DERICHEBOURG

New version of the Registration Document

UNIVERSAL REGISTRATION DOCUMENT

2018 › 2019

INCLUDING THE ANNUAL REPORT AND THE ANNUAL INFORMATION DOCUMENT

Contents

DERICHEBOURG

UNIVERSAL REGISTRATION DOCUMENT

2018/2019

including the annual report
and the annual information document

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This is a free translation of the Universal Registration Document which was submitted to the French securities regulator, the competent authority under EU regulation 2017/1129, on December 12, 2019, without prior approval in accordance with Article 9 of regulation.

It may be used in support of a financial transaction if it is accompanied by a transaction note approved by the French securities regulator.

This document was prepared by the issuer and its signatories are responsible for its content.

In application of Article EU regulation No. 2017/1129, this document incorporates the following information by reference, which the reader is invited to consult:

- the presentation of the entire Group's business activities, the Group's consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended September 30, 2018, as presented respectively on pages 79 to 112, 113 to 163, and 164 to 167 of the registration document filed with the French securities regulator on December 12, 2018 under number D.18-0977;
- the presentation of the entire Group's business activities, the Group's consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended September 30, 2017, as presented respectively on pages 33 to 89, 92 to 140 and 141 to 143 of the registration document filed with the French securities regulator on December 12, 2017 under number D.17-1102;
- the Statutory Auditors' report on regulated agreements and commitments for the fiscal years ended September 30, 2018 and September 30, 2017, which are included in the Company's registration documents filed respectively with the French securities regulator on December 12, 2018 under number D.18-0977 on page 77, and on December 12, 2017 under number D.17-1102 on page 189.

Other information contained in the two registration documents referred to above has been, if necessary, replaced and/or updated by information provided in this Universal Registration Document and is not incorporated by reference in this Universal Registration Document.

Both registration documents referred to above are available on the Company's website at **www.derichebourg.com**, or on that of the French securities regulator at **www.amf-france.org**.

GROUP PROFILE

Derichebourg, a global provider of environmental services to businesses and local authorities.

DERICHEBOURG	**36,800** EMPLOYEES	**12** COUNTRIES	**385** SITES	**€2.7 BN** REVENUE
DERICHEBOURG *environnement*	**4,600** EMPLOYEES	**9** COUNTRIES	**223** SITES	**€1.8 BN** REVENUE
DERICHEBOURG *multiservices*	**32,200** EMPLOYEES	**8** COUNTRIES	**162** SITES	**€0.9 BN** REVENUE

OUR MISSION
TO SERVE PEOPLE
WHILE PROTECTING
THEIR ENVIRONMENT

PROTECT
THE ENVIRONMENT
AND ITS RESOURCES

We preserve and optimize the planet's resources through our business of recycling waste produced by industries, local authorities and individuals.

OUR PERSONAL AND PROFESSIONAL VALUES, THE FOUNDATION OF OUR STRATEGY AND DAY-TO-DAY ACTIONS

EXPERTISE

Forged by over 60 years of experience, research, and innovation, our business know-how is unanimously acknowledged and actively promoted by an ambitious recruitment and training policy.

A SENSE OF SERVICE

In each of our businesses and activities, a sense of service is an essential value that inspires our day-to-day actions and urges us to make every effort to meet the needs of our customers.

SUSTAINABLE DEVELOPMENT

Through our activities, we are a core actor in environmental issues and are driven by a desire to contribute to the implementation of sustainable development processes.

LOCAL SERVICES

In a globalized market, we are able to offer standardized services and maintain a local presence for each of our customers.

CLEAN UP
URBAN
ENVIRONMENTS

We contribute to the cleanliness and the smooth running of the local environment for every person through our services to local and municipal authorities.

OPTIMIZE
PROFESSIONAL
ENVIRONMENTS

We offer a wide range of services to businesses and to local authorities enabling them to outsource all transferable services and thus to focus fully on their core business.

A PIONEERING SPIRIT
TO SERVE THE ENVIRONMENT

A GLOBAL OPERATOR AND LOCAL ACTOR
IN POSITIONS OF LEADERSHIP

With operations in 12 countries and nearly 400 locations worldwide,

Derichebourg designs its international sites to serve its customers locally and effectively, an essential approach both in France and throughout the world.

DERICHEBOURG
KEY DATES

RECYCLING

SERVICES

CORPORATE

CREATION & DEVELOPMENT

- **1956** – Recycling: Creation of *Compagnie Française des Ferrailles*
- **1963** – Corporate: IPO
- **1977** – Recycling: Absorption of Novafer
- **1987** – Recycling: Absorption of Metalinor
- **1996** – Corporate: Daniel Derichebourg becomes lead shareholder, Chairman and CEO

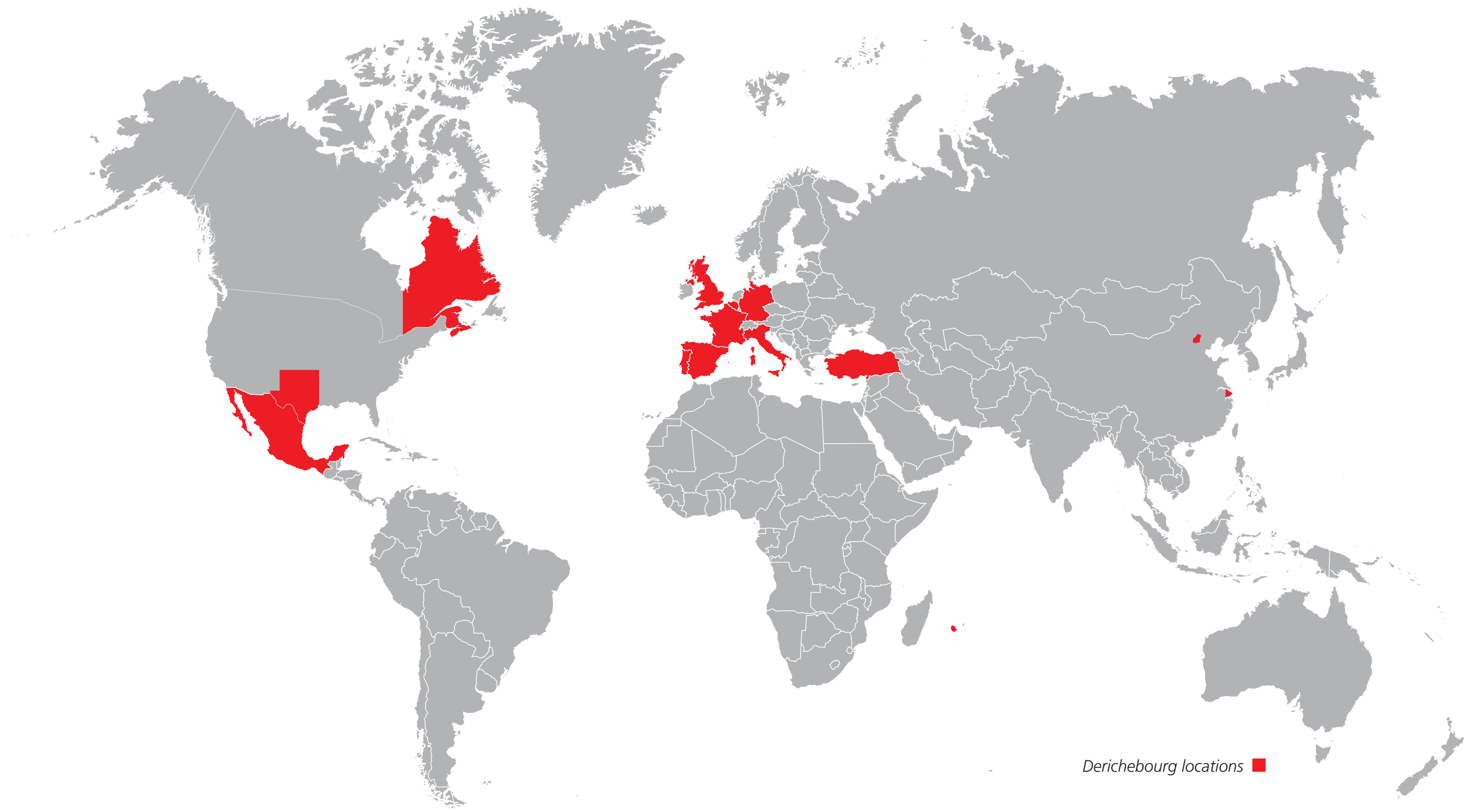
DIVERSIFICATION/RATIONALIZATION

- **2005 2007** – Services: Acquisition of Penauille Polyservices and merger of CFF Recycling
- **2013** – Services: Disposal of Servisair in order to concentrate on the core business and reduce debt

CONSOLIDATION

- **2015 2016** – Recycling: Acquisition of 40 sites: Valerio (10/2015) Galloo IdF (01/2016) SLG (01/2016) Bartin (12/2016)
- **2019** – Recycling: Signature of the contract to acquire the Spanish group Lyrsa, which operates 18 recycling centers (17 in Spain and 1 in Portugal)

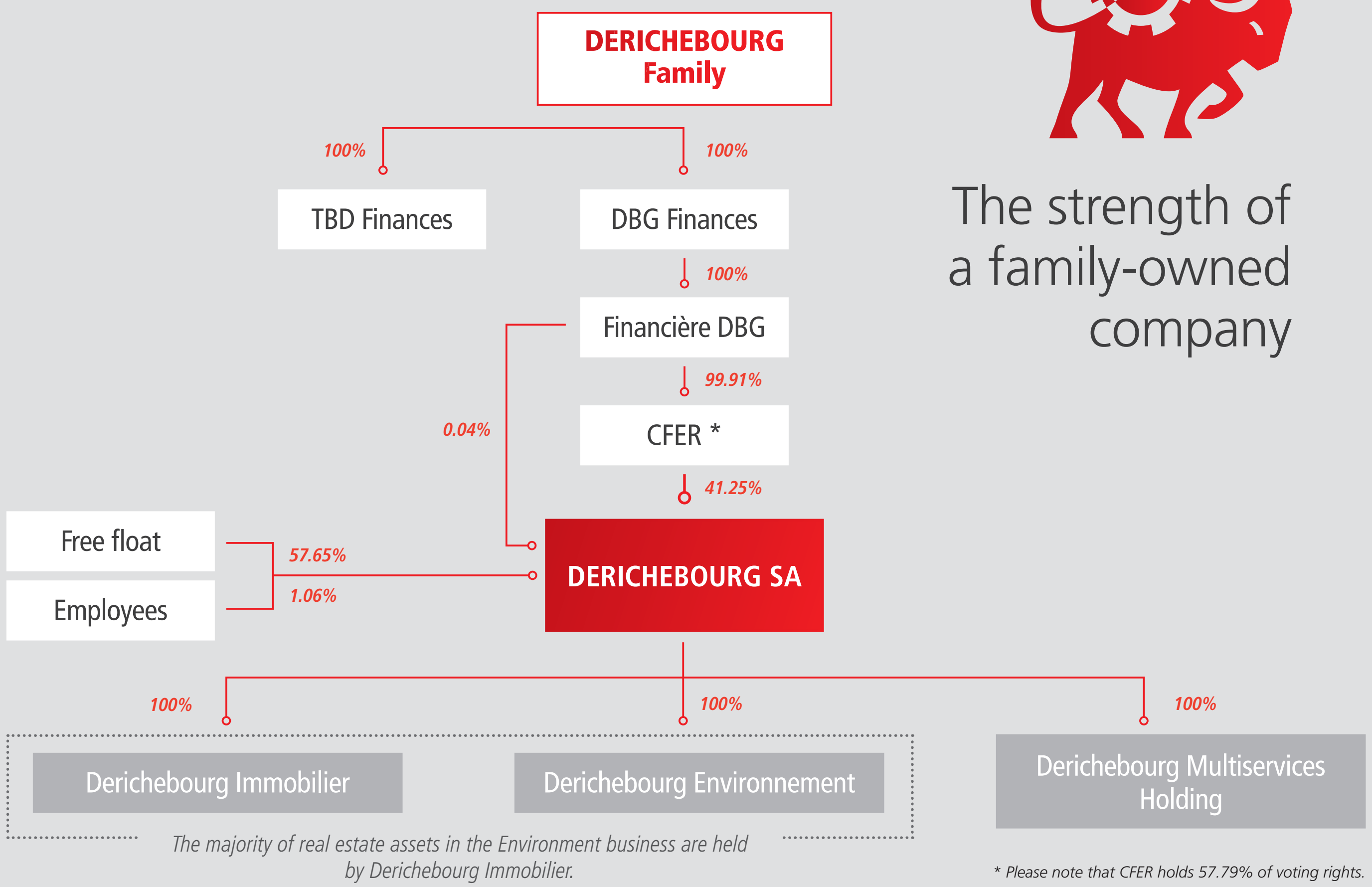
A network of international locations
dictated by *the need for an effective local presence*



SHAREHOLDER **STRUCTURE**

A group listed on Euronext Paris.

The strength of a family-owned company



* Please note that CFER holds 57.79% of voting rights.

SOLID FINANCIAL **PERFORMANCE**

In millions of euros	2019	2018	Change	Change %
Revenue	2,705.0	2,919.7	(214.7)	(7.4%)
Recurring Ebitda	191.2	202.1	(10.9)	(5.4%)
Recurring operating profit (loss)	103.1	118.3	(15.2)	(12.8%)
Operating profit (loss)	97.5	96.3	1.2	1.3%
Pre-tax profit (loss)	87.0	83.4	3.6	4.3%
Net profit (loss) attributable to shareholders	55.6	71.1	(15.5)	(21.8%)
Dividend per share suggested	0.11	0.14	(0.03)	(21.4%)
Net financial debt	124.9	95.1	29.8	31.3%

Ratios	2019	2018
Recurring Ebitda *(as a % of revenue)*	7.1%	6.9%
Recurring operating profit/loss *(as a % of revenue)*	3.8%	4.1%
Leverage ratio	0.65	0.47

SERVICES ORGANIZED **INTO TWO COMPLEMENTARY BUSINESSES**

DERICHEBOURG **ENVIRONNEMENT**

- Revenue: **€1,846.7 M**
- Recurring Ebitda: **€162.1 M**
- Ferrous metals: **3,445.8 thousands of tons**
- Non ferrous metals: **535.1 thousands of tons**
- Aluminum ingots: **77,400 t**
- ELVs recovered: **520,000**
- WEEE: **192,260 t** recycled worldwide every year
- Number of shredders: **28**
- Number of shears: **64**
- Surface area owned and operated: **400 ha**
- Shredder residue recovery rate: **27.6%**

OUR SOLUTIONS

INDUSTRY

- Collection
- Ferrous scrap metal segment
- Non-ferrous metals segment
- ELV segment
- Industrial demolition and deconstruction

LOCAL GOVERNMENTS

- Waste collection
- Urban cleaning
- Water management
- Landfill management

COLLECTIVE SCHEMES

- Waste Electrical and Electronic Equipment (WEEE)
- Equipment and furniture waste

DERICHEBOURG **MULTISERVICES**

- 10th consecutive year of growth
- Number of employees: **32,200**
- Number of locations: **233**
- Number of businesses: **13**

OUR SOLUTIONS

SERVICES

- Services to buildings & facilities (cleaning and related services, industrial cleaning, green spaces, etc.)
- Occupant services (Reception, Mail and Services, etc.)

URBAN AREAS

- City and outdoor services (Public lighting, Urban billboards, etc.)

INDUSTRY

- Solutions for the automotive, agri-food, health & pharmaceutical industries
- Aeronautics solutions

HR SOURCING AND INTERIM

- Temporary staffing solutions (general and specialized temporary staffing – Temporary aeronautics staffing, Temporary wind farm staffing)
- Sourcing & HR Solutions (Recruitment, Training center, Outsourcing)

AN **EFFICIENT** ECONOMIC MODEL

The *complementary* nature of its two divisions

DERICHEBOURG **ENVIRONNEMENT**

Demands agility to act on short cycles with daily price variations.

A DENSE NETWORK

- Proximity to the waste production location to reduce transportation costs
- Optimizing the usage rate of our industrial tools

A STRATEGY OF VERTICAL INTEGRATION

The density of our network allows us to collect enough material to justify economically the development of specialized treatment lines:

- Flotation
- Aluminum refinery
- Stainless steel waste mix preparation
- Aluminum shredding

A LONG-TERM MANAGEMENT MODEL

- Low inventory levels reduces exposure to price falls
- An assets-based approach characterized by a two-digit ROCE (return on capital employed) target
- An information system common to all activities

DERICHEBOURG **MULTISERVICES**

A price market set with contracts that are often multi-year: guaranteed reliability to retain customers in longer cycles. The Derichebourg Multiservices business model is based on a virtuous circle that encompasses three major axes.

A STRATEGY OF INNOVATION AND DIGITALIZATION

- Allows differentiation thanks to innovation, which is integrated at Derichebourg Multiservices in the development of new service offerings for buildings and occupants.
- Enables participation in the digitalization of our markets.
- Provides greater energy efficiency by aiming to contribute to the performance of our customers.

STRENGTHENING COVERAGE DENSITY

Combines dense local coverage and a policy of conquering new territories abroad, in the following businesses:

- Cleaning: gain market share through organic growth and an active acquisitions policy (local and international).
- Temporary work: densification of territorial coverage to take on large competitors.
- Aeronautics: diversification in other markets, notably in China and the United States.

INTEGRATED SERVICE OFFERS

- Provides models that offer many customization options to meet the growing demand for multiple services by businesses and local authorities.
- Guarantees excellence of services and high standards that enable customers to optimize costs and respond to each client's specific issues.

A 2018-2022 CSR STRATEGY **"CONCRETELY RESPONSIBLE"**

OUR COMMITMENT TO BEING A LEADER IN THE **CIRCULAR ECONOMY**

Since its core business is part of **the fight against global warming,** the Derichebourg Group demonstrates **the exemplary nature** of its waste management and cleaning know-how as well as **the strength of its commitment to a circular economy,** of which it was a pioneer and is currently a leading actor.

CSR OBJECTIVES THAT MATCH STRATEGIC OBJECTIVES

1

EMBODY OUR ROLE AS A COMMITTED EMPLOYER

- Deploying a risk prevention policy to ensure the safety of employees and preserve their health
- Have key skills and develop them for our present and future needs
- Promoting employment and developing human capital

2

CONSOLIDATE TRUST-BASED RELATIONSHIPS WITH OUR STAKEHOLDERS

- Identify, prevent and manage environmental, social and ethical risks
- Ensure service excellence

3

REDUCE OUR ENVIRONMENTAL FOOTPRINT

- Optimize our most energy intensive industrial tools in order to save natural resources
- Improve local impact of our premises

4

BE A MAJOR PLAYER IN THE CIRCULAR ECONOMY

- Improve valorization of waste treated on our sites
- Improve environmental performance of our customers

MEASURABLE SOCIAL

PERFORMANCE

- **6.2%** Employees with disabilities
- **55%** Women
- **45%** Men
- **112** Nationalities

ENVIRONNEMENT

- **5.8 million tonnes** Contribution to avoided CO_2 emissions
- **192,260t** Recovered WEEE
- **520,000** Recovered ELVs

STRATEGY-ORIENTED GOVERNANCE

DIRECTORS AND CEOS

COMPOSITION OF THE BOARD OF DIRECTORS

Daniel DERICHEBOURG
Chairman and Chief Executive Officer

Boris DERICHEBOURG
Director

Thomas DERICHEBOURG
Director

Abderrahmane EL AOUFIR
Deputy CEO (non-director)

Bernard VAL
Independent director

CFER
(represented by Mrs. Ida DERICHEBOURG)
Director

Matthieu PIGASSE
Independent director

Catherine CLAVERIE
Independent director

Françoise MAHIOU
Independent director

TABLE OF COMMITTEE PRESENTATION

	Board of directors	Audit Committee	Appointments and Compensation Committee
Daniel DERICHEBOURG	👤 *		
Thomas DERICHEBOURG	👤	👤	
Boris DERICHEBOURG	👤		👤
Abderrahmane EL AOUFIR	👤	by invitation	by invitation
CFER	👤		
Matthieu PIGASSE	👤		
Bernard VAL	👤	👤 *	👤
Françoise MAHIOU	👤	👤	👤
Catherine CLAVERIE	👤	👤	👤 *

* *Chairman.*

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

1.1 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, aeronautic support and logistics.

