

01

CSR REPORT (SERVING AS STATEMENT OF EXTRA-FINANCIAL PERFORMANCE)

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I.1 Overview of businesses and business model

The Derichebourg Group is a key player at the international level in the provision of services to businesses and to local and municipal authorities.

Derichebourg covers the entire waste recycling chain, from collection to recovery, as well as a full range of Business Services and Public Sector Services, including cleaning, temporary work, energy and outsourced aeronautical services.

The Environmental Services' core business is the processing and disposal of waste – mainly metal waste – and of end-of-life products, with recovery of secondary raw materials by using appropriate processing methods.

Environmental Services have become a cornerstone in the international environmental protection policy.

The Environmental Services and Multiservices divisions are subject to different economic cycles.

The Group's historic business is the recycling of scrap metal. This activity is somewhat cyclical in nature and depends on the performance of the steel and metallurgy industries. In the mid-2000s, the desire to add a more resilient business to recycling led to the acquisition of Multiservices activities.

Main markets

Revenue by business segment	2020		2019		Change
	(in millions of euros)	(in %)	(in millions of euros)	(in %)	
Environmental Services	1,628	66%	1,847	68%	(11.9%)
Business Services	836	34%	858	32%	(2.5%)
Holding companies	0	0%	1	0%	(100%)
Total	2,464	100%	2,705	100%	(8.9%)

Revenue by geographical area	2020		2019		Change
	(in millions of euros)	(in %)	(in millions of euros)	(in %)	
France	1,779	72%	2,161	80%	(17.7%)
Other European countries	543	22%	323	12%	67.9%
North and South America	140	6%	171	6%	(18.1%)
Africa	0	0%	48	2%	(100%)
Asia	2	0%	3	0%	(33%)
Total	2,464	100%	2,705	100%	(8.9%)

Published data are for the countries where the subsidiaries are located.

I.1.1 Environmental Services business

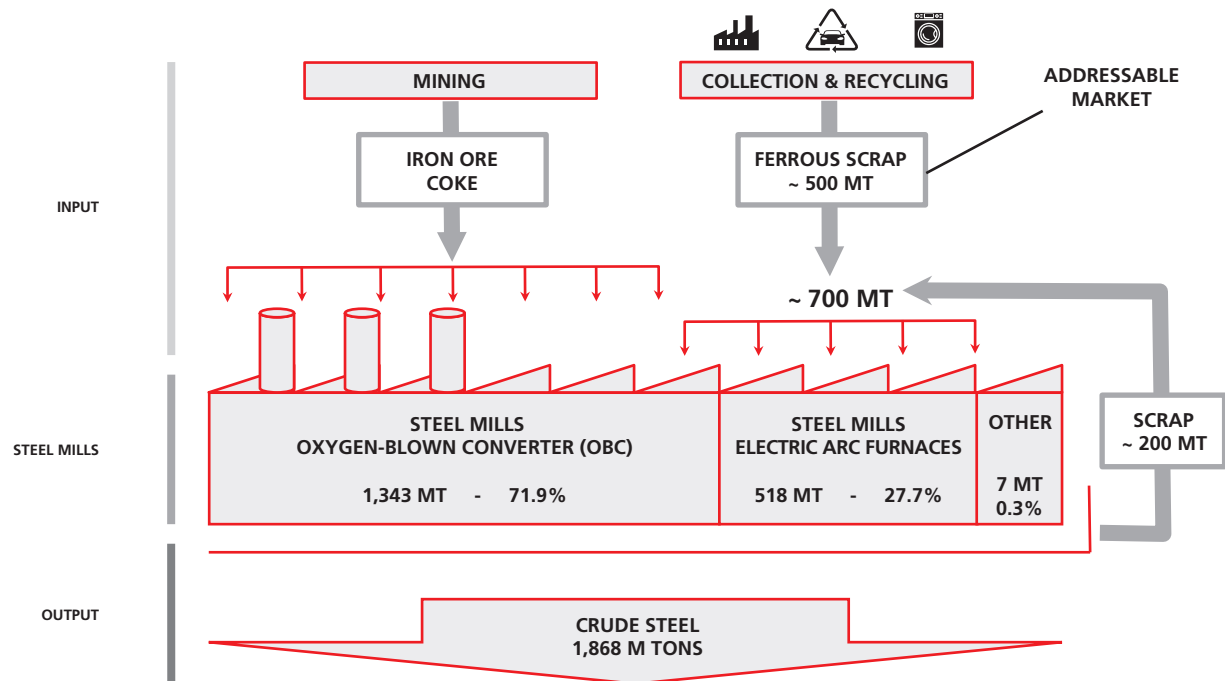
I.1.1.1 Recycling business

Since 1956, the business of Derichebourg Environnement has been the collection, sorting, recycling and recovering of ferrous and non-ferrous metals in end-of-life consumer goods (automobiles, waste electrical and electronic equipment, etc.), as well as in recuperation material (industrial demolition, for example) and new scrap from metal transformation processes (production waste).

I.1.1.1.1 The ferrous scrap metal recycling market

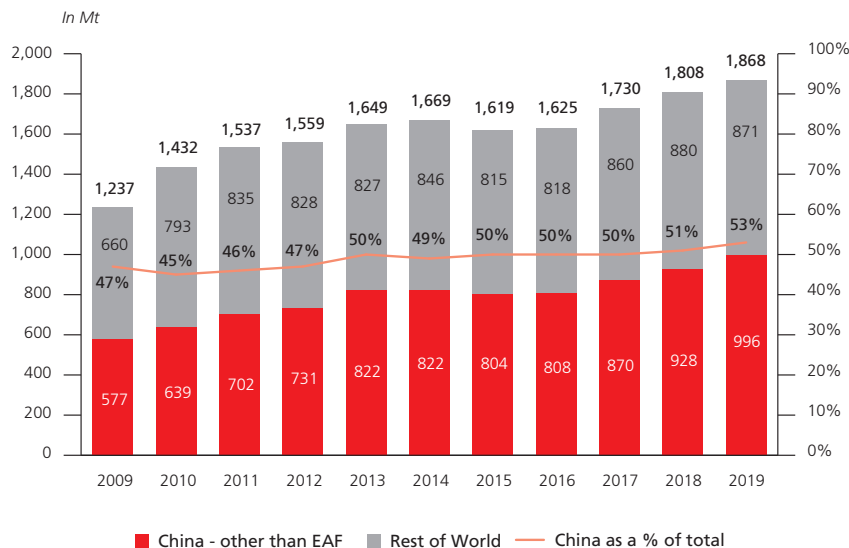
The ferrous scrap metal recycling market is at the interface between an upstream market (waste supply) and a downstream market (steel mill needs).

The annual ferrous scrap metal market is estimated at 700 million tons (source: BIR), of which 500 million tons are accessible to recycling companies, with the balance comprising steel waste that is recycled internally.



The following factors affect the ferrous scrap metal market:

- Global steel production



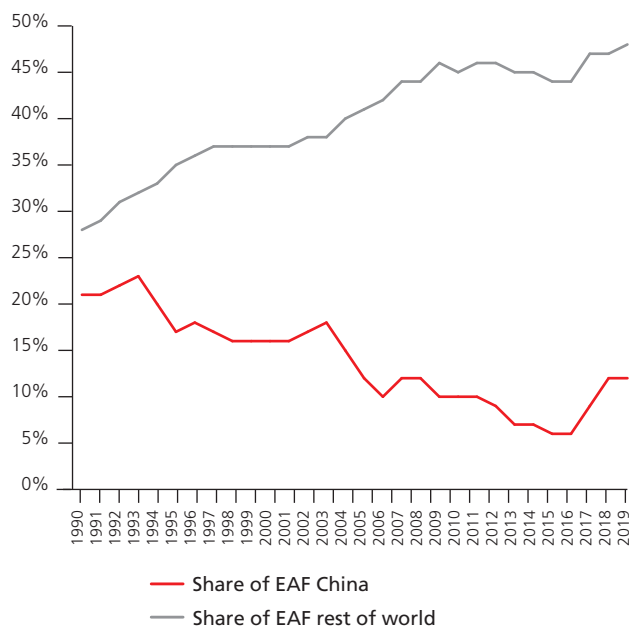
Source: Worldsteel Association.

Global steel production has grown 2.3% per year over the last five years. China alone accounts for 53% of global production. In 2020, non-China production is expected to decrease significantly due to the economic consequences of the Covid-19 crisis.

- Distribution of steel production between blast furnaces and electric steel mills

Blast furnaces consume iron ore, coke, and a small proportion of ferrous metals (10-15%), which reduces greenhouse gas emissions. Electric steel mills consume ferrous metals almost exclusively.

In theory, both types of mills can produce any type of steel. In practice, steel from electric mills is used to produce long steel and reinforcing bars. Coils are made mostly at blast furnaces.



Source: Worldsteel Association.

As you can see in the previous graph, the share of steel from electric steel mills tends to increase from year to year, on a regular basis in countries other than China, and more recently in China. The competitive advantages of steel from electric mills are as follows:

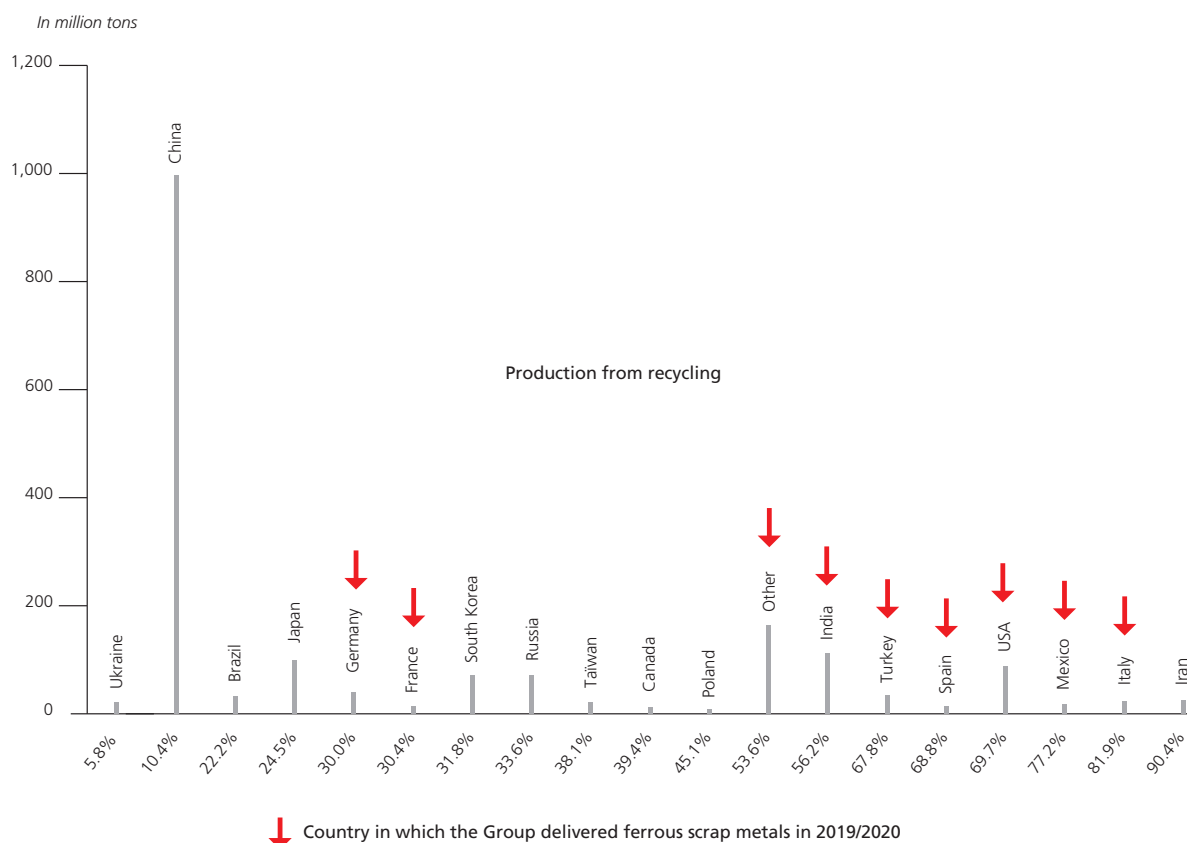
- less investment;
- increased flexibility of use, with the ability to stop and restart production;
- very clear environmental benefit (fewer greenhouse gas emissions per ton produced with a ratio of 1 to 2.3) and energy benefit (less energy consumed per ton produced) advantage compared to blast furnaces, especially in countries where the nuclear share of the energy mix is high;

- local supply;
- ease of access to steel production for developing countries thanks to lower investment.

However, blast furnaces generally have lower production costs per ton.

In China, 90% of steel was produced in blast furnaces. To reduce pollution, it decided to encourage steel production from electric mills in the coming years, by setting up its own ferrous scrap metal collection network, opening new electric steel mills and closing old blast furnaces.

The share of steel from electric mills in other countries is detailed in the following graph:



Source: Worldsteel Association.

Steel and ferrous scrap metal trade flows

The ferrous scrap metal market is also sensitive to international steel and ferrous scrap metal trade flows.

The intensity of Chinese steel exports significantly influences the European steel market and consequently its need for ferrous scrap metal. Starting in mid-2016, China has sharply reduced its steel exports to Europe due to its strong domestic demand, which has allowed European and Turkish steelmakers to improve their production and sales in their local market. The Group's European customers, and indirectly the Group, benefited from this situation from mid-2016 to end-2018. Since then, exports of Turkish steel to Europe have increased sharply, because of the weak Turkish domestic market as a result of the economic crisis affecting the country. These exports compete with European steelmakers, and, therefore, the Group's main customers by volume.

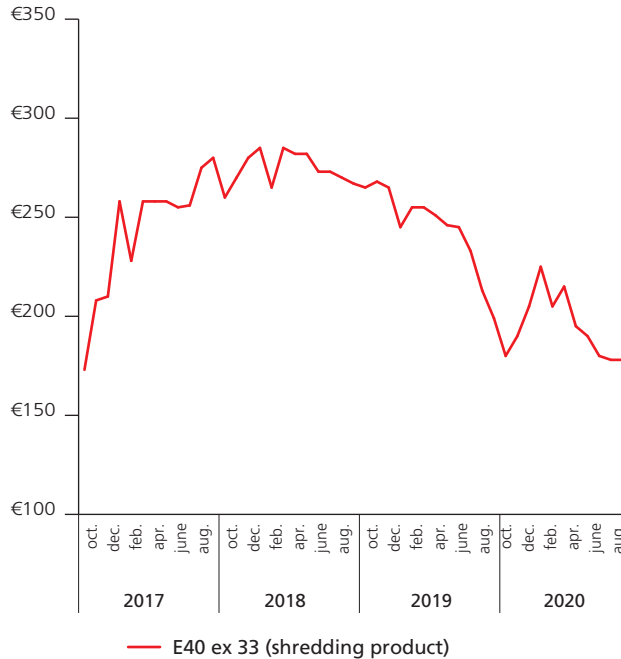
Turkey is the world's largest importer of ferrous scrap metal. It produces 34 MT of steel, 68% of which comes from electric mills, with insufficient local raw materials, and imports about 19 MT/year of

ferrous scrap metal (19% of the global trade). Unlike domestic markets, where price negotiations with steel mills occur monthly, the Turkish market buys ships on the spot market (up to 40,000 t). This means that changes in Turkish prices have an effect on the supply regions of the United States and Europe, which have a surplus of ferrous scrap metals. The economic situation in Turkey is also a factor that influences the ferrous scrap metal market.

In recent decades, globalization and the liberalization of international trade resulted in the virtual disappearance of customs tariffs. Consequently, it was marginal demand that influenced world prices. Since the spring of 2018, the situation has changed, with the introduction of customs tariffs by the United States on the majority of steel imports.

The ferrous scrap metal recycling market is perceived as relatively volatile, inasmuch as price and volume trends often compound: increased ferrous scrap metal demand by steelmakers will result in scarcity of the additional tons sought and put upward pressure on prices. If demand falls, the opposite happens.

The table below summarizes the price changes in shredded ferrous scrap metal (E40) in recent years:

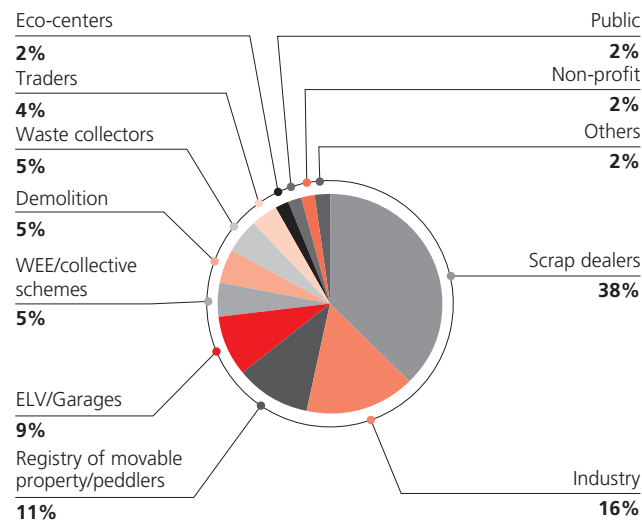


Source: Derichebourg.

□ Waste supply

End-of-life consumer goods (around 80%, including industrial demolition) and production waste from steel processing (around 20%) provide ferrous scrap metal purchasers with their supplies. The level of general economic activity therefore influences the availability of ferrous scrap metal.

For the Derichebourg Group, the breakdown of site inflows by type of supplier is as follows:



Source: Derichebourg.

Note: All of Derichebourg España's purchases for 2020 have been made with scrap dealers.

1.1.1.1.2 The non-ferrous metals recycling market (NFM)

The actors in both ferrous and non-ferrous scrap metal recycling are often the same. The volumes of non-ferrous metals processed by collectors are much lower (often one-tenth of the volume) than for ferrous scrap metals. Conversely, unit prices are much higher, as are unit margins.

The table below summarizes global production of major non-ferrous metals, as well as the share of production from recycling.

The tonnage collected in France by NFM operators is 1.91 million metric tons (2019 figures) with an equivalent value of €2.7 billion.

For the French market (67% of tonnage collected by the Group) the breakdown of non-ferrous metals collected is as follows:

- aluminum and aluminum cables: 23%;
- lead and batteries: 10%;
- stainless and alloys: 16%;
- copper excluding cables and motors: 9%;
- copper cables: 9%;
- brass alloys: 4%;
- zinc: 4%;
- other: 25%.

Source: Federec, key recycling figures 2019.

NFM are found primarily in buildings, packaging, automobiles and industrial equipment. User industries are essentially foundries, refineries and other heavy industries.

Recycling of end-of-life products will become increasingly essential since it is the only source of secondary non-ferrous metal, whereas primary resources are shrinking. Several other factors also favor the development of non-ferrous metal recycling. First, the production of primary ore is nonexistent in many areas of the world. Recycled products are thus the only "surface mine" available and are also a renewable source; in all cases, the reutilization of recovered products leads to savings in raw materials.

