total
At 31 December 2019	1,565,271	287,767	292,353	681,940	2,827,331
Acquisitions	83,997	61,886	30,649	79,198	255,730
Changes in scope	6,567	1,758	0	6,334	14,659
Sales and scrapped goods	(15,161)	(87,915)	0	(18,700)	(121,775)
Other changes (including fixed assets under construction)	12,604	1,769	160	(14,853)	(320)
At 31 December 2020	1,653,279	265,264	323,162	733,919	2,975,624
Acquisitions	71,745	44,848	1,049	92,610	210,252
Changes in scope	45,007	33,484	0	22,665	101,156
Sales and scrapped goods	(16,750)	(35,825)	0	(15,915)	(68,490)
Other changes (including fixed assets under construction)	34,322	8,742	2,865	(35,884)	10,045
At 31 December 2021	1,787,603	316,513	327,076	797,395	3,228,587
Depreciation, amortisation and impairment	Land and buildings	Equipment for transport	Vessels	Others	Total
At 31 December 2019	580,260	151,741	205,563	441,976	1,379,540
Allocations	63,638	48,526	9,977	48,557	170,698
Changes in scope	1,913	1,520	0	5,052	8,485
Sales and scrapped goods	(8,667)	(82,528)	0	(16,774)	(107,969)
Other changes	(1,018)	2	1	(579)	(1,594)
At 31 December 2020	636,126	119,260	215,541	478,232	1,449,159
Allocations	68,113	47,646	11,146	48,752	175,657
Changes in scope	5,194	12,275	0	12,245	29,714
Sales and scrapped goods	(10,545)	(32,537)	0	(14,605)	(57,687)
Other changes	2,391	5,195	0	(836)	6,750
At 31 December 2021	701,279	151,839	226,687	523,788	1,603,593
Net book values	Land and buildings	Equipment for transport	Vessels	Others	Total
At 31 December 2020	1,017,153	146,004	107,621	255,686	1,526,465
At 31 December 2021	1,086,323	164,674	100,389	273,607	1,624,994

Changes in scope primarily concern the assets acquired from Langdons Group in the United Kingdom and the assets from Logistique Internationale Alimentaire now fully consolidated.

In addition, acquisitions for the period, listed in the “Others” column, include fixed assets under construction for €51.8 million (compared with €41.9 million at 31 December 2020) corresponding in particular to sites being built or redeveloped.

13.3

Leases

Accounting policies

Lease obligation

On the start date of the lease, the Group recognises the liabilities under the lease, measured at the present value of the lease payments to be made over the term of the lease. The present value of the leases is primarily calculated using:

- the contract rate when this is available;
- or otherwise, the Group's incremental borrowing rate to which a spread is added to take account of the risk appropriate to each country. This rate is adjusted to the contract term (residual term for existing contracts at the first application date) taking account of its duration.

The lease payments include fixed lease payments (less any lease incentives receivable), variable lease payments that depend on an index or rate, amounts that should be paid under residual value guarantees and the exercise price of a purchase option and termination penalties if it is reasonably certain that these options will occur. The service component is separated from the lease payment and is recorded as an expense for the period.

The book value of the liability for leases is re-evaluated in the event of the contract's re-estimation or modification (for example, change in the lease term, change in the lease payments, application of annual indexation, etc.).

Right of use relating to leases

The Group recognises the assets related to the right of use on the lease start date (*i.e.* the date on which the underlying asset is available). The assets are measured at cost and adjusted depending on the re-evaluation of the lease liabilities. The cost of the right-of-use assets includes the amount of the lease liabilities, the initial direct costs incurred and the lease payments made on the effective date or before, less the lease incentives received.

These assets are amortised on a straight-line basis over the shortest duration represented by either the estimated useful lifetime of the underlying asset or the lease term unless the Group is reasonably certain to become the owner of the leased asset at the end of the lease term.

Contracts where the original term is less than 12 months and/or where the asset has a low unit value (less than or equal to €5,000) do not give rise to the recognition of an asset and a liability.

Right-of-use assets are subject to impairment ("transition method" applied).

Determining contract terms

The lease term to be used to determine the present value of the lease payments is the non-cancellable term of the lease adjusted to reflect:

- the options to extend the contract that the Group is reasonably certain to exercise;
- the early termination options that the Group is reasonably certain not to exercise.

The Group's contract terms vary depending on their type and the geographical areas.

The term used for leases other than real estate leases generally corresponds to the term defined in the contract.

In terms of real estate leases, some real estate leases present unilateral contract termination options (particularly in France with 3-6-9 leases, emphyteutic leases and Temporary Occupation Permits). Thus, in order to determine the term to be used to calculate the lease obligation, the Group determines the enforceable contract term (maximum term) and takes into account the termination options if it is not reasonably certain that the lease will continue beyond the termination option. This assessment is made in partnership with the Group's Real Estate Division which determines the real estate strategy. Inseparable fixtures held by the Group are also taken into account.

Income tax

A deferred tax is recognised based on the net amount of temporary taxable and deductible differences. On the initial recognition date of the right of use and lease obligation, no deferred tax is recorded if the asset amount is equal to the liability amount.

Net temporary differences that could result from subsequent changes in the right of use and the lease commitment give rise to the recognition of deferred tax.

Change in the net book value of the rights of use related to leases

The rights of use relating to leases are presented by underlying asset type below:

	Real estate	Rolling stock	Other assets	Total
At 31 December 2020	108,714	111,458	2,620	222,792
Increases	18,456	33,041	711	52,208
Changes in scope	17,234	17,370	89	34,693
Depreciation and amortisation	(16,563)	(36,553)	(716)	(53,833)
Terminations	(3,856)	(2,956)	(24)	(6,836)
Reclassifications and other changes*	(8,799)	1,592	6	(7,201)
At 31 December 2021	115,186	123,952	2,686	241,823

* Including the transfer of fixed assets for which stock options were exercised.

13.4

Impairment of goodwill and fixed assets

Accounting policies

IAS 36 sets out how to ensure that the book value of intangible (including goodwill) and tangible fixed assets does not exceed their recoverable value.

This verification is made at least once a year for goodwill, intangible items with an indeterminate lifetime and those under development. Impairment tests are also carried out when there is any indication of impairment in value.

Furthermore, the Group regularly analyses whether its tangible fixed assets are subject to indications of impairment and, where necessary, establishes impairment tests.

Indications of impairment monitored by the Group are:

- the fall in profitability of the Cash Generating Units (hereafter “CGU”) which correspond to the three operational segments as defined in note 3 and/or the fall in profitability of a geographical area;
- the non-use/vacancy of a site or platform;
- a specific regulatory change that may significantly impact profitability.

The recoverable value of an asset is the highest value between its value in use and its fair value, net of costs to sell. The value in use of an asset is the discounted value of future cash flows expected from its use. Fixed assets that do not produce sufficiently autonomous cash flows are grouped into CGU, which correspond to the smallest groups of fixed assets producing autonomous cash flows. Goodwill is assigned to the CGU that benefit from the synergies of the corresponding business combinations.

The forecast future cash flows of a fixed asset or CGU are determined on the basis of a 5-year budget projection and a final value determined by capitalising a normative cash flow obtained by extrapolating the most recent cash flow from the business plan and assigning a growth rate specific to the activity concerned, except for the Maritime

CGU for which the value of the vessels is determined by experts. The cash flows thus obtained are discounted at a determined rate of return on the basis of the weighted average cost of capital.

An impairment charge is recognised if the book value of a fixed asset or cash-generating unit is greater than its recoverable value. This impairment is first assigned to reducing the book value of any goodwill recognised for the CGU, then to reducing the book values of the unit's other assets. An impairment recognised under goodwill cannot be reversed.

Impairment tests for CGUs

Impairment tests were performed at the 2021 balance sheet date. These tests were conducted by geographical area. The values in use of CGUs, which correspond to discounted future cash flows, are determined based on the following main assumptions:

	France	International	Maritime
Discount rate	6.1%	6.1%	6.1%
Growth rate for a specific term	1.5%	4.5%	

The discount rate corresponds to the weighted average cost of capital including the generally accepted parameters (beta, market risk premium). This rate takes account of the tax impact.

Breakdown by segment of goodwill and assets with an indeterminate useful life

	France	International	Maritime	Total
Goodwill and intangible assets with an indeterminate useful life	134,954	150,539	6,816	292,309

Sensitivity analysis

The table below shows, for each CGU, the test margins that correspond to the difference between the recoverable value and the book value resulting, on the one hand, from a change in the growth rate (decrease of 1 percentage point), and, on the other hand, from a change in the discount rate (increase of 1 point):

Assumptions used

Normative growth rates vary from:

France: 1.5% to 0.5%

International: 2% to 1%

The discount rate (WACC) varies from 6.1% to 7.1%

Test results

The discount rate that would give recoverable values equal to the net book values is 17.42%.

In millions of euros 31/12/2021	Margin of resistance to change in:	
	Normative growth rates (decrease of 1pt)	Discount rates (rise of 1pt)
France	1,779	1,698
International	1,125	1,071
Maritime	56	56
Total	2,960	2,825

Note 14

Non-current financial assets

Accounting policies

The financial assets representative of non-consolidated shares are measured at fair value through the other comprehensive income. Assets where the fair value cannot be determined reliably are measured at the acquisition cost for simplification and given their generally insignificant amounts.

Loans and receivables mainly comprise loans paid to staff under the employers' contribution to construction investments for the amount of €26.2 million in 2021 (€24.4 million in 2020). These interest-free loans granted to organisations as part of the mandatory contribution of employers to the construction effort are recorded initially at fair value which corresponds to their discounted value on the date the loans are paid. The difference between the discounted value and the sum paid is charged as an expense at the time of payment.