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

	2019		2018		
Revenue by business segment	*(in millions of euros)*	*(in %)*	*(in millions of euros)*	*(in %)*	Change
Environmental Services	1,847	68%	2,116	72%	(13%)
Business Services	858	32%	803	28%	+7%
Holding companies	1	0%	1	0%	0%
Total	**2,705**	**100%**	**2,920**	**100%**	**(7%)**

	2019		2018		
Revenue by geographical area	*(in millions of euros)*	*(in %)*	*(in millions of euros)*	*(in %)*	Change
France	2,161	80%	2,300	79%	(6%)
Other European countries	323	12%	387	13%	(17%)
North and South America	171	6%	181	6%	(6%)
Africa	48	2%	50	2%	(6%)
Asia	3	0%			-
Total	**2,705**	**100%**	**2,920**	**100%**	**(7%)**

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

1.1.1 Environmental Services business

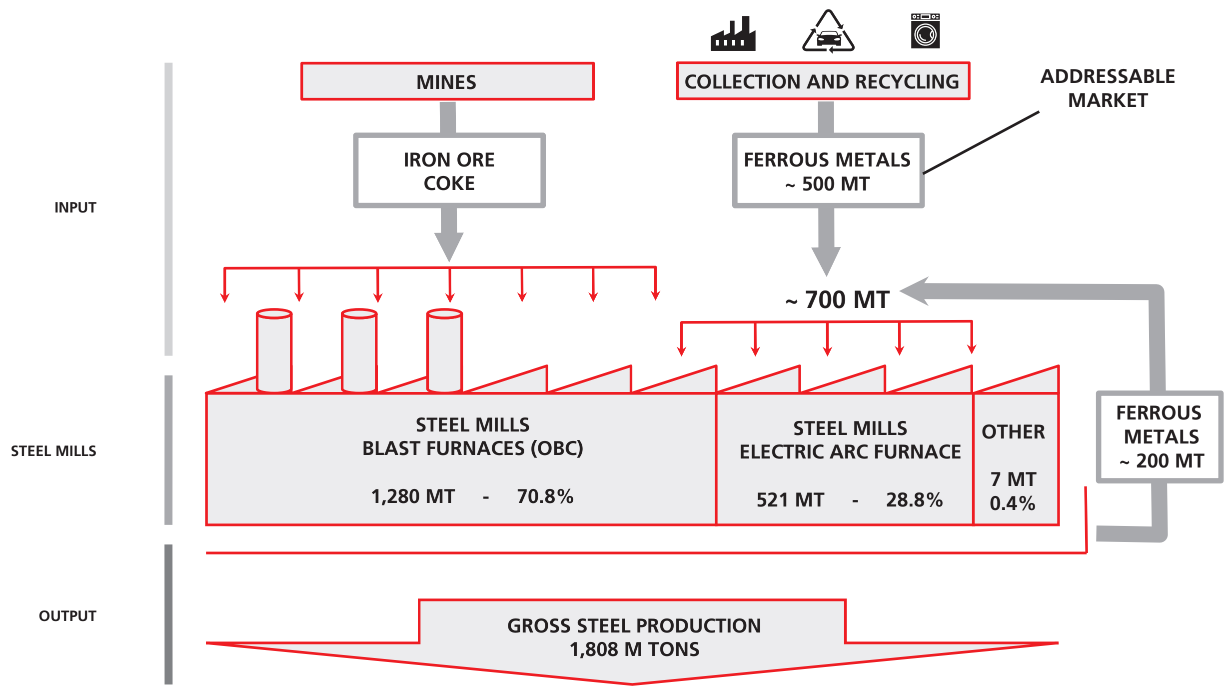
1.1.1.1 Recycling business

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).

1.1.1.1.1 The ferrous scrap metal recycling market

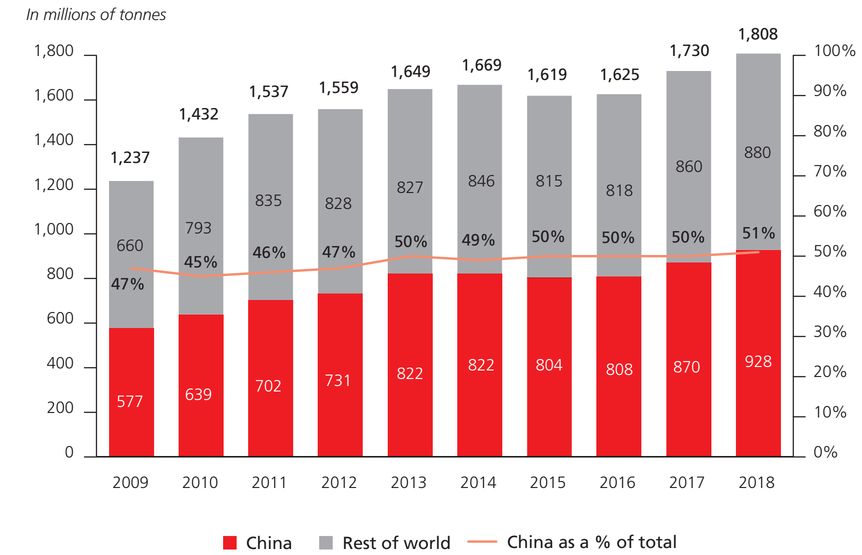
The ferrous scrap metal recycling market is at the interface between an upstream market (waste supply) and a downstream market (steel mill needs).

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



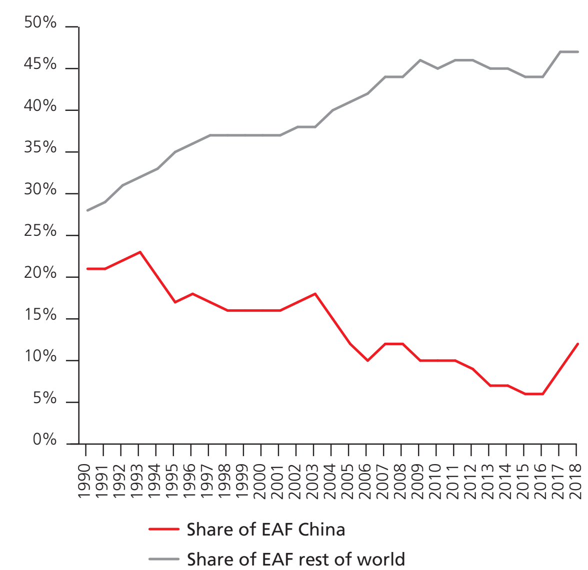
Source: Worldsteel Association.

Global steel production has grown 1.9% per year over the last five years. China alone accounts for 51% of global production.

- 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.

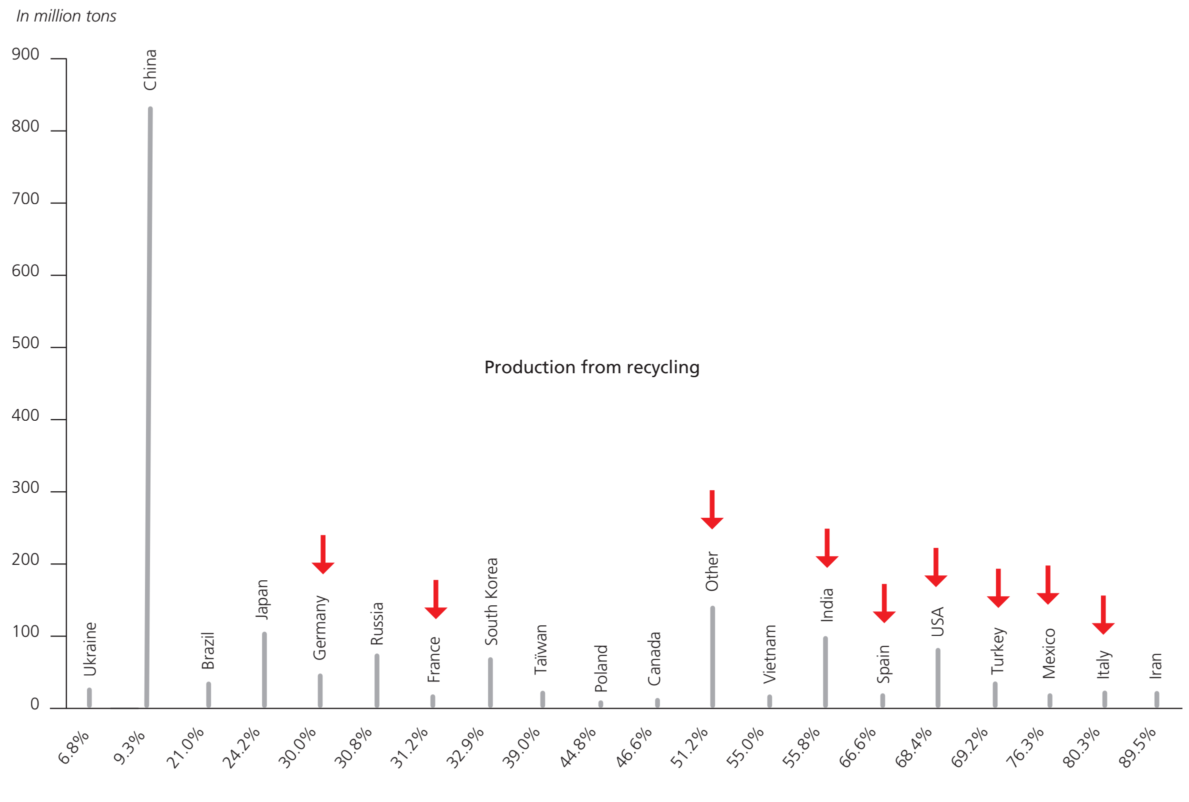
As you can see in the previous graph, the share of steel from electric steel mills tends to increase from year to year, on a regular basis in countries other than China, and more recently in China. The competitive advantages of steel from electric mills are as follows:

- 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, 95% 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:

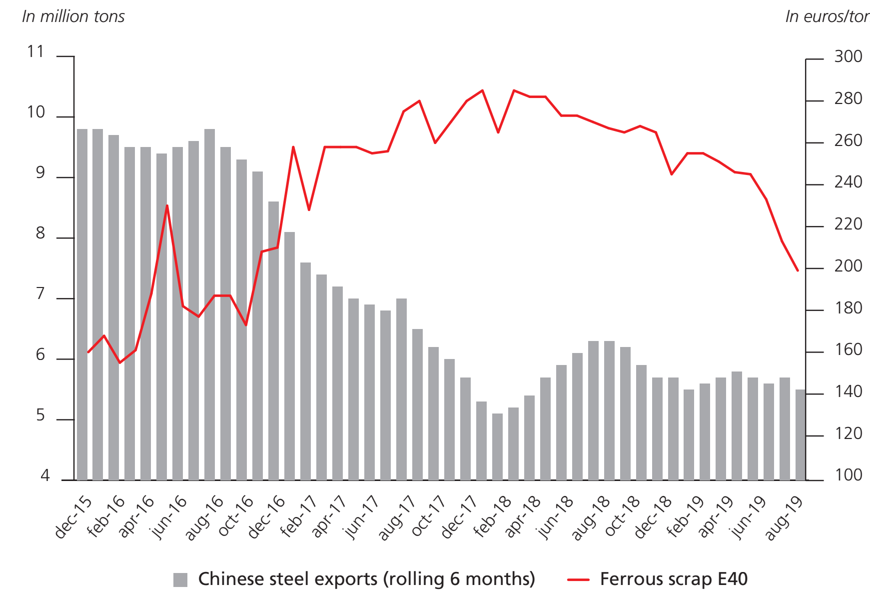


Source: Worldsteel Association.

▫ 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 (-30% in apparent steel consumption whilst production only decreased by 10%) 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.



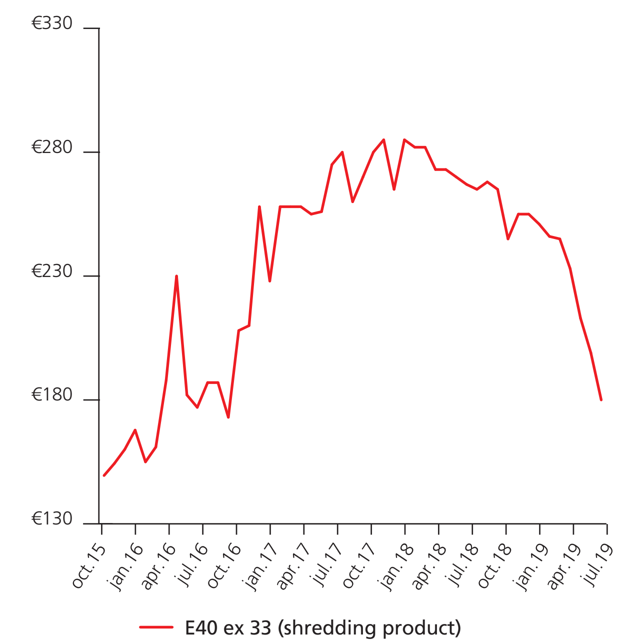
Source: Derichebourg.

Turkey is the world's largest importer of ferrous scrap metal. It produces 37 Mt of steel, 69% of which comes from electric mills, with insufficient local raw materials, and imports about 20 Mt/year of ferrous scrap metal (20% of the global trade). Unlike domestic markets, where price negotiations with steel mills occur monthly, the Turkish spot market buys ships (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, insomuch 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:

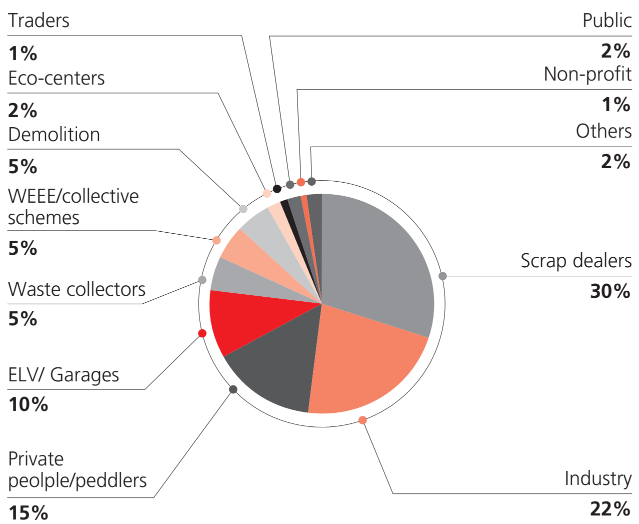


Source: Derichebourg.

- 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:

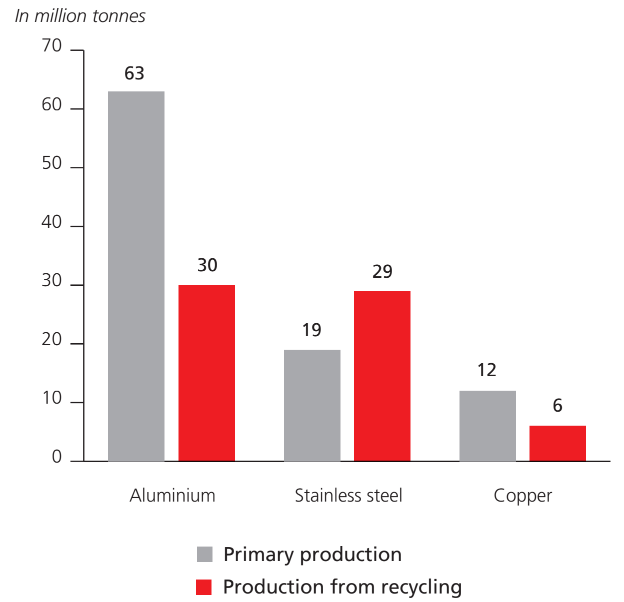


Source: *Derichebourg.*

1.1.1.1.2 The non-ferrous metals recycling market

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.



Sources: World Aluminium, Centre d'Expertise sur l'Aluminium, Bureau of International Recycling (Environmental Benefit of Recycling report, 2016), International Stainless Steel Forum.

The tonnage collected in France by NFM operators is 1.97 million tons (2018 figures) with an equivalent value of €3 billion.

For the French market (82% 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 2018.

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

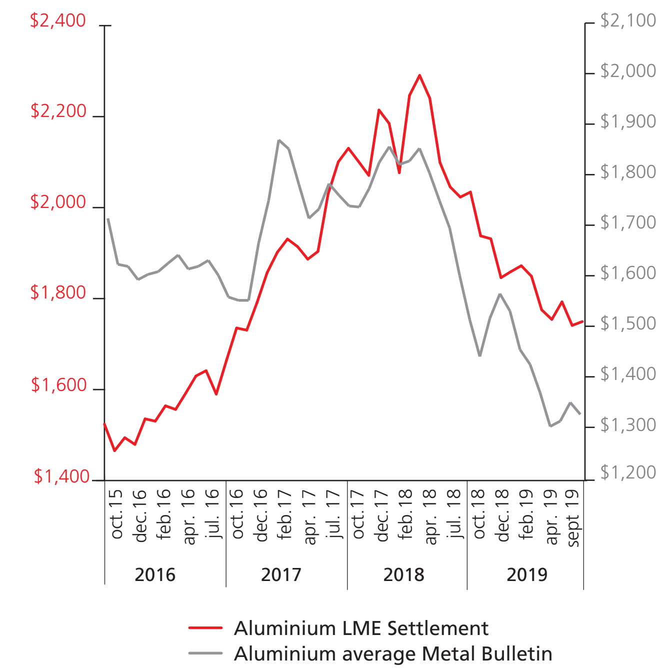
Recycling of end-of-life products will become increasingly essential since it is the only source of secondary non-ferrous metal, whereas primary resources are shrinking. Several other factors also favor the development of non-ferrous metal recycling. First, the production of primary ore is nonexistent 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.

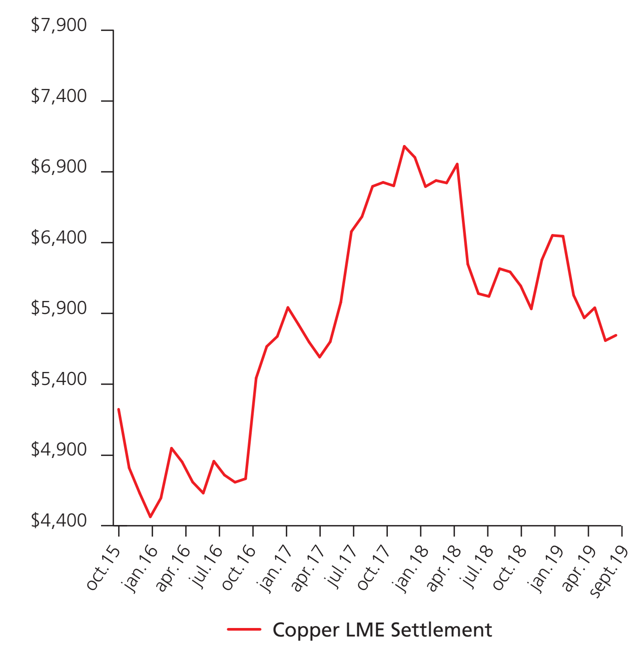
In addition, the production of secondary, recycled products is much cheaper than manufacturing primary products from ore. Investments required are, on average, three to four times lower than for refining ore. Energy savings compared to the production of primary metal are about 60% to 80% for copper and 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 in Europe.