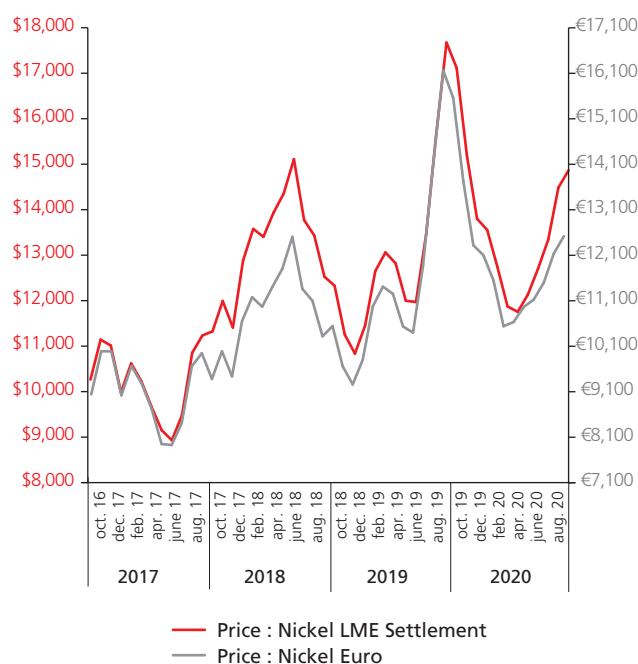
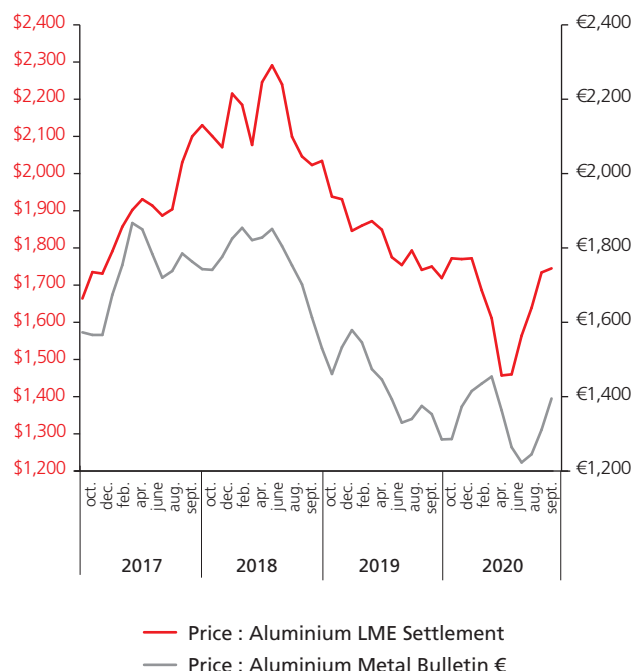
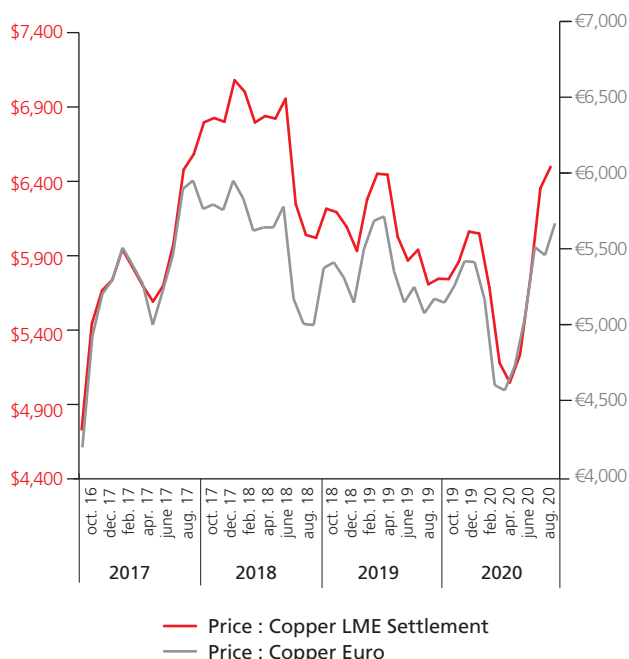
In addition, the production of secondary, recycled products is much cheaper than manufacturing primary products from ore. Investments required are, on average, three to four times lower than for refining ore. Energy savings compared to the production of primary metal are about 60% to 80% for copper and 90% to 98% for aluminum – a clear-cut competitive advantage in a context of soaring energy costs and increasingly severe restrictions on greenhouse gas emissions.

Even so, production cost savings are partially offset by the costs of collection and by environmental restrictions in industrialized nations. These limitations are less restrictive in emerging countries, which increasingly use this type of production and import recuperated products.

The recovering of end-of-life products alone accounts for approximately 35% of global non-ferrous metal production (source: Bureau of International Recycling). The global demand for non-ferrous metals correlates strongly with changes in the global industrial production index.

A major shift occurred in 2018, with China's decision to publish very strict specifications for impurity levels in 19 classes of products (including non-ferrous metals) in order to import them into China. These maximum rates are in practice very difficult to achieve, and the volume of Chinese imports has decreased significantly since the spring of 2018. Consequently, the volumes previously consumed by China have shifted to other markets, resulting in downward pressure on the prices of various non-ferrous metals. The charts opposite summarize the price changes for various metals.

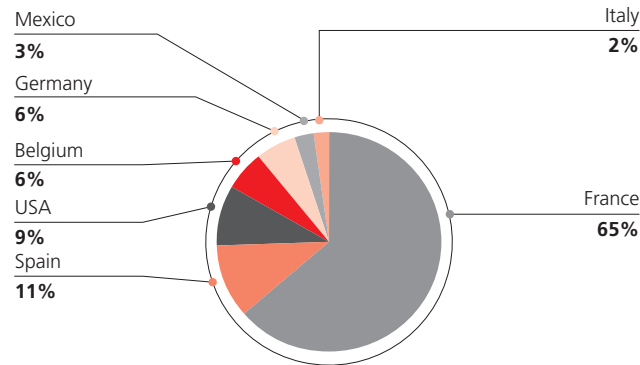
It is expected that by January 1, 2021, China will remove the highest grades of non-ferrous metals (especially copper granulate) from waste status and once again accept imports of these products.



It should be noted that these graphs, and especially those for copper and nickel, imperfectly reflect the change in the Group's sale prices, which are based on the LME prices, but which also take into account a discount for the secondary metal. This discount changes according to market conditions. For the specific case of stainless steel (which contains on average 7% to 8% of nickel, comprising the main value of stainless steel), the discount grew in line with the growth in nickel prices, cancelling the effect of the increase.

1.1.1.1.3 Business portfolio

The Group's Recycling business is present in seven countries, with a predominant share of its business conducted physically in France. The table below breaks down the distribution of purchases by country (ferrous scrap metal and non-ferrous metals).



The Group operates in 200 recycling centers, of which 162 are in France.

This business employs about 3,000 employees.

In this activity, the features that distinguish the Group from its competitors are:

- ▣ the density of geographical coverage;
- ▣ the vertical integration made possible by this coverage: the Group's vast network, which allows it to cost-effectively install secondary processing lines (flotation, aluminum refinery, stainless steel waste mixture preparation, preparation of primary aluminum for extruders), which are supplied with flows from various sites, without the need for significant purchases outside the Group;
- ▣ the management of operations with a long-term perspective, which is reflected in particular by a low-inventory policy: 15 days of activity for ferrous scrap metal, 15 to 25 days for non-ferrous metals. In a period when prices are rising, the Group benefits less from recovery than some of its competitors who hold more inventory. It generally weathers lower-price periods better than its competitors, which may put it in a position as a consolidating actor at the bottom of the cycle.

1.1.1.1.3.1 Ferrous metals

The Group processed 3.16 million metric tons of ferrous metals during the year, down 8.3% by volume from the previous year.

In France, the Group has the largest network in the sector (162 sites). Since transportation accounts for a large part of incoming waste costs, this proximity to waste production sites is strategic.

Derichebourg Environnement prepares ferrous scrap metal, using 28 shredders and 67 shear balers to produce materials that comply with high-quality standards: elimination of impurities, compliance with specifications and calibration of batches. The recovered products are destined primarily for electric steel mills, foundries and converters in the long steel industry.

In France, the Group estimates that it has a 16% to 17% share of the ferrous scrap metal collection market, and about 23% (Derichebourg estimate based on 2018 data from Federec) of the processing market (the difference between the two figures can be explained in particular by the tonnages purchased from waste collectors who do not have industrial facilities).

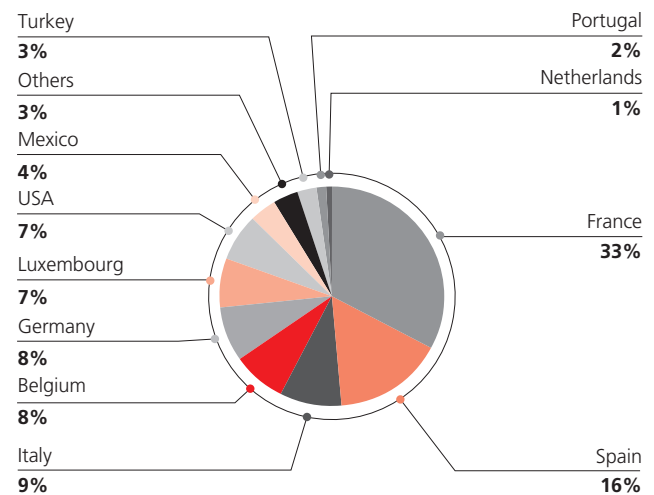
The second-largest actor with a national presence is the Ecore Group, whose share of the ferrous scrap metal processing market is around 15%-20% (source Derichebourg).

Boone Comenor (Suez Environnement Group) is very active in tenders for the removal of waste from automobile factories.

In each region, the Group also competes with a large number of regional players that have a few sites.

Once prepared and sorted, volumes are sold to domestic steelmakers, or major exporters (about 10% of volumes) if the Group is close to port areas.

The table below shows the main destination areas of the Group's ferrous scrap metals.



NB: The impact of the acquisition of Derichebourg España over nine months.

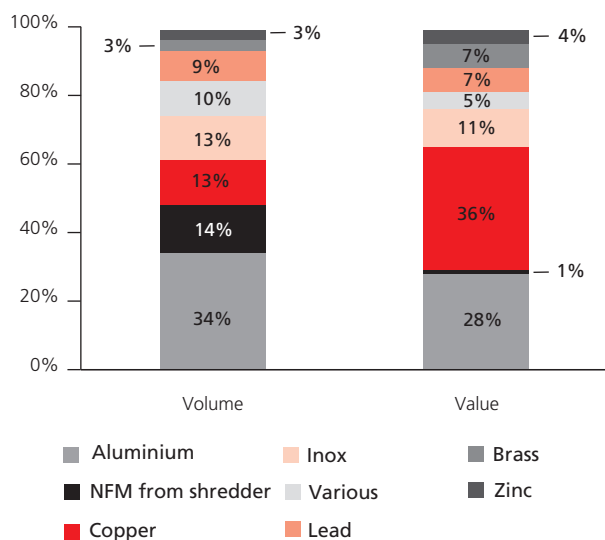
The Group is trying to keep its inventories low (about 15 days of activity) in order to limit its exposure to changes in ferrous scrap metal prices.

The Group does not operate any steel mills.

The Group's shredding business generates shredding residues (a mixture of foam, plastic, glass, wood, etc.) that cannot be marketed as such. The Group is conducting several development actions to constantly improve recovery rates (energy or material) and limit volumes sent to landfill, which amounted to approximately 133,700 tons in 2020 (France scope).

I.1.1.1.3.2 Non-ferrous metals (NFM)

The breakdown of revenue by metal is as follows:



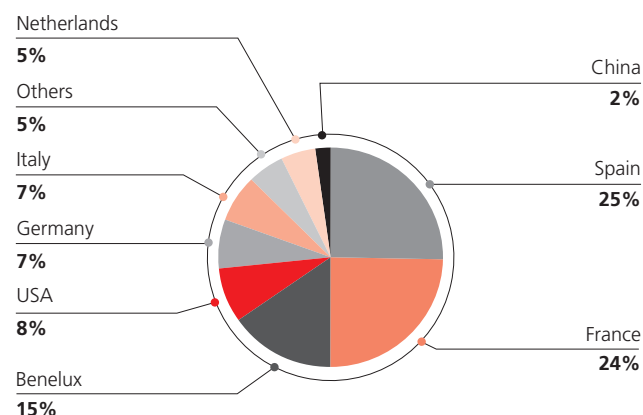
Compared to its competitors, the Group processes a larger relative volume of non-ferrous metals. Having a strong market share in non-ferrous metals is one of the Group's historic features. This is due to the diversity of processed flows:

- traditional purchasing, sorting and preparation activity for all non-ferrous metals;
- in addition, Derichebourg Environnement has equipped its main shredders with an induction separator and has two flotation units in Europe for the separation of aluminum from other heavy metals (copper, bronze, etc.). Dense aluminum (twitch) is made into ingots at the Refinal Industries Lille site. These ingots (AS9U3 quality) are sold mainly to automotive parts foundries. The Group's refinery produces 57,533 metric tons of secondary aluminum ingots. The Group has invested in a second refinery (rotary kiln) in Prémery (Nièvre), which will eventually produce 15,000 metric tons of ingots per year (11,000 metric tons in 2020);
- the Inorec subsidiary prepares mixes of the various metals used in the composition of stainless steels, in accordance with customer specifications, so that they can be directly blasted;
- the Group prepares copper granulate from copper cables (about 7,000 metric tons per year).

Derichebourg España has put even more of emphasis on ferrous metals than the Derichebourg Group traditionally has. Its activities include flotation, aluminum refinery, as well as battery crushing and lead ingot refining activity, which allows the Group to have a vertical integration in another metal.

During the 2019/2020 fiscal year the Group processed 522,300 metric tons of non-ferrous metals, an increase of 3.2% compared to the previous year.

The table below breaks down the sales of non-ferrous metals (including stainless steel waste) by country of destination:



The share of non-ferrous metal volumes exported to China is around 2%.

I.1.1.1.3.3 Services provided

The Group also provides services (around €109 million/year) in the following areas:

I.1.1.1.3.3.1 Treatment of Waste Electrical and Electronic Equipment (WEEE)

In the context of the implementation of the directive on Extended Producer Responsibility, France has chosen to entrust the collection and processing of goods marketed in 15 segments to collective schemes. Since the creation of these segments, the Derichebourg Group has positioned itself with collective schemes that handle WEEE, mainly for processing activities. The Group processes 206,100 metric tons per year of WEEE over 11 sites. The Group is present on three out of five WEEE streams:

- other non-cooling large household appliances (washing machines, dishwashers, stove tops);
- large cooling household appliances (refrigerators and freezers). For the processing of large cooling household appliances, Derichebourg Environnement has teamed up with one of the international leaders in the ecological processing of refrigeration products containing CFCs or HFCs in their refrigeration circuits or insulation. A 50%-owned subsidiary called Fricom Recycling has been created with this partner, Oeko-Service (better known under the name of SEG). In 2019, in Bassens (33), the Group installed the first French platform able to recycle both refrigerators and hot water tanks, both containing fluorinated gases representing high potential elements in terms of global warming;
- small household appliances.

Derichebourg supports collective schemes in the achievement of their objectives to increase volumes collected and recovered.

During the 2019/2020 fiscal year, the WEEE processing stream is the only stream in which activity increased significantly.

I.1.1.1.3.3.2 Management and distribution of end-of-life vehicles (collection, processing and monitoring of materials) through its ECO-VHU subsidiary for automotive manufacturers

The Derichebourg Group has a network of over 300 approved dismantling plants in France (internal or third-party) enabling it to fulfill territorial network requirements, thereby putting the Group in a favorable position to sign framework contracts with car-makers and importers.

I.1.1.1.3.3.3 Treatment of by-products from steel mills and other industries

The Group performs customized services such as the preparation of bailed ferrous scrap metal, which is used as cooling chutes, and may be called upon to manage steel mill ferrous scrap metal yards.

I.1.1.1.3.3.4 Collection of paper, cardboard, common industrial waste

The Group provides the customers in its regional network with collection and sorting services for common industrial waste, paper, and cardboard. During the 2019 fiscal year, the Revival subsidiary inaugurated a new facility in Noisy-le-Sec, in the Paris region, with a processing capacity of 88,000 t/year, which fits neatly into the urban landscape.

I.1.1.1.4 Group strategy in the Recycling business

The Group is currently the fourth largest European actor in terms of revenue, behind EMR, TSR, and Chi-Ho Environmental Group (Scholz). The Group's ambition is to move up one place in the next five years, whether through organic or external growth.

The success of this ambition will depend on the following strategy:

- ▣ consolidate our position as leading supplier in steel and metallurgy by delivering products in line with customer specifications and expanding our customer base, especially for ferrous scrap metal;
- ▣ implement the best sorting technologies available, so that the full added value of the various products is maintained, and reduce the share of residue headed to landfill;
- ▣ have a management team that implements the same strategy uniformly throughout the Group, and train employees;
- ▣ update the Group's IT tools while leaving intact the main feature, that make it one of the most relevant tools in the market (knowledge of inventories and real-time margins at all Group sites);

- ▣ develop niche businesses where there are fewer players, such as induced heavy metals plant, aluminum or lead refining, and cold preparation of mixtures for steel mills that produce stainless steel. The Group also seeks to develop additional sorting for the non-ferrous metals that result from the shredding process. Ultimately, the Group aims to earn 20%-25% of revenue from the Recycling business in these segments;
- ▣ expand the collection network, in France and abroad by being present in each country as either a national or regional leader and explore external growth opportunities over the long term. The Group is well positioned to be a consolidator for a market at cyclical lows.

I.1.1.2 Public Sector Services business

This part of the Group's business generates approximately €146 million in revenue. It operates in France and Canada.

The efficient management of household waste and urban cleaning is a major challenge for local authorities. It determines the quality of life of citizens and the fulfillment of economic, social and environmental obligations that are an increasing burden on them. Poly-Environnement (France) and Derichebourg Canada handle all types of household waste and their collection processes: traditional and selective (glass, newspapers and magazines, household packaging, green waste, paper/cardboard, etc.), both door-to-door and by voluntary drop-off. These subsidiaries also collect roadside waste and large items, manage several household waste materials recovery facilities and transport waste to treatment and recycling facilities. Poly-Environnement offers to manage all aspects of local authorities' urban operations and cleaning (street sweeping, cleaning contaminated soil, public waste bins and containers, graffiti removal, etc.).

Poly-Environnement's subsidiaries also provide a door-to-door collection service for household and similar waste in four of the 10 Paris districts where waste collection is operated privately, and collection of household waste in three districts in Marseille (the 2nd, 15th and 16th). During the fiscal year 2019, the Group renewed its contract in Paris, and even extended the scope of its services as it was also selected in the 10th and 18th districts (arrondissements).

Public contracts are usually for a period of five to seven years, and it is common for local authorities to request new equipment when they renew them.

The Group responds to tenders that give significant weight to technical considerations, thus making it possible to highlight the quality of the service and the resources deployed by the tenderer, not only the lowest price, in order to obtain a solid return on capital employed.

This business employs about 1,700 employees.

1.1.1.3 Property, plant and equipment, significant non-current assets

The Group's Environmental Services is a heavy consumer of equipment: shredders, shears, inductors, collection and sorting machines, as well as their related infrastructures, namely land, concrete slabs, and electricity supplies.

The Group's strategy is to be the owner or economic beneficiary of all long-term assets that it uses frequently.

The table below details the main families of assets and equipment used in the Recycling business:

Family	Number and comments
Land	465 hectares owned and operated
Shredders	28 shredders in use
Shears	67 shears in use
Stationary cranes	64 stationary cranes, almost all electric
Trucks	490 trucks, with a policy for renewal to meet the latest environmental standards

The table below breaks down the carrying amount of these assets:

In millions of euros	09-30-20	09-30-19
Gross value	1,412	1,398
Accumulated depreciation	(934)	(932)
Net value	478	467

NB: The above figures also include the value of assets belonging to Holding companies, who own the land used by Environmental Services.