Change over the period

Non-current financial assets are broken down as follows:

	31 December 2021	31 December 2020
Financial assets at fair value through other comprehensive income	4,111	2,145
Other financial assets at amortised cost	39,527	37,744
Total	43,638	39,889

Note 15

Investments in associated companies

The data from the financial statements of associated companies consolidated by the equity method appears below:

31 December 2021	Attributable to Group shareholders	Total turnover	Total assets	Company's net assets	Equity value	Net profit (loss)	Net profit (loss) attributable to Group	Dividends paid to the Group
GRUPE PRIMEVER	40%	372,605	274,012	45,216	18,784	9,212	3,685	400
MESSAGERIES LAITIÈRES	39%	86,531	48,356	17,635	8,159	3,645	1,410	1,074
NORFRIGO	38%	10,720	39,711	24,278	6,264	5	2	0
FROID COMBI	25%	24,437	19,247	7,433	1,895	3,284	837	510
OLANO SEAFOOD IBERICA	32%	45,678	16,092	6,510	2,430	1,432	458	0
OLANO VALENCIA	40%	5,900	15,082	3,408	2,258	472	189	0
SNC NORMANDIE EXPORT LOGISTICS	39%	3,115	11,608	7,125	2,757	(93)	(36)	0
QSL STEF	49%	427,156	71,763	3,925	1,925	1,220	598	0
LIA*	49%	36,127	11,163	5,740	0	1,402	687	144
MEDSEALOG	40%	32,097		1,241	1,015	(487)	(195)	0
INTERMEDIA (SVAT GROUP) **	49%	70,458	40,346	16,600	20,720	285	140	0
OTHER ENTITIES (SSCV)					(863)	805	394	284
Total		1,114,824	547,380	139,111	65,344	21,182	8,169	2,412

* Company fully consolidated on 31 December 2021.

** Company consolidated under the equity method since 28 October 2021.

31 December 2020	Attributable to Group shareholders	Total turnover	Total assets	Company's net assets	Equity value	Net profit (loss)	Net profit (loss) attributable to Group	Dividends paid to the Group
GROUPE PRIMEVER	40%	348,087		37,004	15,500	7,103	2,841	0
MESSAGERIES LAITIÈRES	39%	81,567	42,997	16,612	7,763	2,778	1,075	893
NORFRIGO	38%	8,748		24,273	6,262	(593)	(223)	0
FROID COMBI	25%	20,224	15,398	6,150	1,568	3,107	792	306
OLANO SEAFOOD IBERICA	32%	42,456		5,078	1,971	556	178	0
OLANO VALENCIA	40%	5,139		2,936	2,069	655	262	0
SNC NORMANDIE EXPORT LOGISTICS	39%	2,937	12,061	7,206	2,789	(149)	(57)	0
QSL STEF	49%	319,041		2,709	1,327	17	8	0
LIA	49%	34,786	11,914	4,633	8,992	979	442	0
MEDSEALOG	40%	15,727	11,560	1,728	1,210	(774)	(310)	0
OTHER ENTITIES (SSCV)					(869)	313	147	0
Total		878,712	93,930	108,329	48,583	13,992	5,156	1,199

The Group is not a stakeholder in any joint venture.

Note 16

Inventories

Accounting policies

The main inventories comprise fuel, spare parts, commercial packaging, consumable materials and goods from the out-of-home foodservices business.

They are valued at their purchase cost, primarily using the first-in/first-out method (FIFO). Damaged stocks are subject to impairment charges, which are determined on the basis of their probable realisable values.

Change over the period

	31 December 2021	31 December 2020
Raw materials and supplies	59,004	50,630
Foodservice goods	27,278	30,897
Others		
Total	86,282	81,527
Depreciation	(53)	(374)
Total	86,229	81,153

The change in this item corresponds partly to the increase in the stock of materials in Italy and partly to the effect of the scope following the acquisition of Langdons Group and Logistique Internationale Alimentaire.

Note 17

Customers

Accounting policies

Trade receivables with short maturities are recorded on the asset side of the balance sheet at their nominal value, which is close to their fair value. In the event of failure by debtors and an objective indication of a loss in value, trade receivables are subject to an impairment charge, so that their net amounts reflect expected cash flows.

Change over the period

This item is presented as follows:

	31 December 2021	31 December 2020
Gross amount of trade receivables	624,128	524,197
Depreciation	(11,166)	(13,683)
Total	612,962	510,514

The change in this item includes €39.7 million for the effect of the scope following the acquisition of Langdons Group and Logistique Internationale Alimentaire.

Changes in depreciation in the trade receivables recognised in the income statement for 2021 and 2020 are referred to in note 8. There are no significant trade receivables in the sense of IFRS 8.

Note 18

Other receivables and current financial assets

This item is comprised as follows:

	31 December 2021	31 December 2020
Advances and deposits paid	8,787	9,608
Social charges	2,991	2,601
Tax expenses excluding corporate tax	90,076	81,972
Active current accounts	9,538	11,255
Prepayments under assets	9,578	7,076
Other accounts payable	17,782	27,596
Total	138,752	140,109

Other receivables with short maturities are recorded on the asset side of the balance sheet at their nominal value, which is close to their fair value. In the event of failure by debtors and an objective indication of a loss in value, these receivables are subject to an impairment charge, so that their net amounts reflect expected cash flows.

Note 19

Cash and cash equivalents

Accounting policies

Cash equivalents are short-term, highly liquid investments that are easily convertible to a known amount of cash and which are subject to a negligible risk of a change in value. The Group opted to manage these assets at fair value, subsequent changes in fair value are recorded in profit and loss.

Change over the period

	31 December 2021	31 December 2020
Marketable securities and investments	2,253	2,264
Cash assets	89,986	52,149
Total cash and cash equivalents	92,239	54,413
Bank overdrafts and short-term loans	(18,436)	(47,026)
Total net cash	73,803	7,387

Note 20

Equity and earnings per share

The Group's policy is to maintain a strong capital base to preserve the confidence of investors, creditors and the market and to allow the future growth of the business and ensure the liquidity of STEF shares. To ensure a certain trading volume in STEF shares, the Group signed a liquidity contract with a financial institution.

20.1

Share capital

The number of shares comprising the share capital is 13,000,000 shares with a nominal value of €1 at 31 December 2021 as at 31 December 2020.

The Board of Directors meeting on 10 March 2022 proposed a dividend of €3 per share to be paid for the financial year.

The Group paid €31 million of dividends for the 2020 financial year.

20.2

Treasury shares

The amounts disbursed by the Group to buy STEF shares (treasury shares) are accounted for as a deduction from equity. Where the treasury shares are sold or put back into circulation, the amounts collected offset the equity. The disposal of treasury shares as a transaction between shareholders does not generate any profit.

20.3

Earnings per share

The non-diluted earnings per share is determined by dividing the net profit attributable to STEF shareholders by the weighted average number of shares in circulation during the year.

The weighted average number of shares in circulation is determined by taking into account shares issued as a result of the exercising of stock options by the beneficiaries of these options, treasury shares acquired by the Group that are cancelled and treasury shares allocated to beneficiaries who exercise their share purchase options.

The diluted earnings per share is calculated based on a number of shares increased by the effect of exercising all these instruments.

The reconciliation between the existing shares at the beginning of the financial year and the weighted average number of shares in the calculations of the earnings per share is as follows:

	31 December 2021	31 December 2020
Group share profit	110,008	72,767
Number of shares comprising share capital at 31 December (a)	13,000,000	13,000,000
Number of treasury shares at the end of the financial year (b)	613,476	623,404
Weighting of financial year's treasury share movements (c)	(3,291)	(4,692)
Weighted average number of shares in the financial year for calculating the non-diluted earnings (a) - (b) + (c)	12,383,233	12,371,904
Number of treasury shares assigned to the performance action plan (d)	(144,151)	(36,177)
Weighted average number of shares used for calculating the diluted earnings per share (a) - (b) + (c) - (d)	12,527,384	12,408,081
Earnings per share in euros:		
— non-diluted	8.88	5.88
— diluted	8.78	5.86

Note 21

Staff benefits

21.1

Accounting policies

A. Post-employment benefits

Post-employment defined benefits granted by the Group are recorded in liabilities, as and when rights are acquired. They are evaluated using the actuarial projected unit credit method, applied to an estimate of the salaries when indemnities are paid. The actuarial gains resulting from changes in assumptions, differences between the forecasts and the paid amounts are recorded in other comprehensive income.

The fair value of the ring-fenced funds managed by insurance companies to cover the commitment are deducted from the liabilities. The differences between actual return on ring-fenced funds and financial income recorded in profit and loss, based on the actuarial rate selected for calculating the actuarial liability are recorded in other comprehensive income.

B. Other long-term benefits

The other long-term benefits are remunerations paid more than one year after the end of the period during which the service was provided by the employee. They are recorded as and when employees acquire rights and are determined in the same way as retirement bonuses. However, the resulting actuarial gains are immediately recorded in profit and loss.

Post-employment benefits and other long-term benefits are determined by an independent actuary.