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.

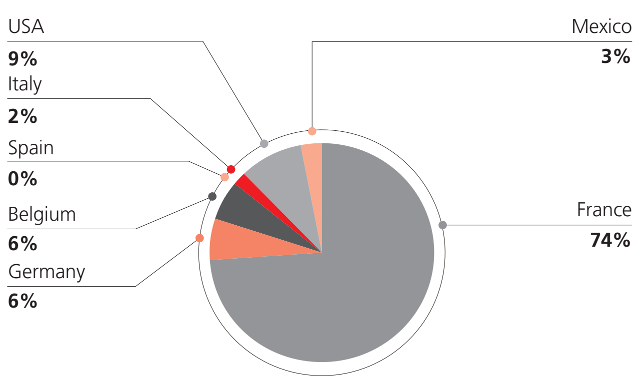




It should be noted that these graphs, and especially those for copper and nickel, imperfectly reflect the change in the Group's sale prices, which are based on the LME prices, but which also take into account a discount for the secondary metal. This discount changes according to market conditions. For 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 + non-ferrous metals).



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

This business employs about 2,600 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 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 3.45 million tons during the year, down 8% 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 64 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 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).

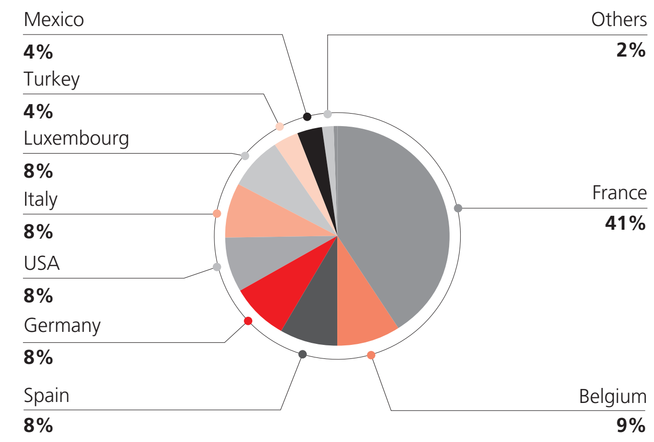
The second-largest actor with a national presence is the Ecore Group, whose share of the ferrous scrap metal processing market is around 15%-20% (source Derichebourg).

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.



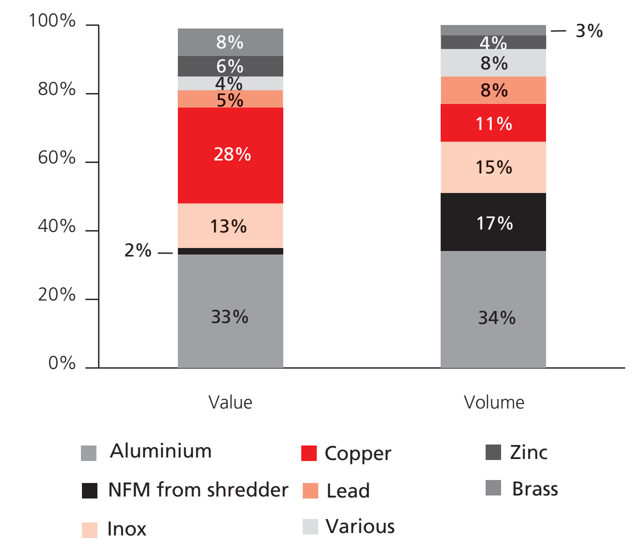
The Group is trying to keep its inventories low (about 15 days of activity) in order to limit its exposure to changes in ferrous scrap metal prices.

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 165,000 tons in 2019 (France scope).

1.1.1.1.3.2 Non-ferrous metals (NFM)

The breakdown of revenue by metal is as follows:

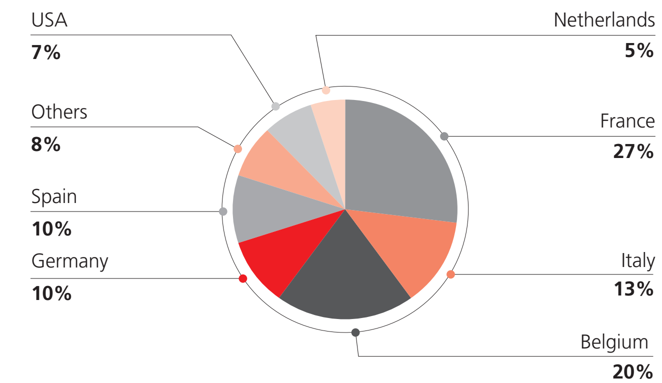


Compared to its competitors, the Group processes a larger relative volume of non-ferrous metals. Having a strong market share in non-ferrous metals is one of the Group's historic features. This is due to the diversity of processed flows:

- 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 66,000 tons of secondary aluminum ingots. The Group has invested in a second refinery (rotary kiln) in Prémery (Nièvre), which will eventually produce 15,000 tons of ingots per year (11,000 tons in 2019);
- 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 3,000 t/year).

During the 2018/2019 fiscal year, the Group processed 535,100 tons of non-ferrous metals, a slight decrease compared to the previous year (-1%).

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



The portion of non-ferrous metal volumes exported to China is less than 5%.

1.1.1.1.3.3 Services provided

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

1.1.1.1.3.3.1 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 192,000 t/year of WEEE at 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 AG (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.

1.1.1.1.3.3.2 Management-distribution of end-of-life vehicles (collection, treatment 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.

1.1.1.1.3.3.3 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.

1.1.1.1.3.3.4 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 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.

1.1.1.1.4 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 features 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 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.

1.1.1.2 Public Sector Services business

The Group generates around €204 million in revenue from this business, including €70 million in Morocco and Italy (subsidiaries disposed of during the year). 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, 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.

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.

Moreover, the Group exercises a drinking water distribution operation (in Réunion) and a wastewater treatment activity.

This business employs about 2,000 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	400 hectares owned and operated
Shredders	28 shredders in use
Shears	64 shears in use
Stationary cranes	64 stationary cranes, almost all electric
Trucks	570 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	09-30-19	09-30-18
Gross value	1,398	1,466
Accumulated depreciation	(932)	(1,012)
Net value	**467**	**453**

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, over 4,000,000 m^2 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.

In the Recycling business, the value of the assets declared to insurance companies is approximately €1,000 million.

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 (89% 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 8 countries.

Businesses and subsidiaries

Aeronautical industry support Aerial operations support	DERICHEBOURG ATIS AÉRONAUTIQUE
Nuclear industrial services and logistics Nuclear waste management and transportation	DERICHEBOURG MILIEUX SENSIBLES
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 VRD ESPACES VERTS
General temporary staffing Specialized temporary staffing Recruitment	DERICHEBOURG INTÉRIM ET RECRUTEMENT
Temporary aeronautics staffing Temporary wind farm staffing Aeronautics recruitment	DERICHEBOURG SOURCING AERO & ENERGY
Training center	DERICHEBOURG ÉVOLUTION FORMATION

Contribution to revenue by solution

SOLUTIONS	Revenue *(in millions of euros)*
INDUSTRY	143
SERVICES	510
URBAN AREA	52
HR & TEMPORARY SOURCING	153

1.1.2.2.1 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.

1.1.2.2.1.1 Derichebourg Propreté

Cleaning evolves in a highly competitive market and is now a strategic business. It directly influences many key personal and organizational factors such as well-being, performance, comfort, health, and image. This market is also changing considerably with the expectations of the "final" customer, the user, influencing the needs of the "order giver" customer.

Derichebourg Propreté and Related Services 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 such as upstream and downstream logistics, inventory management, and production logistics.

Key figures 2019:

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

1.1.2.2.1.2 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.

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

Air conditioning engineering	Electrical engineering	Maintenance
Heating, air conditioning, ventilation, refrigeration, climate control Aeraulics, hydraulics Processing of fluids Plumbing	High-voltage systems Low-voltage systems Climate control, programmable controllers Electricity back-up	Air conditioning, ventilation, heating High-voltage, low-voltage systems Plumbing, fire protection Finishing works Delegated contract management

1.1.2.2.2 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 Atis Aéronautique, the largest Industry Solutions subsidiary, is involved in aircraft assembly and in 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
Industrial processes Assembly/manufacturing Delivery assistance Ground support services	Navigability management Customer representation & delivery support Aircraft transitions Training & knowledge transfer

Key figures 2019:

- presence in seven countries: France, Spain, Germany, United Kingdom, United States, Canada and China;
- 2,100 employees.

1.1.2.3 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 €153 million in revenue.

1.1.2.3.1 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 2019:

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

1.1.2.3.2 Derichebourg Sourcing Aero & Energy

Derichebourg Sourcing Aero & Energy recruits in the aeronautics, naval and rail sectors.

The network of Derichebourg Sourcing Aero & Energy agencies assigns temporary personnel for long- or short-duration projects, and also recruits staff on permanent or temporary contracts through its recruitment consulting firm, Derichebourg Aerosearch.

Key figures 2019:

- more than 20,000 temporary assignments;
- 15,000 temporary employees registered;
- 18 locations in Europe, 14 of which in France.

1.1.2.3.3 Derichebourg Évolution Formation

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

Derichebourg Évolution Formation, a training center in Toulouse, offers a wide range of training sessions:

- aeronautical certification: fitter assembler (CQPM), fitter cabler (CQPM), aircraft cabin integrator (CQPM), CAD CATIA, inspection/quality, human factors and CDCCL, etc.;
- safety and prevention: electric installations; first aid; gestures and postures, fire, ATEX, etc.;
- driver safety certificates: lifts, airplane nacelles, machinery, cranes, overhead cranes.

Key figures 2019:

- more than 10,000 people trained since the center was created;
- return to employment rate in excess of 91% for jobseekers who received training with qualification.

1.1.2.3.4 Urban Area Solutions

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

Urban furnishing	Urban billboards
Installation and works Corrective maintenance Preventative maintenance	Signage Maintenance Visibility management

Key figures 2019:

- 42 facilities across France;
- 55,000 mechanisms managed per year;
- 1,500 urban furnishing installations per year.

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.

1.1.2.3.4.1 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 2019:

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

1.1.2.3.4.2 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.

1.1.2.4 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 leader with 30% of the subcontracting market for Airbus assembly lines;
- national leader in Portugal with the Safira subsidiary, which ranks third in the Portuguese market, in terms of turnover;
- national challenger: Propreté France and SNG;
- regional challenger (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 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. Growth in Airbus delivery volumes is also expected.
- **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 IT systems organization, marketing and 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** with the creation of a new subsidiary, Derichebourg FM. 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.
- **Expansion of the national and international 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.
  - The aeronautics business is developing in growth markets in China, the United States and Canada and continuing to grow in Europe (Germany and the UK). Atis continues diversification into other markets: Boeing for civil aircraft and Defense markets.

CSR report (serving as statement of extra-financial performance)
Overview of businesses and business model 1

RESOURCES

FINANCIAL AND ORGANIZATIONAL RESOURCES
- **Family shareholding** (>57% in voting rights)
- **Listed on Euronext Paris** (Eurolist B)
- **Present in 12** countries on **3** continents
- **385** sites

INDUSTRIAL ASSETS
- **28** shredders in use
- **64** shear balers
- **570** trucks, with a policy for renewal to meet the latest environmental standards
- **400** household waste dumpsters and **1,900** Multiservices LCVs UVs

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

HUMAN CAPITAL
- **36,800** employees
- **112** 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
- **400** hectares owned and operated
- **25.5%** of industrial sites ISO 14001-certified
- A major player in the circular economy

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 ENVIRONMENTS

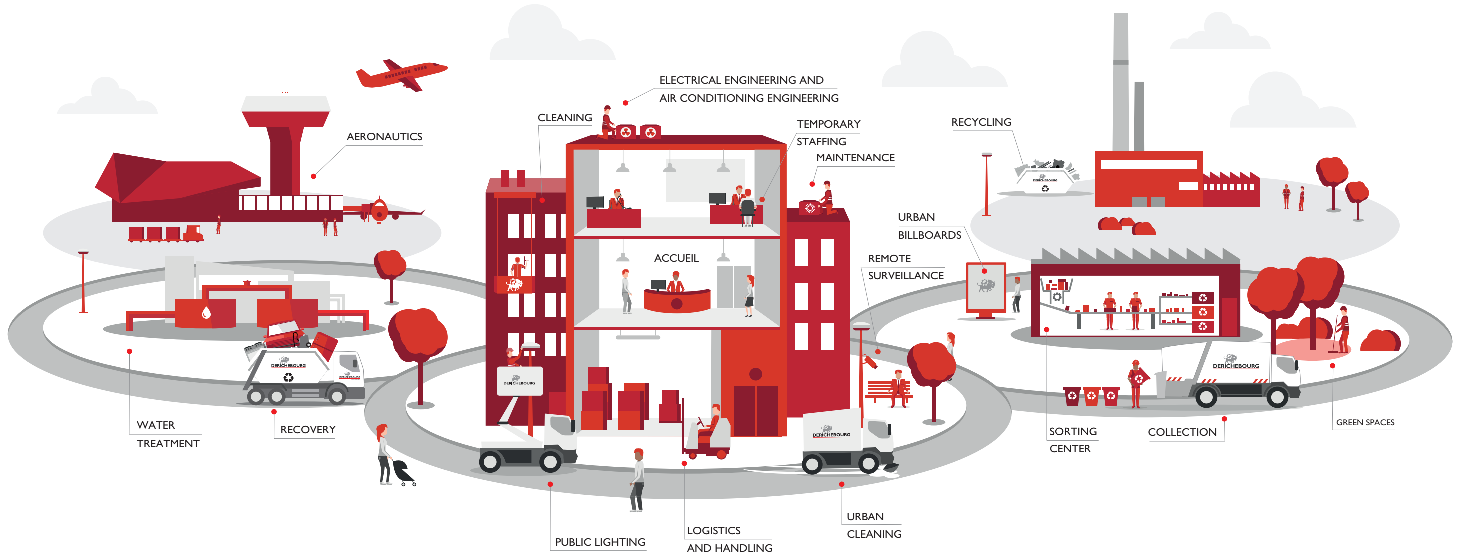
By contributing to cleaning and improving the living environment of everyone through our services to local authorities.

OPTIMIZE
PROFESSIONAL ENVIRONMENTS

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.

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

DERICHEBOURG



VALUE CREATION FOR OUR STAKEHOLDERS

FINANCIAL AND ORGANIZATIONAL
- **Revenue of €2.7 billion**
  - Derichebourg Environnement: **€1.8 billion**
  - Derichebourg Multiservices: **€857.6 million**
- **€191.2 million** recurring Ebitda
- Dividends: **€0,11/share**

MANUFACTURING
- Recycling of **3.45 million tons** of ferrous metals and **535,100 tons** of non-ferrous metals to avoid the emission of **5.8 million t CO_2 eq.**
- **77,400 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
- **6.2%** employees with disabilities
- **55%** women / **45%** men
- Lost-time accident frequency rate: **34.5**
- **137,700 hours** of training over **59,000 hours** of dedicated safety training

RELATIONSHIP-BASED ECOSYSTEM
- **14** partnerships with organizations help strengthen integration
- average satisfaction score from Multiservices customers: **7.8**

ENVIRONMENTAL
- **27.6%** of shredder residue sent for recovery
- **192,260 tons** of WEEE recovered
- **520,000** end-of-life vehicles recovered

1.2 Main CSR risks

1.2.1 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 2022" program to be defined.

This section 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;
- prioritization and scoring of risks arising from the impact and probability of occurrence of these risks.

The scoring of those risks revealed four 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.

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

Over the last five years, the Group has not implemented arrangements to artificially reduce its corporate tax expense or transfer its taxable income to low-taxation countries.

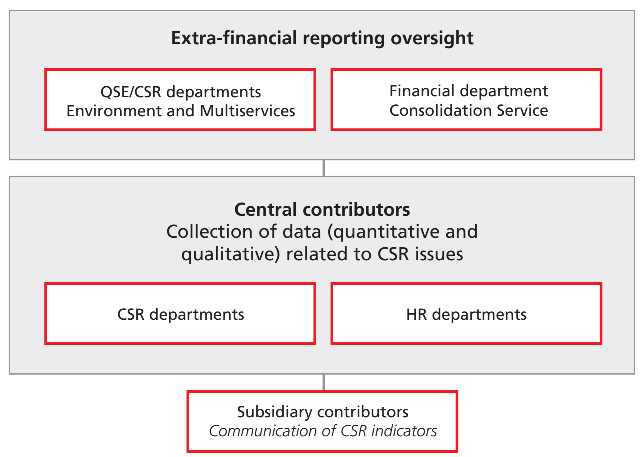
1.2.2 CSR strategy

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. This committee meets several times per year.

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.

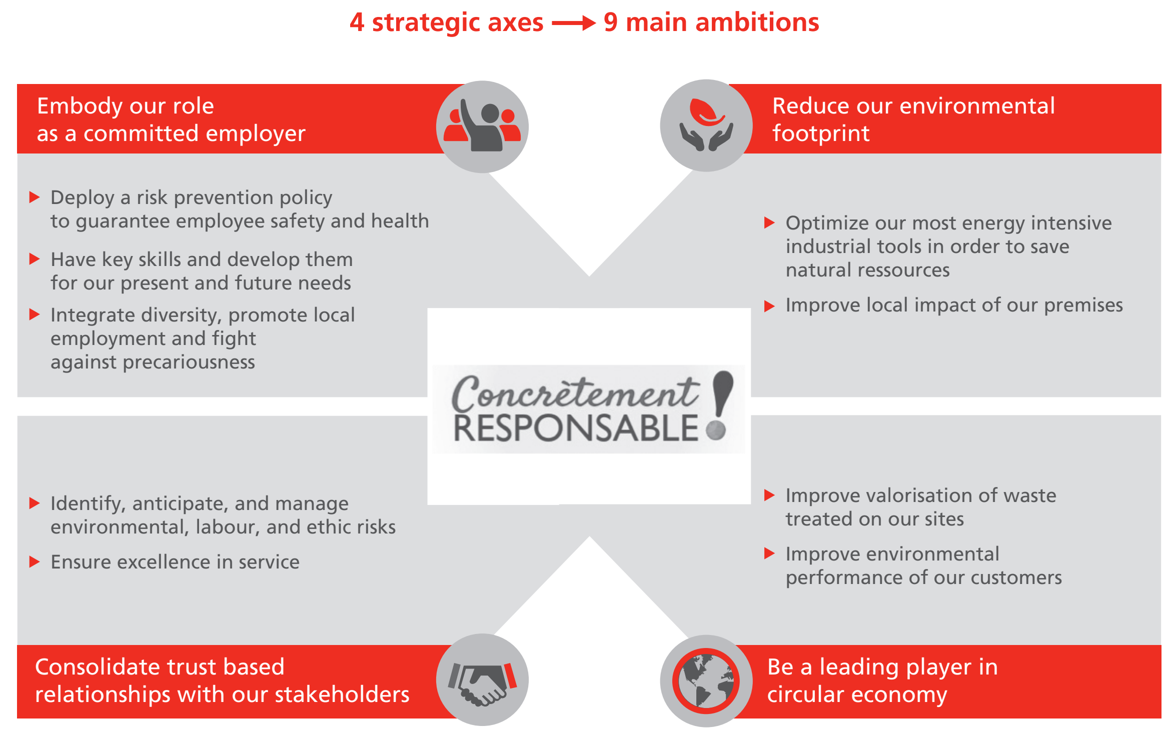
These efforts led to the "Concretely Responsible" 2018-2022 program, a roadmap that defines priority actions as well as performance indicators and associated goals. The indicators in this year's report are monitored for France only, unless otherwise specified. Monitoring of the extra-financial performance 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



1.3 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	2019	2018
Work accident frequency rate	28	34.6	31.0
Percentage of employees with disabilities	7%	6.2%	7.1%
Proportion of ISO 14001-certified sites	100%	25%	35.5%
Site energy consumption per ton treated	30 kWh LCV/t	30.4 kWh LCV/t	33.4 kWh LCV/t
Fuel consumption per 100 km travelled	42 l/100 km	42.0 l/100 km	44.5 l/100 km
CO_2 emissions per km travelled	1,200 gCO_2/km	1,289 gCO_2/km	1,319 gCO_2/km
Proportion of shredder residue sent for recycling	40%	27.6%	25.9%
Average satisfaction score from Multiservices customers (/10)	8	7.8	nd

1.4 Being a committed employer

1.4.1 Deploying a risk prevention policy to ensure the safety of employees and preserve their health

A common policy was defined and signed by the General Management. It was distributed to all Group subsidiaries.