Wherever possible, the Derichebourg Group prefers to purchase the land on which it operates its Environmental Services provision. The Group owns, via Derichebourg Immobilier and its subsidiaries and via Derichebourg España, over 465 hectares of land used by the Environmental Services business. In view of its long-standing ownership of certain land, there may be unrealized capital gains between their value and their historical cost. During the transition to IFRS standards, the market value of land at January 1, 2004 was considered to be the cost in certain cases. A variance (net of deferred taxes) of €41 million was recognized in shareholders' equity and in property, plant and equipment.

1.1.1.4 Research and development business

Environmental Services is continuing its efforts to increase its returns on the processing of end-of-life consumer goods. One of the aims is to succeed in recovering all or part of the shredding residues either in the form of materials or energy. The objective is to reduce the volumes sent to landfill by 20% by 2022 (for equal volume treated by shredders).

Durable businesses have been developed to deal with used tires, certain types of plastic and part of the shredding residues, which are turned into alternative fuels.

Derichebourg Environnement now produces 31,000 tons per year of alternative fuels for cement plants.

1.1.2 Multiservices business

1.1.2.1 Multiservices markets

Multiservices includes many businesses that have two points in common:

- the desire of customers to outsource certain functions in order to concentrate on their core business;
- the services provided are labor-intensive.

In this division, the Group is present mainly in France (85% of revenue), Portugal, Spain, and Germany.

1.1.2.2 Business portfolio

Derichebourg Multiservices is a key player in outsourcing services for industrial and service sector companies, as well as for public services and local authorities.

A world leader in local services, Derichebourg Multiservices offers its customers **four complementary solutions**:

- services: flexible offers that guarantee the proper functioning of buildings, facilities and occupant well-being;
- industry: "tailor-made" expertise in global industrial subcontracting to benefit customer production;
- urban area: a set of services dedicated to cities and urban infrastructure for a higher-quality living environment;
- HR & Temporary Sourcing: solutions to provide resources to customers and strengthen their skills while overcoming the inherent constraints.

These solutions are deployed by 19 subsidiaries in six countries.

Businesses and subsidiaries

Aeronautical industry support Aerial operations support	DERICHEBOURG AERONAUTICS SERVICES
Cleaning and related services Industrial cleaning and maintenance Handling and logistics	DERICHEBOURG PROPRETÉ
Electrical engineering and air conditioning engineering Multi-technical maintenance	DERICHEBOURG ÉNERGIE
Facility Management	DERICHEBOURG FM
Remote surveillance	DERICHEBOURG TECHNOLOGIES
Reception desk and corporate event planning Retail & event reception Mail	DERICHEBOURG ACCUEIL
Public lighting Traffic lights	DERICHEBOURG ÉNERGIE E.P.
Urban billboards Maintenance of urban furnishing	DERICHEBOURG SNG
Green spaces Roads & Utility Services	DERICHEBOURG ESPACES VERTS
General temporary staffing Specialized temporary staffing Recruitment	DERICHEBOURG INTÉRIM
Temporary aeronautics staffing Temporary wind farm staffing Aeronautics recruitment	DERICHEBOURG AERONAUTICS RECRUITMENT
Training center	DERICHEBOURG AERONAUTICS TRAINING

Contribution to revenue by solution

SOLUTIONS	Revenue (in millions of euros)
INDUSTRY	105
SERVICES	560
URBAN AREA	47
HR & TEMPORARY SOURCING	124

I.1.2.2.1 Solutions for the Services sector

These solutions include all services that guarantee the proper functioning of buildings and make them sustainable, such as electrical engineering and air conditioning engineering, multi-technical maintenance, cleaning, remote surveillance, handling and green spaces.

These services also target occupant well-being, with company reception services, mail services and factotums.

The two largest businesses by revenue in Services sector solutions are energy (air conditioning engineering, electrical engineering, and multitechnical maintenance) and cleaning.

I.1.2.2.1.1 Derichebourg Propreté

In today's highly competitive market, cleanliness is a strategic business, directly influencing many key factors for people and organizations including well-being, performance, comfort, health, and image. The market is also changing considerably with the expectations of the "final" customer, the user, influencing the needs of the "order giver" customer.

Derichebourg Propreté is one of the leading French market players. Since the challenges and conditions of intervention differ from one business sector to another, the subsidiary offers sector-specific know-how for the private sector and public actors. Derichebourg Propreté accordingly offers a complete range of services for the simplest to the most demanding spaces.

Intervention sectors:

- ▣ industry: top-quality industrial cleaning and first level maintenance;
- ▣ agrifood;
- ▣ health;
- ▣ pharmacy/cleanroom conditions;
- ▣ service and administrative premises;
- ▣ retail;
- ▣ residential, road, public transit services.

Derichebourg Propreté also has skills that enable it to provide handling and logistics services.

Key figures 2020:

- ▣ 18,000 specialists;
- ▣ 100 facilities across France;
- ▣ 10,000 customers.

Its commitment to providing preventive maintenance ensures the longevity of facilities.

I.1.2.2.1.2 Derichebourg Énergie

To add value to their assets and maximize operating profit, property managers must constantly seek to improve energy performance while ensuring the reliability and sustainability of buildings and their facilities. The occupants of their buildings should also benefit from the highest standards of safety and comfort.

Derichebourg Énergie constructs, operates and maintains on a long-term basis air conditioning and electrical engineering facilities. The subsidiary offers a range of services ranging from mono-technical and multi-technical maintenance at fixed or temporary sites.

Air conditioning engineering	Electrical engineering	Maintenance
<ul style="list-style-type: none"> ▣ Heating, air conditioning, ventilation, refrigeration, climate control ▣ Aeraulics, hydraulics ▣ Processing of fluids ▣ Plumbing 	<ul style="list-style-type: none"> ▣ High-voltage systems ▣ Low-voltage systems ▣ Climate control, programmable controllers ▣ Electricity back-up 	<ul style="list-style-type: none"> ▣ Air conditioning, ventilation, heating ▣ High-voltage, low-voltage systems ▣ Plumbing, fire protection ▣ Finishing works ▣ Delegated contract management

I.1.2.2.2 Solutions for Industry

These solutions include all services in which the businesses are involved at the center of customer production processes, mainly in the aeronautic sector.

Derichebourg Aeronautics Services is involved in aircraft assembly and quality inspection.

It is a major subcontractor in the aeronautics sector and offers a complete range of turnkey services ranging from manufacturing engineering to delivery support.

Aeronautical industry support	Aerial operations support
<ul style="list-style-type: none"> ▣ Industrial processes ▣ Assembly/manufacturing ▣ Delivery assistance ▣ Ground support services 	<ul style="list-style-type: none"> ▣ Navigability management ▣ Customer representation & delivery support ▣ Aircraft transitions ▣ Training & knowledge transfer

Key figures 2020:

- ▣ operates in five countries: France, Spain, Germany, United States and China;
- ▣ 1,500 employees.

I.1.2.2.3 HR & Temporary Sourcing Solutions

Temporary staffing is an employment adjustment tool for companies and candidates. Companies are looking for increasing levels of responsiveness and flexibility in their work organization and payroll management. Temporary employment is also a springboard for candidates, who have easier access to positions and training that allow them to develop professionally.

This rapidly changing sector focuses on skills creation and is a lever for employability.

HR & Temporary Sourcing solutions include general temporary staffing, temporary aeronautics staffing, recruitment and a training center for aeronautics professions.

The HR & Temporary Sourcing Solutions businesses generated €124 million in revenue.

I.1.2.2.3.1 Derichebourg Intérim et Recrutement

Derichebourg Intérim et Recrutement provides a global response (temporary recruitment, fixed-term and permanent contracts) to the problems of companies that are currently experiencing significant recruitment needs, so that they can develop, meet growing market demands and absorb seasonal activity peaks.

Derichebourg Intérim et Recrutement provides employees to companies in multiple sectors: services, banking/finance/insurance, logistics/transport, sales/retail, construction and industry.

Key figures 2020:

- ▣ 5,000 customers in France;
- ▣ more than 250,000 temporary assignments;
- ▣ 38 facilities in France.

I.1.2.2.3.2 Derichebourg Aeronautics Recruitment

Derichebourg Aeronautics Recruitment is recruiting in the aeronautical, naval and rail sectors.

The Derichebourg Aeronautics Recruitment branch network seconds its temporary staff for short or long-term assignments and also carries out recruitment on permanent or temporary contracts.

Key figures 2020:

- ▣ more than 33,000 temporary assignments;
- ▣ 31,000 temporary employees registered;
- ▣ 11 locations in Europe, 9 of which in France.

I.1.2.2.3.3 Derichebourg Aeronautics Training

In 2008, the Group set up its own aeronautical services training school.

Derichebourg Aeronautics Training, a training center located in Toulouse, provides a wide range of training sessions:

- ▣ fitter assembler (CQPM);
- ▣ cable fitter (CQPM);

- ▣ aircraft cabin integrator (CQPM);
- ▣ CAD CATIA;
- ▣ inspection/quality;
- ▣ human factors and CDCCL.

Key figures 2020:

- ▣ more than 11,000 people trained since the center was created;
- ▣ return to employment rate within three months of 78% for trainees who received training with a qualification.

I.1.2.2.4 Urban Area Solutions

This solution includes all services for local authorities to improve the living environment and energy performance of towns and cities.

Today, towns and cities must respond to growing expectations for services, mobility, environmental preservation and social cohesion. Urban planning has to take into account the challenges facing towns and cities.

Public lighting, urban billboards, installation and maintenance of urban furnishings and green spaces, as well as highway construction and various networks, are all areas that can affect the attractiveness of a municipality.

The two largest subsidiaries by revenue for urban area solutions are those that handle public lighting and urban billboards.

I.1.2.2.4.1 Public lighting: Derichebourg Énergie E.P.

Public lighting helps to make towns and cities feel alive and ensure their navigability, strengthen the feeling of safety, and reduce light pollution. It is also an important source of reduction for energy bills.

Derichebourg Énergie E.P. offers a customized range of public lighting services to design, construct and maintain facilities through four major activities:

- ▣ urban and stadium lighting;
- ▣ traffic lights, high-level bus service;
- ▣ festive lighting and decoration;
- ▣ video projection.

Key figures 2020:

- ▣ 300 engineers and technicians;
- ▣ 1,000 customers.

I.1.2.2.4.2 Urban billboards: Derichebourg SNG

Urban furnishings are a strategic development tool today. They must be adapted to new forms of mobility, comply with accessibility standards, be sustainable and integrate smoothly with environmental concerns.

Urban billboards, for their part, must meet three requirements: respect the quality of life, prevent light pollution, and reduce energy consumption.

Derichebourg SNG has mastered these challenges, offering a comprehensive array of services that range from display to installation and maintenance of urban furnishings.

Urban furnishing	Urban billboards
<ul style="list-style-type: none"> Installation and works Corrective maintenance Preventative maintenance 	<ul style="list-style-type: none"> Signage Maintenance Visibility management

Key figures 2020:

- 42 facilities across France;
- 68,000 mechanisms managed per year;
- 2,500 urban furnishing installations per year.

1.1.2.3. Multiservices markets

Through its 19 businesses and subsidiaries, which are positioned as challengers in large, buoyant, and growing markets, Derichebourg Multiservices makes the most of the synergies that exist between its four business divisions with regard to technical engineering, corporate management, business development, innovation, digital, and service excellence.

The subsidiaries of the Multiservices division have variable market positions:

- European market leader in subcontracting on Airbus assembly lines;
- national leader in Portugal with the Derichebourg Facility Services subsidiary, which ranks third in the Portuguese market, in terms of turnover;
- national challenger: Propreté France and SNG;
- regional challengers (Île-de-France): Énergie;
- the other subsidiaries (Reception, Technology, Temporary Staffing, Public Lighting, Green Spaces, etc.) have a lower market penetration.

1.1.2.5 The Group's strategy in Multiservices in the light of new challenges

The markets in which Derichebourg Multiservices operates are growing rapidly and are starting to undergo profound changes.

- The development of digital.** Technological progress will enable the development of new and better performing tools. This is also the case for building maintenance, whether preventive or repairs. Digital tools represent an opportunity to move upmarket by switching to increased building maintenance. At the same time, the production of occupancy data will continue to grow with regard to energy consumption as well as for occupant services.
- More stringent environmental requirements** have impacted the energy efficiency market, which has been growing steadily for several years, driven by renovations caused by the fight to limit global warming.
- Growing demand for outsourcing.** In order to focus on their core business, companies find it increasingly necessary to outsource part of their operational activity to take advantage of the skills and management of others and have better flexibility and cost control for their economic structure.

- Emerging emphasis on well-being at work.** This trend is changing the Multiservices market and requiring us to make new customized offers for our customers. It has become necessary to move from being a service provider to incorporating service excellence, for both end users and our customers.

To respond to these new challenges, we are focusing on the following:

Since Multiservices markets are opening up to new types of requests, customers now expect the Group to offer innovative, high added-value, end-user targeted service solutions built to meet and maintain customer satisfaction levels and desired profitability.

In response, Derichebourg Multiservices is deploying:

■ New service offerings

Innovation is a differentiating factor that Derichebourg Multiservices integrates into the development of new service offerings for buildings and occupants. The Digital, Innovation and CSR Departments support operational activities to identify and assist with the development and deployment of these new services, whose aim is to empower building occupants.

These offerings encourage greater energy efficiency and aim to contribute to the performance of our customers in these areas.

- Facility Management.** Faced with the growing demand for multiple services by companies and local authorities, Derichebourg FM responds by offering them a single integrated contract, in which it entrusts the management and performance of each of the expected services to its own teams.

In this way, it can guarantee the excellence of services and a level of quality that corresponds to the specific challenges of each of its customers.

- Modernization of human resources strategy** to respond to technological and societal changes, support its employees and attract and retain talent.

■ Development of the national network

- In Cleaning, the largest business by revenue, the Group has an established structure within France, giving it a coherent territorial network. The Group seeks to increase its market share both organically and through targeted acquisitions to better amortize its structural costs.
- The rationale is similar in the temporary employment businesses, in which the Group is competing with very large competitors. Increasing the density of the domestic network and revenue growth are two areas of focus for these activities.

RESOURCES



FINANCIAL AND ORGANIZATIONAL RESOURCES

- **Family shareholding** (>57% in voting rights)
- **Listed on Euronext Paris** (Eurolist B)
- **Present in 10 countries on 3 continents**
- **400 sites**



INDUSTRIAL ASSETS

- **28 ELV shredders** in use
- **67 shear balers**
- **490 trucks**, with a policy for renewal to meet the latest environmental standards
- **425 household waste dumpsters** and **1,870 Multiservices LCVs UVs**



INNOVATION AND DIGITAL

- Digital pilot platforms for our customer service activities (My pilot, Dclac, energy monitoring platforms)
- HR process digitalization
- Physical flow service digitalization (trucks)
- Claims tracking digitalization

MISSION

TO SERVE
people while
protecting their
environment

Our personal and professional values, the basis of our strategy and day-to-day actions



EXPERTISE



A SENSE OF SERVICE



SUSTAINABLE DEVELOPMENT



LOCAL SERVICES

CHALLENGES

—
INCREASING ENVIRONMENTAL STANDARDS

—
ADAPTING OUR BUSINESS MODEL TO THE ECONOMIC ENVIRONMENT

—
DEVELOPMENT VIA DIGITAL

—
ROWING OUTSOURCING DEMAND

—
PERSONALIZATION OF SERVICES

ACTION



PROTECT ENVIRONMENT AND ITS RESOURCES

Preserving and optimizing resources through our activities recycling waste produced by industries, local authorities, and individuals.



CLEAN UP PROFESSIONAL ENVIRONNEMENTS

By contributing to cleaning and improving the living environment of everyone through our services to local authorities.



OPTIMIZE PROFESSIONAL ENVIRONNEMENTS

By offering a wide range of services to businesses and local authorities, allowing them to outsource all transferable services and thus refocus fully on their core business.

VALUE CREATION FOR OUR STAKEHOLDERS

FINANCIAL AND ORGANIZATIONAL

- **Revenue of €2.5 billion**
 - Derichebourg Environnement: **€1.6 billion**
 - Derichebourg Multiservices: **€836.2 million**
- **€180.9 million** recurring Ebitda



MANUFACTURING

- Recycling of **3.16 million tons** of ferrous metals and **552,300 tons** of non-ferrous metals to avoid the emission of **5.3 million t CO₂ eq.**
- **77,100 tons** of aluminum ingots produced



INNOVATION AND DIGITAL

- Energy gains (Alertgasoil, Effenco and LED)
- Business and customer relationship oversight
- Proximity of HR and customers





HUMAN CAPITAL

- **42,200** employees
- **118** nationalities
- A culture of health and safety
- **1** professional training center created in 2008



RELATIONSHIP-BASED LOCAL ECOSYSTEM

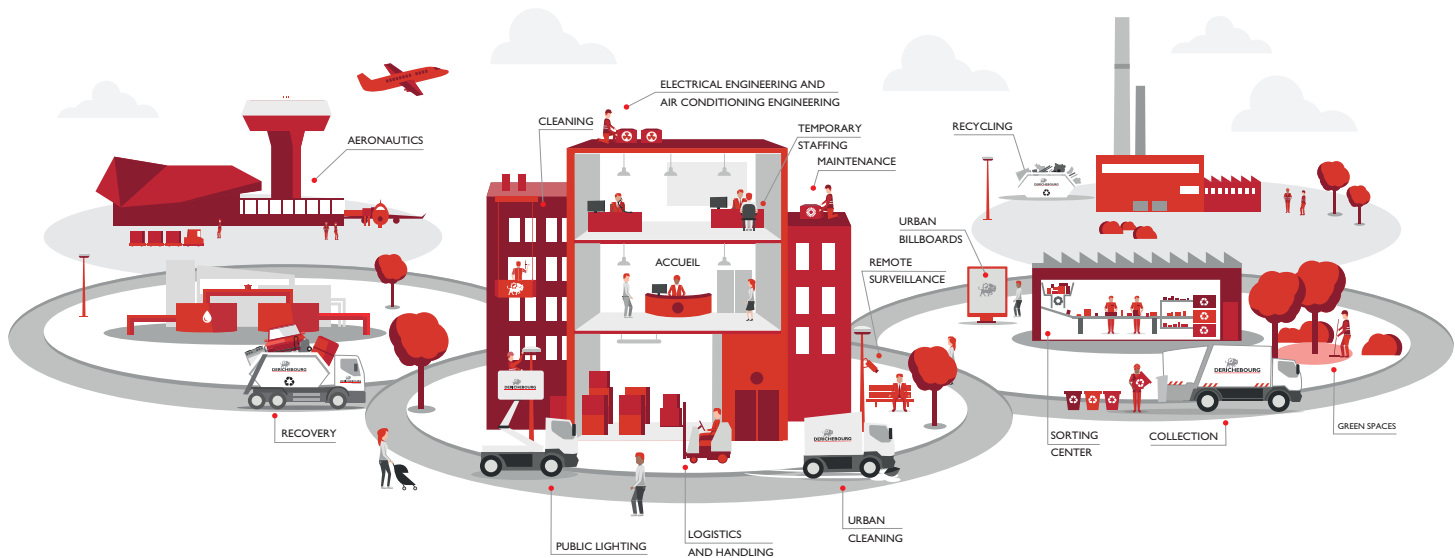
- Supplier Proximity: factories, professionals, individuals
- Diverse customers: industries, local authorities, services, Eco-organizations
- Institutional and associative partnerships



ENVIRONMENTAL CAPITAL

- **465** hectares owned and operated
- **47.7%** of industrial sites ISO 14001-certified
- A major player in the circular economy

A major operator of environmental services for business and local authorities, organized into two complementary divisions:
Environmental Services and Multiservices



HUMAN

- **6.7%** employees with disabilities
- **62%** women / **38%** men
- Lost-time accident frequency rate: **27.6**
- **248,100 hours** of training over **78,500 hours** of dedicated safety training



RELATIONSHIP-BASED ECOSYSTEM

- **14** partnerships with organizations help strengthen integration
- average satisfaction score from Multiservices customers: **8.3**



ENVIRONMENTAL

- **33.1%** of shredder residue sent for recovery
- **206,100 tons** of WEEE recovered
- **409,000** end-of-life vehicles recovered



I.2 Main CSR Risks

I.2.1 Analysis of CSR risks

The risk analysis has enabled potential risks to be identified in the social/societal, environmental, human rights and anti-corruption areas. The management and control systems in place enable these risks to be mitigated and the priority actions presented in the “Concretely Responsible 2018-2022” program to be defined.