21.2

Assumptions used

The main assumptions used to measure the actuarial liability of commitments of length-of-service awards payable on retirement, are as follows:

		Eurozone	Switzerland
Discount rate	2021	1.00%	0.45%
	2020	0.60%	0.35%
Inflation rate	2021	1.75% or 2%	0.50%
	2020	1.75%	0.75%
Expected rate of return of ring-fenced funds	2021	1.75% or 2%	0.50%
	2020	1.75%	0.75%
Forecast rate of increase of workforce	2021	2.25% or 1.75%	1.00%
	2020	2.25% or 1.75%	1.00%
Average duration (in years)	2021	10	28
	2020	12	28
Retirement age	2021	60 to 66 years	
	2020	60 to 66 years	
Mortality table	2021	TGH/F 05 and RGM/ RGF 48	BVG 2020
	2020	TGH/F 05 and RGM/ RGF 48	BVG 2015

The retirement age depends on the employees' classification and the sectors of activity in which they are employed. Moreover, it is assumed that employees leave the Group based on a request for voluntary departure. The benefits paid to them in France are therefore subject to social security contributions in accordance with the Fillon law of 2003 and subsequent social security financing laws.

A sensitivity test was performed with discount rates differing by 0.25% compared to the above rates. This results in a decrease in the commitment of 3.1% or an increase of 3.2% depending on whether the discount-rate increments are added or subtracted.

21.3

Change over the financial year

Net debts relating to these post-employment benefits are detailed below:

	2021	2020*
Actuarial liability	65,778	63,528
Hedge assets	(45,989)	(43,323)
subtotal Length-of-service awards payable on retirement	19,789	20,205
Long-service awards	10,904	11,441
Total	30,693	31,646

*Restatement of the opening provision in application of the IFRS IC decision of May 2021 (cf. note 1).

Change in net values reported in the balance sheet are as follows:

	2021	2020*
Amount at 1 January	20,205	21,645
Expenses for the year	4,863	4,886
Change in scope	230	(306)
Change in actuarial gains	(1,631)	(1,536)
(Premiums paid)/payments received from insurance companies	1,250	852
Contributions paid by employees/employer	(602)	(487)
Benefits paid	(4,627)	(4,848)
Goodwill	101	
Amount at 31 December	19,789	20,205

*Restatement of the opening provision in application of the IFRS IC decision of May 2021 (cf. note 1).

The change in actuarial liability is presented below:

	2021	2020*
Amount at 1 January	63,528	63,034
Rights acquired during the year and financial cost of undiscounting the actuarial liability	5,110	5,286
Benefits paid	(4,627)	(4,848)
Projected actuarial liability at 31 December based on the assumptions at the start of the financial year	64,011	63,472
Change in scope	230	(306)
Contributions paid by employees	1,466	1,307
Actuarial gains related to:		
- demographic assumptions	178	0
- financial assumptions	(2,603)	3,048
- experience adjustments	2,090	(3,993)
Goodwill (Switzerland)	406	
Amount at 31 December	65,778	63,528

*Restatement of the opening provision in application of the IFRS IC decision of May 2021 (cf. note 1).

The change in the fair value of hedge assets is detailed in the table below:

	2021	2020
Amount at 1 January	43,323	41,389
Change in scope		0
Expected financial return	247	400
Actuarial gains	1,296	592
Contributions paid by employees	1,466	1,307
Contributions paid by the employer	602	487
Repayments on services received of funds	(1,250)	(852)
Goodwill	305	
Fair value of assets at 31 December	45,989	43,323

The details of expenses for the year are as follows:

	2021	2020
Rights acquired during the year	4,754	4,617
Financial cost of undiscounting the actuarial liability	356	670
Forecast return on ring-fenced funds	(247)	(400)
Expenses for the year	4,863	4,886

The payment schedule for theoretical benefits is as follows:

Schedule of theoretical benefits to be paid per year	2022	2023	2024	2025	2026
Payment of theoretical benefits	4,220	2,904	3,898	4,432	5,625

Expenses for the year were recorded as operating expenses. Ring-fenced funds, managed in euros, are deposited with institutional investors in France and Switzerland. They benefit from a capital guarantee and, for the most part, from a minimum return guarantee. The ring-fenced funds with insurance companies are comprised of assets in euros (main component) and diversified assets, some offering a minimum rate guarantee and in all cases a capital guarantee.

Note 22

Provisions

Accounting policies

Provisions are liabilities where the maturities or the amount entail a certain amount of uncertainty. They are recognised when the Group has to deal with an actual, legal or implicit obligation arising from past events and when the obligation can be reliably estimated and when it is likely that this will result in an outflow of funds. They are created at an amount equal to that which is most likely to be disbursed.

The provisions for commercial disputes after damage occurring during the execution of transport and logistics services are measured on a case by case basis through claims received or known at the balance sheet date of each financial year.

Change over the period

The detail of the provision for risks and expenses on the balance sheet is as follows:

	31 December 2021	31 December 2020*
Length-of-service awards payable on retirement	19,789	20,205
Long-service awards	10,904	11,441
Dispute provisions	16,367	13,764
Other provisions	38,294	10,653
Total	85,354	56,063

*Restatement of the opening provision in application of the IFRS IC decision of May 2021 (cf. note 1).

The change in provisions, other than those relating to length-of-service awards payable on retirement, developed in note 21, is presented as follows:

	Long-service awards	Disputes	Others	Total
At 1 January 2021	11,441	13,764	10,653	35,858
Changes in scope and other changes	27	47	1,388	1,462
Allocations	149	14,840	32,057	47,046
Reversals used	(713)	(6,502)	(5,684)	(12,899)
Reversals not used	0	(5,782)	(120)	(5,902)
At 31 December 2021	10,904	16,367	38,294	65,565
Non-current	10,904	4,075	34,332	49,311
Current	0	12,292	3,962	16,254
At 31 December 2021	10,904	16,367	38,294	65,565

	Long-service awards	Disputes	Others	Total
At 1 January 2020	10,948	15,490	8,051	34,489
Changes in scope and other changes	11	0	596	607
Allocations	1,090	12,145	6,321	19,556
Reversals used	(608)	(9,999)	(4,303)	(14,910)
Reversals not used	0	(3,872)	(12)	(3,884)
At 31 December 2020	11,441	13,764	10,653	35,858
Non-current	11,441	4,726	3,776	19,943
Current	0	9,038	6,877	15,915
At 31 December 2020	11,441	13,764	10,653	35,858

The provision for disputes covers, for the current portion of the income statement, the costs incurred from loss or damage occurring during transport, handling or storage services and for the non-current portion of the income statement, the consideration of risks arising from various disputes.

The Group was uncertain about the interpretation of the texts regarding the arrangements for applying the French Domestic Tax on Final Electricity Consumption (“TICFE”). The Group believes that it should benefit from the application of reduced taxation on its electricity consumption in France and had submitted a rescript in relation to this on 30 August. This rescript was the subject of negative feedback from the Customs Administration in mid-December 2021. As a result, the Group has decided to provision a risk of €21.9 for the 2019-2021 period under “Other provisions” while continuing these discussions to express its point of view.

Note 23

Financial liabilities

Accounting policies

Financial liabilities include loans, financial debt and liabilities generated by operations (trade account payables and other). At the time of their initial recognition, they are valued at their fair value, net of transaction costs. In the case of operating liabilities, because their maturities are very short, their fair value equals their nominal value. Financial liabilities are subsequently amortised by the effective interest method.

At 31 December 2021, the Group had no compound instruments.

Derivatives are used by the Group to manage its exposure to the interest rate risk associated with its debt. These instruments are initially stated at fair value. Even where the Group’s objective is to hedge a risk financially, some derivatives do not fulfil the conditions imposed by the IFRS 9 standard to qualify as accounting hedges. In this case, subsequent changes in value are recorded in profit and loss.

Where a derivative could be qualified as a hedging instrument, the subsequent changes in fair value are accounted for as follows:

- where they are fair value hedges (exchange of fixed interest payments for floating interest payments), they are stated in profit and loss, under the same heading as adjustments in fair value of the hedged liability;
- where they are future cash flow hedges (exchange of floating interest payments for fixed interest payments), they are recorded in other comprehensive income, for the efficient portion of the hedge, and are subsequently transferred to the income statement when the interest rates being hedged are recognised. The inefficient portion is stated in profit and loss.

Change over the period

The detail of the current and non-current financial liabilities is comprised of the following classes of liabilities:

	31 December 2020	31 December 2021
Non-current financial liabilities		
Bank borrowings and drawdowns of confirmed credit lines of more than one year	369,449	356,679
Lease obligations	183,003	159,244
Fair value of financial derivatives	2,319	5,431
Total	554,772	521,354
Portion at less than one year of:		
— bank loans and spot lines of credit	53,078	50,869
— lease obligations	55,412	57,002
— other miscellaneous financial liabilities	3,770	3,739
— commercial papers	350,000	277,000
Fair value of financial derivatives	1,557	2,221
Bank overdrafts and short-term loans	18,436	47,026
Total	482,252	437,857
Total financial liabilities	1,037,024	959,211
Net debt	944,785	904,799
Debt/equity ratio	1.04	1.11

The Group mainly used bank loans and issued commercial papers to finance its real estate investments.

The maturities of financial liabilities at 31 December 2021 and 31 December 2020 are shown below:

2021	Total	Less than one year	Maturities of more than one and less than five years	Over 5 years
Bank borrowings and drawdowns (including fair value of derivatives)	426,403	54,634	260,900	110,868
Lease obligations	238,415	55,412	112,664	70,339
Commercial papers	350,000	350,000		
Bank overdrafts	18,436	18,436		
Miscellaneous financial liabilities	3,770	3,770		
Total	1,037,024	482,252	373,564	181,207

2020	Total	Less than one year	Maturities of more than one and less than five years	Over 5 years
Bank borrowings and drawdowns (including fair value of derivatives)	415,201	53,090	241,990	120,121
Lease obligations	216,246	57,002	96,372	62,872
Commercial papers	277,000	277,000	0	0
Bank overdrafts	47,026	47,026	0	0
Miscellaneous financial liabilities	3,739	3,739	0	0
Total	959,211	437,857	338,362	182,993

The Group's exposure to exchange rate, interest rate and liquidity risks due to its financial liabilities is analysed in note 25.