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.

- Eradicate serious and fatal accidents;
- Reduce our frequency rate (FR) by 20% by 2022 compared to 2018;
- Implement ISO 45001 certified management systems for all our sites by 2022;
- Prevent occupational illnesses;
- Manage fire risk on all our operating sites;
- Manage risks related to the outsourcing of our activities and to interference associated with activities carried out jointly.

These targets will 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 30% of the Group's subsidiaries are already OHSAS 18001/ISO 45001 certified[1]. Safety coordinators are responsible for implementing risk prevention programs.

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. Over 400 employees had already been trained as at end-September 2019.

A digital alert tool in the event of accidents or incidents is currently being deployed within the Group. It is already in operation for the Recycling business in France and Belgium. The tool enables incidents to be communicated and taken into account at the highest levels of the Company, and promotes feedback.

number of health
and safety training hours
59,000

		Environmental Services			Business Services		Total		
	2022 target	2019	2018*	2018	2019	2018	2019	2018*	2018
Lost-time accident frequency rate[(1)]	28	46.5	48.6	28.3	32.0	32.4	34.6	35.2	31.0
Lost-time accident severity rate[(2)]	N/A	2.6	3.5	1.8	1.8	1.9	1.9	2.2	1.9
Number of safety training hours	N/A	26,940	22,773	25,483	31,776	64,929	58,716	87,702	90,412

* Data restated for the values of San Germano and the Moroccan subsidiaries.

(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.

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

To allow comparison with the 2019 fiscal year, the 2018 fiscal year was adjusted by removing data for household waste collection and treatment in Italy and Morocco, as these businesses were respectively sold in January 2019 and September 2019.

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 2% improvement in the frequency rate and a 14% improvement in the severity rate.

In terms of frequency rate and severity rate, the results of the two main activities in terms of headcount (recovery of sorted waste and cleaning) are better than those of their respective divisions.

The division frequency and severity rates (2017 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)	32.0	2.9
3832Z Recovery of sorted waste (CTN C)	48.9	3.3

Data from the CNAMTS/DRP – study 2018-196-NS-2017 workplace accident risk by CTN and NAF code of February 2019.

For the Business Services division, the frequency rate of Derichebourg Propreté (27) is significantly better than that of the division. Conversely, the frequency rate of the Portuguese subsidiary Safira remains high (51) and affects the overall frequency rate of the division.

The Environment division's results are impacted by the Public Sector Services business (with a frequency rate of 69) whereas the recycling businesses have seen a 20% improvement in their frequency rate (34).

In order to monitor accidents involving workers outside the Derichebourg Group, the number of lost-time workplace accidents for temporary workers made available to all Group subsidiaries has been monitored from this fiscal year. It amounts to 40.

The number of occupational illnesses recognized by the French sickness insurance fund, CPAM, over the period from October 1, 2018 to September 30, 2019 across consolidated Group companies was 95.

8% of days of absence are due to workplace accidents and illness (compared to 11% the previous year).

No fatal accidents concerning Group employees occurred during the 2018/2019 fiscal year.

1.4.2 Having key skills and developing them for our present and future needs

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.

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 common recruitment site has been created for all 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, in particular IGS (Institut de gestion sociale) to create a specific training course for the HR division.

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.

Career management

Careers are one of our 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. For this, an Internal mobility charter has been signed by the Chairman.

An employment site is accessible to all employees (with over 18 months seniority) 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 an internal training school in 2020: the Skills Academy.

The Academy aims to be comprehensive through its 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. Over the last five years, we have enabled almost 1,300 young people to train and enter employment. 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 Évolution Formation, a subsidiary dedicated to business line training;
- conference cycles;
- integration paths.

Performance appraisals

In keeping with career management and career paths, the Company holds annual interviews for managers and supervisors and a talent review every two years with the aim of detecting potential talents, supporting them through individual training programs and offering them the appropriate career development opportunities and challenges.

These interviews enable employees to benefit from individual support. They currently concern the Business Services division and are being rolled out throughout the Group.

32% of annual interviews were conducted during this fiscal year. The low rate recorded is due to the start of this approach by the Environment division in 2019.

84% of employees appraised met position expectations.

Professional qualifications

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. Since this initiative was launched, more than 400 employees have obtained their CPQs. During the fiscal year, more than 122 employees studied for a CPQ.
- Professionalization at Derichebourg Atis Aéronautique focuses on three areas (designed 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, 30 employees signed up for the "Team leader" and "Industrial maintenance operator" CPQs;
- Training in the "optimal" use of worksite machinery was initiated in 2019, in partnership with Liebherr, the Group's main supplier of such equipment.

number of training hours
196,300

	2019	2018
Number of training hours	196,368	283,967
Average number of training hours per person per year	5.3	7.2

Derichebourg Évolution Formation

The professional training center created in 2008 offers level-IV and level-V diploma courses open to everyone (job seekers, employees, people seeking vocational retraining, temporary employees, and workers with disabilities).

The training center is increasingly focusing on the specialization of the aeronautics sector by studying all training possibilities: continuous training, diplomas, qualifications, retraining.

The training center is based in Toulouse and Île-de-France, and is accredited to provide its training within external companies.

1.4.3 Promoting employment and developing human capital

Committing to employment quality

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 and the implementation of a digital safe;
- the electronic signature of contractual HR documents.

HR digital document management: currently, the digital transformation is impacting companies and individuals, in all areas and sectors, leading to major upheavals, in terms of internal reorganization, data processing and even new occupations. In the human resources sector, digitalization concerns all processes: pay slips, employee files, processes such as electronic signatures, voting tools, grouping of company agreements, the BDES (economic and social database), recruitment, training, skills management, etc.

The gradual transfer of these human resources processes to dedicated software or platforms leads to time savings and higher productivity and will enable better communication.

The HR digital safe enables HR document distribution (pay slips, HR letters, information documents, etc.) to be dematerialized for employees in secure, free digital safes, available "for life".

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.

43 agreements were reached on the following issues: remuneration, social dialog, work organization, health and safety and diversity.

Derichebourg Multiservices was confronted with industrial action for better working conditions, the generalization of a 13th month of salary and the application of the so-called "Macron" bonus for purchasing power. These local movements had limited impact on the structure.

	Environmental Services		Business Services		Holding companies		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Number of strike days	2	46	255	34	0	0	257	80
Number of regulated agreements	25	6	18	12	0	0	43	18

Under the program dedicated to the quality of life at work and the prevention of psychosocial risks, management is introducing a conflict management procedure for all Company employees irrespective of role or level. This procedure is applicable to any situation in which an employee feels "victimized" (through discrimination, mental harassment, sexual harassment, sexist behavior, incivilities, insults, intimidation or threats) by colleagues, superiors, or even employees from an external company with whom they are in permanent contact through their work.

The "Quality of Working life" survey is part of the continued diagnostics held every two years to detect and analyze psycho-social risk factors within Derichebourg Multiservices. 83.9% of employees declared that they were satisfied or very satisfied with their general level of well-being.

Organization of working hours

	Environmental Services		Business Services		Holding companies		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Employment rate for non-managerial staff	96.3%	97.6%	61.3%	60.0%	97.3%	100.0%	65.5%	70.2%

At September 30, 2019, the average working time in the Group was part-time at 65.5% of full time. This ratio reflects the specific nature of the Cleaning business, which has a high incidence of part-time work.

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 December 2018, all employees of Derichebourg Propreté were asked to indicate whether they wanted to increase their working time. This information enabled us to identify employees that wished to increase their working time.

Moreover, customers who are aware of this issue have been approached with a view to developing services on a daytime basis.

The deterioration in the Group's average employment rate is mainly due to the weight of the Multiservices branch in the total headcount. The change in the headcount between the two fiscal years (see below) increased the relative weight of the Business Services division (87% in 2019 versus 73% in 2018), which contributed to the lowering of the Group's average employment rate, despite improved results.

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.

Working towards gender equality between men and women

employee breakdown

20,400 16,400

Women represent close to 55.4% of Group employees in 2019. Derichebourg Propreté, which accounts for 48.6% of Group employees, employs 69.3% women. This thus increases in relative terms the proportion of women in the total workforce. On the other hand, we note that in the Environmental Services businesses, men represent 84.7% of employees.

The percentage of female managers is still lower than that of men, however, it has increased significantly (+9%).

	Environmental Services		Business Services		Holding companies		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Proportion of female managers	17.9%	15.8%	32.0%	31.8%	40.7%	34.3%	29.2%	26.8%
Proportion of male managers	82.1%	84.2%	68.0%	68.2%	59.3%	65.7%	70.8%	73.2%

Environmental Services

	France		Europe (excluding France)		Americas		Africa		Total	
In thousands of euros	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Average annual earnings, female managers	60.5	60.3	N/A	N/A	57.2	34.2	N/A	19.1	60.2	55.6
Average annual earnings, male managers	82.0	79.2	100.2	82.6	36.8	42.4	N/A	21.9	80.8	67.1
Average annual earnings, non-managerial women	29.4	24.2	34.3	23.4	36.9	32.8	N/A	3.4	30.3	14.0
Average annual earnings, non-managerial men	30.6	28.3	27.8	31.0	30.4	32.9	N/A	4.0	30.4	18.3

Business Services

	France		Europe (excluding France)		Total	
In thousands of euros	2019	2018	2019	2018	2019	2018
Average annual earnings, female managers	50.0	44.7	49.3	32.4	49.8	43.7
Average annual earnings, male managers	57.4	50.5	91.0	34.2	65.0	49.0
Average annual earnings, non-managerial women	34.8	22.3	32.7	6.7	32.5	15.7
Average annual earnings, non-managerial men	30.1	27.0	26.0	16.6	29.3	25.8

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

Position weighting grids have been produced by an external firm based on market benchmarks in order to set compensation objectives by position.

In 2019, Derichebourg Multiservices published its "Professional Equality Index" for six of its subsidiaries (Derichebourg Énergie, Atis, Derichebourg Sourcing Aero Energy, Derichebourg Intérim et Recrutement, Derichebourg Accueil and Derichebourg Propreté & Services Associés). The general average of 70 points out of 100 demonstrates that the efforts already undertaken by the subsidiaries should be continued. These subsidiaries stand out particularly thanks to their results on remuneration and individual pay rises: 38 points out of 40 for the indicator on equal remuneration and 14 points out of 20 for individual pay rises.

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 results in terms of gender promotion 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 more accessible and fair: e-learning training, monthly information sessions by webinars through the Academy platform, a space dedicated to gender equality accessible via the intranet, etc.

The 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	
	2019	2018	2019	2018	2019	2018	2019	2018
Proportion of employees over the age of 55	21.6%	12.7%	23.5%	24.7%	17.2%	16.9%	23.2%	21.4%

The proportion of employees over the age of 55 across the whole Group was slightly up year-on-year. This change is due to the change in the scope of the Environmental Services business. In the Moroccan and San Germano subsidiaries (sold off), the percentage of employees over the age of 55 was very low (7.6% for a headcount of over 6,000 employees).

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Proportion of employees under work-study contracts	0.7%	2.2%	0.3%	0.7%	1.4%	2.9%	0.4%	1.1%

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 project, 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 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
6.2%

At September 30, 2019, the percentage of disabled workers employed by the Group stood at 6.2%, i.e. slightly above the legal requirement of 6%.

With these commitments, the Derichebourg Propreté subsidiary set itself a target of 7%, exceeding the legal requirement, and this year achieved a rate of 7.4%. The departure of a number of disabled workers resulted in a decrease in the rate despite the actions deployed.

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.

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

- Procedures for the joint processing of certain activities were signed for the Reception business in conjunction with Derichebourg FM. 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.

Sport as a motivation booster

Sports ambassadors work with employees within the Business Services division: Arsen Goulamirian (WBA world champion boxer), Thu Kamkasomphou (Paralympic table tennis medalist) and Louis Radius (Paralympic track & field medalist). These three high-level athletes hold workshops and share their experiences on topics such as pushing one's limits and coping with a disability in the workplace. They talk about their career paths and encourage employees to surpass themselves. In some cases, they are also called upon for coaching.

In addition, the Group has been supporting the sports clubs of Brive (rugby), Créteil (handball) and Poissy (triathlon) for several years.

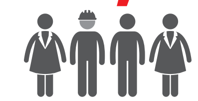
Participating in local development

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

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.

employees
36,800



Breakdown by country and by business

Breakdown by business and by country is as follows:

	Environmental Services		Business Services		Holding companies		Total	
Employees	2019	2018	2019	2018	2019	2018	2019	2018
France	3,528	3,407	25,990	22,402	145	136	29,663	25,945
Other European countries	603	1,447	6,199	6,183	0	0	6,802	7,630
Europe	**4,131**	**4,854**	**32,189**	**28,585**	**145**	**136**	**36,465**	**33,575**
Americas	**368**	**347**	**0**	**0**	**0**	**0**	**368**	**347**
Africa	**0**	**5,486**	**0**	**0**	**0**	**0**	**0**	**5,486**
Total	**4,499**	**10,687**	**32,189**	**28,585**	**145**	**136**	**36,833**	**39,408**

Environmental Services recorded a drop of more than 50% in their headcount, due to the sale of the Italian and Moroccan household waste collection and treatment businesses.

The workforce of the Multiservices (Business Services) division represents 87% of Group employees. 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, 2019, temporary workers represent 6.14% of the employees of Business Services companies.

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

	Environmental Services		Business Services		Holding companies		Total	
Employees	2019	2018	2019	2018	2019	2018	2019	2018
All contract types	874	3,507	71,511	64,201	32	35	72,417	67,743

For the 2018/2019 fiscal year, recruitments were up 6.9% compared to the previous fiscal year. This increase is due to several factors:

- contract gains after calls for tender throughout the Group;
- new companies entering into the reporting scope;
- an 18% increase in recruitment for the Group's temporary employment companies.

Departures

The table below details departures by business.

	Environmental Services		Business Services		Holding companies		Total	
Employees	2019	2018	2019	2018	2019	2018	2019	2018
All contract types	773	2,292	69,788	65,389	25	35	70,586	67,716

There was a 4.2% increase in departures compared to last year.

This increase is also due to the new companies entering into the reporting scope.

The Group supports economic development in the regions in which it operates and makes commitments to its customers both by implementing specific inclusion via economic activity (IAE) and return to work measures. Subsidiaries implement inclusion-related measures:

Derichebourg and inclusion

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, 80 employees work with the Group under vocational integration programs.

This partnership was welcomed by the Hauts-de-Seine prefecture, which awarded the Group a diploma on October 8, 2018 for "responsible purchasing and corporate social responsibility in Hauts-de-Seine" for the Gennevilliers site (30 ENVIE employees and over 492,000 household appliances recycled per year).

Derichebourg Multiservices entered into partnerships with 14 organizations allowing it to reinforce integration into the Group's subsidiaries. These correspond to partnerships for which at least one beneficiary has been recognized.

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 112 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[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.

The "Paqte avec les Quartiers pour toutes les Entreprises"

Derichebourg Propreté is a signatory to the "Paqte avec les Quartiers pour toutes les Entreprises" (neighborhood pact for all companies). Specific agreements to deploy the "Paqte" were signed at departmental level. In so doing, the subsidiary demonstrated its commitment to be part of an economic and social partnership to benefit disadvantaged communities. This "Paqte" allows young people with difficulties in finding work, some of whom dropped out of school very early, to take part in training, immersion periods in businesses and, consequently, gradually find a new life in society.

(1) Basic French language certificate.

Salary rounding scheme, micro-donation

Derichebourg Multiservices' salary rounding scheme has been in place since the end of 2017.

Every month, employees have the option to support an organization through a micro-donation from their salary, ranging between €0.5 and €5. Derichebourg Multiservices doubles the amount of each donation. It is a joint employee-employer solidarity scheme.

This pro-active and innovative scheme proposes to support three organizations, selected on the grounds of their responsible approach and the quality of their projects in support of young people:

- 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 organization for integration through sport in France; it supports young sportspeople to find work.

These organizations have been selected for their serious management and the quality of their project through the Epic foundation (for Sport dans la Ville and Simplon). The aim of this foundation is to include in its portfolio, through a stringent selection process, organizations having the most significant social and societal impact on young people.

In return, Derichebourg Multiservices helps the children of some of its employees through organizations:

- Simplon offers to include the children of employees, who want to follow the free training to become web developers, among the people that it selects;
- Sport dans la Ville opens its programs to the children of employees to facilitate their occupational integration.

1.5 Reduce the Group's environmental footprint

1.5.1 Optimize our most energy-intensive work tools to save natural resources

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).

1.5.1.1 Improve the energy performance of operating sites

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 is taking 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.

Consolidation of the areas for improvement at Group level will take place following these audits and will serve as the basis for setting the 2022 reduction target.

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.

	Environmental Services		
In kWh LCV per ton treated	2022 target	2019	2018
Site energy consumption per ton treated	30	30.4	33.4

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.

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

fuel consumption **27.9** million liters
–15.2% compared to 2018

gas consumption **15.0** million cubic meters
+15.7% compared to 2018

electric consumption
117.3 GWh
– 10.3% compared to 2018

The change in electricity consumption (-10.3%) is mainly due to a reduction in the Recycling activity (particularly processing through shredding scrap metal). The lower fuel consumption (-15.2%) is mainly due to the change in the consolidation scope of the Environmental Services business.

Refinal Industries accounted for 85% of the Group's gas consumption (use of gas in refinery furnaces) while the Public Sector Services business accounted for 11.5% (natural gas vehicles). The change in this consumption (+15.7%) is mainly due to the increased capacity of the second aluminum refinery located at Prémery in the Nièvre department (58) and the purchase of several natural gas vehicles to fulfill the new collection contracts awarded to the Group.

Greenhouse gas emissions (GHG) are calculated based on the Group's energy consumption. This meets the requirement to report on greenhouse gas emissions for some of the Group's subsidiaries and to improve the monitoring of indicators related to these emissions.

Direct greenhouse gas emissions 2018/2019: 140,709 tons CO_2 equivalent

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

- electricity purchased: 19,571 tons CO_2 equivalent;
- consumption of fossil fuels related to the facilities: 55,835 tons CO_2 equivalent;
- fuel consumption related to travel: 65,303 tons CO_2 equivalent.

These emissions fell by 11% compared to the previous fiscal year in absolute terms.

The intensity of emissions calculated compared to revenue fell by 4%. Derichebourg Environnement principally uses electricity as an energy source for its recycling units (except for the two aluminum refineries, which use gas). The high share of electricity generated using nuclear power in the energy mix in France contributes to limiting the Recycling business's greenhouse gas emissions.

1.5.1.2 Improve the energy performance of transportation

The Group takes care to limit its fuel consumption related to road transportation, which is the Group's main source of greenhouse gas emissions (46.4% of emissions).