This paragraph also meets the provisions of law no. 2017-399 of March 27, 2017 on the duty of vigilance presented in section 1.8.

Two separate risk analysis mappings were prepared using a single methodology:

- ▣ a mapping of specific corruption risks meets the requirements of law no. 2016-1691 of December 9, 2016, known as the Sapin 2 law;
- ▣ a mapping of CSR risks (human rights and fundamental freedoms, health and safety of people and the environment).

These mappings enable risks to be identified, analyzed and ranked in order to prepare appropriate action plans using the following method:

- ▣ identification of potential risks;
- ▣ identification of internal control measures and means of controlling these risks this year;
- ▣ prioritization and scoring of risks arising from the impact and probability of occurrence of these risks.

The scoring of those risks revealed three levels of potential risk:

- priority;
- secondary;
- low.

Potential risks identified as priorities are addressed by the actions and controls described in the CSR roadmap, with the aim of mitigating and managing them.

The potential risks inherent to the Group's businesses and subject to specific management measures are as follows:

- ▣ environmental risks due to insufficient levels of shredder residue recovery;
- ▣ workplace health and safety related to workplace accidents;
- ▣ environmental risks related to air and soil pollution, etc.;
- ▣ fire;
- ▣ loss of customer assets due to customer dissatisfaction;
- ▣ human rights and compliance with labor laws;
- ▣ pandemic (incorporated into the risk matrix during this fiscal year).

As part of its actions to mitigate CSR risks, Derichebourg Group continues to roll out its “Concretely Responsible 2018-2022” program.

The risks listed above and presented in this chapter are the items declared as material following the risk analysis.

In view of its business activities, the Group does not provide details on the following topics, as they are deemed to be immaterial:

- actions against food waste;
- actions against food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable food practices.

The Group does not implement any arrangements to artificially reduce its corporate tax expense or to transfer its taxable income to countries with lower taxes.

In response to the Covid-19 pandemic, the Group has set up a special crisis management system as described below:

1. Prior to the French Government's lockdown decision

The Derichebourg Group put in place the following measures to prevent the risk of a Covid-19 pandemic:

- creation of a crisis unit for each division through the Management Committees;
- deployment of Business Continuity Plans by subsidiary including the communication of instructions to be followed to protect themselves and third parties;
- purchase of personal protective equipment (masks, hand sanitizer gel, etc.);
- updating of the risk assessment in each single professional risk assessment document (SPRAD).

The Group has ensured that these measures have been constantly adapted to take into account the developments of the pandemic and government measures.

2. During the spring 2020 lockdown

During the lockdown period in the various countries in which the Group operates, the activities identified by governments as essential to the functioning of the country were maintained (including cleaning, waste collection and recycling). The operating procedures have been updated to ensure that activities can operate safely. We have drawn up specific operating procedures on decontamination.

Other non-essential activities had to be discontinued in accordance with government provisions.

Functions essential to the operation of the Company such as human resources and Financial Services have continued.

Appropriate measures have been taken for each business activity and function. These measures include adoption of furlough schemes (covering nearly 10,500 employees in France at the end of June 2020), home working, and continuing operations with appropriate protective measures in place.

Over 100 furloughed employees have benefited from the FNE-Formation training program. Special additional training modules have been made available to employees through Derichebourg Academy, including working from home, key facts to understand Covid-19, and Covid-19 disinfection.

The employee representative bodies were consulted throughout this period and approved all arrangements.

Our risk prevention plans now include the Covid-19 risk.

3. Post-lockdown period

Business Recovery Plans (PRAs) have been put in place since the government decision to ease the lockdown (on May 4, 2020 in France), which incorporate the recommendations set out by the national health guidelines:

- ▣ setting out roles and responsibilities in relation to risk prevention;
- ▣ health measures including preventive measures, physical distancing, wearing a mask, signage, one-way systems, and taking temperatures on some sites;
- ▣ regular cleaning and disinfection of equipment and communal areas;
- ▣ controlling infection through contact tracing and managing confirmed cases;
- ▣ sending employees a booklet entitled “Getting back to work safely” (Une reprise d'activité en toute sécurité) via the employee portal. This booklet covers how the crisis has impacted the Company, prevention measures, what to do if you have symptoms, who to direct your questions to and more;
- ▣ working structure: Limiting use of public transport, reorganization of space and one-way systems on sites and in offices, open offices, delivery areas, break rooms and canteens, two toll-free numbers provided for all employees, one to ask general questions about coronavirus and the other to receive psychological support.

I.2.2 CSR strategy

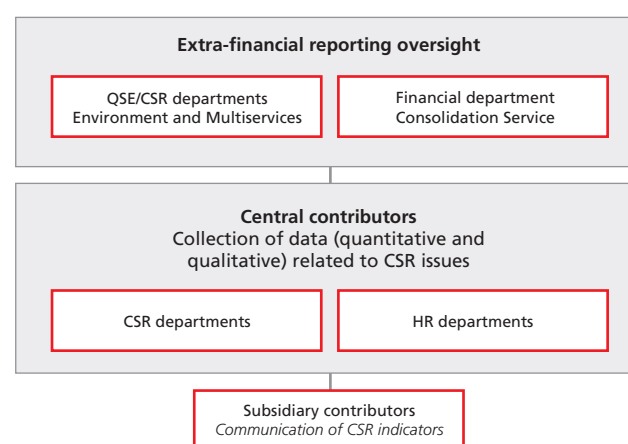
The CSR Committee, comprising permanent members (secretary general, financial directors, human resources and CSR directors) and temporary experts (insurance, legal, etc.) has the task of monitoring the action plans and the effectiveness of the systems implemented using management indicators.

In addition to risk analysis, major challenges were defined in the following stages:

- ▣ consultation of external stakeholders (customers, suppliers, trade federations, etc.);
- ▣ discussions in internal thematic workshops;
- ▣ creation of sector benchmarks (in part 1).

These efforts led to the “Concretely Responsible 2018-2022” program, a roadmap that defines priority actions as well as performance indicators and associated goals.

The indicators in this year's report are monitored for the full scope, unless otherwise specified. Monitoring of the extra-financial performance is defined according to the following organization:

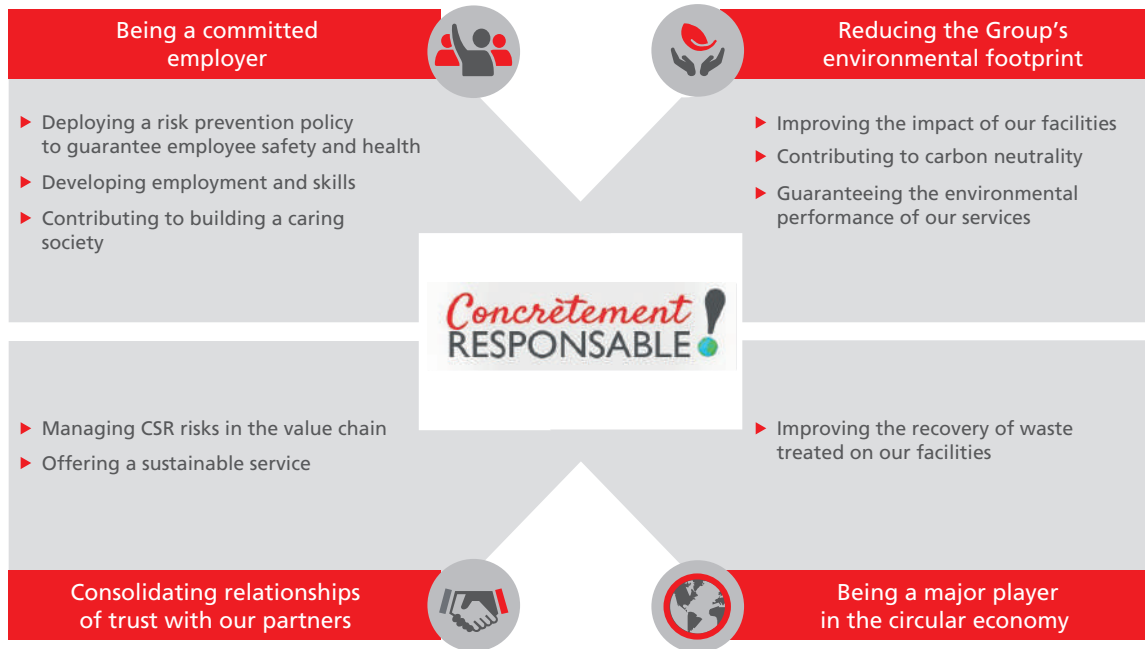


The subsidiary contributors collect, check and analyze the indicators that correspond to their businesses. The central contributors and consolidation department check the consistency of the data.

The indicators are then audited by the independent third party, EY (see the corresponding report at the end of the chapter, section 1.9).

The 2018-2022 program

4 strategic axes → 9 main ambitions



I.3 Scorecard showing principal social, environmental and societal information

The purpose of this section is to highlight those indicators that best illustrate the impact of the Group's business and actions on the environmental, social and societal criteria. The figures presented in this section are covered in more detail in the rest of the report.

	2022 targets	2020	2019
Work accident frequency rate	28	27.6	34.6
Percentage of employees with disabilities	7%	6.7%	6.2%
Share of ISO 14001-certified industrial sites	100%	48%	25%
Recycling site energy consumption per metric ton treated*	30 kWh PCI**/t	32.5 kWh PCI/t	30.4 kWh PCI/t
Fuel consumption per 100 km traveled for the Recycling business***	42 l/100 km	43.1 l/100 km	42.8 l/100 km
CO ₂ emissions per km traveled for the Recycling business***	1,200 g CO ₂ /km	1,324 g CO ₂ /km	1,313 g CO ₂ /km
Proportion of shredder residue sent for recycling*	40%	33.1%	27.6%
Average satisfaction score from Multiservices customers (/10)	8	8.3	7.8

* Scope France.

** Lower calorific value: theoretical amount of energy contained in a fuel.

***Scope Germany, Belgium and France.

I.4 Being a committed employer

I.4.1 Deploy a risk prevention policy to guarantee employee safety and health

Beyond the obligation and moral duty to guarantee the health and safety of our employees and partners, Derichebourg Group is committed to constructing a healthy and safe working environment with the objective of "zero accidents." This commitment is affirmed by compliance with regulations, and also the definition of ambitious targets, set out in a shared policy signed by General Management. The following targets have been communicated to all Group subsidiaries:

- ▣ eradicate serious and fatal accidents;
- ▣ reduce the frequency rate (FR) by 20% by 2022 compared to 2018;
- ▣ implement ISO 45001⁽¹⁾ certified management systems for all our sites by 2022;
- ▣ prevent occupational illnesses;
- ▣ manage fire risk on all operating sites;
- ▣ manage risks related to the outsourcing of activities and to interference associated with activities carried out jointly.

These targets can be achieved through the implementation of significant resources:

- ▣ capitalization on feedback through the communication and digitalization of information on workplace accidents and incidents, in order to act faster and make the data more reliable;
- ▣ involvement of players to instill a safety culture shared by all:
 - set up a national and international network of safety contacts,
 - training from arrival at a work station and throughout the professional career,
 - coordinate safety by installing communication tools;
- ▣ the Group's requirements applied to partners:
 - prevent risks and measure accident rates of our temporary workers,
 - train teams in preparing prevention plans,
 - favor partners that share our workplace health and safety values;

▣ managed risks:

- reinforce our risk identification and analysis tools,
- implement prevention means and suitable equipment.

In France, almost 43% of the Group's sites are already OHSAS 18001/ISO 45001-certified⁽¹⁾. Safety coordinators are responsible for implementing risk prevention programs for each subsidiary.

The Company's health and safety culture is expressed through talks, communications and safety meetings at all subsidiaries, which all employees can get involved in. The Group's general management team is committed to Health and Safety at the highest level. This is reflected by all Management Committees and enables the sharing of different health and safety experiences.

Since June 2019, five e-learning modules have been created and are used in the prevention of workplace accidents, musculo-skeletal disorders and falls, the taking care of workers, and appropriate behavior when faced with dangerous situations. This training was attended by 1,062 persons during the 2019-2020 fiscal year.

A digital alert tool for accidents or incidents is now up and running for the Recycling business in France and Belgium. The same system is being rolled out in the Collection business, and will be deployed in Germany, Italy and Spain (with the aim of a launch by 2022 at the latest). The tool enables incidents to be communicated and taken into account at the highest levels of the Company, and promotes feedback.

The MIQSE (Integrated Quality, Safety and Environment Management) tool was tested in July 2020 by the Derichebourg Propreté subsidiary of the Multiservices division in order to alert those concerned in the event of an accident and analyze the causes of accidents in order to implement corrective actions and boost prevention. This tool will be rolled out to the other Multiservices subsidiaries and is intended to cover other areas of QSE (prevention plan, single document, etc.).

number of health
and safety training hours

78,500



(1) The ISO 45001 standard was published in April 2018. It will gradually replace OHSAS 18001.

		Environmental Services		Business Services		Total	
	2022 targets	2020	2019	2020	2019	2020	2019
Lost-time accident frequency rate ⁽¹⁾	28	37.4	46.5	25.8	32.0	27.6	34.6
Lost-time accident severity rate ⁽²⁾	N/A	2.9	2.6	1.6	1.8	1.8	1.9
Number of safety training hours	N/A	49,145	26,940	29,372	31,776	78,517	58,716

(1) The frequency rate is the number of accidents with lost time in excess of one day, divided by the number of hours worked, multiplied by 1,000,000.

(2) The severity rate represents the number of days lost through workplace accidents, divided by the number of hours worked, multiplied by 1,000.

The work-related accidents accounted for in the frequency rate are those that were notified by the competent administration during the period. Overall, we note a 20% improvement in the frequency rate and an 8% improvement in the severity rate. In terms of frequency rate and

severity rate, the results of the two main activities in terms of headcount (Recycling and Cleaning) are better than those of their respective divisions.

The division frequency and severity rates (2018 statistics) for the main activities are presented in the table below:

NAF (principal company activity) code	Frequency rate	Severity rate
8121Z Routine building cleaning (CTN I)	32.4	3.1
3832Z Recovery of sorted waste (CTN C)	50.3	3.4

Data from the CNAM (Caisse nationale d'assurance maladie)/DRP. Accident rate AT 2018.

The frequency rate of the Multiservices division is down this year due to the removal of non-lost time accidents for the Portuguese subsidiary.

The health crisis has also caused a drop in business activity, particularly in the aeronautics sector, which has therefore reduced the number of workplace accidents.

The Environment division's result is better in terms of frequency rate, with a fall of 20%, notably through the improvement in rates for the Public Sector Services business (FR = 41.3 compared with 69.0 in 2018-2019), although this is still high. The severity rate has deteriorated slightly.

In order to ensure that we can control business accidents by people outside the Derichebourg Group, the frequency rate of temporary workers has been monitored since this year. This figure is 32.1 with 40 workplace accidents over the period. The Recycling business has the highest frequency rate.

Another priority for the Group is to control the risks of working together. The e-learning tool for prevention plan training developed in-house will be operational before the end of 2020. The first training sessions will take place in the first quarter of 2021.

The number of occupational illnesses recognised by the Caisse primaire d'assurance maladie (CPAM) over the period from October 1, 2019 to September 30, 2020 within the Group's scope is 61 compared to 95 in 2019. This decline is particularly marked by the significant drop in the Cleaning business, which fell by 30%.

The number of days of absence due to workplace accidents and occupational diseases was 97,787 over the period (down 1% compared to the previous period).

I.4.2 Developing employment and skills

The constant search for operational excellence is the key to success. It enables the convergence of all initiatives and strengths towards customer satisfaction.

The Group is faced both with a lack of profiles in several occupations and the need to retain talented employees by offering mobility and career development prospects within the Group. Career and skills management is, therefore, an essential factor in conducting our human resources policy.

I.4.2.1 Recruitment

Recruitment provides the first contact between the Company and future employees. It is also a strategic process that enables the Company to assert its ambition and grow through the quality of the women and men within it.

Recruitment difficulties that may be due to tight labor market conditions or specific to the highly technical nature of the positions related to the Group's activities have been identified.

The recruitment process has been adapted to be more efficient, traceable and objective. A recruitment site has been deployed for all Multiservices subsidiaries. The tool makes it possible to share profiles and manage a pool of internal and external job applicants in a more efficient way. Partnerships have been established with schools, notably with the Institute of Social Management (IGS), for the creation of special training in HR and Audencia (for the training of future local managers).

Several actions are conducted simultaneously to find candidates able to fill vacant positions within teams:

- ▣ promote internal mobility;
- ▣ conduct function weighting and remuneration benchmarking across all key positions in order to be more aligned with the market;
- ▣ recruit junior profiles, apprentices or professionalization contracts, supported by internal tutors;
- ▣ recruit people that are changing careers;
- ▣ continue the “young talents” operation to integrate young masters-level graduates, with the aim of training them for operating manager positions;
- ▣ communicate with schools to raise awareness.

The outcome of these various actions was an average recruitment time of 39 days (scope France), compared with a target of 90 days.

1.4.2.2 Supporting skills development

Careers are one of the Group’s strategic directions, and are an essential factor to retain, satisfy, and develop employee skills. Thus, the Group is committed to consolidating the implementation of a skills-based human resources management through its HR policy:

- ▣ promote career development that respects the individual and that is open to the diversity of career paths;
- ▣ meet employee desires for career development;
- ▣ retain employees by offering additional career development prospects;
- ▣ support the Company’s modernization by allowing skills mobility when required.

The aim is to lay down a Career Path and Employment Management (GEPP) policy that takes account of occupational changes and the growth of organizations in order to:

- ▣ match employees’ skills with the needs of the Company;
- ▣ enhance the efficiency of organizations;
- ▣ plan ahead to meet future needs;
- ▣ guide training policy;
- ▣ identify potential employee development.

Internal mobility is an essential way of meeting the career focus. Therefore, an internal mobility charter has been signed by the General Management for Derichebourg Multiservices.

An employment Site is accessible to all employees to allow each one to apply for open positions within the Group.

This career management policy will become even more tangible with the implementation of the internal training school Derichebourg Academy.

The Academy aims to be comprehensive through different components:

- ▣ the work-study scheme is an essential employment driver and constitutes a recruitment pool for tomorrow’s employees. The work-study recruitment policy covers all diploma classifications from

the CAP to the Master’s. During the 2019-2020 fiscal year, Derichebourg Propreté had 134 professionalization contracts and 81 apprenticeship contracts underway. To expand our approach, we want to structure it through classes to improve professionalization and maximize integration within the Group;

- ▣ business training paths;
- ▣ the on-demand training offering via the “Derichebourg Passport” training program comprising all training available for all employees;
- ▣ the network of internal trainers;
- ▣ career management (mobility, individual career paths, coaching, etc.);
- ▣ Derichebourg Aeronautics Training France, a subsidiary dedicated to business training;
- ▣ conference cycles;
- ▣ integration paths.