Changes in financial activities detailed by cash and non-cash flows appear below:

2021	Cash flows			Non-cash flows					31 December 2021
	31 December 2020	New loans	Repayments	Changes in scope	Change in fair value	Impact of foreign exchange	New lease obligations (IFRS 16)	Reclassification and other changes*	
Bank loans and credit line drawdowns	407,549	135,421	(121,798)	398		958			422,527
Lease obligations	216,246		(62,172)	35,287		2,177	52,842	(5,965)	238,415
Commercial papers	277,000	73,000							350,000
Miscellaneous financial liabilities & accrued interest	3,739	78	(520)	8		465			3,770
Bank overdrafts and short-term loans	47,026		(28,595)			5			18,436
Fair value of financial derivatives	7,652				(3,776)				3,876
Total	959,211	208,499	(213,085)	35,693	(3,776)	3,605	52,842	(5,965)	1,037,024

* Reclassifications and other changes include lease terminations.

2020	Cash flows			Non-cash flows					31 December 2021
	31 December 2019	New loans	Repayments	Changes in scope	Change in fair value	Impact of foreign exchange	New lease obligations (IFRS 16)	Reclassification and other changes*	
Bank loans and credit line drawdowns	370,469	94,900	(57,939)	0	0	119	0	0	407,549
Current lease obligations (IFRS16)	219,257	0	(53,215)	0	0	50	52,931	(2,777)	216,246
Commercial papers	262,000	15,000	0	0	0	0	0	0	277,000
Miscellaneous financial liabilities & accrued interest	3,077	406	(127)	0	0	48	0	335	3,739
Bank overdrafts and short-term loans	22,450	24,576	0	0	0	0	0	0	47,026
Fair value of financial derivatives	8,297	0	0	0	(645)	0	0	0	7,652
Total	885,550	134,882	(111,281)	0	(645)	216	52,931	(2,442)	959,211

* Reclassifications and other changes include lease terminations.

Note 24

Other current liabilities

Other current liabilities include the following elements:

	31 December 2021	31 December 2020
Advances and deposits received	17,352	15,113
Social debt	181,955	178,302
Tax debt	123,240	101,231
Deferred income	6,565	7,342
Current accounts in debit	39	25
Debt on asset acquisitions	1,300	4,953
Other liabilities	19,332	9,865
Total	349,784	316,832

Note 25

Financial risk management

25.1

Credit risk

No customer accounts for more than 5% of the Group's turnover, which limits the risk that the bankruptcy of one customer could have a significant impact on the Group's financial position.

The Group has credit insurance covering it against the risk of bankruptcy of its customers, which is renewed on a regular basis.

Financial investments consist of senior securities and are negotiated with tier one banks.

The Group subscribes to OTC derivatives with tier one banks under agreements that provide for the offsetting of the amounts due and to be received in the event that one of the contracting parties defaults.

These conditional offsetting agreements do not comply with the criteria of the IAS 32 standard to allow the offsetting of derivative assets and liabilities on the balance sheet.

25.2

Interest rate risk

The structure of the financial debt by rate type, after taking account of the hedging instruments in place, is as follows:

	31 December 2021		31 December 2020	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Bank loans	334,131	88,396	326,320	81,229
Commercial papers	0	350,000		277,000
Lease obligations	238,415		216,246	
Miscellaneous financial liabilities (inc. fair value of derivatives)	3,770	3,876	3,739	7,652
Bank overdrafts and short-term loans	0	18,436		47,026
Total financial liabilities net of hedges	576,316	460,708	546,305	412,907

The Group's objective in terms of interest rate risk management is to use micro-hedging as and when new real estate financing contracts are set up either by contracting directly at a fixed rate with lending institutions or by setting up swap contracts. This hedging policy by the Group should optimise the contracting of financial instruments to hedge the underlying liabilities, while improving its effectiveness and complying with accounting requirements in terms of hedge accounting.

In France, 15 swaps were active at 31 December 2021, totalling a hedged notional amount of €65 million. Interest rate swaps were contracted with regard to long-term financing in terms of duration and amortisable notional principal amount. Their maturity depends on the duration of the underlying financing, *i.e.* between 9 and 15 years at the start.

In Italy, 2 interest rate swaps contracted with regard to financing the real estate assets of Mairano and Fidenza for a hedged notional amount of €49 million at 31 December 2021.

Analysis of interest rate risk sensitivity

A change of 50 basis points in the interest rates at the balance sheet date would have impacted equity and profit (before tax) up to the amounts shown below. For the purposes of this analysis, all other variables are assumed to be constant.

(-) Debit / (+) Credit	Impact on profit and loss		Impact on comprehensive income	
	Rise of 50 bps	Fall of 50 bps	Rise of 50 bps	Fall of 50 bps
Floating rate interest charges on assets/liabilities	2,284	(2,284)	0	0
Change in fair value of derivatives	0	0	1,681	(1,732)
Net impact	2,284	(2,284)	1,681	(1,732)

Balance sheet exposure to rate risk

At 31 December 2021	Current		Non-current	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Financial liabilities*	87,078	393,616	375,580	176,874
Non-current financial assets (note 14)			(39,708)	(3,930)
Cash and cash equivalents (note 19)		(92,239)		
Net exposure before taking account of derivatives	87,078	301,377	335,872	172,944
Notional amounts of derivatives	22,384	(22,384)	91,274	(91,274)
Net exposure after taking account of derivatives	109,462	278,993	427,146	81,670

* Excluding market value of derivatives.

At 31 December 2020	Current		Non-current	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Financial liabilities*	82,329	353,307	319,439	196,484
Non-current financial assets (note 14)			(37,547)	(2,342)
Cash and cash equivalents (note 19)		(54,413)		
Net exposure before taking account of derivatives	82,329	298,895	281,892	194,142
Notional amounts of derivatives	27,848	(27,848)	116,456	(116,456)
Net exposure after taking account of derivatives	110,177	271,047	398,348	77,686

* Excluding market value of derivatives.

25.3**Exchange rate risk**

Most of the flows outside the Eurozone concern Switzerland, where the business represents less than 1% of the Group's turnover. In this scope, the income and associated costs are mostly accounted for in Swiss francs, which limits the impact of a change in the €/CHF exchange rate on the Group's results.

25.4**Liquidity risk**

The Group's cash management is centralised which gives it control over all its subsidiaries' cash flows.

The Group's cash needs are mainly provided by credit lines at parent company level.

At 31 December 2021, STEF had 10 confirmed medium-term credit lines totalling €195 million.

At 31 December 2021, up to €75 million had been drawn down.

Furthermore, the Group has a commercial papers programme of a maximum amount of €350 million.

These papers are issued by STEF SA on maturities ranging from 1 day to 1 year. The outstanding amount of the programme at 31 December 2021 was €350 million.

STEF also has spot loans totalling €14 million unused at 31 December 2021, and overdraft agreements, with no agreed expiry date, totalling €150.3 million, of which €18.4 million was used at 31 December 2021. The current cash needs of the subsidiaries are provided mainly by the parent company through a European centralised cash management agreement.

Confirmed, unused credit lines and available overdrafts and spot loans, together with effective cash flow planning, ensure that the Group has excellent control of its liquidity risk.

Some lines and loans are supported by commitments from the Group, including compliance with financial ratios.

The main ratios are as follows: EBITDA/Net financial expenses higher than 6 or 6.5 and Net Debt/Equity less than 2. At 31 December 2021, the Group met all commitments attached to the funding available to it.

25.5**Diesel risk**

As a large consumer of diesel, STEF, which is exposed to changes in the price of this fuel, does not currently intend to purchase hedging instruments. Besides the impact of this expense, the Group prefers primarily to optimise purchases with dedicated buyers and implement measures to reduce consumption by vehicles.

25.6

Information on the fair value of financial instruments by category

	Balance sheet value 31 December 2021	Fair value through the income statement	Fair value through other comprehensive income	Financial instruments at amortised cost	Assets not qualified as financial
Unconsolidated equity instruments	1,782		1,782		
Other non-current financial assets	6,456			6,456	
Loans and receivables from financial activities	33,071			33,071	
Marketable securities	2,329		2,329		
Sub-total: other non-current financial assets	43,638	0	4,111	39,527	0
Customers	612,962			612,962	
Other accounts receivable	142,206		1,901	140,305	
Cash and cash equivalents	92,239	92,239			
Assets	891,046	92,239	6,012	792,794	0

	Balance sheet value 31 December 2021	Fair value through the income statement	Fair value through other comprehensive income	Financial instruments at amortised cost	Liabilities not qualified as financial
Derivative financial liabilities	3,876		3,876		
Debts from financial activities	1,014,712			776,297	238,415
Current financial liabilities	18,436			18,436	
Sub-total: financial liabilities	1,037,024	0	3,876	794,733	238,415
Suppliers	557,551			557,551	
Other creditors	355,744			355,744	
Liabilities	1,950,318	0	3,876	1,708,027	238,415

	Balance sheet value 31 December 2020	Fair value through the income statement	Fair value through other comprehensive income	Financial instruments at amortised cost	Assets not qualified as financial
Unconsolidated equity instruments	344		344		
Other non-current financial assets	6,547			6,547	
Loans and receivables from financial activities	31,197			31,197	
Marketable securities	1,801		1,801		
Sub-total: other non-current financial assets	39,889	0	2,145	37,744	0
Customers	510,514			510,514	
Other accounts receivable	150,629			150,629	
Cash and cash equivalents	54,413	54,413			
Assets	755,445	54,413	2,145	698,887	0

	Balance sheet value 31 December 2020	Fair value through the income statement	Fair value through other comprehensive income	Financial instruments at amortised cost	Liabilities not qualified as financial
Derivative financial liabilities	7,652	15	7,637		
Debts from financial activities	904,533			688,287	216,246
Current financial liabilities	47,026			47,026	
Sub-total: financial liabilities	959,211	15	7,637	735,313	216,246
Suppliers	461,047			461,047	
Other creditors	317,195			317,195	
Liabilities	1,737,453	15	7,637	1,513,555	216,246

The financial assets and liabilities not covered within the scope of IFRS 9 mainly comprise debts concerning leases.