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 a twin objective:
  - resizing the fleet according to business activity by eliminating more than 200 older, surplus vehicles, an objective achieved on September 30, 2019,
  - replacing more than 150 vehicles out of the 500 in the Environment division's collection fleet (excluding Poly-Environnement). One hundred vehicles have already been delivered.

The new vehicles will all meet the Euro VI standard as a minimum and will be equipped with the AdBlue™ system and particulate filters. Eventually, 40% of the fleet will meet the Euro VI standard;

- deployment of the AlertGasoil™ technology.

AlertGasoil™ is a comprehensive fuel consumption and greenhouse gas emission measurement and monitoring solution that facilitates overall management and reduces waste (monitoring of TMAVA[1], driving behavior, etc.); ADEME classifies the technology used by ADD AlertGasoil as "class 4", which is the highest possible level of certification of the accuracy of fuel consumption and CO_2 emissions measurements.

Equipping our vehicle fleet with the on-board AlertGasoil™ system provides us with 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 and Belgian vehicle fleet. The deployment of the sensors is being finalized in Germany. The Group is planning to roll them out to the Americas next year.

Assessing the reduction measures shows that we have already achieved an annual reduction of 6% in consumption and 2% in CO_2 emissions;

- eco-driving training for all drivers by 2022.

  Eco-driving 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;
- 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 measures was 66.8 tons CO_2 equivalent in 2018 (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 CO_2 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		
In liters per 100 km	2022 target	09-30-19	12-31-18
Fuel consumption per 100 km traveled	42	42.0	44.5
In grams of CO_2 per kilometer traveled	**2022 target**	**09-30-19**	**12-31-18**
CO_2 emissions per km traveled	1,200	1,289	1,319

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

In addition, TK'BLUE, the independent transportation rating and certification agency, has recorded significant changes in the following impacts since the last fiscal year:

- 24% reduction in greenhouse gas (GHG) emissions;
- 13% reduction *in fine* particulate emissions (PM2.5).

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

As a reminder, most of the Group's subsidiaries have the benefit of river or maritime infrastructure: Marseille, Rouen, Houston (USA), Nantes, Brussels and Liège (Belgium), Karlsruhe (Germany), Strasbourg, Valenciennes, etc.

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).

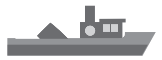
The Group also continues the use of rail transport. This mode of transportation is an alternative to road transport (one wagon for every two trucks). It is less developed than water transport, due more to structural reasons than any real desire on the Group's part.

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

CSR report (serving as statement of extra-financial performance)
Reduce the Group's environmental footprint
1

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

secondary raw materials transported by waterway **22.6%**



secondary raw materials transported by rail **8.0%**

In thousands of tons transported	2019	2018
Secondary raw materials transported by waterway	897.6	1,126.4
Secondary raw materials transported by rail	316.1	335.5

For information, the modes of transportation by waterway or rail avoided the circulation of approximately 48,500 trucks over the 2018/2019 fiscal year (based on each truck transporting 25 tons).

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

The Active Stop-StartMC technology of the Quebec company Effenco[1] has therefore been deployed by several Parisian regions branches at a total investment of more than €1.7 million. 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.

Moreover, total investments by the Poly-Environnement subsidiary in natural gas, hybrid or electric vehicles amounted to almost €400,000 over the fiscal year.

Business Services

The Purchasing unit at Derichebourg Multiservices has listed three automotive suppliers who incorporate environmental factors. The vehicle fleet has more than 1,870 vehicles of which 70% are light commercial vehicles. Within Derichebourg Propreté, electric vehicles are used for some specific services such as transporting waste and short term operations, or are made available to employees for short journeys. 5% of Derichebourg Propreté's fleet is electric vehicles.

A review of the Business Services division's vehicle purchasing policy has been initiated in order to develop a car policy and a decision support tool to choose engines suitable for their uses, taking into account the environmental and regulatory constraints (low emissions zones, etc.).

1.5.2 Improve the local impact of facilities

1.5.2.1 Manage 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 216 industrial sites.

Investments in environmental protection for the 2018/2019 fiscal year amounted to over €16 million, plus environment-related expenses of €3 million (analysis of waste, environmental discharges, maintenance, etc.), ensuring that the Group's industrial plants comply with their regulatory requirements.

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.

In line with this target, ESKA launched a triple QSE certification approach and has already obtained the certification for its 22 industrial sites in 2018.

For its part, the REVIVAL subsidiary began the triple QSE certification process for 19 of its sites at the end of 2019.

In this context, Derichebourg Environnement acquired an HSE monitoring and regulatory compliance IT tool in 2019.

(1) *Derichebourg Environnement has chosen to offer this technology across its equipment fleet as part of its future contracts.*

CSR report (serving as statement of extra-financial performance)
Reduce the Group's environmental footprint
1

	2022 target	2019	2018
Proportion of ISO 14001-certified sites[1]	100%	25.5%	35.5%

(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.*

The reduction observed compared with the previous fiscal year is due to the disposal of San Germano and the Moroccan subsidiaries, which had triple certifications.

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 then be rolled out over the 2019-2022 period to bring the various facilities into compliance where necessary. The €130 million loan granted by the European Investment Bank (see 1.5.1) 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.

Provisions for environmental risks changed as follows:

In millions of euros	2019	2018
Environmental Services	3.8	6.0

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, 2019 stood at €4.2 million vs (€6.2 million as at September 30, 2018).

1.5.2.2 Relations with neighbors

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

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. 35 complaints were received during the fiscal year (a 10% reduction compared with the previous fiscal year).

This commitment is monitored via the following indicator:

	Environmental Services		
	2022 target	2019	2018
Percentage of complaints dealt with (written response provided)[1]	100%	77.1%	87.2%

(1) *Worldwide scope.*

The introduction of a Group procedure during 2020 will allow progress to be made in achieving this target and the reporting process to be rendered more reliable.

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.

(1) *Best Available Technology REFerence.*

1.6 Be 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.

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 3.45 million tons of ferrous metal waste and around 535,000 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 66,000 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.

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 method[1] – 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 CO_2 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 life cycle assessment method – May 2017).

The Group estimates the volume of emissions avoided thanks to its activity to be 5.8 million tons of CO_2 equivalent, which is the average annual consumption of more than 828,000 inhabitants of France[2].

volume of emissions avoided
5.8 million tons of CO_2 eq

annual emissions of
= 828,000 French people

1.6.1 Improve the recovery of waste treated on our facilities

1.6.1.1 Limit the quantity of shredder residue produced

The Group operates 28 shredding lines worldwide, of which 21 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.

(1) Life Cycle Analysis.
(2) EpE Zen 2050 study – emission of 7 tons of CO_2/inhabitant/year.

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 fiscal year, the Group's shredding lines produced 341,000 tons of residual waste (a 7% reduction compared with 2017/2018).

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 **85%***
* 2017 data

average reuse and recovery rate for ELVs **95%***
* 2017 data

	Legislative target	2019	2018
Average reuse and recycling rate for ELVs	85%	87.1%[1]	87.2%
Average reuse and recovery rate for ELVs	95%	94.8%[1]	96.5%

(1) ADEME 2017 data.

It should be noted that the 2018 figures published are for vehicles declared as destroyed in 2017, taking into account the time period for certifying declarations.

The Group has undertaken, for all of the approved ELV shredders in France, an assessment of the performance of the industrial processes for separating processed ferrous metals and other materials, together with the processing of shredding wastes arising from ELV, in accordance with the requirements published by ADEME (French Environment and Energy Management Agency). These campaigns were completed by the end of December 2018. The results were used to update the SYDEREP software (the system used for declarations in the EPR[2] sector) managed by ADEME, and thus improve the calculation of recycling rates for the 2018 declarations.

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.

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 2018/2019, over 55,000 ELVs from the PSA network were processed by the Group.

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% (recycling and recovery rates).

(1) Non-refrigeration Large Household Appliances.
(2) Extended Producer Responsibility.

	2019	2018
Number of approved ELV centers	106	102
Number of approved ELV shredders	19	19

In France, during the 2019 fiscal year, the Group processed almost 450,000 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

88%

recycling and recovery rates, small mixed household appliances

86%

	Rates achieved by the Group[1] 2019	2018	Legislative target
WEEE segment			
Recycling and recovery rates – refrigerated large household appliances (RLHA)	94%	97%	85%
Recycling and recovery rates – non-refrigerated large household appliances (NRLHA)	88%	90%	85%
Recycling and recovery rates, small mixed household appliances (SMHA)	86%	78%	78%

(1) Results from annual designation campaigns.

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).

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" agreements, 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 2018/2019 fiscal year, the Group contributed to reintegrating over 41,000 tons of WEEE into the official processing stream, up 30% compared to the previous fiscal year.

Overall, the Group process more than 190,000 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 2020/2021.

1.6.1.2 Increase 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.

In thousand tons	2022 target	2019	2018
Shredder residue generated	-	227.9	241.6
Shredder residue sent for recovery	-	62.9	62.5
Proportion of shredder residue sent for recovery	40%	27.6%	25.9%

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.

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.

1.6.2 Improve energy performance for customers

1.6.2.1 Offer services with low environmental impacts to customers

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 Propreté incorporates into its business processes equipment featuring water and energy saving technologies. The use of hyper concentrated products and correct dosing systems enables waste to be reduced 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. 45.6% 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.

1.6.2.2 Offer services to customers that enable them to improve their environmental performance

One of Derichebourg Multiservices' objectives is to support its customers in improving their environmental performance. The Derichebourg Énergie, Énergie E.P. (Public Lighting) and Propreté subsidiaries are therefore developing their services in line with this objective.

Derichebourg Énergie is acting as a partner in the area of energy performance for 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. Specific reports are prepared on a regular basis by an energy efficiency engineer. Consumption analysis for some sites is also carried out by an energy monitoring platform (Advizeo). This software allows consumption/comfort data to be viewed in real-time, any divergences to be detected and energy performance action plans to be implemented.

Derichebourg Énergie develops incentive-based all-inclusive services including an energy commitment to be achieved. This subsidiary also helps its customers to reduce greenhouse gas emissions by advising them on eliminating gases with high global warming potential and replacing refrigeration units that use this type of gas.

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 an 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.

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 activities of Derichebourg Énergie and Derichebourg Énergie E.P. enable improvements in overall energy consumption of 74.6% for their customers. Derichebourg Énergie E.P. earns 13.7% of its revenue from offers incorporating the improvement of environmental performance.

The company LSL designs innovative, bespoke LEDs to be used by final customers following an upstream assessment of their environment and their 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 reduce energy consumption, whilst providing improved comfort and services to users or the operator.

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.

1.7 Consolidate relationships of trust with our partners

Five Group subsidiaries (Derichebourg Propreté, Derichebourg Énergie, Derichebourg Intérim, Refinal Industries and Purfer) have been assessed by ECOVADIS, the first collaborative platform allowing companies to monitor the sustainable development performance of their suppliers in 150 industries and in 110 countries. The average score weighted by revenue was 63%. With these scores, the Derichebourg Propreté, Derichebourg Énergie and Refinal Industries subsidiaries are in the top 5% of companies assessed in their respective business sectors.

1.7.1 Identify, prevent and manage environmental, social and ethical risks

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 risk factors and uncertainties, 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.

With the help of a service provider, the Group carried out an audit to prepare a corruption risk map under law no. 2016-1691 of December 9, 2016 on transparency, fighting corruption and economic modernization (known as Sapin 2).

19 interviews with the different key activity managers took place.

24 theoretical corruption risks were identified and were subject to a scoring carried out 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.

An anti-corruption code of conduct was prepared based on this operational foundation. It 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.

(1) Indicator of the lifespan of the LEDs.

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. This training program will be regularly renewed over the coming years. The number of individuals receiving training was 568 out of 573 people with some exposure. This is a fulfillment rate of 99.1%.

rate of completed
anti-corruption training courses
99.1%

In order to be accessible to all, the anti-corruption code is published 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 is in the process of being formalized for wide-scale dissemination.

In order to communicate on its values, the Group has also drafted 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 Ensure service excellence

1.7.2.1 Structure the operational excellence initiative

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

	Percentage of sites/branches	
Group	2019	2018
ISO 9001	70.5%	69.7%

Derichebourg Multiservices has introduced a corporate program on "Service Excellence". This program aims to envisage the customer relationship not only in terms of service provisions but to define the contours and content of a new approach based on service delivery. This approach includes services attitudes, and "soft skills" that comply with the relational interaction requirements with prospects and customers.

This corporate program provides a training program that has already been rolled out to more than 900 employees during the year. The final aim of the program is that each employee appropriates the codes of personalized service and thus develops the key skills to exercise his/her service and reception task.

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 7.8/10[1] on the basis of more than 4,000 customers surveyed and with a response rate of 88%.

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.

1.7.2.2 Set up information systems and customer service organization

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 the Urban Area Solutions, Facility Management, Cleaning and Energy businesses.

(1) The average satisfaction score from Multiservices customers (/10) replaces the rate of satisfied or highly satisfied customers monitored during the last fiscal year.

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" (SLA).

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 BIM (Building Information Modeling) platforms or CAMM (Computer Assisted Maintenance Management) software for multi-technical maintenance.

The information system developed for the Urban Area Solutions activity, Dclic enables real-time monitoring of service completion.

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

1.8 Duty of vigilance

This section describes the Derichebourg Group's duty of vigilance plan in accordance with the provisions of law no. 2017-399 of March 27, 2017 on the duty of vigilance. This is based upon "reasonable vigilance measures that are appropriate for identifying risks and preventing serious breaches of human rights and fundamental freedoms and protecting the health and safety of individuals and of the environment."

The policy is led by the secretary general through the CSR Committee and aims to cover all of the Group's activities. The committee meets three times a year and comprises permanent members (secretary general, Finance Department, Human Resources and CSR Departments) and experts in specific areas (insurance, legal). Its role is to monitor action plans and the effectiveness of the measures put in place, by using management indicators and the Group's internal control system.

As part of this, the following tasks were completed.

- two mapping exercises identifying, analyzing and ranking risks such as those defined in section 1.2: CSR risk mapping and the mapping of corruption risks in accordance with law no. 2016-1691 of December 9, 2016, known as the Sapin 2 law;
- procedures for regularly evaluating suppliers, customers and subcontractors. The Group evaluates its most important stakeholders (customers and suppliers), both in terms of revenue and criticality, by using a questionnaire combining Sapin 2, CSR and duty of vigilance obligations.
- risk mitigation initiatives implemented within the Derichebourg Group in respect of:
  - health & safety

As a committed employer, the Group has a safety policy that sets out ambitious targets (eradicating serious and fatal accidents, reducing the frequency rate of workplace accidents, introducing ISO 45001 certified management systems by 2022, preventing occupational illnesses, managing on-site fire risks, managing risks related to outsourcing its activities as described in section 1.4.1 "Deploying a risk prevention policy to ensure the safety of employees and preserve their health".

- environment

In order to reduce its environmental footprint, the Group has initiated actions to reduce energy consumption both on its shredding lines (in particular, by using motors with improved energy performance) and by managing the transportation activity. 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.

- human rights

Developing skills, keeping people in jobs, diversity and combating illegal work are also major aspects of the Group's HR policy. In addition, training and awareness-raising initiatives have been deployed for those employees most exposed to corruption-related risks. An ethics charter and a Code of Conduct have been distributed. The Group's general sales and purchasing conditions contain a CSR and anti-corruption clause.

- The Group has introduced its Code of Conduct incorporating the whistle-blowing system following consultation with employee representative bodies. This code, which is intended for a wide-ranging audience (employees and third parties), is available on the Group's Internet and intranet sites. There is an email address (ethique@derichebourg.com) which allows the confidentiality of information communicated by means of this system to be guaranteed. In particular, its scope includes issues related to human rights, health and safety of people and environmental damage.
- The combined CSR, Sapin 2 and duty of vigilance questionnaire for assessment of third parties has been sent to all suppliers identified as significant. This approach is currently being rolled out for customers. Responses are being monitored. The assessment of questionnaire responses will, in particular, enable the system's effectiveness to be measured.

1.9 Report by the independent third party organization on the consolidated statement of extra-financial performance set out in the management report

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 Statutory 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, 2019 (hereinafter the "Statement"), as presented in the management report under the legal and regulatory 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 defined in Article L. 822-11-3 of the French Commercial Code and the profession's Code of ethics. Furthermore, we have implemented a quality control system that includes documented policies and procedures that aim to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

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;
- the compliance of products and services with applicable regulations.

Nature and scope of the work

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code setting the modalities under which the independent third party organization carries out its mission and according to the professional standards as well as international standard ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We have carried out work enabling us to assess the Statement's compliance with the regulatory provisions and the fair presentation of the Information:

- we have taken note of the activity for all companies included in the consolidation scope, the presentation of the main social and environmental risks associated with this business, and where applicable, its effects on respect for human rights and the fight against corruption and tax evasion, as well as the resulting policies and their results;
- 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 includes an explanation of the reasons justifying the absence of disclosures required by paragraph 2 of III of Article L. 225-102-1;

- we have verified that the Statement presents the business model and the main risks associated with the business of 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;
- we have verified, where relevant in view of the main risks or policies presented, that the Statement presents the information stipulated in II of Article R. 225-105;
- we have assessed the selection and validation process for the main risks;
- we have inquired into the existence of internal control and risk management procedures implemented by the entity;
- we have assessed the consistency of results and key performance indicators selected in view of the main risks and policies presented;
- we have verified that the Statement includes a clear, reasoned explanation of the reasons justifying the absence of policy with regard to one or several of these risks;
- we have verified that the Statement covers the consolidated scope, i.e. all companies included in the consolidation scope in accordance with Article L. 233-16 with the limits specified in the Statement;
- we have assessed the collection process implemented by the entity to ensure the completeness and fair presentation of the Information;
- we have implemented for the key performance indicators and the other quantitative results that we considered the most significant presented in Appendix 1:
- 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 below: Revival (Environment activity), Derichebourg Ulteam, Retail and Spectacles (Multiservices activity) and Derichebourg Intérim and Intérimaires Généralistes (Multiservices activity), which cover between 8% and 38% of the consolidated data selected for these tests (8% of the workforce, 13% of the number of workplace accidents with lost time, 15% of fuel consumption, 18% of electricity consumption and 38% of shredder residues);
- we have consulted the documentary sources and carried out interviews to corroborate the qualitative information (actions and results) that we considered to be the most significant presented in Appendix 1;
- we have assessed the consistency of the whole Statement compared to our knowledge of all companies 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 2019, and lasted for approximately ten weeks.

We conducted six interviews with the people responsible for preparing the Statement from the QSE-CSR, Human Resources, Transportation, and Sense of Service Departments and the Secretariat General.

Conclusion

Based on this work, we have not detected any material misstatements that could call into question the fact that the Extra-Financial Performance Statement 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 above, and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments:

- The CSR road map has not been widely deployed by foreign subsidiaries, who represent 20% of the workforce;
- in relation to the "Committed Employer" CSR roadmap in 2018, a significant proportion of the actions relating to annual interviews have been partially implemented and the recruitment indicator has not yet been put in place.

Paris-La Défense, December 4, 2019

Independent third party organization

EY et Associés

Philippe Aubain
Managing Partner Sustainable Development

Jean-François Bélorgey
Partner

Appendix 1: information considered to be the most significant

Employee information	
Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Derichebourg employee work accident frequency rate (no. / million hours worked) Number of workplace accidents affecting temporary workers (excluding Group temporary workers) Number of fatal workplace accidents Fulfilment rate of annual interviews (managers and employees/technicians/supervisors) Number of employees meeting job requirements (managers and employees/technicians/supervisors)	The rollout of the health and safety policy and the accident reporting tool Actions implemented for recruitment and skills management (annual interviews, internal mobility, HR Facility tool)

Environmental information	
Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Fuel consumption (liters/100 km) Percentage of complaints from neighbors prior to processing (%) Percentage of shredder residue sent to sectors other than landfill (%)	Fuel management measures, deployment of the AlertGasoilTM tool and eco-driving training shares Measures to manage neighbors' complaints Measures to limit the quantity of shredder residue

Societal information	
Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Proportion of exposed employees receiving ethics training (%) Proportion of alerts received and processed (%) Average customer satisfaction rate	Deployment of the Anti-corruption Code and Ethics Charter, training of employees exposed to instances of corruption and the introduction of a whistle-blowing system Actions undertaken as part of the service excellence process (implementation of the road map and training initiatives)

02 BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

This report was prepared in accordance with the provisions of the final paragraph of Article L. 225-37 of the French Commercial Code and was approved by the Board of Directors on December 4, 2019.