As part of its ongoing management of jobs and career paths, the Company sets up performance appraisals beyond the legal obligations for managers, supervisors and technicians. A talent review every two years makes it possible to identify potential candidates and to support them through individual training courses in order to offer them development opportunities.

These interviews enable employees to benefit from individual support.

The French entities conducted 58% of annual interviews during this fiscal year. This rate is higher than last year, which was marked by the launch of this approach by the Environment division. 88% of employees appraised met position expectations.

The Group is particularly committed to an employee professionalization and certification approach. For several years,

- ▣ Derichebourg Propreté has been offering its employees the opportunity to pursue Certificates of Professional Qualification (CPQ) that are specific to the cleaning businesses and to management with a view to obtaining an accreditation. During the 2019-2020 fiscal year, 101 people on permanent contracts or professionalization contracts have obtained or are in the process of obtaining a CPQ within this subsidiary;
- ▣ professionalization at Derichebourg Aeronautics Services is based on three areas both for employees and future employees:
 - work-study: apprentices or people with professionalization contracts are supported by experienced, trained tutors,
 - professionalization of managers: via inter-division professional skills certification – CCPI (Management of team activities and cohesion and management of team relations),
 - the professionalization of the technical changes in occupations through over 85 technical modules;
- ▣ the Recycling division continues its CPQ policy by encouraging volunteer employees to take specific diplomas recognized by one or several professional divisions. Holding a CPQ enables the employee to prove that he/she has the knowledge, know-how and ability to carry out a specific occupation. Over the fiscal year, 28 employees signed up for the “Team leader” and “Industrial maintenance operator” CPQs;

- since 2019, around 100 production operators in the Recycling division have received technical training on the handling, servicing and maintenance of worksite machinery. This training, provided by Liebherr, is designed to improve user safety and efficiency, optimize performance and reduce tool maintenance and operating costs.

 number of training hours
248,100

	2020	2019
Number of training hours	248,099	196,368
Average number of training hours per person per year	5.9	5.3

There was an increase of 26% in the number of training hours, partly related to remote training completed during lockdown.

1.4.2.3 Ensuring respect for employees' rights

The Company wants to ensure that its employees are fairly rewarded and that their rights are respected. The Group is engaged in a continuous improvement process in order to ensure good pay and provide guarantees in the drafting of employment contracts. The main focus of this process is the professionalization of the teams. A Shared Service Center (SSC) allows optimum payroll processing by teams of experts.

The Group has opted to modernize its human resources strategy by deploying the "HR Facility" solution to simplify the everyday life of each employee via several tools:

- the FORYOU employee portal enables the employee file to be updated and his/her requests managed;
- the dematerialization of pay slips through MyPeopleDoc and the implementation of a digital safe;
- the electronic signature of contractual HR documents.

The gradual takeover of human resources processes by dedicated software or platforms (for recruitment, payslips, personnel files etc.) is a time and productivity saver and will improve communication.

The dematerialization of HR documents (payslips, HR letters, briefing notes, etc.) for employees, in secure digital safes that are free of charge and available "for life", makes information easier and more reliable.

Labor relations

Derichebourg Group endeavors to maintain a high-quality social dialog with its social partners; this is an essential factor for the smooth running of the Company.

In this unprecedented health context, it was particularly important to integrate social consultation procedures on the Company's reactions to the crisis. Indeed, and in accordance with government directives and the Ministry of Labor's administrative documentation, the social partners have been regularly and systematically involved in every company decision.

Thus, all the Social and Economic Committees (SECs) voted firstly in favor of the furlough scheme, and secondly in favor of the Business Recovery Plan (PRA) when the first lockdown was eased. It was also necessary to adapt to rapidly changing situations during this crisis. The SECs for the Multiservices division subsidiaries were able to meet more frequently, together with the Health, Safety and Working Conditions Committee, which was automatically brought in prior to each SEC consultation to provide its expertise in the areas falling within its specialist fields. Thus, some subsidiaries, including Derichebourg Propreté, organized no less than 30 meetings of employee representative bodies between January and end September 2020.

As an example, the social partners took a particular look at:

- the operational implementation of the national health protocol;
- the implementation of home working;
- the use of a partner (the Psychological Support and Resources Institute – IAPR) for employee psychological support;
- thinking about and developing training modules linked to the health crisis.

In addition to stepping up social dialog, the Company has also been able to maintain frequent employee negotiations despite operational constraints. 70 agreements were entered into (34 of which are regulatory) on the following topics: compensation, social dialog, work structure, health and safety and diversity.

Given its effective presence on the "second line" throughout the health crisis, Derichebourg Multiservices, and specifically certain subsidiaries, were faced with employee action related to working conditions, the creation of a "13th month" bonus, and the implementation of the so-called "Macron" bonus on purchasing power. These local movements had limited impact on the structure. The sector crisis affecting the aeronautics sector of the Multiservices division has also led to industrial action.

The sector is indeed going through an unprecedented crisis, both in terms of its intensity and duration. Faced with a drop in air traffic of almost 80%, Boeing and Airbus saw their sales collapse and had to reduce their production by more than 50%.

In this context, and following daily discussions with the social partners, the management of Derichebourg Aeronautics Training France, with the agreement of the majority union, Force Ouvrière, made the decision to retain its employees by signing a Collective Performance Agreement (CPA) on June 12, 2020.

This agreement, combined with the State's Long-Term Furlough Scheme (APLD), which came into force on November 1, 2020, saved the Company's 1,590 jobs. 160 employees refused to sign the agreement, 85 of whom had other professional or personal plans, 39 wished to retire, more than 30 were in early retirement and 4 had already signed a promise of employment with another company.

All jobs will be protected until June 2022, in return for a monthly salary cut of €170 gross per employee, and the 13th month bonus will be cut for salaries of more than €3,800 gross per month.

The impact on the industry was however much greater for the subsidiary Derichebourg Aeronautics Recruitment France (DARF), given its dependency on all the players in the aeronautics industry, where there has been a sudden and long-term halt in demand for temporary workers specialized in aeronautics. These players have also relied heavily on the furlough scheme. The Covid-19 epidemic has indeed created chaos in the economy in general and in air transport in particular. The International Air Transport Association has estimated the decline in airline revenues in 2020 due to the health crisis at more than \$314 billion. Therefore, the Company's survival had to be ensured at the end of August through a Job Protection Plan (PSE) signed by our majority trade union in this subsidiary. Support measures have been put in place with the help of a specialized firm such as training, six-month and nine-month supra-legal redeployment leave for employees identified as vulnerable (employees recognized as disabled workers – RQTH program, seniors).

	Environmental Services		Business Services		Holding companies		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Number of strike days	8	2	261	255	0	0	269	257
Number of regulated agreements	28	25	7	18	0	0	35	43

Organization of working hours

	Environmental Services		Business Services		Holding companies		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Employment rate for non-managerial staff	97.6%	96.3%	55.8%	61.3%	100%	97.3%	60.5%	65.5%

At September 30, 2020, the average working time in the Group was part-time at 60.5% of full time. This ratio reflects the specific nature of the Cleaning business, which has a high incidence of part-time work. This year was marked by the need to adapt resources to the closure of customer sites (linked to the Covid-19 pandemic) and in particular sites where employees are mainly full-time.

This is attributable to customer requirements in the cleaning business. The nature of the services provided sometimes requires staff to work for shorter periods than full-time employees (small surface areas, work performed outside the working hours of the customers' employees). For this reason, cleaning staff often work for several employers in order to have full-time employment.

Derichebourg Propreté aims to enable its employees to increase their working hours if they so wish, as opportunities arise in the market. In view of the exceptional circumstances linked to the health crisis, the increase in part-time work has not been a priority issue.

Equal opportunity

The Group is strongly committed to maintaining a close relationship with employees and specific measures are implemented in five areas of action: gender equality, the employment of older and younger workers, disability and multiculturalism.

I.4.3 Contributing to building a caring society

I.4.3.I Promoting diversity

Working towards gender equality between women and men

employee breakdown



	Environmental Services		Business Services		Holding companies		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Proportion of female managers	19.6%	17.9%	32.9%	32.0%	37.2%	40.7%	29.8%	29.2%
Proportion of male managers	80.4%	82.1%	67.1%	68.0%	62.8%	59.3%	70.2%	70.8%

Environmental Services

	France		Europe (excluding France)		Americas		Total	
<i>In thousands of euros</i>	2020	2019	2020	2019	2020	2019	2020	2019
Average annual earnings, female managers	55.5	60.5	34.3	N/A	44.5	57.2	50.1	60.2
Average annual earnings, male managers	68.2	82.0	63.7	100.2	42.8	36.8	64.5	80.8
Average annual earnings, non-managerial women	23.1	29.4	24.9	34.3	46.3	36.9	24.3	30.3
Average annual earnings, non-managerial men	27.7	30.6	26.8	27.8	31.3	30.4	27.8	30.4

Business Services

	France		Europe (excluding France)		Total	
<i>In thousands of euros</i>	2020	2019	2020	2019	2020	2019
Average annual earnings, female managers	47.0	50.0	33.8	49.3	44.9	49.8
Average annual earnings, male managers	53.6	57.4	57.3	91.0	53.9	65.0
Average annual earnings, non-managerial women	19.2	34.8	6.9	32.7	12.4	32.5
Average annual earnings, non-managerial men	21.1	30.1	11.9	26.0	19.8	29.3

The average wage is the ratio between the annual remuneration and the annual average headcount over the 12 calendar months.

In the Environment division, only the "gender equality between women and men" index for the registered office and the subsidiary Derichebourg Propreté Océan Indien (DPOI) could be calculated, with respective results of 79 and 90/100.

The Business Services division published its "gender equality index" for nine of its subsidiaries (Derichebourg Énergie, Derichebourg Énergie E.P., Derichebourg Aeronautics Recruitment France, Derichebourg

Automobiles Services, Derichebourg Intérim et Recrutement, Derichebourg Accueil, Derichebourg Retail, Derichebourg SNG and Derichebourg Propreté). The overall average of 79.6 points out of 100 shows that the efforts already put into the subsidiaries can be maintained, and that they are steadily growing year on year. The subsidiaries have posted markedly positive results in terms of compensation and individual increases.

Specifically, many of the subsidiaries in the Multiservices division had lost 15 points due to the indicator relating to the number of salaries increased on return from maternity or adoption leave. The Human Resources Department has therefore implemented very strict procedures alongside maternity leave, and has automatically increased salaries for employees returning from maternity leave in accordance with the provisions in force. In doing so, the 2020 reference period is aiming for 100% under this indicator.

Whilst progress in gender equality must be made by capitalizing on our qualities, in-depth work on weaknesses is necessary within the approach. In this respect, the overall average of the subsidiaries is driven downwards by the difference in the breakdown of promotions between women and men, and the absence of women in the Company's highest salary levels.

As a result, Derichebourg Multiservices has opened a priority project on professional career development. Staff reviews are essential and negotiations on professional equality will target qualitative promotion. The internal job bank should enable 100% of job offers to be published on the site and made accessible to employees.

In addition to the financial view of professional equality, Derichebourg Multiservices is committed to acting in an overall equality approach. Thus women subject to risks of violence in the Company should be systematically informed of the "protection" system in the conflict management protocol.

The subsidiaries also endeavor to make training fairer and more accessible: e-learning training, monthly information sessions by webinars through the Derichebourg Academy platform, a space dedicated to gender equality accessible via the intranet, etc.

In the first quarter of 2021, the diversity reference contacts appointed by the Human Resources Department will be given professional training and will be responsible for communicating about this action via a reference charter that will notably be included in the new hire pack.

Lastly, the subsidiaries will communicate even further about diversified recruitment by showcasing in particular portraits of women in technical and managerial roles. For this, access for women to qualifications such as the MBS (Montpellier Business School) and HEC will be subject to specific attention.

Breakdown of workforce, employment of young and older people

As part of its older workers policy, the Group offers its workers the option of attending a retirement meeting with Humanis (Derichebourg Propreté) or AG2R (Derichebourg Environnement). The purpose of this meeting is to review the workers' careers, support them in their different initiatives or simply to provide them with information. These individual retirement information meetings are offered to all employees from the age of 45.

	Environmental Services		Business Services		Holding companies		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Proportion of employees over the age of 55	20.5%	21.6%	27.2%	23.5%	18.0%	17.2%	26.4%	23.2%

The proportion of employees over the age of 55 across the whole Group was slightly up year-on-year. This development is linked to the retention of experienced employees in the workforce in order to pass on knowledge to younger people.

Within the Group, a knowledge transfer system has been introduced: every apprentice joining the Group has a mentor. The latter is their adviser within the Company and will guide them throughout their training. Several mentorship training sessions are held during the year in order to provide mentors with the range of tools they need to support the young workers.

	Environmental Services		Business Services		Holding companies		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Proportion of employees under work-study contracts	0.4%	0.7%	0.3%	0.3%	3.3%	1.4%	1.1%	0.4%

Operation "Jeunes Pousses" for young graduates

To ensure the renewal of its operational managers, the Derichebourg Environnement division launched the recruitment nationwide of young graduates from engineering and business schools in 2019. This operation was an opportunity to highlight all jobs in the recycling chain, communicate about the Group, and enter into partnerships with schools.

Over 600 applications were received. The selection process involved several interviews conducted by an external recruitment firm and by the Operations and HR teams of the regional subsidiaries.

Six young graduates were selected and joined the Derichebourg Environnement division. They are currently going through a one-year onboarding process comprising on-site training in trade-specific aspects (operations, purchasing, transport, sales, etc.), as well as periodic assessments.

Remaining in and return to work

The Business Services division has set up a personalized support scheme to facilitate the return to work of employees undergoing a job change following a restructuring operation or a disability.

The scheme provides them with support for a period of three months, involving:

- three modulable interviews to establish a professional skills analysis, define the employee's plan and support its implementation;
- a user-friendly, interactive platform to search for a job, draft a resume and prepare for job interviews.

For this purpose, the Business Services division has entered into a partnership with a company specialized in professional reconversion – AKSIS.

Disability

The Derichebourg Group has drawn up a practical and ambitious action plan aiming to commit the Company wholeheartedly to a contractual labor policy supporting the professional integration of disabled employees.

Measures in the disability plan focus on five priority areas – recruiting, retention in employment, collaboration with the sheltered employment sector, personalized support, and training/awareness – with the objective of:

- increasing the percentage of employment of disabled workers;
- developing an active and proactive policy of integrating disabled employees;
- introducing measures aimed at fostering the retention of disabled employees as well as supporting employees who become disabled during their working life so they can remain in their post;

- allowing disabled employees to enjoy the same career opportunities as other employees;
- strengthening links with, and outsourcing more services to disability-friendly companies;
- pursuing an active training policy.

Specially-trained local liaison workers are responsible for welcoming, integrating and helping to retain disabled workers in the Company.

employees
with
disabilities
6.7%



At September 30, 2020, the percentage of disabled workers employed by the Group stood at 6.7%, i.e. above the legal requirement of 6% and representing an increase on last year (6.2%). The Business Services division achieved a rate of 7.5%.

The Group's commitment with regard to disability is also reflected in the election of the HR Manager of Derichebourg Multiservices, on September 11, 2018, to the position of Chairwoman of Agefiph (a French fund management association for the professional integration of disabled persons) for a term of three years.

1.4.3.2 Developing our regional focus

Breakdown by country and by business

Breakdown by business and by country is as follows:

	Environmental Services		Business Services		Holding companies		Total	
Employees	2020	2019	2020	2019	2020	2019	2020	2019
France	3,439	3,528	25,357	25,990	150	145	28,946	29,663
Other European countries	965	603	11,975	6,199	0	0	12,940	6,802
Europe	4,404	4,131	37,332	32,189	150	145	41,886	36,465
Americas	355	368	0	0	0	0	355	368
Total	4,759	4,499	37,332	32,189	150	145	42,241	36,833

The 15% increase in the workforce is explained by the consolidation of new foreign subsidiaries, notably Grupo NET and Lyrsa (Derichebourg España) in Spain (with more than 5,600 employees) into the Group's reporting scope.

The Business Services division accounts for 88% of the Group's workforce. These are service provision businesses with a strong requirement for labor, while the Environmental Services Recycling business makes greater use of sorting and processing equipment than personnel.

The Business Services headcount includes temporary employees placed with the customers of the temporary employment subsidiaries. As at

September 30, 2020, 8% of the employees of Business Services companies were temporary workers.

employees
42,200



Recruitment and departures

It should be noted that Household Waste Collection/Cleaning (Environmental Services) and Cleaning (Business Services) are subject, both in France and abroad, to regulations which may require the

transfer to successor companies of employees working on a given contract, in line with specific detailed procedures. These employees typically have permanent contracts. Changes in headcount are therefore directly related to business trends.

Recruitment

The table below details departures by business:

	Environmental Services		Business Services		Holding companies		Total	
Employees	2020	2019	2020	2019	2020	2019	2020	2019
All contract types	715	874	70,820	71,511	25	32	71,560	72,417

Departures

The table below details departures by business.

	Environmental Services		Business Services		Holding companies		Total	
Employees	2020	2019	2020	2019	2020	2019	2020	2019
All contract types	868	773	68,655	69,788	27	25	69,550	70,586

Despite the health crisis, the Group maintained a level of hiring and departures almost equivalent to the previous year, particularly the Derichebourg Propreté subsidiary.

Multiculturalism

The Derichebourg Group is a signatory to the European Union's Diversity Charter. In this way, the Group demonstrated its intention of continuing and boosting measures at all levels of the Company to promote diversity, from hiring through to career management.

The Group's managers lead teams composed of employees with over 118 nationalities. In this way, Derichebourg is a major player in the area of integration.

Certain subsidiaries offer their employees the opportunity to take training courses in core skills and in French (possibility of obtaining the DILF certificate⁽¹⁾). These courses have positive impacts both in professional and personal terms. In fact, it increases the staff's employability and facilitates their work because the training improves their subsequent understanding of instructions. Employees express themselves and communicate much more easily and can perform their jobs with greater independence. In personal terms, the training makes our workers' everyday lives easier. Administrative tasks become easier and they can help their children do their homework.

Measures to integrate people with difficulties in finding work into the workplace

Under WEEE (Waste Electrical and Electronic Equipment) recycling contracts, several businesses entrust the dis-assembly and dismantling of large household appliances or small household appliances to ENVIE, the French federation of vocational integration companies. This partnership has been existing for over 10 years. The Derichebourg Group has 11 WEEE recycling platforms in France. At six of these, the Group operates in partnership with ENVIE. Every day, 110 employees work with the Group under vocational integration programs.

This partnership has been welcomed by the Hauts-de-Seine prefecture, which awarded the Group the "Responsible purchasing and corporate social responsibility Hauts-de-Seine" certificate for its Gennevilliers site on October 8, 2018.

Derichebourg Multiservices has 14 partnerships with organizations that help strengthen integration in the Group's subsidiaries. It has also chosen to make a commitment to fight against inequalities in terms of education and access to employment through a youth sponsorship program.

(1) Basic French language certificate.

Partnerships with organizations providing assistance through work (ESAT) and sheltered employment companies (EA)

Co-contracting or subcontracting arrangements with EA or ESATs are entered into primarily for Facility Management activities, for reception services or green spaces. In addition to the direct employment of people with disabilities, the Company wants to establish sustainable partnerships with the sheltered employment sector.