Hierarchy of fair values at 31 December 2021

Financial instruments at fair value are classified according to the following hierarchy levels:

- level 1: financial instruments which are listed on an active market;
- level 2: financial instruments whose evaluation requires the use of valuation techniques based on observable parameters;
- level 3: financial instruments whose evaluation requires the use of valuation techniques based in whole or in part on non-observable parameters.

	Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income		4,111	
Other accounts receivable		1,901	
Cash and cash equivalents	2,253	89,986	
Assets	2,253	95,998	0
Derivatives		3,876	
Liabilities	0	3,876	0

Derivatives portfolio at 31 December 2021	Fair value	On assets	On liabilities	Ineffective portion recorded in Net Comprehensive Income for the period	Nominal hedged	Average maturity	Reference rate
Swaps	(1,975)	1,901	(3,876)	15	113,658	3 years	Euribor

Method for determining fair values

The fair value of interest rate swaps and options is based on quotes made by financial intermediaries. The Group ensures that these quotes are reasonable by valuing the swaps by discounting estimated future cash flows and the options using a valuation model (Black & Scholes type).

The fair value of “trade accounts payable” and “trade receivables” is equal to the book value on the balance sheet because the discounting of cash flows has a negligible impact given the short payment and settlement deadlines.

The fair value of floating rate debts is very nearly equal to the book value with close credit risk.

Note 26

Operations with related parties

Related parties with regard to STEF are associated companies, STEF's Directors and senior executives. The shareholding structures of managers and senior executives are also in this position, as well as employee investment funds which, acting together, control 85.17% of the voting rights at the STEF Shareholders' Meeting.

26.1

Net remunerations and other benefits

The following net remunerations and other benefits were paid to directors and senior executives, in euros:

	2021	2020
Salaries and wages	982,275	1,224,849
Directors' attendance fees	127,084	127,283
Total	1,109,359	1,352,132
Short-term benefits	1,109,359	1,352,132
Post-employment benefits	0	0
Long-term benefits	None	None
Retirement benefits	None	None
Share-based payments*	262,535	89,140

* Share of IFRS 2 expenses for the financial year for directors and senior executives.

The salaries and wages presented give the annual total of net remunerations and benefits paid to Directors and senior executives.

26.2

Associated companies

These are primarily the companies over which the Group has considerable influence, recognised using the equity method. Transactions with these related parties are carried out at market prices. Over the 2021 financial year, the most significant transactions carried out by the Group, concerned the following companies:

	Balances at 31 December 2021				Transactions for the year	
	Customers	Suppliers	Long-term loans	Current account	Sales of goods and services	Purchases of goods and services
Primever	500	(1,126)	6,903	4,456	2,226	(17,685)
Messageries Laitières	3,936	0	0	4,939	30,307	(5)
QSL-STEF	9,174	(92)	0	0	49,409	(89)

In 2020, the most significant transactions involved the following companies:

	Balances at 31 December 2020				Transactions for the year	
	Customers	Suppliers	Long-term loans	Current account	Sales of goods and services	Purchases of goods and services
Primever	102	(582)	6,840	4,484	1,135	(7,020)
Messageries Laitières	3,403	0	0	3,883	28,895	(5)
QSL-STEF	8,736	(240)	0	2,724	40,469	(202)

Furthermore, there were no significant transactions in 2021 and 2020 between the Group and the shareholding structures of managers and senior executives and employee investment funds.

Note 27**Link between the cash flow statement and the notes to the financial statements****27.1****Connection between balance sheet changes and cash flow**

	Note	Opening	Non-cash change*	Cash flow statement item			
				Changes in other items of the WC	Disbursed tax	Investment flow	Closure
Inventories and work in progress	16	81,153	2,524	2,552	0	0	86,229
Customers	17	510,514	41,088	61,360	0	0	612,962
Other receivables and current financial assets	18	140,109	(2,230)	873	0	0	138,752
Current tax assets		10,520	0	39,417	(46,483)	0	3,454
Total		742,296	41,382	104,203	(46,483)		841,397
Trade accounts payable		461,047	14,471	82,032	0	0	557,551
Other current liabilities (including fixed asset suppliers)	24	316,832	6,785	29,820	0	(3,653)	349,784
- including in the acquisition of tangible fixed assets (a)						(3,653)	
Current tax liabilities		363	0	34,539	(28,942)	0	5,960
Total		778,242	21,257	146,391	(28,942)	(3,653)	913,295
Impact on cash flow				42,188	17,541	(3,653)	
Tax on the income statement	12				(46,483)		
Cash used in acquiring intangible assets	13.1					(3,431)	
Cash used in acquiring tangible fixed assets (b)	13.2					(158,044)	
Cash flow statement total				42,188	(28,942)	(165,128)	
including cash used in acquiring tangible fixed assets (a) + (b)						(161,697)	

* The non-cash changes include in particular the effects of changes in scope, the effects of conversion and reclassification between accounts.

27.2

Details of depreciation and amortisation and provisions presented in the cash flow statement

	Note	2021
Impairment of goodwill	13.1	0
Amortisation and depreciation of intangible fixed assets	13.1	(2,867)
Amortisation and depreciation of tangible fixed assets	13.2	(175,657)
Net depreciation of reversals on non-current financial assets		209
Net depreciation of reversals on current assets		3,047
Net allocations to provisions		(29,068)
Total charges net of reversals		(204,336)

Note 28

Statutory auditors' fees

	Mazars				KPMG			
	Amounts		%		Amounts		%	
	2021	2020	2021	2020	2021	2020	2021	2020
Audit								
I) Statutory auditors, certification, review of individual and consolidated financial statements	1,045	998	85%	93%	857	861	98%	86%
a) Issuer	117	116	10%	11%	181	175	21%	17%
b) Fully consolidated subsidiaries	928	882	76%	82%	676	686	78%	68%
II) Services other than certification of the financial statements	180	79	15%	7%	14	143	2%	14%
a) Issuer	43	23	3%	2%	8	141	1%	14%
b) Fully consolidated subsidiaries	137	56	11%	5%	6	2	1%	0%
Total	1,224	1,077	100%	100%	870	1,004	100%	100%

Fees for statutory auditors from other firms amounted to €121 thousand for 2021 (€121 thousand in 2020). Services, other than the certification of the financial statements, mainly concern the environmental and social report and specific certifications or additional reports.

Note 29**Off-balance sheet commitments**

	2021	2020
Commitments received		
Financial commitments	0	0
Commitments related to operating activities	3,828	4,168
Commitments related to scope of consolidation	39,599	10,180
Unused available medium-term credit lines	120,000	179,500
Unused spot loans and bank overdrafts	145,864	130,774
Other commitments received	0	0
Total	309,291	324,622

	2021	2020
Commitments given		
Financial commitments	408	0
Commitments related to operating activities	53,636	51,759
Commitments related to scope of consolidation	0	0
Other commitments given	0	0
Total	54,044	51,759

Commitments related to operating activities mainly include firm orders for tangible fixed assets not yet executed which amounted to €46.6 million at 31 December 2021 (compared with €45.9 million at 31 December 2020).

Note 30**Contingent liabilities**

As part of its normal activities, the Group may be a defendant in litigation and disputes. It recognises a provision each time an unfavourable outcome is considered likely to result in an outflow of resources of which the amount can be reliably estimated.

At 31 December 2021 as at 31 December 2020, there was no litigation or dispute likely to have a significant impact on the Group's financial situation and future results with the exception of the Corsica Ferries dispute presented below.

— As a reminder, in February 2018, Corsica Ferries called the group of companies SNCM (represented by its liquidators) and La Méridionale before the Commercial Court of Marseille. Corsica Ferries believes that the joint response of both companies to the consultation for the awarding of the Public Service Concession for the 2014-2023 period (a Concession now cancelled), was an anti-competitive practice, even though it was authorised by the specifications of this consultation;

— The Group believes that this legal action is not legitimate and is preparing a defence with the assistance of its lawyers. Several procedural hearings have taken place. In December 2019, the Judge of the Commercial Court of Marseille granted the application for suspension pending the decision of the administrative judge as part of the summons of the Corsican Authorities by Corsica Ferries. There has not been any significant progress in 2021.

Note 31**Events subsequent to year-end closing**

None.