2.1 The Board of Directors

2.1.1 Governance structure

When renewing the CEO's term of office, at its meeting on February 10, 2016, the Board of Directors unanimously decided to combine the roles of Chairman of the Board of Directors and CEO. As a result, the General Management of the Company is performed by Mr. Daniel Derichebourg.

General Management duties are shared with Mr. Abderrahmane El Aoufir, whose term of office as Deputy CEO was also renewed by decision of the Board on February 10, 2016. The Deputy CEO has the same powers as the CEO, including that of representing the Company vis-à-vis third parties. The Board considered that he held operational duties that promote decision-making.

No formal restriction has been placed on the Chairman and CEO's powers, other than that provided for by law concerning the Company's granting of endorsements, guarantees and security interests.

However, the Chairman and CEO normally requires the prior consent of the Board of Directors for any decision whose implementation or consequences could have a material impact on the Group's business activities, assets or liabilities. This is the case for operations such as those listed below, without this list being exhaustive or imperative:

- significant planned acquisitions;
- the granting of specific guarantees that do not legally require the Board's prior approval;
- acquisition or disposal of significant assets.

2.1.2 Duties of the Board of Directors

The Board of Directors determines the Company's business strategy and sees to its implementation. Subject to the powers expressly vested in shareholders' meetings, and in accordance with the corporate purpose, the Board handles any matter that may affect the Company's operations and meets to decide all matters within its remit. The Board of Directors shall perform any audits and verifications that it deems necessary.

The Board of Directors is tasked in particular with the following:

- protecting the Company's interests;
- conducting any checks it deems appropriate within the scope of the Company's business operations;
- choosing the management method;
- appointing and dismissing executive officers;
- determining the compensation of executive officers;
- ensuring the quality of the information provided to shareholders and to the financial markets;
- approving the Company's separate and consolidated annual and half-year financial statements;
- preparing the Company's business reports and those of its subsidiaries;
- preparing this report;
- determining the amount of the endorsements, guarantees and security interests that can be granted by the Chairman and Chief Executive Officer;
- approving related-party agreements and commitments before submitting them to shareholder vote, and examining, on an annual basis, the agreements still in force during the fiscal year.

The Board of Directors gives its opinion on all decisions relating to the Company's major strategic, economic and financial policies, and sees to their implementation by executive management.

The Board of Directors approves the strategy proposed by executive management.

The Chairman informs the Board of any matter, and in a more general way, of any fact that calls into question the implementation of any part of the strategic plan.

2.1.3 Rules applicable to the appointment and replacement of Board members

Composition of the Board of Directors (Article 14)

"The Company shall be managed by a Board of Directors made up of at least three and no more than 18 members. However, in the event of a merger, this threshold of 18 persons may be exceeded in accordance with the requirements and limits established by the French Commercial Code.

Directors are appointed by a shareholders' ordinary general meeting, which may dismiss them at any time. In the event of a merger or demerger, they may be appointed by a shareholders' extraordinary general meeting. Legal entities that are appointed directors shall designate a permanent representative, who shall be subject to the same requirements and obligations as if he/she were a director in his/her own name.

An employee of the Company may be appointed as a director only if his/her employment contract is for an actual position.

The number of directors bound to the Company by an employment contract shall not exceed one third of the directors in office."

Term of office – age limit (Article 15)

"The term of office of directors shall be four (4) years, which shall expire at the conclusion of the shareholders' ordinary general meeting that votes on the financial statements for the previous fiscal year and that is held during the year in which the term of office expires. All directors whose term of office expires shall be eligible for reappointment. The number of directors having reached the age of seventy-five (75) years shall not exceed one-third of the number of members of the Board of Directors. If this limit is reached, the oldest director shall be deemed to have resigned automatically."

The shareholders' combined general meeting of February 5, 2019 amended Article 15 of the bylaws in order to reduce the directors' term of office from six years to four years for the directors appointed as from said meeting.

Chairmanship of the Board (Article 16)

"From among its members, the Board shall elect a Chairman, who shall be required to be an individual. The Chairman's term of office shall not exceed his/her term of office as director. The Board shall establish the Chairman's compensation. The Board of Directors may dismiss the Chairman at any time. The Chairman of the Board must be less than seventy-five (75) years of age.

When the Chairman reaches this age, he/she shall be deemed to have resigned automatically.

The Chairman of the Board of Directors shall organize and manage the work of the Board of Directors, and report thereon to the shareholders' meetings. The Chairman shall ensure the proper operation of the Company's governing bodies and, in particular, shall ensure that the directors are capable of performing their duties. If it deems necessary, the Board may appoint one or more Vice-Chairmen, whose duties shall consist exclusively of chairing Board meetings and shareholders' meetings in the absence of the Chairman.

In the absence of the Chairman and of the Vice-Chairmen, the Board shall designate a director present to chair its meeting. At each meeting, the Board may appoint a secretary, who shall not be required to be a shareholder."

2.1.4 Composition of the Board of Directors

The Board of Directors is composed of the Chairman and CEO, a Deputy CEO (non-director) and seven directors, including four independent directors.

List of members of the Board of Directors and managing directors at the date of filing this Universal Registration Document

Name and address for professional purposes	Family tie	Age	Position	Date of first appointment	Date of last reappointment	Date appointment expires
Daniel Derichebourg at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held directly: 117	✓	67	Director Chairman of the Board of Directors and CEO	Board meeting of June 29, 2006 Board meeting of June 29, 2006	Shareholders' meeting of February 10, 2016 Board meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Abderrahmane El Aoufir at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 12,000		58	Deputy CEO (non-director)	Board meeting of January 8, 2014	Board meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Bernard Val at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 1		77	Independent director	Shareholders' meeting of June 24, 2004	Shareholders' meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Matthieu Pigasse at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 1		51	Independent director	Board meeting of October 25, 2005	Shareholders' meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Boris Derichebourg at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 56	✓	41	Director	Shareholders' meeting of July 18, 2007	Shareholders' meeting of February 5, 2019	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2022
Thomas Derichebourg at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 56	✓	43	Director	Shareholders' meeting of July 18, 2007	Shareholders' meeting of February 5, 2019	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2022
CFER Represented by Mrs. Ida Derichebourg 15 rue Messidor, 75012 Paris Paris Trade and Companies Registry under number 339 638 306 Shares held by CFER: 65,745,648 Shares held by Mrs. Ida Derichebourg: 112	✓	88	Director	Shareholders' meeting of February 18, 2013	Shareholders' meeting of February 5, 2019	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2022
Françoise Mahiou at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 662		56	Independent director	Shareholders' meeting of February 10, 2016		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Catherine Claverie at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 1,000		50	Independent director	Shareholders' meeting of January 30, 2017		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2022

The Board ensures that it includes in its midst directors with a wide range of skills and expertise in different areas.

Absence of conviction

To the best of the Company's knowledge, none of the members of the Board of Directors has been convicted of fraud during the last five years. No member has been involved as a director in bankruptcy, administration or liquidation during the last five years and no member has been subject to any criminal penalty or official public reprimand issued by a statutory or regulatory authority. To the Issuer's knowledge, none of the members of its Board of Directors has been forbidden by a court from holding a position as a member of an administrative, management or supervisory body of a publicly held company or from participating in the management or operation of a publicly held company during the last five years.

Directorships renewed by the shareholders' combined general meeting of February 5, 2019

The shareholders' combined general meeting of February 5, 2019 renewed the directorships of Messrs. Thomas Derichebourg and Boris Derichebourg and Compagnie Financière pour l'Environnement et le Recyclage (CFER) for a term of four years expiring at the end of the shareholders' ordinary general meeting convened to approve the financial statements for the fiscal year ending September 30, 2022.

2.1.4.1 Chairman of the Board of Directors and CEO

Mr. Daniel Derichebourg, aged 67, of French nationality, has been Chairman of the Board of Directors and CEO since June 29, 2006.

A self-taught man, he started his career by cleaning cellars to help out his father with the family business, a small waste recovery company. He took control of the company CFER in October 1996. He led the restructuring and development of Compagnie Française des Ferrailles, subsequently CFF Recycling. Between 2004 and 2006, he oversaw the acquisition and restructuring of the Penauille Polyservices Group, prior to its merger with CFF Recycling in July 2007. He is responsible for the Group's major strategic decisions.

He was co-opted as director on June 29, 2006. His directorship was renewed by the shareholders' meetings of February 3, 2010 and February 10, 2016.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended September 30, 2019

Chairman and Chief Executive Officer	CFER	DERICHEBOURG
Chairman	DERICHEBOURG ENVIRONNEMENT DERICHEBOURG VALORISATION	FINANCIÈRE DBG
Director	CFER DERICHEBOURG PARIS SUD HYDRAULIQUE	QUODAM SEM RÉSIDENCE VILLENEUVE
Manager	DBG SCEA DU CHÂTEAU GUITERONDE SCEA DOMAINE DES DEMUEYES SCEA DOMAINE DU CHÂTEAU DE CREMAT SCEA LES CEPS DE TOASC SCEV CHÂTEAU LA ROSE POURRET SCEV DOMAINE DU CHÂTEAU GUITERONDE SCI BERNES & BRUYÈRES SCI DE FONDEYRE SCI DERO IMMO SCI DU PARC DES CHANTERAINES SCI FINANCIÈRE DES SOURCES SCI FINANCIÈRE DES EAUX SCI HEBSON	SCI LE POIRIER DE PISCOP SCI LES CHÊNES SCI LES MYRTES DU DÉTROIT SOCIÉTÉ DES DEMUEYES SOCIÉTÉ IMMOBILIÈRE DIVERSIFICATION ET AVENIR – IDA I SOCIÉTÉ IMMOBILIÈRE DIVERSIFICATION ET AVENIR – IDA II SOCIÉTÉ IMMOBILIÈRE DIVERSIFICATION ET AVENIR – IDA III SOCIÉTÉ IMMOBILIÈRE DIVERSIFICATION ET AVENIR – IDA IV SOCIÉTÉ IMMOBILIÈRE DIVERSIFICATION ET AVENIR – IDA V
Legal representative	LES ARRAYANES (SCI HEBSON) LES BUIS DE CHÂTEAUVIEUX (SCI HEBSON) SCI DE L'ORME ARGENT (SCI HEBSON) SCI DU MERISIER ROUGE (SCI HEBSON) SCI EUCALYPTUS (SCI HEBSON) SCI L'ÉCUREUIL (SCI HEBSON) SCI LES ARBOUSIERS (SCI HEBSON)	SCI LES COQUETIERS (STÉ DES DEMUEYES) SCI LES LAURIERS (SCI HEBSON) SCI LES MAGNOLIAS (SCI HEBSON) SCI LES MÛRIERS (SCI HEBSON) SCI LES NOISETIERS (SCI HEBSON)
Chairman abroad	DERICHEBOURG RECYCLING USA, Inc.	
Managing director in Belgium	TBD FINANCES	
Director abroad	CFF RECYCLING UK Ltd DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG CASABLANCA DERICHEBOURG IFRANE DERICHBEOURG IMINTANOUT DERICHEBOURG INTÉRIM FORMATION ÉVOLUTION MAROC	DERICHEBOURG KENITRA DERICHEBOURG MAZAGAN DERICHEBOURG RABAT DERICHEBOURG RECYCLING MEXICO DERICHEBOURG RECYCLING USA, Inc. DERICHEBOUG SIDI BENNOUR DERICHEBOURG SIDI ALLAL EL BAHRAOUI
General Partner in Belgium	DBG FINANCES	

Other offices held during the last five years

Managing director in Belgium	DBG FINANCES

2.1.5 Members of the Board of Directors

Mr. Bernard Val, independent director

Mr. Bernard Val, aged 77, of French nationality, is a former student of École des Ingénieurs de la Préfecture de la Seine, and was a general engineer for the city of Paris. He was seconded to several regional authorities including the Direction Générale des Services du Département de la Corrèze (1985-1996), before being appointed Chairman & CEO of Société des Autoroutes Rhône-Alpes, and subsequently Autoroutes du Sud de la France. In 2006, following the sale of ASF to Vinci, he became Chairman of Vinci Concessions and Vice-Chairman of Vinci. Moreover, he was Chairman of ASFA (the association of French highway companies), and director of the public institution Autoroutes de France, as well as Scetoroute Développement, Transroute International and Ginger.

Mr. Bernard Val holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2019

Director	SOCIÉTÉ DES AUTOROUTES ESTÉREL, CÔTE D'AZUR, PROVENCE, ALPES (ESCOTA)	AUTOROUTES DU SUD DE LA FRANCE (ASF)

Other offices held during the last five years

None.

Mr. Matthieu Pigasse, independent director

Mr. Matthieu Pigasse, aged 51, of French nationality, is a former student of the École nationale d'administration (ENA) and a graduate of Institut d'études politiques de Paris.

Mr. Matthieu Pigasse is Deputy Chairman of the Lazard Group, in charge of Lazard's global sovereign advisory activities, Chairman of Lazard Afrique and CEO of Lazard in France.

Mr. Matthieu Pigasse is co-shareholder of the Le Monde Group of newspapers, the Nouvel Observateur and Huffington Post France. He is the owner and Chairman of Éditions Indépendantes, a firm that publishes the magazine Les Inrockuptibles. He is a director of BSkyB, the Lucien Barrière Group and Derichebourg Group. He is Vice-Chairman of Théâtre du Châtelet.

He has published three books: *Le Monde d'après, une crise sans précédent* (2010, Plon), *Révolutions* (Plon, 2012), and *Éloge de l'anormalité* (Plon, 2014).

He joined Lazard in Paris in 2002. Prior to that, from 2000 to 2002, he was Deputy Chief of Staff for the French Minister of the Economy, Finance and Industry, Laurent Fabius, in charge of industrial and financial affairs. From 1997 to 2000, he was Technical Adviser to the Minister of the Economy, Finance and Industry, Dominique Strauss-Kahn, in charge of the financial sector.

From 1994 to 1997, Mr. Matthieu Pigasse worked in the Treasury Department of the Ministry of the Economy, Finance and Industry, where he was in charge of sovereign debt and liquidity management.

Mr. Matthieu Pigasse holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2019

Chairman and Chief Executive Officer Deputy Chairman	LAZARD FRANCE LAZARD GROUP	
Chairman and Chief Executive Officer Vice-Chairman	LAZARD AFRIQUE	
Chairman of the Board of Directors	LES ÉDITIONS INDÉPENDANTES	
Chairman	LES NOUVELLES ÉDITIONS NUMÉRIQUES LES NOUVELLES ÉDITIONS INDÉPENDANTES	YSATIS
Director	GROUPE LUCIEN BARRIÈRE	THÉÂTRE DU CHÂTELET
Member of the Supervisory Board	SOCIÉTÉ ÉDITRICE DU MONDE MEDIAWAN	LE NOUVEL OBSERVATEUR

Other offices held during the last five years

Director	RELAXNEWS BSKYB GROUP

Mr. Boris Derichebourg, director

Mr. Boris Derichebourg, aged 41, of French nationality, dreamed of becoming a race car driver when he was young. In 1994, he embarked on a racing career, chalking up numerous podium finishes (Formula 3, Formula 3000, GT, and Le Mans 24 Hours). In 2004, after 10 years of racing, Mr. Boris Derichebourg decided to end his sporting career and join the family Group.

For two years, he held various positions within the CFF Group. In 2006, the Group acquired Penauille Polyservices, which subsequently became Derichebourg. Mr. Boris Derichebourg then became General Manager of the Multiservices division, and subsequently its Chairman in 2008.

On the strength of his experience in top-level sport, Mr. Boris Derichebourg capitalized on his competitor skills to develop a different type of entrepreneurial approach. He restructured the Company and gave it a second lease of life by developing successful new business lines. He traveled the world in search of new models and services to expand operations in France and internationally. Within a decade, Derichebourg Multiservices became the benchmark player in outsourced services by offering solutions to industry (aeronautics, nuclear, automotive, etc.), the service sector (Facility Management) and to urban developers (public lighting, urban billboards, etc.). Derichebourg Multiservices also earned a reputation as a sourcing expert through its Interim activities.

Aware of the need to review the codes governing the outsourced services markets, it promotes innovation with the backing of an ecosystem of innovative partners in IoT (Internet of Things) and digital technology, in order to co-build tomorrow's services.

Mr. Boris Derichebourg is also concerned with maintaining great diversity within his teams, and sees difference as a major strength in today's society. Derichebourg Multiservices thus has employees from 112 nationalities and a percentage of employees with disabilities above the required regulatory level. With his deep commitment to human values, he also supports the non-profit sector as ambassador of the EPIC Foundation. Furthermore, he introduced a salary rounding scheme for the Company's 29,000 employees in support of three non-profit organizations that promote social integration and health.

As a member of the Young Leaders France China Foundation, Boris Derichebourg wants to develop his Group's activities on the Asian market. The recent signing of a partnership between the Aeronautics division and a Chinese aircraft manufacturer has given this development a promising start.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended September 30, 2019

Chairman and Chief Executive Officer	DERICHEBOURG ÉNERGIE	DERICHEBOURG ÉNERGIE E.P.
Chairman	DERICHEBOURG ESPACES VERTS DERICHEBOURG INTÉRIM DERICHEBOURG FM DERICHEBOURG MULTISERVICES HOLDING DERICHEBOURG PROPRETÉ DERICHEBOURG RETAIL DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	DERICHEBOURG SHC DERICHEBOURG SNG DERICHEBOURG SPECTACLE DERICHEBOURG TECHNOLOGIES GROUPE ALTER SERVICES ULTEAM
Director	CFER DERICHEBOURG ÉNERGIE	DERICHEBOURG ÉNERGIE E.P.
Managing Partner	BORIS COURSE ORGANISATION	
Manager	PSIMMO SCI CFF BETA SCI LES CYPRÈS DE MONTMORENCY	SCI LES CHÂTAIGNIERS SCI LES PEUPLIERS SCI LES SOPHORAS
Chairman abroad	DERICHEBOURG TESIS YÖNETIMI	SAFIRA FACILITY SERVICES SELMAR SA
Liquidator abroad	DERICHEBOURG MC	
Director abroad	DERICHEBOURG MARRAKECH DERICHEBOURG TESIS YÖNETIMI	SAFIRA FACILITY SERVICES SELMAR SA

Other offices held during the last five years

Chairman	ASSOCIATION DERICHEBOURG MISSION HANDICAP DERICHEBOURG AUTOMOBILES SERVICES DERICHEBOURG ENTREPRISE ADAPTÉE DERICHEBOURG LOGISTIQUE ET MANUTENTION	DERICHEBOURG TRAVAUX & MAINTENANCE NUCLÉAIRE DERICHEBOURG SOURCING AERO & ENERGY
Director	ASSOCIATION DERICHEBOURG MISSION HANDICAP DBG MULTI RESTO SERVICES	
Manager	CIVITAS SCI HAUTE-GARONNE	MIROIR 2000
Liquidator	DERICHEBOURG ENTREPRISE ADAPTÉE	DBG MULTI RESTO SERVICES
Chairman abroad	AEP MULTISERVIZI SPA	
Director abroad	AEP MULTISERVIZI SPA	

Mr. Thomas Derichebourg, director

Mr. Thomas Derichebourg, aged 43, of French nationality. In 2009, he decided to join the family Group. He became head of the Group's airport services in France.