Since January 2016, Refinal Industries has been sub-contracting to an ESAT the manufacturing of suction cups for three robots that extract aluminum ingots. Almost 200 suction cups are manufactured every month.

The nature of its businesses means that the Derichebourg Group is a significant provider of local and sustainable jobs.

Derichebourg Environnement's activities require that its recycling facilities are located as close as possible to the sources to be processed. As a result, these local activities generate employment that cannot be off-shored.

Derichebourg Multiservices' activities promote local employment in order to provide services as close as possible to its customers.

On July 10, 2020, Derichebourg Multiservices joined the "Pacte avec les quartiers pour toutes les entreprises" network. This support programme, propelled by IMPACT partners and Bpifrance, was launched by the Minister of Regional Cohesion and Local Government Relations, who is responsible for cities and housing. This commitment cements the Group's actions towards the economic inclusion of priority districts (quartiers prioritaires de la politique de la ville – QPV) through youth awareness, recruitment, training and purchases in these areas. As of September 30, 2020, more than 20% of Derichebourg Multiservices employees reside in a QPV priority district.

Employee commitment

Since March 2020, Derichebourg Multiservices has provided its employees with a platform for voluntary commitment. It gives all employees access to programs that support actions and societal causes in favor of the environment, education and more.

These programs, such as salary rounding, sponsorship, community seminars, well-being and sports are available throughout the year.

- ▣ The salary rounding system enables employees who wish to do so to support one of the four partner associations (Simplon, which offers free training in coding to young people with difficulties in finding work; Le Rire Médecin, which offers entertainment to children in hospital in France; Sport dans la Ville, which is the main association for integration through sport in France; APHP for research against Covid-19), by making a micro-donation on their salary (between

€0.5 and €5). Derichebourg Multiservices doubles the amount of each donation. It is a joint employee-employer solidarity scheme. More than 300 employees participate in this scheme.

- ▣ A wellness and sports program. During the lockdown, Derichebourg Multiservices made United Heroes available to all of its employees. This is an application that allows them to stay motivated, boost their daily well-being and keep up to date with articles and tips on how to exercise more and eat well. This application helped employees to stay active and connected during this period.
- ▣ A sponsorship program with three associations:
 - Our Neighbourhoods Have Talent (Nos quartiers ont des talents – NQT). Since 2006, the association has been working to promote equal opportunity by supporting young people with three or more years of higher education, aged under 30, from priority neighbourhoods or from modest social backgrounds, in their search for employment, work-study program or entrepreneurship opportunities;
 - DUO for a JOB connects young people from diverse backgrounds and refugees with experienced people over 50 years old from the same professional sector, so that they can support them in their job search;
 - Sport dans la Ville is the main association for integration through sport in France. All of the programs help to promote the social and professional integration of the 5,000 young people registered with the association, by actively participating in their progress and personal development.

Other special programs on the community calendar are also held on this platform, such as Giving Tuesday, a day devoted to donations and generosity, during which toys were collected from more than 30 sites in favor of underprivileged children in partnership with the Red Cross.

On Women's Day on March 8, as every year, the women of the Company were honored. This year the Recycling division completed the "women's portraits" project, which showcased the journeys of some 30 women within the Company who manage, drive, collect, receive, assist, sort, lead, float, recover, recycle, place, weigh, clean, control, transport, sell and computerize. These multiple career paths are an additional source of pride for the Derichebourg Group.

During the lockdown, the community calendar was adapted by proposing community projects to help the most disadvantaged and caregivers. This included getting involved in the "Les Paniers Solidaires" project (food baskets), and helping caregivers by babysitting their children or doing shopping for them.

An e-learning training program on "life-saving actions" was offered to all employees.

I.5 Reducing the Group's environmental footprint

I.5.1 Improving the impact of our facilities

In July 2019, Derichebourg signed a €130 million loan agreement with the European Investment Bank (EIB) in order to contribute to the long-term financing of a multi-year investment program in France in the area of recycling and circular economy. Investments under this multi-year investment program will mainly be for improving recovery rates of materials processed, adapting shredders to use the best available techniques (in the area of water treatment, smoke treatment and noise protection) and reducing the consumption of fossil energies (trucks and handling machinery).

I.5.1.1 Improving site energy efficiency

Derichebourg Environnement is committed to a pro-active approach to managing its energy consumption, notably through ISO 50001 certification in the Refinal Industries and Derichebourg Umwelt GmbH subsidiaries.

The Derichebourg Group has implemented various actions to reduce the energy consumption of its production units. The most significant are:

- the installation of frequency converters on shredding lines to adjust the energy supply to requirements in real time;
- the gradual replacement of shredding unit motors by more energy efficient motors;
- the acquisition of four new shear balers equipped with frequency converter technologies.

Furthermore, the second phase of regulatory energy audits took place in 2019 and 2020 for all of the relevant French subsidiaries. For activities with the highest energy consumption, these audits are carried out by specialist companies in the energy efficiency sector. These companies are committed to meeting the requirements of the European NF EN 16247 (1 to 4) standard and will enable the Group to prepare an energy efficiency action plan for 2022.

The action plan will be monitored alongside the monitoring of the new indicator defined in the CSR roadmap, i.e. the energy consumption of the operating sites per ton treated.

In kWh LCV** per ton treated

Site energy consumption per ton treated

Recycling business*		
2022 targets	2020	2019
30	32.5	30.4


* Scope France, excluding REFINAL INDUSTRIES.

** Lower calorific value: theoretical amount of energy contained in a fuel.

This indicator takes into account consumption of electricity and off-road diesel on sites. As gas consumption is not significant, it has not been included (except for Refinal Industries' two aluminum refining sites) for reasons of simplicity. Refinal Industries is not included in the scope of this indicator as, on the one hand, its activity is very specific, and on the other, it is governed by ISO 50001 certification.

The downward trend of this indicator is primarily linked to the impact of the Covid-19 pandemic. Indeed, the Group's facilities operated for several months at under capacity, which explains the overconsumption per ton processed.

Furthermore, energy consumption in absolute values for the Group (worldwide scope) is as follows:

electric
consumption 
121.8GWh
+3.8% compared to 2019

fuel
consumption  **25.3** million liters
-9.0% compared to 2019

gas
consumption  **31.9** million cubic meters
+113.1% compared to 2019

The change in electricity consumption (up 3.8%) is linked to the change in scope with the integration of the Spanish company Lyrsa (now Derichebourg España) and its 14 GWh of consumption. On a like-for-like basis, a decrease of around 8% was recorded primarily due to the Covid-19 pandemic.

The decrease in fuel consumption for the entire Group (down 9%) is also primarily due to the Covid-19 pandemic. On a like-for-like basis, the decline is even more significant (down 15.4%), as the transport business was heavily impacted during the lockdown.

The Group's gas consumption more than doubled compared to the previous year. This change is linked to the acquisition of Lyrsa, which owns two refineries (aluminum and lead) which use gas as an energy source in the refining furnaces. On a like-for-like basis, a decrease of 9.5% was recorded due to the Covid-19 pandemic.

With the acquisition of Lyrsa, the Refining activity has now increased gas consumption to 92% (Refinal Industries and Derichebourg España), while the Public Sector Services business accounted for 7% (natural gas vehicles). Other gas consumption is therefore entirely marginal.

1.5.1.2 Managing environmental risks

Through the rigorous management of incoming waste and daily maintenance of its facilities, Derichebourg Environnement ensures the prevention of environmental risks and pollution across its 224 industrial sites.

Investments in environmental protection for the 2019/2020 fiscal year amounted to nearly €15,8 million, plus environment-related expenses

of €2.6 million (analysis of waste, environmental discharges, maintenance, etc.), ensuring that the Group's industrial plants comply with their regulatory requirements.

Despite Covid-19, the Group's level of investment in environmental protection is very close to that of the previous fiscal year (€16 million).

Work on impermeable areas (concreted areas) and run-off water treatment are two important factors in limiting soil and waterway pollution. The Group pays particular attention to the proper maintenance of its infrastructures and undertakes repairs and restoration of concrete areas deteriorated by the passage of machinery every year.

To ensure comprehensive management of environmental risks, the Group's subsidiaries with industrial sites or specific customer requirements have committed to ISO 14001 certification of their environmental management systems, with the target of 100% of concerned sites certified by 2022.

Anticipating this objective, several subsidiaries have already obtained triple QSE certification for all or part of their operating sites:

- AFM RECYCLAGE: 38 certified sites;
- ESKA: 23 certified sites;
- POLY-ENVIRONNEMENT: 14 certified branches;
- REVIVAL: 19 certified sites.

As a result, the proportion of ISO 14001-certified sites increased significantly during the year (up 22 points).

	2022 targets	2020	2019
Proportion of ISO 14001-certified sites ⁽¹⁾	100%	47.7%	25.5%

(1) Calculated with respect to industrial sites, sites for which a customer requirement was expressed or sites for which certification was decided as part of a Company policy.

Limit pollution from the facilities – Comply with BREF⁽¹⁾ Shredder requirements

The Group's various subsidiaries concerned comply with their monitoring obligations regarding atmospheric and water discharges. Monitoring plans have been introduced in each subsidiary.

As part of Directive 2010/75/EU of the European Parliament and Council of November 24, 2010 on industrial emissions, the conclusions on the best available techniques (BAT) for waste treatment were published on August 10, 2018.

As set out in the regulations, the Group has filed review documents "in light of the best available techniques" for each of the sites in question.

A Group action and investment plan will be rolled out until 2022 to bring the various facilities into compliance where necessary. The €130 million loan granted by the European Investment Bank (see 1.5.1.1) may be used in this context.

Site restorations – termination of ongoing activities

One of Derichebourg Group's strengths is its real estate management. Thus, subsidiaries are subject to an analysis that enables a list to be drawn up of the sites that are liable to cease activity over the more or less long term.

Terminations of activity are the subject of management plans, and if applicable, of provisions taking into account the overall financial cost of site restoration.

(1) Best Available Technology REFERENCE.

Provisions for environmental risks changed as follows:

<i>In millions of euros</i>	2020	2019
Environmental Services	6.7	3.8

Moreover, the Group provides financial guarantees (cross-border transportation of waste, safety compliance work on certain facilities classified for environmental protection (decree no. 2012-633 of May 3, 2012), etc.).

The amount of financial guarantees issued as at September 30, 2020 stood at €10.1 million compared with €4.2 million as at September 30, 2019.

Relations with neighbors

Derichebourg Environnement generates significant transport flows from the collection and reception of materials, as well as for bulk product sales.

This commitment is monitored via the following indicator:

Environmental Services			
	2022 targets	2020	2019
Percentage of complaints dealt with (written response provided) ⁽¹⁾	100%	100%	77.1%

(1) Worldwide.

The target has been achieved for the first time this year.

In addition, the number of complaints received during the year was also down sharply (down 63% from the previous year) with a total of 13 complaints recorded.

In order to facilitate and thus make the reporting and processing of complaints even more reliable, it was decided to use the new QHSE intranet, which will allow for centralized monitoring.

The future Group procedure for managing complaints will specify this new structure in 2021.

In addition, various actions are carried out on a daily basis at the Group's operating sites to create ties with neighbors and improve site integration into the local landscape.

Several sites (Athis-Mons, Bruyères-sur-Oise, Gennevilliers, Vitre, etc.) regularly organize school visits or open house days on the theme of recycling.

I.5.2 Contributing to carbon neutrality

The Derichebourg Group's ambition is to subscribe to the commitments of the Paris Agreement for the fight against global warming. The Group marked this commitment by signing the French Business Climate Pledge in August 2019.

Several subsidiaries have already begun defining their carbon trajectory aimed at contributing to carbon neutrality.

Furthermore, the noise, visual and sound factors and safety of the operating sites are all issues which concern local communities.

Thus, any complaints on CSR aspects are managed by the QSE services in the subsidiaries.

To ensure irreproachable management by the Group of complaints, each complaint is answered by a written response.

To address the challenge of global warming, the Group has undertaken to implement three key steps:

- measuring its greenhouse gas (GHG) emissions;
- reducing them;
- offsetting them.

MEASUREMENT

Greenhouse gas emissions are calculated under Scope 1 (direct emissions) and Scope 2 (indirect emissions associated with energy), accounting for 169,221 metric tons of CO₂ equivalent for the fiscal year 2019-2020.

The Group's greenhouse gas emissions can be broken down into:

- electricity purchased: 18,787 metric tons CO₂ equivalent;
- consumption of fossil fuels related to the facilities: 88,593 metric tons CO₂ equivalent;
- fuel consumption related to travel: 61,841 metric tons CO₂ equivalent.

52.4% of GHG emissions are related to on-site energy consumption (excluding electricity) and 36.5% related to transportation.

These emissions increased by 20.3% compared to the previous fiscal year in absolute terms.

This increase is related to the acquisition of the two aluminum and lead refineries in Spain that use gas for their production tools (refining furnaces). On a like-for-like geographical basis, greenhouse gas emissions decreased by 8.4%.

REDUCTION

The Group has two main areas in which it can actively combat global warming: Firstly through its recycling activity and secondly by reducing its own GHG emissions.

Indeed, through its metal waste recycling activity, Derichebourg Environnement is able to considerably reduce greenhouse gas emissions as presented in section 1.6: "Being a major player in the circular economy".

The Group is also working on a project to recover shredder residue into Solid Recovery Fuel (SRF). This technique will make it possible to produce a fuel from waste as a substitute for fossil fuels (coal, fuel oil, etc.).

With respect to its own GHG emissions, Derichebourg Environnement mainly uses electricity as an energy source for its recycling units. The high share of electricity generated using nuclear power in the energy mix in France helps to limit the Recycling business's greenhouse gas emissions.

In addition, Derichebourg Environnement has entered into a partnership with the company Total Flex to make available capacity to reduce its electricity consumption.

Elimination or electrical flexibility is the ability of a site to reduce or even stop its consumption in the event of strong demand or a shortage of supply, at the request of Réseau de Transport Electricité (RTE), the French Electricity Transmission Network. Indeed, in the event of consumption peaks, in order to avoid having to restart old and polluting power plants (particularly coal-fired, which emit a lot of CO₂), RTE is asking volunteer companies to significantly reduce their consumption and mitigate the said peak.

The impact is twofold; it avoids a potential regional power cut, and helps to reduce the carbon intensity of the French energy mix.

Through Total Flex, the Group provides RTE with a capacity of 19 MW through 36 production sites.

By way of comparison, this power corresponds to the power of almost 3,200 typical French households (based on 6 kVA as the subscribed power per dwelling).

Transportation accounts for 36.5% of the Group's GHG emissions (up to 92.1% of the GHG emissions for the Business Services activity). Actions have therefore been taken to reduce these emissions as presented in paragraphs 1.5.2.1 and 1.5.2.2.

CARBON OFFSETTING

In addition to the plan to reduce its GHG emissions, the Derichebourg Propreté subsidiary has chosen to offset its irreducible emissions for the 2019/2020 fiscal year.

More than 6,000 tons of CO₂ equivalent were offset by the purchase of carbon credits with the Mendefera Water project in Eritrea. This project rehabilitates broken boreholes to provide clean water to communities while providing a funding mechanism to ensure long-term maintenance. Families no longer have to boil water, saving firewood and the associated carbon emissions.

1.5.2.1 Improving the performance of transportation - Environmental Services

The Group's Environment division has begun the strategic transformation of its transportation activity.

The Company aims to provide its truck fleet with tools and procedures to monitor and optimize its fuel consumption.

The transportation transformation plan is based on a number of cumulative solutions:

- ▣ fleet renewal over the 2018-2020 period targeting the following objectives:
 - resizing the fleet by eliminating older, surplus vehicles, an objective achieved with 360 trucks destroyed since the end of 2017,
 - replacing more than 150 vehicles out of the 400 in the Environment division's collection fleet (excluding Poly-Environnement). 140 of these vehicles had already been delivered as at September 30, 2020, the new vehicles will all meet the Euro VI standard as a minimum and are all equipped with the AdBlue™ system and particulate filters. To date, 58% of the fleet (Europe excluding Spain and Italy) already complies with the Euro VI standard,
 - choosing the right engine power to reduce fuel consumption. The power of our trucks is limited to the minimum required and always adapted to the local road network;

- ▣ deployment of the AlertGasoil™ technology:

AlertGasoil™ is a complete solution for measuring and controlling fuel consumption and greenhouse gas emissions to facilitate global management and reduce waste (TMAVA⁽¹⁾ monitoring, driving behaviour, etc.). The technology used by ADD AlertGasoil is certified "class 4" by ADEME, the French Environment and Energy Management Agency, which is the highest possible level of certification for the accuracy of fuel consumption and CO₂ emissions measurements.

Equipping our vehicle fleet with the on-board AlertGasoil™ system provides comprehensive and accurate fuel consumption monitoring.

The roll-out of the on-board sensors began at the start of the 2018/2019 fiscal year, and was completed in June 2019 for the French, Belgian and German vehicle fleet. In 2021, the Group plans to roll out this technology in Spain for the Recycling business;

- ▣ ecodriving training for all drivers in France by 2022.

Ecodriving brings together the issues of sustainable development (efficient use of energy) and road safety by providing employees with every solution to be implemented on a daily basis for responsible, economic and ecological driving, whilst reducing road risks and fuel consumption.

The Group's various subsidiaries have begun training sessions and 83 drivers received these sessions over the year;

(1) Temps Moteur Allumé Véhicule à l'Arrêt (the time the engine is running while the vehicle is stationary).

□ route planning assistance

A shared initiative will be undertaken by operations managers, route planning departments and commercial teams in order to improve how collection routes are organized and motor vehicles shared to reduce the number of unnecessary kilometers driven.

Similarly, Derichebourg entered into a partnership in 2016 with Michelin Group to manage its tire stock. Accordingly, the Group has chosen to place the emphasis on extending the life of tires by retreading and regrooving them, where this is possible, helping to reduce the amount of raw materials consumed compared with manufacturing a new tire. The introduction of tire pressure monitoring

has also helped to reduce fuel consumption. The reduction in greenhouse gas emissions compared with a scenario without these measurements was 59 metric tons of CO₂ equivalent in 2019 (Michelin data).

Accordingly, through these different initiatives, by 2022 the Group wants to:

- keep vehicle consumption below 42 liters/100 km;
- reduce the volume of diesel used;
- reduce CO₂ emissions from the Transportation activity by close to 10% compared with December 31, 2018.

Monitoring of the energy performance of transportation (for the Recycling business) is carried out using the following indicators:

	Environmental Services		
	2022 targets	2020	2019
<i>In liters per 100 km</i>			
Fuel consumption per 100 km traveled	42	43.1	42.8
<i>In grams of CO₂ per kilometer traveled</i>			
CO ₂ emissions per km traveled	1,200	1,324	1,313

* Scope Europe, excluding Spain and Italy.

These indicators replace the indicator monitoring fuel consumption per metric ton transported, as they have been the transportation activity monitoring indicators since the full implementation of the AlertGasoil™ solution in 2019.

These indicators could not be measured over the full year last year; the value presented was that as of September 30, 2019. The measurement is now completed over the fiscal year and have been able to restate the 2018/2019 value to compare it to that obtained this year. A very slight downward trend was therefore been noted, due in particular to the increased power of the new trucks. This power is now limited to the minimum.

For downstream transportation, the Group also prioritizes the use of maritime or river transportation, where possible, which is cheaper and helps to protect the environment. New site openings are, whenever possible, next to waterways.

As a reminder, most of the Group's subsidiaries have access to river or maritime infrastructure, including: Marseille (Purfer), Rouen and Valenciennes (Revival), Houston (Derichebourg Recycling USA), Nantes (AFM Recyclage), Brussels and Liège (Derichebourg Belgium), Karlsruhe (Derichebourg Umwelt GmbH) and Strasbourg (Eska).