Note 32

List of consolidated companies

In accordance with the rules shown in paragraph 2.1 above, the following companies are included in the consolidated financial statements:

Fully consolidated companies Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2021	31 December 2020
Atlantique SA (Spain)	100%	100%
Bretagne Frigo	100%	100%
Entrepôts Frigorifiques de Nord et de l'Est (EFNE)	100%	100%
Entrepôts Frigorifiques du Sud-Ouest (EFSO)	100%	100%
FSD	100%	100%
GIE STEF Geodis	50%	50%
Institut des métiers du froid	100%	100%
SLD Aix-en-Provence	100%	100%
SNC STEF-TFE Services	100%	100%
Langdons Group (United Kingdom) and its subsidiaries:	100%	0%
Nagel Langdon (United Kingdom)	100%	0%
Langdon Bridgewater Ltd (United Kingdom)	100%	0%
Chillnet Ltd (United Kingdom)	100%	0%
FerryLine Forwarding Ltd (United Kingdom)	100%	0%
Nagel Group Ltd (United Kingdom)	100%	0%
STEF Information et Technologies and its subsidiary:	100%	100%
STEF IT Portugal	100%	100%
STEF Logistics Courcelles (Belgium)	100%	100%
STEF Logistics Saintes (Belgium)	100%	100%
STEF Logistique Plouénan	100%	100%
STEF Switzerland	100%	100%
STEF Nederland (The Netherlands) and its subsidiaries:	100%	100%
STEF Bodegraven BV	100%	100%
STEF International Bodegraven BV	100%	100%
STEF Eindhoven BV	100%	100%
STEF RAALTE BV	100%	40%
SNG Paris investment and its subsidiary:	100%	100%
Cold Ré	100%	0%
IMMOSTEF and its subsidiaries:	100%	100%
Blue EnerFreeze and its subsidiaries:	100%	100%
Blue EnerFreeze España	100%	0%
Blue EnerFreeze Portugal	100%	0%
Blue EnerSun	75%	75%
Entrepôts frigorifiques de Normandie Loire (EFNL)	100%	100%

Fully consolidated companies Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2021	31 December 2020
Frigaurice	100%	100%
GEFA	100%	100%
IMMOSTEF Italia Srl	100%	100%
IMMOSTEF Nederland	100%	0%
SNC Loudéac Froid	100%	100%
IMMOSTEF Espana SLU and its subsidiary:	100%	100%
Friomerk SAU and its subsidiary:	100%	100%
Euromerk SAU	100%	100%
IMMOSTEF Portugal SLU	100%	100%
IMMOSTEF Belgique	100%	0%
Les Frigorifiques du Périgord	100%	100%
Normandie Souchet	100%	100%
SCI C2W2	100%	100%
SCI des Pins	100%	100%
SCI des Vallions	100%	100%
SCI Fresh 5	100%	100%
SCI Fresh 7	100%	100%
SCI Immo	100%	100%
SCI Immotrans 42	100%	100%
SNC Adour Cap de Gascogne	100%	100%
SNC Agen Champs de Lassalle	100%	100%
SNC Allonnes Entrepôts	100%	100%
SNC Atton Logistique	100%	100%
SNC Bondoufle La Haie Fleurie	100%	100%
SNC Brignais Charvolin	100%	100%
SNC Burnhaupt Les Mulhouse	100%	100%
SNC Carros La Manda	100%	100%
SNC Cavaillon Le Castanie	100%	100%
SNC Cergy Frais	100%	100%
SNC Cergy Froid	100%	100%
SNC de la Vesvrose	100%	100%
SNC Donzenac Entrepôts	100%	100%
SNC Donzenac La Maleyrie	100%	100%
SNC France Plateformes	100%	100%
SNC Gap Plan de Lardier	100%	100%
SNC Immotrans 49	100%	100%
SNC Immotrans 56	100%	100%
SNC Immotrans 69	100%	100%

Fully consolidated companies Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2021	31 December 2020
SNC La Pointe de Pessac	100%	100%
SNC Le Mans Faraday	100%	100%
SNC Les Essarts Sainte-Florence	100%	100%
SNC Louverne Les Guichérons	100%	100%
SNC Mâcon Est Replonges	100%	100%
SNC Mions La Perrinière	100%	100%
SNC Plan d'Orgon-sur-Durance	100%	100%
SNC Reims La Pompelle	100%	100%
SNC Saran Les Champs Rouges	100%	100%
SNC Strasbourg Pont de L'Europe	100%	100%
SNC Toussieu Chabroud	100%	100%
SNC Trangé Le Bois Chardon	100%	100%
SNC Valence Pont des Anglais	100%	100%
STEF Logistique and its subsidiaries:	100%	100%
DYAD	100%	100%
STEF Logistique Canejean	100%	100%
DYAD SOLUTIONS	100%	100%
KL Services (KLS)	100%	100%
STEF Logistique Aix-en-Provence	100%	100%
STEF Logistique Alsace	100%	100%
STEF Logistique Arnage	100%	100%
STEF Logistique Atton	100%	100%
STEF Logistique Aulnay-sous-Bois	100%	100%
STEF Logistique Aurice	100%	100%
STEF Logistique Bain-de-Bretagne	100%	100%
STEF Logistique Bondoufle	100%	100%
STEF Logistique Bourgogne	100%	100%
STEF Logistique Bretagne Nord	100%	100%
STEF Logistique Bretagne Sud	100%	100%
STEF Logistique Brignais	100%	100%
STEF Logistique Cergy	100%	100%
STEF Logistique Darvault	100%	100%
STEF Logistique Distribution Cergy	100%	100%
STEF Logistique Distribution Montsoult	100%	100%
STEF Logistique Distribution Vitry	100%	100%
STEF Logistique Fuveau	100%	100%
STEF Logistique Givors	100%	100%
STEF Logistique Îsle-d'Abeau	100%	100%

Fully consolidated companies Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2021	31 December 2020
STEF Logistique Le Plessis-Belleville	100%	100%
STEF Logistique Le Plessis-Pâté	100%	100%
STEF Logistique Lesquin	100%	100%
STEF Logistique Lorraine Surgelés	100%	100%
STEF Logistique Méditerranée	100%	100%
STEF Logistique Midi-Pyrénées-Limousin	100%	100%
STEF Logistique Mions	100%	100%
STEF Logistique Montbartier	100%	100%
STEF Logistique Montsoul	100%	100%
STEF Logistique Moulins-Les-Metz	100%	100%
STEF Logistique Nemours	100%	100%
STEF Logistique Niort	100%	100%
STEF Logistique Nord	100%	100%
STEF Logistique Normandie	100%	100%
STEF Logistique Pays-de-Loire	100%	100%
STEF Logistique Saint-Pierre-des-Corps	100%	100%
STEF Logistique Tigery	100%	100%
STEF Logistique Vendenheim	100%	100%
STEF Logistique Pessac	100%	100%
STEF Logistique Rhône-Alpes	100%	100%
STEF Logistique Rouen	100%	100%
STEF Logistique Saint-Dizier	100%	100%
STEF Logistique Saint-Sever	100%	100%
STEF Logistique Santé	100%	100%
STEF Logistique Sorgues	100%	100%
STEF Logistique Tours	100%	100%
STEF Logistique Toussieu	100%	100%
STEF Logistique Vénissieux	100%	100%
STEF Logistique Vitry	100%	100%
STEF Restauration France	100%	100%
STEF Transport Montsoul	100%	100%
STEF TSA	100%	100%
STEF TSA Orléans Nord	100%	100%
STEF TSA Rhône-Alpes	100%	100%
STEF Logistique Mâcon	100%	100%
STEF Logistique Lieusaint	100%	100%
STEF Logistique 2	100%	100%
STEF Logistique 3	100%	100%

Fully consolidated companies Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2021	31 December 2020
Compagnie Méridionale de Participation (CMP) and its subsidiaries:	100%	100%
La Méridionale and its subsidiaries:	99%	98%
A.M.C	99%	98%
Cie Méridionale de Manutention (CMM)	99%	98%
SNC PIANA	99%	98%
Sigma	100%	100%
STEF Transport and its subsidiaries:	100%	100%
Dispack	100%	100%
Ebrex France and its subsidiary:	100%	100%
STEF Logistique Miramas	100%	100%
STEF Transport Lezignan Corbières	100%	100%
Immotrans 35	100%	100%
Logistique Frigorifique Bourguignonne	100%	100%
STEF Eurofrischfracht	100%	100%
STEF International Strasbourg	100%	100%
STEF International Paris	100%	100%
STEF International Ouest	100%	100%
STEF International Lyon	100%	100%
STEF International Bordeaux	100%	100%
STEF Logistique Caen	100%	100%
STEF Logistique Vannes	100%	100%
STEF Transport Agen	100%	100%
STEF Transport Alpes	100%	100%
STEF Transport Angers	100%	100%
STEF Transport Avignon	100%	100%
STEF Transport Bordeaux Bègles	100%	100%
STEF Transport Boulogne	100%	100%
STEF Transport Bourges	100%	100%
STEF Transport Brive	100%	100%
STEF Transport Caen	100%	100%
STEF Transport Cavaillon	100%	100%
STEF Transport Chaulnes	100%	100%
STEF Transport Clermont-Ferrand	100%	100%
STEF Transport Côte d'Azur	100%	100%
STEF Transport Dijon	100%	100%
STEF Transport Epinal	100%	100%
STEF Transport Saint-Lô	100%	100%
STEF Transport Investissement	100%	100%