With the experience he gained in services, he chose to dedicate his expertise to the public sector, taking over the management of public sector services in 2009 (household waste collection and sorting centers). He is responsible for the international development of this activity, particularly in Canada. He is also in charge of wastewater treatment and drinking water distribution operations.

Moreover, he is Chairman of the Revival subsidiary, the leading player in metal waste recycling in the Île-de-France, Normandy and Nord regions of France.

He is also a member of the Executive Committee of the France-Canada Chamber of Commerce.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended September 30, 2019

Chairman and Chief Executive Officer	POLYURBAINE	
Director	DERICHEBOURG ÉNERGIE E.P.	POLYURBAINE
Chairman	DERICHEBOURG AQUA DERICHEBOURG AQUA OCEAN INDIEN DERICHEBOURG INTÉRIM OCEAN INDIEN DERICHEBOURG MAYOTTE DERICHEBOURG PROPRETE OCEAN INDIEN POLY-ENVIRONNEMENT POLYAMON POLYANCE POLYBUIS POLYCEJA POLYCEO	POLYCOROT POLY-MASSI POLYREVA POLYSEANE POLY-SENTI POLYSOTIS POLYTIANE POLYURBAINE NORMANDIE POLY-VALIS REVIVAL
Manager	POLYURBAINE 13 POLY-NEA SCI LES CHARMES	SCI LES CHARMES DE BONAPARTE SCI LES CYPRÈS DE MONTMORENCY
Permanent representative	AFM RECYCLAGE (REVIVAL) ALLO CASSE AUTO (REVIVAL) DERICHEBOURG OCÉAN INDIEN (DERICHEBOURG)	PARIS SUD HYDRAULIQUE (TBD FINANCES)
Chairman and Chief Executive Officer abroad	DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG CASABLANCA DERICHEBOURG IFRANE DERICHBEOURG IMINTANOUT DERICHEBOURG INTÉRIM FORMATION ÉVOLUTION MAROC	DERICHEBOURG KENITRA DERICHEBOURG MAROC DERICHEBOURG MARRAKECH DERICHEBOURG MAZAGAN DERICHEBOURG RABAT DERICHEBOURG SIDI BENNOUR DERICHEBOURG SIDI ALLAL EL BAHRAOUI
Chairman abroad	AEP MULTISERVIZI SPA CMT SPA DERICHEBOURG CANADA ENVIRONNEMENT Inc. DERICHEBOURG CANADA MULTISERVICES Inc.	DERICHEBOURG CANADA Inc. SAN GERMANO SRL

Director abroad	AEP MULTISERVIZI SPA CMT SPA CRS DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG CASABLANCA DERICHEBOURG IFRANE DERICHBEOURG IMINTANOUT DERICHEBOURG INTÉRIM FORMATION ÉVOLUTION MAROC	DERICHEBOURG KENITRA DERICHEBOURG MAROC DERICHEBOURG MARRAKECH DERICHEBOURG MAZAGAN DERICHEBOURG MEDIO AMBIENTE DERICHEBOURG RABAT DERICHEBOURG SIDI BENNOUR DERICHEBOURG SIDI ALLAL EL BAHRAOUI ECOREC SRL SAN GERMANO SRL
Permanent representative abroad	BAS LONGS PRÉS (DERICHEBOURG ENVIRONNEMENT) CPI (DERICHEBOURG ENVIRONNEMENT)	DERICHEBOURG BELGIUM (DERICHEBOURG ENVIRONNEMENT)
Co-manager abroad	DERICHEBOURG UK ENVIRONMENT Ltd	DERICHEBOURG UK Ltd

Other offices held during the last five years

Chairman and Chief Executive Officer	SERAM SA	
Chairman	ECO-PHU LIEN ENVIRONNEMENT POLY-SELIA POLY-VAL	REVIVAL CHATILLON REVIVAL GELLAINVILLE REVIVAL ÎLE-DE-FRANCE REVIVAL NEMOURS
Director	SERAM SA	
Manager	LE BISON GOURMAND	POLY-MILIA
Permanent representative	DERICHEBOURG OCÉAN INDIEN (POLYURBAINE)	HYDROVIDE (WESTEVER)
Chairman abroad	REI	
Director abroad	REI	
Permanent representative abroad	DERICHEBOURG RETAIL BELGIUM (DERICHEBOURG ENVIRONNEMENT)	

Mrs. Françoise Mahiou, independent director

Mrs. Françoise Mahiou, aged 56, is of French nationality.

On the launch of France's major State projects in 1988, Mrs. Françoise Mahiou was appointed Major Projects Engineer within the integrated contracting authority/project management team in charge of the design and construction of rail stations for Toulouse's first automatic metro line (Sofretu/Sotec now Systra). This involved engineering, architecture, design, management and ISO quality aspects, on very tight schedules.

Her Toulouse experience was rounded off with commercial and industrial construction projects for private developers (Sopra/Kaufman&Broad).

In early 1991, she headed to Paris, where the initiators of the Grand Louvre, Opéra Bastille, and Cité de La Musique are based. She assisted senator-mayor Serge Vinçon in the programming of the Pôle de l'Or. For Sodeteg Thomson (now Thalès), she created and managed the Engineering division of public-private commercial buildings using an environmental approach and providing services to contracting authorities and architects – École des Mines de Nantes (Aymeric Zublena), Musée des Champs Libres in Rennes (Christian de Portzamparc), Université de Médecine de Tours (Ivars and Ballet), Extension of Musée Luxembourg Paris (Senate), Due Diligence for Oppenheim, Feasibility study for the City Center of Casablanca (Alliances Accor), and DGAC headquarters (JF Jodry).

In 2004, her dual Engineer/HEC Executive profile enabled her to be appointed General Manager of the Segula Group's Services division, which she developed into an "Energy/Transport/Industry" Process Branch through acquisitions and organic growth, and by winning listings with large corporations including Areva, EDF, Dassault, RATP, Essilor, and others.

From 2007 to 2012, Mrs. Françoise Mahiou headed operations for the AREP Group (a subsidiary of SNCF), in the capacity of Deputy General Manager. She organized a full restructuring with emphasis on CSR: HR (Opinion survey, Barostress, scheme for older employees, incentive scheme, staff commuting schemes, etc.), project-oriented financing, workflow IT systems, legal stability, launch of internal communications, acquisitions (Parvis SAS on January 1, 2010).

In 2012, she was promoted to CSR Officer in charge of disseminating best practices in corporate governance and business ethics. She was then appointed to Head of ASCIUS, a company that provides assistance and advice to senior management, shareholders and their companies (Levi's, NewCo Edeis, Stephenson, Harris, FamilyOffices, etc.), and developed the Operating Partner business line to meet operational and strategic needs, thus creating value for the company and its stakeholders.

Mrs. Françoise Mahiou holds a diploma from ASC Sciences Po/IFA and is a member of the Institut français des administrateurs (the French Institute of Company directors, IFA).

Mrs. Françoise Mahiou holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2019

Chairman	ASCIUS

Other offices held during the last five years

None.

Mrs. Catherine Claverie, independent director

Mrs. Catherine Claverie, aged 50, of French nationality, works to defend the rights of foreign nationals. She is a member of the Board of Directors of the Dom'asile association, which is specializes in domiciliation and social and legal support for people in exile. She was a freelance events communication consultant, Administrative Coordinator of Business and Technical Language, and involved in various associative community work, notably within the British section of the Lycée International of St Germain-en-Laye. Mrs. Catherine Claverie has also been Vice-Chairwoman of Stepping Stones, a school for young English-speaking children.

Mrs. Catherine Claverie holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2019

None.

Other offices held during the last five years

None.

Mrs. Ida Derichebourg, permanent representative of CFER, director

Mrs. Ida Derichebourg, aged 88, of French nationality, is the mother of Mr. Daniel Derichebourg and grandmother of Mr. Thomas Derichebourg and Mr. Boris Derichebourg. She assisted her husband, Mr. Guy Derichebourg, in developing the family business.

Mrs. Ida Derichebourg holds no other positions within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2019

None.

Other offices held during the last five years

None.

Independent directors

According to the AFEP-MEDEF Code, an independent director is defined as follows: "A director is independent when he or she has no relationship of any kind whatsoever with the Company, its group or its management that may interfere with his or her freedom of judgement."

Criteria to be considered	Bernard Val	Matthieu Pigasse	Françoise Mahiou	Catherine Claverie
Absence of employee/corporate officer status during the previous five years.	✓	✓	✓	✓
Absence of cross-directorships	✓	✓	✓	✓
Absence of significant business relations	✓	✓	✓	✓
Absence of family ties	✓	✓	✓	✓
No auditing relationship within the past five years	✓	✓	✓	✓
No directorship held in the Company for more than 12 years	X	X	✓	✓
Absence of non-executive corporate officer status	✓	✓	✓	✓
Absence of major shareholder status	✓	✓	✓	✓

In compliance with the recommendations of the AFEP-MEDEF Code, the Appointments and Compensation Committee meeting of December 3, 2019, issued an opinion on the independence of the members of the Board of Directors based on the independence criteria adopted for the Company. Having taken into account this opinion, the Board of Directors' meeting of December 4, 2019 considered that Mr. Matthieu Pigasse and Mr. Bernard Val could be considered as independent directors in spite of a term of office exceeding 12 years, in particular due to their training, as well as the authority and experience that these directors demonstrate in management and business administration, and in financial matters. However, the Board considered that this exemption was only valid until the end of those directors' current terms of office.

Moreover, concerning the business relations criterion for Mr. Matthieu Pigasse, the Company has not used the services of Banque Lazard for three years.

The Board thus has four independent directors out of a total of eight directors, i.e. more than one-third of Board members.

Representation of women within the Board of Directors

The Board of Directors currently comprises three female members out of a total of eight members, i.e. 37.50%, being close to 40%. The difference between the number of directors of each gender is therefore no more than two, in accordance with the provisions of Article L. 225-18-1 of the French Commercial Code.

2.1.6 Conflicts of interest

By law, and in accordance with the AFEP-MEDEF Code, directors are subject to compliance with the rules in force regarding conflicts of interest and market ethics.

With the exception of:

- the existing lease between Société des Demueyes, owned by the Derichebourg family and managed by Mr. Daniel Derichebourg, and Revival, for premises in Comines (59), for an annual rent of €34 thousand;
- the existing lease between Mrs. Ida Derichebourg and Polybuis for the premises located at 106, rue du Moulin de Cage, 92230 Gennevilliers: land used for storing trucks, cloakrooms, offices, for an annual rent of €45 thousand. This lease was entered into before she took office;
- the service agreement concluded between Derichebourg and DBG Finances, aiming to define the terms and conditions of DBG Finances' input into the definition and oversight of Group strategy (see 2.6.2);
- the agreement to use the Derichebourg trademark in exchange for royalties concluded with TBD Finances, both companies being controlled by the Derichebourg family (see 2.6.3);
- the planned disposal of SCI la Futaie and SCEA du Château Guiteronde (operating company) to SCEV La Tour Guiteronde held by CFER, controlled by the Derichebourg family, for the entreprise value of €2,600 thousand.

There are no other potential conflicts of interest between the duties of any member of the Board of Directors and their private interests or other duties. Section 2.6 and the Statutory Auditors' special report appearing in section 2.9 show the details of these agreements.

In addition to the applicable provisions of the French Commercial Code concerning regulated agreements, all directors are required to inform the Board of all conflict of interest situations, even if such conflict is only potential, and must abstain from voting on any decision of the Board of Directors for which the existence of a conflict of interest situation would be presumed. There have been no arrangements or agreements made with the principal shareholders, or with customers or suppliers, pursuant to which a member of the Board has been appointed a director of the Company.

Given the four independent directors who serve on the Board of Directors, the Company believes that there is no risk that control of CFER, which holds 41.25% and 57.79% of voting rights, might be exercised improperly.

2.1.7 Functioning of the Board of Directors

The Board of Directors met five times during the fiscal year, with an average attendance rate of 75%. In addition to reviewing and approving the parent company and consolidated financial statements as of September 30, 2018 and preparing documents to submit to the shareholders' combined general meeting on February 5, 2019, the Board discussed and decided the following matters:

Meeting of October 22, 2018

- Update on the Company's governance and the measures to implement.
- Set-up of an Appointments and Compensation Committee and approval of its rules of procedure.
- Amendment of the rules of procedure of the Board of Directors and Audit Committee.

Meeting of December 4, 2018

- Review and approval of the consolidated and parent company financial statements for the year ended September 30, 2018.
- Proposal for allocation of income.
- Press release.
- Review and approval of financial and forecast documents.
- Review of the agreements coming under Articles L. 225-38 *et seq*. of the French Commercial Code: Derichebourg trademark licensing agreement with TBD Finances; revision of the service and assistance agreement with DBG Finances.
- Review of the plan to sell the Château of Guiteronde and its vineyards.
- Guarantees to be given to a bank as part of a credit facility granted to a subsidiary.
- Review of the directors' terms of office.
- Review of the Statutory Auditors' terms of office.
- Review of the CSR report and Corporate governance report.
- Proposed amendment of the directors' terms of office.
- Proposed amendment of the bylaws on how shareholders may participate in annual shareholders' meetings.
- Proposed amendment of the amount of attendance fees.
- Share buyback program.
- Authorization to be given to the Board of Directors to reduce the share capital by canceling shares.
- Delegation of authority to the Board of Directors to issue various types of securities giving access to the Company's share capital, immediately or in the future, while maintaining or eliminating preemptive subscription rights.
- Proposed delegation of authority to the Board of Directors to decide to increase the share capital through the incorporation of premiums, reserves, profits or other amounts.
- Delegation of authority to the Board of Directors to issue Company shares and/or securities that give access to the Company's capital and/or debt securities, by way of an offer within the meaning of Article L. 411-2 II of the French Monetary and Financial Code, while eliminating preemptive subscription rights for shareholders.
- Proposed delegation of authority to the Board of Directors to carry out a capital increase reserved for members of a company savings plan and/or a voluntary employee savings partnership plan established in accordance with the provisions of Articles L. 225-129-6 paragraph 1 of the French Commercial Code and L. 3332-18 *et seq*. of the French Labor Code.
- Meeting notice for the shareholders' combined general meeting on February 5, 2019.

Meeting of May 22, 2019

- Review of the half-year consolidated financial statements ended March 31, 2019.
- Business report relating to the half-year financial statements; report on activity relating to the Group's two divisions during the period.
- Press release.
- Financial and forecast documents at the end of the first half of the fiscal year.
- Share capital reduction through the cancellation of treasury shares and corresponding amendment to Article 6 of the bylaws.
- Chairman's authorization to provide endorsements, security interests and guarantees.
- Distribution of attendance fees.

Meeting of June 13, 2019

- Review of the binding offer for the acquisition of the LYRSA Group.

Meeting of August 19, 2019

- Information relating to the sale of the entire Morocco Group to the Moroccan partner/shareholder.

2.1.8 Corporate Governance Code

The Company applies the AFEP-MEDEF Corporate Governance Code for listed companies as revised in June 2018. This code is available on the website www.medef.com.

The table below shows the recommendations of the AFEP-MEDEF Code not yet applied by the Company in accordance with the "comply or explain" rule.

Code Article	AFEP-MEDEF recommendation	Implemented by Derichebourg
8	Term of office of independent directors must not exceed 12 years	No. The Board of Directors' meeting of December 4, 2018 considered that Mr. Matthieu Pigasse and Mr. Bernard Val could be considered independent directors in spite of a term of office exceeding 12 years, in particular due to the authority and experience that these directors demonstrate in management and business administration activities and in financial matters.
9	Assessment of the work carried out by the Board of Directors	In addition to harmonious relations between directors and the rate of participation in Board meetings, an assessment of its work will be undertaken during fiscal 2019/2020. A questionnaire is currently being drawn up and will be distributed to directors.
23	Signing of a non-competition agreement with a corporate officer	No. Since no director performs an activity in the Group's operating segments or holds any offices in a Group's competitor, it was not useful to implement such agreements.

2.1.9 Board rules of procedure

The functioning of the Company's Board of Directors is governed by rules of procedure approved by the Board at its meeting on June 24, 2004 and modified on December 12, 2006, May 27, 2010, and October 22, 2018. These rules can be amended only by the Board of Directors in accordance with the procedures prescribed therein.

These rules of procedure cover the following points:

- the rules governing the composition of the Board;
- the Board of Directors' duties;
- the procedures for convening Board meetings;
- the procedures for participating in Board meetings by videoconference or teleconference;
- the requirements for the creation and functioning of specialized committees;
- the role of the Audit Committee;
- the role of the Appointments and Compensation Committee;
- the directors' duty of confidentiality;
- the directors' duty of independence;
- the directors' duty of diligence;
- the scope of the rules of procedure.

In addition to the duties assigned by law and the bylaws, the Board approves strategic choices, budgets, significant acquisitions and disposals, and restructurings and ensures the quality and reliability of the financial and non-financial information and communications distributed to shareholders.

The rules of procedure define the rights and commitments of the directors and place particular emphasis on attendance, confidentiality of the information conveyed, the right of directors to be informed, and restrictions on interventions on Derichebourg stock.

The rules set a minimum of two meetings to be held per fiscal year. Finally, they specify the rules for transcribing minutes of meetings.

2.2 Special committees of the Board of Directors

The special committees make proposals to the Board, each in their own area.

At the request of the committee members, executive corporate officers may be invited to attend committee meetings as guests, depending on the issues examined.

2.2.1 Audit Committee

The Board is assisted by an Audit Committee composed of four directors, of whom three are independent directors, which met three times this past financial year with a participation rate of 92%. The Audit Committee consists of Mr. Bernard Val, (Chairman), Mrs. Françoise Mahiou, Mrs. Catherine Claverie and Mr. Boris Derichebourg.

The Audit Committee fulfills the duties assigned to it in Article L. 823-19 of the French Commercial Code. The Audit Committee oversees matters relating to the preparation and auditing of accounting and financial information, in particular:

- the preparation and disclosure of financial information, in particular through examination of the scope of consolidated companies;
- the effectiveness of the internal control and risk management systems, their deployment and the implementation of corrective actions where appropriate;
- the audit of annual financial statements and, if applicable, of consolidated financial statements by the Statutory Auditors;
- the skills and independence of the external experts on which the Group relies.

In this context, it is the committee's mission to:

- examine the scope of consolidation and the draft consolidated and corporate financial statements and related reports that will be submitted to the Board of Directors for approval, accounting methods adopted for the preparation of consolidated or corporate financial statements, as well as the appropriate treatment of significant transactions at the Group level;
- oversee the choice of the consolidation guidelines, the relevance and permanence of the accounting methods adopted for the preparation of the consolidated or corporate financial statements, as well as the appropriate treatment of significant transactions at the Group level;
- verify with General Management that all legal and financial communications with the stock market authorities are duly completed;
- assess the degree of satisfaction of the Statutory Auditors with the quality of the information received from the Company's departments in the performance of their assignment and to gather management's comments on the degree of sensitivity of the Statutory Auditors to the Group's business and its environment;
- examine any information brought to its attention concerning the operations and transactions of the Company that raise an ethical problem and with regard to transactions that, depending on their nature and the person involved, would result in a conflict of interest;
- ensure that major risks are identified, managed, and reported to it. To this end, it examines the internal control and risk management systems and internal audit program, monitors its progress and the results of the action plans, and informs the Board of improvements that have been or have yet to be made;
- give an opinion on the appointment or renewal of the Statutory Auditors;
- ensure the independence and objectivity of the Statutory Auditors.