This is the case for the Group's two most recent shredding lines: Gennevilliers (on the HAROPA – Paris Ports site) and since late September 2018, the new Bassens shredding line (located on the Bordeaux Port Authority site).

The Group also continues the use of rail transport. This mode of transportation is an alternative to road transport (one wagon for every two trucks). It is less developed than water transport, due more to structural reasons than any real desire on the Group's part.

The share of tonnages transported worldwide by waterway and/or rail (excluding Spain) is as follows:

secondary raw materials transported by waterway **23.6%**



secondary raw materials transported by rail **7.9%**



<i>In thousands of tons transported</i>	2020	2019
Secondary raw materials transported by waterway*	792.4	897.6
Secondary raw materials transported by rail*	264.5	316.1

* Group scope excluding Spain.

For information, the modes of transportation by waterway or rail avoided the circulation of approximately 42,300 trucks over the 2019/2020 fiscal year (based on each truck transporting 25 metric tons).

The Poly-Environnement subsidiary (Public Sector Services) has continued investing in its own transportation for providing its services.

The roll-out of Active Stop-StartMC technology from Quebec-based Effenco continued at several branches in the Paris region, bringing the number of vehicles equipped with this technology to 86. This system is designed to cut the truck's engine when it is immobile, whilst keeping its accessories and equipment operational, such as the container lifting and dumpster compaction systems. In general, these stops represent 40% to 50% of the vehicle's usage time and thus enable a 30% reduction in greenhouse gas emissions.

In addition, during the fiscal year, the company acquired 6 dump trucks for the collection of household waste (OM dump trucks) running on natural gas for vehicles (NGV) for an investment of €1.8 million.

To date, more than 40% of Poly-Environnement's fleet of OM dump trucks (scope France) run on CNG.

Finally, the amount of investments in light vehicles (utility, service vehicles, etc.) running on CNG, hybrids or electric vehicles amounted to more than €440,000 for the Poly-Environnement subsidiary during the fiscal year.

59% of Poly-Environnement's fleet of company and service vehicles (scope France) is composed of hybrid or electric vehicles.

1.5.2.2 Improving the performance of the vehicle fleet - Business Services

More than 90% of Derichebourg Multiservices' GHG emissions are due to the vehicle fleet.

Derichebourg Multiservices has currently identified three automotive suppliers that incorporate environmental criteria. The vehicle fleet comprises more than 1,870 vehicles, of which 70% are commercial vehicles, mainly small trucks. 3% of the Derichebourg Multiservices fleet is electric.

A study of the vehicle fleet was conducted this year with the major challenges of reducing the fleet's average CO₂ level, ensuring continuity of service despite the tightening of environmental regulations and optimizing Total Cost of Ownership (TCO). Short-term actions include the implementation of a fleet management software, and the modernization of the car fleet together with a review of the car policy.

1.5.3 Guaranteeing the environmental performance of our services

The nature of its business means that Derichebourg Multiservices consumes few raw materials. Nevertheless, the services that it offers incorporate the implementation of solutions that enable their environmental impacts to be reduced.

Derichebourg Multiservices incorporates into its business processes equipment featuring water and energy saving technologies. For example, the Cleaning business uses hyper-concentrated products and adapted dosing systems to reduce waste at source. Finally, Derichebourg Propreté ensures that it encourages the use of chemical products with eco-labeling: enzyme products, with eco-labeling or the result of hydrolysis and ionized water solutions. 33.7% of products used over the period are part of the eco-responsible range.

In their green space maintenance activities, Derichebourg Propreté and Derichebourg Espaces Verts aim to offer alternative solutions to reduce the amount of phytopharmaceutical products used.

I.6 Being a major player in the circular economy

The draft law on combating food waste and the circular economy is at the center of French political debate. Arising from the circular economy road map published in 2018, this legal text includes core provisions for the recycling industry, such as setting rates for the incorporation of recycled raw materials in new products, improving the way that product recyclability is taken into account, and revising the extended producer responsibility segments.

Given the lack of channels at waste storage facilities, solutions have to be found in order to grant special access for waste requiring final disposal following sorting and recycling operations. In line with the target of halving landfill waste by 2025 against a 2010 baseline, the reduction of authorized capacity at storage centers has had an impact since 2018 on the entire recycling value chain. In parallel, a strict framework must be introduced to restrict access for recoverable wastes at storage centers.

Derichebourg Group thus made an enormous effort in 2019 to meet parliamentarians in the regions by organizing site visits for them to raise their awareness of the Recycling business, which is an essential pillar of the circular economy. The arrival of Covid-19 in 2020 has somewhat dampened this momentum.

A business serving the circular economy: recovery of metal waste

Due to the nature of its historic scrap metal recycling business, Derichebourg Environnement is helping to preserve natural resources (iron ore, copper, bauxite, etc.) while reducing the quantity of waste eliminated.

Metal waste, first of all, undergoes a sorting process. That not requiring any processing is grouped directly by quality, then resold. Ferrous metals that need to undergo an industrial preparation process before being processed in steel mills are either sheared or cut (thick ferrous metals), or shredded (light ferrous metals or those mixed with other materials).

During this fiscal year, Derichebourg Environnement processed 3.16 million metric tons of ferrous metal waste and around 552,300 metric tons of non-ferrous metals.

As part of this scrap metal processing activity, Derichebourg also has two aluminum refineries. The historical refinery in Lomme produced 57,500 tons of aluminum ingots. This year, the Prémery refinery, which was acquired more recently, produced 11,000 tons of ingots, processing different types of aluminum to those used at Lomme.

The Group also increased its aluminum production capacity through the acquisition of Lyrsa (renamed Derichebourg España), which has produced 8,640 tons of ingots in its refinery since January 1, 2020 (date of its consolidation).

Also through the acquisition of Lyrsa, the Group now owns a lead refinery that has produced 15,340 tons of ingots since January 1, 2020.

Thus, by returning quality secondary raw materials to the marketplace, Derichebourg Group contributes to reducing overall energy consumption. The recycling of metals enables considerable energy savings compared to their primary production: up to 94% for aluminum and 40% for steel (source ADEME/Federec, Environmental assessment of recycling in France according to the LCA⁽¹⁾ method – May 2017).

Furthermore, the use of secondary raw materials to produce new steel or non-ferrous metals enables a significant reduction in greenhouse gas emissions compared to producing them using raw materials. Effectively, the production of one ton of steel from recycled materials enables a reduction of 58% of CO₂ emissions and as much as 93% for the production of a ton of secondary aluminum ingots (source ADEME/Federec, Environmental assessment of recycling in France according to the LCA method – May 2017).

The Group estimates the volume of emissions avoided due to its activity to be 5.3 million metric tons of CO₂ equivalent, which is the annual emissions of more than 757,000 French inhabitants⁽²⁾.



volume of emissions avoided

5.3 million tons of CO₂ eq

annual emissions of

= 757,000 french people

(1) Life Cycle Analysis.

(2) EpE Zen 2050 study – emission of 7 tons of CO₂/inhabitant/year.

1.6.1 Improving the recovery of waste treated in our facilities

1.6.1.1 Limiting the quantity of shredder residue produced

The Group operates 28 shredding lines worldwide which process metal waste only, of which 17 in France. Their advantage of this technology is that it allows ferrous metal parts to be separated from non-ferrous metal parts, a mixture containing metals, plastics and shredding residues.

The “surface mines” which Derichebourg Environnement exploits are becoming more complex with technological advances in retail products. In parallel, legislative changes in Europe, and particularly in France, are imposing increasingly strict recycling and recovery rates (Waste Electrical and Electronic Equipment, end of life vehicles, etc.) which require constant Group investment in R&D. Its R&D efforts enable it to operate sorting and separation technologies that set benchmarks in the recycling industry.

For a long time, shredding residues, plastic and even some undetected metallic residues were sent to landfill facilities. Historically, up to 25% of the volumes sent to shredder thus ended up in landfill. For many years, and particularly since the improvement in detection equipment

(driven induction, infrared detection, x rays, optical sorting, etc.), the Group has been endeavoring to reduce the proportion of residues consigned to landfill facilities. During the year, the Group's shredding lines (excluding Spain) produced 292,000 metric tons of residual waste (down 14% compared to 2018/2019 largely due to the Covid-19 pandemic).

Decontamination and pre-shredding dismantling operations (bumpers, tanks, windscreens in end-of-life vehicles, concrete counterweights on non-refrigeration LHA⁽¹⁾, etc.), also reduce the amount of shredder residues produced.

End-of-life vehicles (ELV) segment

French legislation transfers responsibility for achieving recycling and recovery rates to the combination of ELV center-ELV shredder. Each shredder deals with several ELV centers, which are responsible for vehicle decontamination before shredding. The recycling rates presented below were calculated for each shredder, then a weighted average (according to the number of ELVs processed) was calculated for the Group. These data are provided by ADEME (the French environment and energy management agency).

The table below presents average reuse and recycling rates, and reuse and recovery rates achieved by the Group's French shredding sites overall.

average reuse
and recycling rate for ELVs

86%*
* 2018 data



average reuse
and recovery rate for ELVs

93%*
* 2018 data

	Legislative target	2020	2019
Average reuse and recycling rate for ELVs	85%	86.1% ⁽¹⁾	87.1%
Average reuse and recovery rate for ELVs	95%	93.0% ⁽¹⁾	94.8%

(1) ADEME 2018 data.

It should be noted that the figures published in this report are for vehicles declared as destroyed in 2018, taking into account the time period for certifying declarations.

The average rate of reuse and recovery of ELVs declined in 2018, and does not allow the Group to meet its European obligations.

This rate is closely related to the processing of shredder residue. Their multifaceted nature makes their material valuation particularly complex. Thus, to date, one of the main solutions for the recovery of shredder residue is incineration with energy recovery.

However, in 2018, the Group experienced major difficulties with several outlets for this treatment process, particularly at the Eska and Revival subsidiaries (closed incinerators, administrative and technical incidents, etc.).

These difficulties were encountered by the sector as a whole, which saw its recovery rate drop to 94.2% at the national level, pointing to a cyclical trend.

The situation partially returned to normal in 2019.

In addition, the diversification of outlets for the treatment of induction waste and particles (other residues allowing recovery rates to be reached) will help to get non-metallic recovery points back up and running (material and/or energy).

As an example, induction waste has a plastic component that can be recovered by cement works (energy recovery and material recovery by adding the ashes to the cement).

Thus, aware of the fact that the results recorded in 2018 could be improved, the Group has undertaken numerous actions starting in 2019 that will enable it to once again achieve the regulatory rate targets this year.

Through its ECO-VHU subsidiary, which manages and distributes ELVs, the Group has been providing an interface between automotive manufacturers, concessions and ELV center partners in its network since 1993.

(1) Non-refrigeration Large Household Appliances

ECO-VHU has put in place and leads a network of more than 300 approved ELV center partners throughout France in order to fulfill its customers' regulatory obligations. In particular, this means the decree of June 27, 2011 relating to the ELV center networks that vehicle manufacturers are required to put in place pursuant to Article R. 543-156-1 of the French Environment Code.

Since 2010, ECO-VHU has been a partner of PSA Group (the leading automotive manufacturer in terms of CSR performance) and manages the manufacturer's network for a large part of the south of France. In fiscal year 2019/2020, over 47,000 ELVs from the PSA network were processed by the Group.

Following the acquisition of Opel by the PSA Group, ECO-VHU is now the operator managing the brand's ELVs in most of southern France.

Since 2014, ECO-VHU has also been the preferred partner of the Direction nationale d'interventions domaniales (DNID) for the destruction of their ELVs throughout France.

ECO-VHU benefits from all of Derichebourg Environnement's ELV experience and from relationships with car wrecking firms and enjoys synergies with all of Derichebourg Environnement's subsidiaries.

ECO-VHU also has a specifically developed IT tool that allows it to communicate with the various internal and external stakeholders and to guarantee the traceability of ELVs.

Through its monitoring, support activities and leadership, ECO-VHU is able to achieve the regulated ELV recycling rates of 85% (reuse and recycling rates) and 95% (reuse and recovery rates).

	2020	2019
Number of approved ELV centers*	106	106
Number of approved ELV shredders*	17	19

* Scope France.

In France, during the 2020 fiscal year, the Group processed almost 361,000 metric tons of ELVs in its shredders.

The Waste Electrical and Electronic Equipment (WEEE) segment

In France, WEEE is processed separately. For this waste stream, the flow recycling rates comply as a minimum with the specifications of the eco-organizations.

The Group's WEEE recycling sites are committed to a certification strategy in accordance with the European WEEELABEX standard. This label guarantees eco-organizations that our facilities carry out high-performance decontamination activities, achieve the established recycling and recovery rates and ensure the downstream traceability of final waste following processing.

The recycling and recovery rates of the Group's different units are fully compliant with regulatory requirements.

recycling and recovery rates,
large household appliances – cold

94% 

recycling and recovery rates,
large household appliances
– excluding cold

90% 

recycling and recovery rates,
small mixed household appliances

83% 

	Legislative target	Rates achieved by the Group*	
		2020	2019
WEEE segment			
Recycling and recovery rates – refrigerated large household appliances (RLHA)	85%	94%	94%
Recycling and recovery rates – non-refrigerated large household appliances (NRLHA)	85%	90%	88%
Recycling and recovery rates, small mixed household appliances (SMHA)	78%	83%	86%

* Results from annual designation campaigns.

New facilities

In 2019, a new refrigeration large household appliance unit with an annual capacity of 15,000 tons was opened in the Bordeaux area. This new processing line also allows the recovery of hot water tanks. Until

now, there was no industrial solution in France for extracting the greenhouse gases present in hot water tank insulation foam, and the tanks present specific shredding difficulties (strong sheet-metal, cylindrical shape, presence of limescale).

At its Gennevilliers site (92), in 2020 the Group invested in a new recycling line dedicated to large household appliances (washing machines, dishwashers and tumble dryers). This investment proved necessary in view of the increase in the market in the Île-de-France region, which only has one unit for this flow. The “latest generation” sorting cabin allows better recycling rates and improves working conditions for operators. The site is operated in conjunction with the integration company Envie, which Derichebourg Environnement has been partnered with since 2007.

Following the increase in tonnages received at the Bruyères-sur-Oise site (Val d'Oise), the Group decided to install a mobile line in parallel to the existing fixed line. This new line has been in operation since mid-July 2020.

Phase 1 of the fixed line was also modified to improve the working conditions of operators and increase the recycling and recovery rates thanks to a better extraction of the oils and gases present in the circuits of the Cold LHAs. An electronic dashboard provides real-time monitoring of the line's priority performance indicators.

Waste Management (WM) contracts

The Group was also one of the pioneers for the reintegration of WEEE into the official collection circuit.

Accordingly, in partnership with the ECOSYSTEM and ECOLOGIC eco-organizations and under “Waste Management” contracts, the Group has implemented WEEE sorting operations for batches of ferrous metals intended for shredding on most of its different operating sites (140 sites including 17 shredding sites).

These so-called “missing” WEEE (as they are outside of the eco-organization process) are reintegrated into the official stream to be

processed correctly in compliance with current regulations, and they are reported to eco-organizations.

This activity, which complies with the French energy transition for green growth law, was initiated in 2019 for professional WEEEs.

Again in this context, the Group entered into a partnership in September 2019 with the ECOLOGIC eco-organization to handle professional kitchens.

For the 2019/2020 fiscal year, the Group contributed to reintegrating over 55,000 metric tons of WEEE into the official processing stream, up 33% compared to the previous fiscal year.

Overall, the Group processed more than 206,100 metric tons of WEEE in its 11 specialist facilities in France.

In line with this dynamic growth, the Group aims to increase its WEEE recycling capacity for the different streams by 2021/2022.

1.6.1.2 Increasing research efforts into the processing of shredder residue

Measures implemented to address this include:

- ▣ extracting plastic parts that can be recycled;
- ▣ recovering the last metallic parts;
- ▣ separating the fine particles that can be used as a sub-base in road construction;
- ▣ preparing waste mixtures that are sufficiently standardized and compliant with specifications, allowing them to be accepted as a solid recovered fuel source for cement works, boilers or other manufacturers wishing to no longer use fossil fuels.

The table below sets out the distribution (for the French sites) of shredding residues according to their destination:

<i>In thousand tons</i>	2022 targets	2020	2019
Shredder residue generated	-	199.8	227.9
Shredder residue sent for recovery	-	66.1	62.9
Proportion of shredder residue sent for recovery	40%	33.1%	27.6%

The amounts sent into the recovery stream include both the tonnages sent for energy recovery and the tonnages sent for material recovery, according to their gross tonnage. Every effort is made to find new ways to improve their recovery.

The increase observed over the previous fiscal year is due to the introduction of new energy recovery partnerships and to the consolidation of our existing partnerships for mixed recovery.

The Group is still working on an internal solution to recover shredding waste and has introduced a unit within the technical service department to develop recovery channels. Numerous tests with different equipment manufacturers and new potential outlets were conducted throughout the fiscal year. A shredder was modified and

dedicated to the processing of shredder residue in order to reach a higher recovery level and obtain a high-quality SRF (solid recovered fuel).

The Group responded to a call for proposals issued by the Strategic Committee for the Channel (Comité stratégique de filière – CSF) “transformation et valorisation des déchets”. In 2019, under the aegis of the French National Industry Council (Conseil national de l'industrie - CNI), the committee undertook work to develop the French channel for solid recovered fuel (SRF).

This project of producing SRF from shredder residue was officially approved by the CSF on May 28, 2019 and is part of the 14 certified projects nationwide that will be supported in their development.

I.7 Consolidating relationships of trust with our partners

Four Group subsidiaries (Derichebourg Propreté, Derichebourg Énergie, Derichebourg Intérim and Derichebourg Accueil) have been assessed by ECOVADIS in 2019/2020, the first collaborative platform enabling companies to monitor the sustainable development performance of their suppliers in 150 sectors and 110 countries. The average score weighted by revenue was 67%. With these scores, the Derichebourg Propreté, Derichebourg Énergie and Derichebourg Accueil subsidiaries are in the top 4% of companies assessed in their respective business sectors.

I.7.1 Managing CSR risks in the value chain

Derichebourg Multiservices has been a signatory of the UN Global Compact since 2013. This commitment is an undertaking to respect the 10 universal principles of the Global Compact regarding human rights, international labor standards, the environment and combating corruption, and to support the Sustainable Development Goals of the United Nations.

Duty of vigilance

The provisions relating to the duty of vigilance are set out in section 1.8.

Fair trading practices

Under section 3.3 "Risk Factors", the Group provides details of the risks associated with the purchase of metals and the register of goods purchased (retail purchases): in particular, the risk of receiving stolen property.

The Group took action, via its professional federation, to lobby government authorities to ban cash payments for such purchases in France. Since August 1, 2011, retail metal purchases must be paid for by crossed check, bank or post office transfer. This has enabled the risk of cash float theft to be reduced and made money flows from retail metal purchases traceable.

The Group drew up a corruption risk map under law no. 2016-1691 of December 9, 2016 on transparency, fighting corruption and economic modernization, known as "Sapin 2". This map identifies theoretical corruption risks, which are scored in two stages:

- ▣ a scoring on impact and frequency in order to obtain a mapping of inherent risks. The types of impacts selected are reputation, marketing, legal and financial and the seriousness is assessed from low to critical. Frequency is defined by time intervals from the possible (every 3 to 10 years) to the almost certain (several times per quarter);

- ▣ a scoring of the level of inherent risk management in order to prepare a mapping of residual risks. The level of risk management represents the level of internal control maturity in respect to a risk. It has been assessed as being exemplary when the risk is covered by a control mechanism that is appropriate, formalized and supervised.