Fully consolidated companies Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2021	31 December 2020
STEF Transport Landivisiau	100%	100%
STEF Transport Langres	100%	100%
STEF Transport Laval	100%	100%
STEF Transport Le Mans	100%	100%
STEF Transport Le Rheu	100%	100%
STEF Transport Lesquin	100%	100%
STEF Transport Lille	100%	100%
STEF Transport Limoges	100%	100%
STEF Transport Lorient	100%	100%
STEF Transport Lyon	100%	100%
STEF Transport Lyon Est	100%	100%
STEF Transport Mâcon	100%	100%
STEF Transport Marseille	100%	100%
STEF Transport Metz	100%	100%
STEF Transport Metz Nord	100%	100%
STEF Transport Montpellier	100%	100%
STEF Transport Mulhouse	100%	100%
STEF Transport Nantes Carquefou	100%	100%
STEF Transport Narbonne	100%	100%
STEF Transport Niort 1-La Crèche	100%	100%
STEF Transport Niort 2-La Crèche	100%	100%
STEF Transport Orléans	100%	100%
STEF Transport Paris Athis	100%	100%
STEF Transport Paris Distribution	100%	100%
STEF Transport Paris Plessis-Belleville	100%	100%
STEF Transport Paris Rungis	100%	100%
STEF Transport Paris Vitry	100%	100%
STEF Transport Pilotage France	100%	100%
STEF Transport Plan-d'Orgon	100%	100%
STEF Transport Quimper	100%	100%
STEF Transport Reims	100%	100%
STEF Transport Rennes	100%	100%
STEF Transport Châteaubourg	100%	100%
STEF Transport Rethel	100%	100%
STEF Transport Rouen	100%	100%
STEF Transport Saint-Amand	100%	100%
STEF Transport Saint-Brieuc	100%	100%
STEF Transport Saintes (Belgium)	100%	100%
STEF Transport Saint-Sever	100%	100%

Fully consolidated companies Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2021	31 December 2020
STEF Transport Seafood Lyon	100%	100%
STEF Transport Sens	100%	100%
STEF Transport Strasbourg	100%	100%
STEF Transport Tarbes	100%	100%
STEF Transport Toulouse	100%	100%
STEF Transport Tours	100%	100%
STEF Transport Valence	100%	100%
STEF Transport Nazareth	100%	100%
STEF Transport Ifs	100%	100%
STEF Transport 2	100%	100%
STEF Transport Vannes	100%	100%
STEF Transport Velaines	100%	100%
STEF Transport Vendée	100%	100%
STEF Transport Vire	100%	100%
STEF OVER	100%	100%
TFE International Ltd (United Kingdom)	100%	100%
Tradimar Bordeaux	100%	100%
Transport Frigorifique Normandie	100%	100%
Transports Frigorifiques des Alpes (TFA)	100%	100%
SCI Fonciex	100%	0%
Logistique Internationale Alimentaire	100%	49%
Nagel Airfreight France	100%	0%
Transports Frigorifiques Spadis and its subsidiary:	100%	100%
STEF Transport St-Etienne	100%	100%
STEF Italia Holding Srl. and its subsidiaries:	100%	100%
STEF Logistics Italia Srl	100%	100%
STEF Italia SpA and its subsidiaries:	100%	100%
CDL Srl	51%	51%
STEF Frozen	100%	100%
STEF International Italia Srl	100%	100%
STEF Seafood Italia Srl	0%	100%
STEF Nogarole Srl	100%	100%
STEF Iberia and its subsidiaries:	100%	100%
Logirest SLU	100%	100%
STEF Los Olivos SAU	100%	100%
STEF Olot Distribucion	100%	100%
Iberfroid	100%	0%
STEF Portugal-Logistica E Transporte, Lda	100%	100%

Equity-accounted associates	Percentage of control	
	31 December 2021	31 December 2020
Shareholdings of STEF Transport:		
Froidcombi	25%	25%
Messageries Laitières	39%	39%
Stefover Tunisie (subsidiary of Stefover)	0%	49%
Groupe Prim@ever	40%	40%
Olano Seafood Iberica	32%	32%
Normandie Export Logistics	39%	39%
Logistique Internationale Alimentaire*	-	49%
Shareholdings of STEF Logistique:		
QSL - STEF	49%	49%
Shareholdings of IMMOSTEF:		
Norfrigo	38%	38%
SCCV Innovespace Corbas	25%	25%
SCCV Parc Dijon Champollion	49%	49%
SCCV SILSA	49%	49%
SCCV NOBEL	49%	49%
Shareholdings of STEF Iberia:		
Olano Valencia (Spain)	40%	40%
Shareholdings of STEF Italia SpA:		
Med'Sealog	40%	40%
Shareholdings of STEF Frozen:		
INTERMEDIA SRL (SCAT Group (Italy))	49%	0%

* Logistique Internationale Alimentaire was fully consolidated at the end of December 2021

Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2021

At the STEF Shareholders' Meeting,

Opinion

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we have audited the consolidated financial statements for the Company STEF for the year ended 31 December 2021, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the results of the Group's operations for the past year and of its financial position and assets and liabilities at the end of the financial year, in accordance with International Financial Reporting Standards as adopted by the European Union.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Audit terms of reference

We conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are set out in the "Responsibilities of statutory auditors relating to the audit of the consolidated financial statements" section of this report.

Independence

We completed our audit in accordance with the applicable independence rules as set out in the French Commercial Code and the profession's Code of Ethics for auditors, for the period from 1 January 2021 to the publication date of our report and we have not provided services prohibited by Article 5, Paragraph 1 of Regulation (EU) No. 537/2014.

Observation

Without prejudice to the opinion expressed above, we draw your attention to the following point set out in note 1.1 to the consolidated accounts, Accounting standards which sets out the change in accounting policies regarding the approval by the ASB in May 2021 of the IFRS IC decision on the service period to which a company attributes a benefit for a defined benefit plan (IAS 19).

Justification of assessments – Key points of the audit

The global crisis related to the COVID-19 pandemic created specific conditions for preparing and auditing the accounts this financial year. Indeed, this crisis and the exceptional measures taken in the context of the health emergency led to many consequences for companies, particularly on their operations and their financing along with increased uncertainties on their future prospects. Some of these measures, such as the restrictions on movement and remote working, have also had an impact on the internal organisation of companies and the procedures for implementing audits.

It is in this complex and changing situation and pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, that we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional opinion, were most important for the audit of the consolidated financial statement for the financial year as well as our responses to these risks.

The assessments were performed as part of our audit of the consolidated financial statements taken as a whole and the expression of the aforementioned opinion. We do not give an opinion on the elements of these consolidated financial statements taken in isolation.

Valuation of the recoverable value of fixed assets (including goodwill)

(Note 13.4 to the consolidated financial statements)

Risk description

At 31 December 2021, the fixed assets were comprised of the following elements:

- goodwill (€282 million);
- other intangible fixed assets (€15 million);
- tangible fixed assets including the right of use under leases (€1,625 million) relating in particular to platforms and warehouses, transportation equipment and vessels.

The Group regularly analyses whether its intangible and tangible fixed assets are subject to the indications of impairment described in note 13.4, and where necessary, performs impairment tests.

The Group also performs an annual impairment test on goodwill and intangible items with an indeterminate lifetime in accordance with the arrangements described in note 13.4 to these consolidated financial statements or as soon as an indication of loss of value is identified. An impairment is recognised when the recoverable value of the tested fixed assets or a Cash Generating Unit (hereafter “CGU”) is less than their net book value.

This recoverable value is the highest value between the value in use and its fair value, net of costs to sell. Recoverable value is determined based on calculations of discounted future cash flows designed to establish the value in use of the CGUs. These calculations require important judgements by the management, particularly on the preparation of forecasts and the choice of the long-term discount and growth rates used.

By way of exception, for the Maritime CGU, the market value of the vessels as determined by experts is used as residual value.

In this context, we considered the valuation of the recoverable value of the fixed assets (including goodwill) as a key point of the audit, given the importance of these assets on the balance sheet and the high reliance on management judgement involved in this valuation, particularly on the preparation of forecasts and the determination of the long-term discount and growth rates used.

Our response to the risk

Our works firstly consisted in reviewing the reasonableness of the impairment indicators used by the Group and assessing the extent of the tests performed during the financial year.

For the tests designed to determine the value in use of the CGU, our works involved:

- checking the completeness of the elements comprising the book value of the tested CGUs and the consistency of these elements with the way in which the cash-flow projections have been determined for calculating the value in use;
- assessing the consistency of the cash-flow projections with the latest management estimates as presented to the Board of Directors;
- assessing, with the help of our evaluation specialists, the consistency and reasonable character of the assumptions made compared to the sector’s economic data, particularly with regards the growth rates and discount rates (WACC);
- analysing the appropriateness of the financial information provided in note 13.4 to the consolidated financial statements, especially the sensitivity of the recoverable value of goodwill and tangible and intangible assets to a variation in the main assumptions;

- for the assets of the Maritime CGU, where the residual value is determined based on the market value of the vessels, our works involved obtaining valuation reports great demands assets and assessing the competency and objectiveness of the experts used for these valuations;
- assessing the appropriateness of the financial information provided in note 13.4 of the notes to the consolidated financial statements.

Specific verifications

We also verified, in accordance with the professional standards applicable in France, specific verifications regarding the information about the Group contained in the Board of Directors' management report approved, as set out in the laws and regulations.

We have no comment to make as to the fair presentation of this information or its consistency with the consolidated financial statements.

We confirm that the consolidated declaration of extra-financial performance provided for by Article L.225-102-1 of the French Commercial Code appears in the financial information contained in the Group management report, on the understanding that, pursuant to the provisions of Article L.823-10 of this Code, we have not verified the information contained in this declaration in terms of its truthfulness or consistency with the consolidated financial statements and it must be subject to a report by an independent third party organisation.

Other verifications or information provided for by the legal and regulatory texts

Presentation format of the consolidated financial statements intended to be included in the annual financial report

In accordance with the professional standards on the auditors' procedures for annual and consolidated financial statements presented using the European single electronic reporting format, we have also verified compliance with this format defined by the Commission Delegated Regulation 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report as referred to in paragraph 1 of Article L.451-1-2 of the French Monetary and Financial Code, drawn up under the responsibility of the Chairman and Chief Executive Officer. With regard to consolidated financial statements, our procedures include checking that the markup of these financial statements complies with the format set out by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report comply, in all material aspects with the European single electronic reporting format.