The Group has created an Anti-Corruption Code of Conduct, which begins with an introduction by the Chairman and Chief Executive Officer that confirms the Group's commitments in the fight against corruption and defines the code as a guideline for all employees in the daily exercise of their activities. It restates its binding legal status for all stakeholders: employees, corporate officers, shareholders, commercial partners.

The Anti-Corruption Code presents the different types of active and passive corruption. It states the definitions of active and passive influence peddling and illustrates the prohibited behaviors with tangible examples.

It sets out the Group's policy in terms of gifts received or offered, hospitality, contracts signed with intermediaries, facilitation payments, patronage and sponsoring.

It alerts readers to the responsibility of all employees and hierarchical managers by recalling the disciplinary, civil and criminal sanctions resulting from non-compliance with the policy.

It concludes with the alert procedure made available to employees and third parties that witness acts of corruption or attempted corruption. Alerts are collected confidentially under the whistle blower protection status with the assurance that the alert will be processed. The Secretary General is appointed as the Group's Compliance Officer, approved to receive these alerts via an email address "ethique@derichebourg.com" specifically created for this purpose, or by letter.

A clear, adapted training program has been rolled out for the employees in question, in particular members of the Executive Committee, business directors, and sales, development and purchasing managers. The Group employees in question received training during the previous fiscal year. Employees who joined the Company after this first campaign and identified as belonging to the potentially exposed categories were trained during the 2019/2020 fiscal year. 165 of the 167 people exposed received training during the 2019/2020 period. This represents a completion rate of 98.8%.

In addition, a training update for those already trained is planned every two years. This training will be rolled out as of the next fiscal year through an internal e-learning module currently being developed by the Derichebourg Academy.



rate of completed
anti-corruption training courses
98.8%

To ensure that it is accessible to all, the Anti-Corruption Code of Conduct is published in French and English on the Group's intranet and internet sites. A paper version is also displayed within the entities. It is included in the company internal regulations that apply to employees. A document summarizing this code has been drafted in the six languages of the countries in which the Group operates.

In order to communicate its values, the Group has an ethics charter for its employees and stakeholders (customers, suppliers, intermediaries, etc.). It describes the Group's principles, notably in terms of compliance with legislation and fair competition, it prohibits conflicts of interest and insider trading and reaffirms environmental protection, health and safety at work, the true and fair view of accounting and financial information and the fight against all types of discrimination and harassment.

Like the anti-corruption code, this document is mandatory and any violation may be notified to the Compliance Officer. Disciplinary, civil or criminal sanctions may be applied to any offenders. Furthermore, commercial relations that do not comply with these values may be terminated. For this, contractual clauses have been included in the Group's contracts, purchase orders and general terms and conditions.

No alerts have been raised during this fiscal year.

1.7.2 Offering a sustainable service

1.7.2.1 Assisting customers with their green, corporate and societal transitions

One of Derichebourg Multiservices' objectives is to support its customers in improving their environmental performance.

Derichebourg Énergie, Derichebourg Énergie E.P. (Public Lighting) and Derichebourg Propreté subsidiaries are therefore developing their services in line with this objective. Derichebourg Énergie is positioning itself as a partner in improving the energy performance of its customers' assets. This subsidiary supports its customers in implementing their high environmental quality (HEQ) program ISO 50001 (energy management) and offers them energy performance agreements (including incentive-based packages). Special reports are set up and monitored by an energy efficiency body. A digital energy monitoring platform is also used which provides consultation of consumption/comfort data in real time, detects deviations and implements energy performance action plans. This tool, which is shared with customers and operational teams, makes it possible to involve all stakeholders and to continue energy management during lockdown.

This subsidiary assists its customers to reduce greenhouse gas emissions, primarily by advising them on eliminating refrigerants with high global warming potential by replacing or retrofitting refrigeration units that use this type of refrigerant.

Derichebourg Énergie E.P. is a significant player in the Île-de-France region in the public lighting renovation market, and to this end uses LED technology and develops contracts with a high energy

performance component. This solution allows rapid reductions in energy bills and in the cost of contracts with energy suppliers and also a substantial reduction in maintenance cost. In addition, the upgrading to the highest colorimetry and light loss standards reduces light pollution directed towards the sky, reducing the impact of public lighting on biodiversity while again improving energy consumption.

The service offered by Derichebourg Énergie E.P. meets the needs of local authorities to reduce their operating budgets and their environmental impacts and is based upon using the most advanced technologies: high energy efficiency streetlights, power variations and photovoltaic and wind energy sources. The material resources used also contribute to the objective of energy efficiency. These include electric vehicles and lifts, reconnaissance studies using light UAVs, optimizing maintenance rounds to minimize the environmental impact, etc.

Finally, Derichebourg Énergie E.P. is a recognized player in new electric mobility through the installation, maintenance and supervision of networks of charging stations for electric vehicles (IRVE), helping to reduce the carbon footprint of the French vehicle fleet.

The improvement in overall energy consumption obtained for customers at the end of September 2020 since the start of the agreements is 11.3% on average for Derichebourg Énergie and 83% for Derichebourg Énergie E.P. This high rate for Derichebourg Énergie E.P. is explained by the full replacement of lights carried out by this business.

LE STUDIO LED (LSL), a subsidiary of the Multiservices division, designs innovative LEDs tailored to the end customer's needs thanks to upstream analysis of its environment and its economic and CSR objectives. LSL selects components to attain performance levels that are higher than market standards in terms of their lifespans, in particular, L90B10⁽¹⁾, and which have a lighting performance of up to 160 lm/W. An innovative fleet management technology has been developed with the aim of adjusting the light to real user needs and thus reducing energy consumption, whilst providing improved comfort and services to users or the operator. Its skills and expertise were recognized by the OPQIBI in 2020, which certified the company "RGE Études d'éclairage intérieur", a qualification that allows it to approve subsidy files for Energy Savings Certificates and further set itself apart as meeting the needs of its customers and partners. Since the business was set up, it has fitted 95,000 lighting points. On average each lighting point generates 75% less energy consumption and less waste.

Derichebourg Propreté has extended its service offering by supporting its customers in implementing sorting solutions for different waste types. This service provides the customer with a single contact point for their office cleaning services, ensuring that its waste is traceable and recoverable. These are mainly commercial waste and bio-waste.

By becoming an accredited expert for the Global Climate Initiative, Derichebourg Multiservices is able to offer its customers a carbon neutral service. This offer consists of measuring greenhouse gas emissions from the business activity on the customer site, reducing them and offsetting irreducible emissions.

(1) Indicator of the lifespan of the LEDs.

1.7.2.2 Delivering service excellence

A customer service-based organization has been developed. This involves implementing ISO 9001 certified quality management systems that guarantee compliance with standards.

Derichebourg Multiservices, through its "Service Excellence" programme, sees customer relations as a new approach based on the delivery of a service. This approach includes services attitudes, and "soft skills" that comply with the relational interaction requirements with prospects and customers.

Group	Percentage of sites/branches	
	2020	2019
ISO 9001	72.6%	70.5%

This company program includes a training course in which each employee learns the basics for a personalized service, and thus develops the key skills needed to deliver the service properly and look after the customer. 1,285 people have been trained in the principles of this approach since its launch.

The service commitment levels implemented enable the level of service provided to be measured. An annual survey carried out by the QSE Department allows the customer satisfaction rate to be calculated. Our customers rate the service level at 8.3/10 on the basis of more than 4,000 customers surveyed and with a response rate of 86.5%.

As part of the service excellence initiative, the measurement of customer perception is changing. A new assessment system has been implemented for the Derichebourg Propreté subsidiary. Its objective is to assess overall customer satisfaction and to identify their aspirations. Individual interviews were also carried out with the top 50 customers. Our aim is to roll out this qualitative method to all Derichebourg Multiservices subsidiaries.

Derichebourg Multiservices builds on the Derichebourg Group's IT Department skills to implement information systems that meet the needs and specific features of Derichebourg Multiservices' customers, whilst ensuring compliance with best practices in the fields of safety (physical, logistical, organizational, etc.), integrity, availability, reversibility, control and monitoring.

Several information systems for customers have been developed, notably for Derichebourg SNG, Derichebourg FM, Derichebourg Propreté and Derichebourg Énergie.

For example, as part of Facility Management services, MyDBox, a new customer request monitoring portal, has been set up, enabling requests to be monitored by means of the service catalog portal. It is possible to view whether the request is on-going, fulfilled or closed in real time in its environment and to view, via indicators, compliance with "Service Level Agreements" (SLAs).

The request declaration can be made through the portal, a mobile application, via QR codes or sensors (DOD Program – Derichebourg On Demand) according to the customer file organization and the proposed modules.

The data collected can also be made available in the customer's tools, on Building Information Modeling (BIM) platforms or Computer Assisted Maintenance Management (CAMM) software for multi-technical maintenance.

The information system developed for Signage business Dclac enables real-time monitoring of service completion.

Derichebourg Énergie has introduced Advizeo, a software program that enables energy consumption at customers' sites to be monitored. This year Derichebourg Propreté launched its new tool, My Pilot, which provides customers with information regarding the monitoring of their services.

The Covid-19 pandemic is forcing companies to rethink the organization of their buildings and reception areas in order to protect the health of building occupants. Derichebourg Multiservices has developed a range of flexible and modular solutions with its "serenity offer" to help its customers limit the risks of infection on their sites and guarantee continuity of service in a safe and healthy environment. This offer provides a reliable working environment for customers and their employees through prevention, protection and disinfection.

Prevention:

- solution for remote temperature taking via a stand-alone thermal camera;
- Plexiglass protective screens with hatch;
- "no touch" sanitizer gel dispensers;
- preventive hygiene materials (masks, sanitizer gel).

Protection:

- remote monitoring of property and people;
- remote reception by remote control and using cobotic terminals;
- mobile surveillance robotics;
- building automation (opening of doors and windows, access, air conditioning, etc.);
- automated and remotely controlled LED lighting;
- smart lighting
- camera flow counting;
- remote call management by call center;
- temporary staffing, employment adjustment variable.

Disinfection:

- automated cleaning (robotics and flow sensors);
- disinfection services;
- signage & cleaning round indicator;
- air treatment and renewal alerts.

I.8 Duty of vigilance

This section sets out the Derichebourg Group's vigilance plan for the 2019/2020 fiscal year for its two divisions, Environment and Multiservices. It incorporates the provisions of law no. 2017-399 of March 27, 2017 on the duty of vigilance, which are based on "reasonable vigilance measures to identify risks and prevent serious violations of human rights and fundamental freedoms, the health and safety of persons and the environment":

Measures implemented:

- ▣ implementation of specific actions required by the risk of a Covid-19 pandemic: the Group has anticipated the seriousness of this risk on the health and safety of its employees and partners. Immediate actions in compliance with government directives have been rolled out throughout the Group. The prevention measures have been updated as defined in paragraph 1.2.1 – "Analysis of CSR risks";
- ▣ updating of the Group's two maps as defined in section 1.2: "the mapping of CSR risks" and the mapping of corruption risks under law no. 2016-1691 of December 9, 2016, known as "Sapin 2". These maps primarily take into account the disposal of certain subsidiaries and the actions taken to reduce risks. These maps identify, analyze and prioritize risks, and are reviewed and updated regularly;
- ▣ launch of assessments of the most critical suppliers, customers and subcontractors. The Group sent its most significant stakeholders a questionnaire covering obligations with regard to Sapin 2, CSR and the duty of vigilance. An assessment is underway.
- ▣ in terms of risk mitigation measures, the Derichebourg Group is committed to four main themes, the main actions of which are as follows:
 - as a committed employer, the Group is renewing its involvement in the themes already defined in 2019, in addition to compliance with regulations and in order to set ambitious targets. These include protecting employee health and safety by rolling out an occupational health and safety network, developing a culture of prevention, pursuing actions for employment and skills development (long-term action with the Derichebourg Academy), guaranteeing respect for rights and non-discrimination, helping to build a society based on solidarity by developing a regional focus and promoting diversity,
 - in addition, the Group's anti-corruption system has been rolled out in all entities, the pillars of the Sapin 2 law are verified by internal control and are the subject of half-yearly reporting to General Management and regular reporting to the Executive Committee (CODIR),
 - to reduce its environmental footprint, the Group is pursuing actions aimed at carbon neutrality by developing "soft" mobility, improving the energy performance of its transportation and enhancing the impact of its facilities (ISO 14001 certification target at all Derichebourg Environnement industrial sites),
 - in addition, the Group makes a continuous contribution to preserving natural resources by recycling metal waste and playing an active role in the circular economy. Actions aimed at recovering waste treatment in the facilities (reducing the quantity of shredding residues and recovery of these residues, such as Solid Recovery Fuel) are carried out with a long-term objective,
- ▣ the Group has distributed its Anti-Corruption Code of Conduct, which includes a whistle-blowing system. This code, intended for a wide audience (both employees and third parties), has been sent directly to the Group's employees. A paper format, translated into the six languages used within the Group, was also distributed, reiterating that the dedicated e-mail address guarantees the confidentiality of information communicated via this system. In particular, its scope includes issues related to human rights, health and safety of people and environmental damage. The Anti-Corruption Code is available in French and English on the Group's intranet and internet sites;
- ▣ the measures are monitored and their effectiveness guaranteed by:
 - the CSR Committee, made up of permanent participants (General Secretary, Finance department, Human Resources and CSR departments) and specific experts (insurance, legal). The committee monitors the action plans and the effectiveness of the systems put in place through steering indicators,
 - the Group's Internal Control Department under the auspices of the General Secretariat.

I.9 Report by the independent third party organization on the consolidated statement of extra-financial performance

To the shareholders' meeting,

As an independent third party organization accredited by COFRAC under number 3-1681 (accreditation scope available on the site www.cofrac.fr) and member of the network of one of the independent auditors of your Company (hereinafter the "entity"), we hereby report to you on the consolidated statement of extra-financial performance for the fiscal year ended September 30, 2020 (hereinafter the "Statement"), as presented in the management report under the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the entity

The Board of Directors is responsible for preparing a Statement 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 in respect of these risks and the results of these policies, including key performance indicators.

The Statement was prepared in application of entity procedures (hereinafter the "Standards"), of which the significant items are presented in the Statement and on request from the entity's registered office.

Independence and Quality Control

Our independence is defined by provisions stipulated in Article L. 822-11-3 of the French Commercial Code and the code of ethics for the independent auditor profession. Furthermore, we have implemented a quality control system that includes documented policies and procedures that aim to ensure compliance with applicable laws and regulations, ethical rules and professional standards.

Responsibility of the third party independent organization

Based on our work, our role is to provide a reasoned opinion expressing a conclusion with moderate assurance on:

- ▣ the Statement's compliance with the provisions stipulated in Article R. 225-105 of the French Commercial Code;
- ▣ the fair presentation of the information provided in application of 3° of I and II of Article R. 225-105 of the French Commercial Code, i.e. the results of the policies, including the key performance indicators, and the actions, with respect to the main risks, hereafter the "Information".
- However, it is not our responsibility to comment on:
- compliance by the entity with any other applicable legal and regulatory provisions, in particular in terms of any vigilance plan and the fight against corruption;
- nor on the compliance of products and services with applicable regulations.

Nature and scope of the work

Our work as described below has been carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, with the professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement and with the ISAE 3000 international standard⁽¹⁾:

- ▣ we have taken note of all entities included in the consolidation scope, and of the main risks;
- ▣ we have assessed the appropriate nature of the Standards in terms of their relevance, completeness, reliability, neutrality and comprehensibility, taking into account sector best practice, where applicable;
- ▣ we have verified that the Statement covers each category of disclosures stipulated in III of Article L. 225-102-1 in social and environmental terms as well as respect for human rights and the fight against corruption and tax evasion;
- ▣ we have verified that the Statement presents the information required under II of Article R. 225-105 when it is relevant with regard to the main risks and includes, where applicable, an explanation of the reasons for the absence of the information required by paragraph 2 of III of Article L. 225-102-1;
- ▣ we have verified that the Statement presents the business model and a description of the main risks associated with all entities included in the consolidation scope, including, where relevant and proportionate, the risks created by its business relations, products or services as well as the policies and results including key performance indicators covering the main risks;

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

- ▣ we consulted documentary sources and conducted interviews in order to:
 - assess the process for selecting and validating the main risks as well as the consistency of results and key performance indicators selected in view of the main risks and policies presented, and
 - corroborate the qualitative information (actions and results) that we considered the most significant presented in Appendix 1. For the anti-corruption risk, our work was carried out at the level of the consolidating entity, while for the other risks work was carried out at the level of the consolidating entity and in the following entities: AFM Recyclage, Derichebourg Facility Services (Portugal);
- ▣ we have verified that the Statement covers the consolidated scope, i.e. all entities included in the consolidation scope in accordance with Article L. 233-16 with the limits specified in the Statement;
- ▣ we have reviewed the internal control and risk management procedures implemented by the entity and have assessed the process for collecting information to ensure that it is complete and accurate;
- ▣ for the key performance indicators and the other quantitative results that we considered the most significant presented in Appendix 1, we have implemented:
 - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their changes;
 - detailed tests based on surveys, to verify the correct application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out for a selection of contributing entities listed above, which cover between 11% and 38% of the consolidated data selected for these tests (13% of the workforce, 17% of workplace accidents with lost time, 11% of fuel consumption, 12% of electricity consumption and 38% of shredder residue);
- ▣ we have assessed the consistency of the whole Statement compared to our knowledge of all entities included in the scope of consolidation.

We consider that the work that we carried out in exercising our professional judgment allows us to provide a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work was conducted by a skilled team of four people between July and December 2020, and lasted for approximately ten weeks.

We conducted three interviews with the people responsible for preparing the Statement primarily representing the QSE-CSR, Human Resources and Financial.

Conclusion

Based on this work, we have not detected any material misstatements that could call into question the fact that the consolidated Statement of extra-financial performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Standards.

Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comment: the CSR roadmap is partially deployed in international subsidiaries, representing 31% of registered employees.

Paris-La Défense, December 3, 2020

Independent third party organization
EY et Associés

Jean-François Bélorgey
Partner

Philippe Aubain
Managing Partner Sustainable Development

Appendix 1: information considered to be the most significant

Employee information	
<i>Quantitative information (including key performance indicators)</i>	<i>Qualitative information (actions or results)</i>
Derichebourg employee work accident frequency rate (no./million hours worked)	
Frequency rate of workplace accidents affecting temporary workers	The rollout of the health and safety policy and the digital accident reporting tools
Number of fatal workplace accidents	Actions implemented for recruitment and skills management (annual interviews, internal mobility, HR Facility tool)
Fulfillment rate of annual interviews (managers and employees/technicians/supervisors)	
Average recruitment time	
Number of employees meeting job requirements (managers and employees/technicians/supervisors)	
Environmental information	
<i>Quantitative information (including key performance indicators)</i>	<i>Qualitative information (actions or results)</i>
Fuel consumption for the recycling business (liters/100 km)	Measures to limit the quantity of shredder residue and use of best available techniques
Percentage of complaints from neighbors prior to processing (%)	Measures to reduce the energy consumption of handling and transport tools
Percentage of shredder residue sent to sectors other than landfill (%)	Soil and environmental protection measures
Societal information	
<i>Quantitative information (including key performance indicators)</i>	<i>Qualitative information (actions or results)</i>
Proportion of alerts received and processed (%)	Deployment of the Anti-Corruption Code and ethics charter, training actions for employees exposed to instances of corruption
Average satisfaction rate for Multiservices customers	