We are not responsible for checking that the consolidated financial statements that are actually included by your Company in the annual financial report lodged with the French financial markets authority (AMF) correspond with those on which we have completed our work.

Appointment of the statutory auditors

We were appointed as statutory auditors for the Company STEF by the Shareholders' Meeting of 22 June 1994 for KPMG S.A. and that of 18 December 1997 for Mazars.

At 31 December 2021, KPMG S.A. has been a statutory auditor for 27 years continuously and Mazars for 24 years, with both firms engaged for 23 years since the company's securities were listed for trading on a regulated market.

Responsibilities of the management and corporate governance officers relating to the consolidated financial statements

It is the management's responsibility to prepare consolidated financial statements presenting a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union and to implement the internal control that it believes necessary for the consolidated financial statements to be free of material misstatement, whether due to fraud or errors.

When preparing the consolidated financial statements, it is the management's responsibility to evaluate the Company's ability to continue as a going concern and, where appropriate, to present the necessary information on business continuity in these financial statements and to apply the accounting standard for a going concern, unless there are plans to liquidate the Company or cease its activity.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems, and where appropriate, the internal audit with regards the procedures for the preparation and treatment of accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors relating to the consolidated financial statements

Audit objective and procedure

We are responsible for preparing a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements, taken as a whole, are free of material misstatement. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit performed in accordance with professional standards can automatically detect any material misstatement. Misstatements can arise from error or fraud and are considered as material when it can reasonably be expected that they might, taken individually or cumulatively, influence the economic decisions made by users of the financial statements based on them.

As set out in Article L.823-10-1 of the French Commercial Code, our certification of the financial statements does not guarantee the viability or quality of the management of your Company.

As part of an audit conducted in accordance with the professional standards applicable in France, the auditor uses his professional judgement throughout this audit. Furthermore:

- the auditor identifies and assesses the risks that the consolidated financial statements contain material misstatements, whether due to fraud or errors, defines and implements audit procedures for such risks and gathers elements judged sufficient and appropriate to provide a basis for their opinion. There is a greater risk of not detecting a material misstatement from fraud than a material misstatement resulting from an error because fraud can mean collusion, falsification, deliberate omissions, false declarations or circumvention of internal control;
- the auditor obtains an understanding of the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances and not with the aim of expressing an opinion on the effectiveness of the internal control;
- the auditor assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- the auditor assesses the appropriateness of the management's application of the accounting standard for a going concern and, depending on the elements collected, the existence or not of a material uncertainty related to the events or circumstances likely to challenge the Company's ability to continue as a going concern. This assessment is based on the elements collected up to the date of the Auditor's report, remembering that subsequent circumstances or events could challenge business continuity. If the auditor concludes the existence of a material uncertainty, they draw the attention of the report's readers to the information provided in the consolidated financial statements that is subject to this uncertainty or, if such information is not provided or not relevant, the auditor formulates a certification with reservations or refuses to certify;
- the auditor assesses the presentation of all the consolidated financial statements and evaluates whether the consolidated financial statements reflect the underlying operations and events so as to give a true view;
- in terms of the financial information about people or entities included in the scope of consolidation, the auditor collects the elements judged sufficient and appropriate for expressing an opinion on the consolidated financial statements. The Auditor is responsible for managing, supervising and producing the audit of the consolidated financial statements and the opinion expressed on these financial statements.

Report to the Audit Committee

We produce a report for the Audit Committee that presents the extent of the audit, the work programme implemented and the resulting conclusions. We also point out, where appropriate, significant weaknesses in the internal control that we have identified with regards the procedures relating to the preparation and processing of accounting and financial information.

The report to the Audit Committee includes the risk of material misstatements that we judge to have been most important for the audit of the consolidated financial statements for the financial year and which consequently form the key points of the audit, which we must describe in this report.

We also provide the Audit Committee with the declaration stipulated in Article 6 of Regulation (EU) no. 537-2014 confirming our independence, in the sense of the rules applicable in France as set out in Articles L.822-10 to L.822-14 of the French Commercial Code and in the profession's Code of Ethics for auditors. Where appropriate, we discuss the risks to our independence and the safeguards applied with the Audit Committee.

The Statutory Auditors

Paris La Défense, 4 April 2022

Courbevoie, 4 April 2022

KPMG S.A.

MAZARS

Jérémie Lerondeau
Associate

Anne-Laure Rousselou
Associate

Results of the parent company – STEF SA

The Company STEF, solely a holding company, comprises the Group functional divisions and owns all buildings, machinery and equipment leased to the Group's operational companies. Turnover, comprising revenue from leases and services provided within the Group, amounted to €17.8 million, compared with €18.8 million in 2020. Income attributable to third parties, reversals of impairment and other income accounted for €57.8 million compared with €53.3 million for 2020. This mainly comprises Group expenses billed to the Group's subsidiaries.

Financial income of €31.5 million in 2021 compared with €39.4 in 2020 mainly comprised revenue from shareholdings amounting to €26.2 million.

Exceptional items amounted to €0.3 million, compared with €1.6 million in 2020.

In 2021, the Company posted a tax saving of €5.1 million (STEF is the parent of the tax group), compared with an expense of €4.7 million last year. Due to the principle of offsetting between the different net profits (losses) of the Group's companies, this saving is subject to the tax consolidation system provided for by Article 223 A of the French Tax Code.

The parent company posted a net profit of €34.3 million, compared with €39.0 million in 2020.

Proposed appropriation

Net profit for the year	€34,291,868
Retained earnings	€80,649,174
Giving a total amount available for distribution of	€114,941,042

Which shall be appropriated as follows:

Payment of a dividend of €3.00 per share

Which is a total theoretical dividend payment of €39,000,000

which is the balance allocated to retained earnings of €75,941,042

decides, as a result, to pay a dividend of €3.00 per share and allocate the balance to the retained earnings account.

If the Company holds certain treasury shares when the dividends are paid, the sum corresponding to the amount of the dividend not paid under these shares will be credited to the retained earnings account.

The dividend will be paid out on 5 May 2022.

Dividends paid out in respect of the past three financial years

Financial year	Number of shares	Dividend paid per share (a)
2018	13,165,649	2.50
2019	13,000,000	0.00
2020	13,000,000	4.00 (b)

(a) Payment fully eligible for 40% tax allowance.

(b) Broken down as follows: payment of an interim dividend for the 2020 financial year of €1.50, followed by a balance of €2.50 in 2021 subsequent to the Shareholders' Meeting.

In accordance with Article 223d of the French Tax Code, there were no overhead expenses giving rise to add-back to taxable profit under Article 39-5 of the French Tax Code. Furthermore, the Company recorded a charge of €130,939 under Article 39-4 of the same code (charge relating to non-deductible amortisation for company vehicles).

The table of STEF's net profit for the last five financial years is shown in the notes to the individual company financial statements.

Regulated agreements

Previous agreements were reviewed by the Board of Directors in accordance with the law.

Research and development

Innovative projects primarily concern the Group's sustainable development policy (alternative fuel for vehicles, systems to reduce energy consumption for operating the platforms (cf. "Environment" section) and the developments of the Group's information and management systems.

The Group did not select any specific projects in terms of the research tax credit for 2021 since the expenses incurred for this item were not significant.

Schedule of invoices received and issued

The "Outstanding invoices received and issued at the end of the financial year which are overdue" table appears in the notes to this document.

Appendix 1

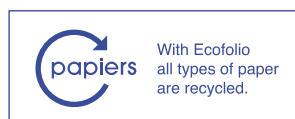
STEF SA – Outstanding invoices received and issued at the end of the financial year which are overdue

	Article D.441 I.-1: outstanding invoices received at the closing date of the financial year which are overdue						Article D.441 I.-1: outstanding invoices issued at the closing date of the financial year which are overdue					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
A) Late payments												
Number of invoices concerned	52	X				284	0	X				50
Total amount of invoices concerned including taxes	€26,984	€539,527	€72,558	€82,961	€163,401	€858,447	0	€28,997	€193,922	€251,648	€138,497	€613,063
Percentage of the total purchase amount including tax for the financial year	0.06%	1.13%	0.15%	0.17%	0.34%	1.79%	X					
Percentage of turnover including tax for the financial year	X						0	0.03%	0.17%	0.22%	0.12%	0.54%
(B) Invoices excluded from (A) relating to disputed accounts payable and receivable or not reported												
Number of excluded invoices												
Total amount of excluded invoices												
(C) Reference payment terms used (contractual or legal deadlines – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used for the calculation of late payments	<input type="checkbox"/> Contractual deadlines <input checked="" type="checkbox"/> Legal deadlines						<input type="checkbox"/> Contractual deadlines <input checked="" type="checkbox"/> Legal deadlines					

CONTACTS

Ludovic LAPORTE: Financial Director
Marie-Line PESQUIDOUX – Company Secretary
www.stef.com

Design/Publishing: Idéogramme Communication
Photographs by: Clan d'Oeil, Cyril Bruneau, Michael Rouallo - Fucha - Muyard- PH Jacob - STEF and La Méridionale
Photo libraries - Shutterstock - iStock
Coordination: STEF Company Secretary – Marie-Line Pesquidoux
and Communication Department: Céline Audibert



*Promoting the sustainable
management of forests*
For more information:
www.pefc.org



Public Limited Company with a share capital of €13,000,000

Head Office: 93, Boulevard Malesherbes - 75008 Paris

999 990 005 RCS Paris

Tel.: 01 40 74 28 28

www.stef.com