The main topics examined by the committee in 2018/2019, at the meetings of December 3, 2018, March 21, 2019 and May 21, 2019, were the following:

- review of the registration document;
- review of the consolidated financial statements as at September 30, 2018 and the Statutory Auditors' supplementary report to the Audit Committee;
- review of the work done on the anti-corruption code of conduct and the ethics charter;
- review of the work done on the GDPR, overview of the situation and deployment;
- review of the Statutory Auditors' terms of office;
- analysis of the report on corporate social responsibility (CSR);
- review of the half-year consolidated financial statements;
- opinion and recommendations to the Board of Directors concerning the annual and half-year consolidated financial statements;
- prevention and management of IT risks within the Group, cybersecurity and data protection.

2.2.2 Appointments and Compensation Committee

The Appointments and Compensation Committee was set up by decision of the Board of Directors on October 22, 2018.

This committee consists of Mrs. Catherine Claverie (Chairwoman), Mr. Bernard Val, Mrs. Françoise Mahiou and Mr. Thomas Derichebourg.

The role of the Appointments and Compensation Committee is to make recommendations or proposals to the Board of Directors following the review of the following issues:

- the composition of the Board of Directors and the functioning of its committees, the separation or combination of the functions of Chairman of the Board of Directors and Chief Executive Officer;
- the renewal and appointment of new directors;
- the determination of independent director status under the criteria set out in the AFEP-MEDEF Code;
- the succession plan for the Company's executive officers;
- the review of all components that make up the compensation of the Company's executive officers;
- the review of the amount and the allocation criteria for attendance fees.

During the past fiscal year, the committee held one meeting, On December 3, 2018 with a participation rate of 100%.

The main topics examined by the committee in 2018/2019 were the following:

- review of the renewal of directorships (Thomas Derichebourg, Boris Derichebourg and CFER);
- review of the compensation policy applicable to executive officers;
- review of the independence criteria applicable to independent directors;
- opinion and recommendations to the Board of Directors on the Board's Corporate Governance report.

Board of Directors' report on corporate governance
Special committees of the Board of Directors 2

2.3 The Deputy Chief Executive Officer

Mr. Abderrahmane El Aoufir, aged 58, of French nationality, holds a Master's degree in economics – management option from the University of Clermont-Ferrand. He began his career in 1984 in the Financial Department of the Compagnie Française des Ferrailles. He successively held operational and then general management positions in Spain, the United States and south-eastern France. In 2006, Mr. Daniel Derichebourg entrusted him with the mission of redessing Servisair (the airport services subsidiary). In the space of six years, he increased its Ebitda from €5 million to €73 million. After the sale of Servisair in December 2013, Mr. Abderrahmane El Aoufir became Deputy Chief Executive Officer of the Group. He also oversees the operational activities of the recycling subsidiaries.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2019

Chairman	BARTIN RECYCLING DERICHEBOURG EXPANSION FRICOM RECYCLING INOREC	REFINAL INDUSTRIES VALME TECHNOLOGIES VALRECY
Chairman and CEO	REVIVAL EXPANSION	
Chairman of the Board of Directors	FRICOM RECYCLING	
Chief Executive Officer	DERICHEBOURG ENVIRONNEMENT	DERICHEBOURG VALORISATION
Director	AFM RECYCLAGE FRICOM RECYCLING	REVIVAL EXPANSION
Manager	SCI DERICHEBOURG IMMOBILIER	
Chairman abroad	REYFRA	
Manager abroad	DERICHEBOURG UMWELT GmbH	
Director abroad	CRS DERICHEBOURG MAROC DERICHEBOURG MEDIO AMBIENTE SA DERICHEBOURG RECYCLING MEXICO DERICHEBOURG RECYCLING USA , Inc.	REYFRA SAN GERMANO SRL SELMAR SA

Other offices held during the last five years

Co-manager	COFRAMETAL REFINAL INDUSTRIES SCI CARSOA
Member of the Management Committee	PLASTIC RECYCLING
Director	HYDROVIDE
Director abroad	REI
Manager abroad	DBG HOLDING GmbH

The Company also has Executive Committees for the two divisions as described in section 3.3.3.3.

2.4 Compensation of the members of the Board of Directors and executive officers

2.4.1 Compensation of the non-executive members of the Board of Directors

Each director receives fixed compensation, of which the total maximum amount is voted by shareholders at the ordinary general meeting. This amount was set at €160,000 as from October 1 , 2018, by decision of the shareholders' combined general meeting of February 5, 2019 (it was €120,000 prior to that).

Distribution of the directors' fixed compensation for the 2018/2019 fiscal year

The distribution of the directors' fixed compensation, within the limit of the total maximum amount voted by shareholders at the general meeting, is decided by the Board of Directors. At its meeting of May 22, 2019, the Board of Directors decided to distribute attendance fees of €20,000 equally to each of the eight directors. Compensation for the 2018/2019 fiscal year was paid in November 2019. Mr. Matthieu Pigasse indicated that he did not wish to receive any attendance fees.

As a result, the amount of the fixed compensation for directors and other compensation received by the non-executive corporate officers is as follows:

Table of attendance fees and other compensation received by non-executive corporate officers
Table 3, AFEP-MEDEF Code

In thousands of euros		2018/2019	2017/2018
Catherine Claverie	Fixed compensation	15	15
	Other compensation	0	0
CFER, represented by Mrs. Ida Derichebourg	Fixed compensation	15	15
	Other compensation	0	0
Boris Derichebourg	Fixed compensation	15	15
	Other compensation	670	683
Thomas Derichebourg	Fixed compensation	15	15
	Other compensation	671	602
Françoise Mahiou	Fixed compensation	15	15
	Other compensation	0	0
Matthieu Pigasse	Fixed compensation	0	0
	Other compensation	0	0
Bernard Val	Fixed compensation	15	15
	Other compensation	0	0
Director's fixed compensation paid to the Chairman and Chief Executive Officer		15	15
Not claimed	Fixed compensation	15	15
Total amount voted by the shareholders' meeting	**Directors' fixed compensation**	**120**	**120**
	Other compensation	**1,341**	**1,285**

Compensation other than directors' fixed compensation paid to Mr. Boris Derichebourg

The compensation was paid by Derichebourg Environnement, under an employment contract, and by DBG Finances in the amount of €13,000 (for each fiscal year).

Mr. Boris Derichebourg is also provided with a Peugeot 508 or equivalent vehicle by the Group.

Compensation other than directors' fixed compensation paid to Mr. Thomas Derichebourg

The compensation was paid by Derichebourg Environnement, under an employment contract, and by DBG Finances in the amount of €13,000 (for each fiscal year).

Mr. Thomas Derichebourg is provided with a Renault Talisman or equivalent vehicle by the Group.

2.4.2 Compensation paid to executive officers

It is recalled that, in respect of the fiscal year just ended and pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind to executive officers in respect of their office were approved by the shareholders' combined general meeting of February 7, 2018 under the resolution relating to the Chairman and Chief Executive Officer, and by the shareholders' combined general meeting of February 5, 2019 concerning the Deputy CEO.

2.4.2.1 Compensation paid to Daniel Derichebourg, Chairman and Chief Executive Officer

Summary table of compensation and options and shares granted to Daniel Derichebourg, Chairman and Chief Executive Officer

Table 1, AFEP-MEDEF Code

In thousands of euros	09-30-19	09-30-18
Compensation payable for the fiscal year	248	243
Value of options granted during the year	0	0
Value of performance shares granted during the year	0	0
Value of other long-term compensation plans	0	0
Total	**248**	**243**

Summary table of compensation of Daniel Derichebourg, Chairman and Chief Executive Officer

Table 2, AFEP-MEDEF Code

	09-30-19		09-30-18	
In thousands of euros	Amount owed	Amount paid	Amount owed	Amount paid
Fixed compensation	228	228	228	228
Annual variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Directors' fixed compensation	20	15	15	15
Total	**248**	**243**	**243**	**243**

Information has been provided by DBG Finances, which paid Mr. Daniel Derichebourg's compensation.

Mr. Daniel Derichebourg does not receive any compensation in respect of his position as Chairman and Chief Executive Officer.

The directors' fixed compensation was paid by Derichebourg SA.

Mr. Daniel Derichebourg has no employment contract with Derichebourg or any company controlled by the latter.

A Citroën DS3 is placed at the disposal of Mr. Daniel Derichebourg by the Group.

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, the shareholders' combined general meeting of January 31, 2020 will be called upon to approve the elements of compensation owed or granted to Mr. Daniel Derichebourg in respect of the fiscal year ended September 30, 2019, as presented in this report.

2.4.2.2 Compensation paid to Mr. Abderrahmane El Aoufir, Deputy CEO

Summary table of compensation and options and shares granted to Mr. Abderrahmane El Aoufir, Deputy CEO

Table 1, AFEP-MEDEF Code

In thousands of euros	09-30-19	09-30-18
Compensation payable for the fiscal year	674	690
Value of options granted during the year	0	0
Value of performance shares granted during the year	0	0
Value of other long-term compensation plans	0	0
Total	**674**	**690**

Summary table of compensation of Mr. Abderrahmane El Aoufir, Deputy CEO

Table 2, AFEP-MEDEF Code

	09-30-19		09-30-18	
In thousands of euros	Amount owed	Amount paid	Amount owed	Amount paid
Fixed compensation	297	297	290	290
Annual variable compensation	377	400	400	400
Exceptional compensation	0	0	0	0
Attendance fees	0	0	0	0
Total	**674**	**697**	**690**	**690**

Mr. Abderrahmane El Aoufir's compensation was paid by Coframétal, under a pre-existing employment contract for €678 thousand, and by DBG Finances for €19 thousand.

Mr. El Aoufir is provided with a DS7 or equivalent vehicle by the Group.

Mr. Abderrahmane El Aoufir does not receive any compensation in respect of his position as Deputy CEO.

The shareholders' combined general meeting of February 5, 2019 approved, at the recommendation of the Board of Directors, new arrangements for determining the annual variable compensation of the Deputy CEO, with these arrangements being applicable to annual variable compensation for fiscal years starting from October 1, 2018. At the same time, the annual fixed compensation of the Deputy CEO, paid in respect of a pre-existing employment contract, was increased to €300,000 per year, paid on a 13-month basis, from January 1, 2019.

Under his employment contract, Mr. El Aoufir may receive a variable compensation component. The column "Amount paid" includes the annual variable compensation paid during the fiscal year ended September 30, 2019. The column "Amount owed" includes the amount of the annual variable compensation determined according to the principles approved by the shareholders' combined general meeting of February 5, 2019, and submitted to the Appointments and Compensation Committee on December 3, 2019.

Annual variable compensation is determined under performance conditions according to the Group's results based on the following quantitative and qualitative criteria:

- the quantitative criteria are notably based on financial indicators that enable the Group's financial performance to be assessed (Company's consolidated net income, Ebitda, Group revenue growth);
- the qualitative criteria are based on continuity objectives and the implementation of the Group's strategy, the achievement of external growth operations, continuing the Group's business development, the implementation of disposals or acquisitions, and strategic repositioning.

The annual variable compensation will be equal to a maximum of eighteen months' fixed compensation.

It will be determined according to the following formula:

Annual variable compensation = A + B + C, where

- A represents the component of the bonus based on the financial performance for the fiscal year.

  A = (Recurring Ebitda for the fiscal year - €120 M)*0.15%. The amount A may not be less than 0, nor exceed 60% of the annual fixed compensation.
- B is designed to take into account multi-year performance.

  B = B1 + B2 + B3. The amount B may not be less than 0, nor exceed 45% of the annual fixed compensation, with
  - B1 = ((Dividends in respect of the fiscal year n-2 + Dividends in respect of the fiscal year n-1 + Dividends in respect of the fiscal year n)/3) * 0.25%
  - B2 = (((Recurring Ebitda n-2 - €120 M) + (Recurring Ebitda n-1 - €120 million) + (Recurring Ebitda n - €120 million))/3) * 0.075%
  - B3 = 0 if R>3.01,

    – €20,000, if R between 2.01 and 3

    – €40,000, if R between 1.01 and 2

    – €60,000, if R less than or equal to 1, with

– R = (Leverage ratio n-2 + Leverage ratio n-1 + Leverage ratio n)/3

– B1, B2, B3 may not be negative.

- C, an amount between 0% and 45% of annual fixed compensation, submitted by the Chief Executive Officer to the Appointments and Compensation Committee, designed to reward the achievement of pre-established individual objectives.

The Appointments and Compensation Committee reserves the right to propose to the Board to readjust the amount of annual variable compensation at the end of the fiscal year depending on the circumstances and events.

Exceptional compensation may, where appropriate, be allocated in the event of the carrying out of special missions, such as the integration of a significant acquisition.

There is no change to the method used to determine the annual variable compensation.

Pursuant to the foregoing, the annual variable compensation payable to Mr. Abderrahmane El Aoufir in respect of the 2018/2019 fiscal year amounts to €376,851.

It is recalled that, in accordance with the provisions of Article L. 225-100 of the French Commercial Code, the shareholders' combined general meeting of January 31, 2020 will be called upon to approve the elements of compensation payable or granted to Mr. Abderrahmane El Aoufir in respect of the fiscal year ended September 30, 2019, as presented in this report.

2.4.2.3 Other AFEP-MEDEF tables

Stock options granted during the fiscal year to each executive officer by the issuer and any Group company
Table 4, AFEP-MEDEF Code

Plan no. and date	Type of options (purchase or subscription)	Value of options according to the method adopted for the consolidated financial statements	Number of options granted during the fiscal year	Exercise price	Exercise period
None					

Stock options exercised during the year by each executive officer
Table 5, AFEP-MEDEF Code

Plan no. and date	Number of options exercised during the fiscal year	Exercise price
None		

Performance shares granted during the fiscal year to each executive officer by the issuer or any Group company
Table 6, AFEP-MEDEF Code

Plan no. and date	Number of shares granted during the fiscal year	Value of shares according to the method adopted for the consolidated financial statements	Acquisition date	Availability date	Performance conditions
None					

Performance shares that became available during the fiscal year for each executive officer
Table 7, AFEP-MEDEF Code

Plan no. and date	Number of shares that became available during the fiscal year
None	

Since there are no stock option or performance share award plans, AFEP-MEDEF Code Tables 8 and 9 are not presented.

Summary table of the multi-year variable compensation of each executive officer
Table 10, AFEP-MEDEF Code

Name and position of executive officer	Fiscal year
None	

Table 11, AFEP-MEDEF Code

Executive officers	Employment contract	Supplementary pension scheme	Allowances or benefits due, or likely to be due, as a result of termination or change of position	Allowances under a non-compete clause
Daniel Derichebourg Chairman and Chief Executive Officer Date of beginning of term: Board mtg of 02-10-16 Date of end of term: SM for FY ending 09-30-21	No	No	No	No
Abderrahmane El Aoufir Deputy CEO (non-director) Date of beginning of term: Board mtg of 02-10-16 Date of end of term: SM for FY ending 09-30-21	Yes(1)	No	No	No

(1) With the subsidiary Coframétal.

2.5 Executive officers' declaration concerning transactions in the Company's shares

- On December 17, 2018, the Company was informed of the acquisition of 10,000 shares by Mr. Abderrahmane El Aoufir.
- On March 11, 2019, the Company was informed of the acquisition of 2,000 shares by Mr. Abderrahmane El Aoufir.

2.6 Related-party agreements

2.6.1 Provisions concerning related-party agreements

(Article 21 of the bylaws)

"Any agreement which links, either directly or through an intermediate person, the Company and its managing director, one of its deputy managing directors, one of its directors, one of its shareholders holding a number of voting rights greater than the percentage set forth in Article L. 225-38 of the French Commercial Code or, where the latter is a company shareholder, the Company which controls it as defined in Article L. 233-3 of the French Commercial Code, must be submitted for prior approval by the Board of Directors.

The same applies to any agreements in which one of the people in the above list has an indirect interest.

Prior authorization is also required for agreements between the Company and any business if the managing director, one of the deputy managing directors or one of the directors of the Company is the owner, general partner, manager, director, member of the Supervisory Board or, in any other way, a manager of that business.

The above provisions are not applicable to any agreements relating to ordinary transactions concluded under normal terms and conditions. Nevertheless, such agreements, except where their purpose or their financial implications are not material for any of the parties, must be brought to the knowledge of the Chairman of the Board of Directors by the interested party.

The Chairman shall then inform the members of the Board and Statutory Auditors of the list of agreements and their purposes."

2.6.2 Service agreement

A service agreement was concluded, with effect from January 1, 2012, for an initial three-year term, then renewed with effect from January 1, 2015 and January 1, 2018 for successive three-year periods, with DBG Finances, a company controlled by the family of Mr. Daniel Derichebourg, which aims to define the terms and conditions of DBG Finances' influence over the definition and oversight of Group strategy.

- An amendment to this agreement was signed on January 2, 2019 to amend the amount of compensation to €1,300 thousand, exclusive of VAT, for the 2019 calendar year. The Board of Directors authorized this revision at its meeting of December 4, 2018.
- The services covered by this agreement are:
- policy making and definition of the Group's strategic guidelines;
- help with drafting a business plan;
- contacts with management boards of major national and international client groups;
- internal and external development of the Group's business;
- support for acquisitions;
- corporate events and customer relations;
- assistance with recruiting senior managers;
- legal and tax consultancy services;
- financial, accounting and management support.

For the period from October 1, 2018 to September 30, 2019, DBG Finances invoiced Derichebourg for an amount of €1.4 million under this agreement. This amount was established according to a projected expenditure budget and covers in particular the compensation components paid by this company to Messrs. Daniel Derichebourg, Thomas Derichebourg, Boris Derichebourg and Abderrahmane El Aoufir, as detailed in section 2.4.

2.6.3 Trademark licensing agreement

A trademark licensing agreement effective from March 1, 2009 for a fixed period of ten years was entered into between TBD Finances, which is controlled by the Derichebourg family, and Derichebourg. This agreement, which governs the use of the Derichebourg trademark, enables the Group to develop its own clientele and increase its loyalty.

On December 4, 2018, the Board authorized the signing of a new agreement with the same conditions for another period of ten years starting March 1, 2019.

The amount of fees, after taking into account the update to an independent intellectual property expert's report, was set at 0.07% of the Environment division's consolidated revenue and 0.12% of the Multiservices division's consolidated revenue.

The fee under this contract for the fiscal year was €2,335 thousand.

2.7 Summary table of the authorizations granted to the Board of Directors by the shareholders' meeting (Article L. 225-100 of the French Commercial Code)

Date of SM	Type of delegation or authorization	Ceiling/limit	Period of validity	Use during the fiscal year
February 5, 2019	Delegation to issue all securities giving access to the Company's share capital, immediately or in the future, while maintaining preemptive subscription rights for shareholders	€50,000,000 (€500,000,000 in respect of the issue of debt securities)	26 months from the shareholders' meeting, i.e. until April 4, 2021	None
February 5, 2019	Delegation to issue all securities giving access to the Company's share capital, immediately or in the future, while eliminating preemptive subscription rights for shareholders	€50,000,000 (€500,000,000 in respect of the issue of debt securities)	26 months from the shareholders' meeting, i.e. until April 4, 2021	None
February 5, 2019	Delegation to increase the share capital by incorporation of reserves, profits, premiums or other amounts whose capitalization is allowed	€50,000,000	26 months from the shareholders' meeting, i.e. until April 4, 2021	None
February 5, 2019	Delegation to issue shares and/or securities giving access to the Company's capital and/or debt securities, by way of an offer within the meaning of Article L. 411-2 II of the French Monetary and Financial Code, while eliminating preemptive subscription rights for shareholders	€50,000,000 capped at 20% of the share capital per year (€500,000,000 in respect of the issue of debt securities)	26 months from the shareholders' meeting, i.e. until April 4, 2021	None
February 5, 2019	Authorization to trade in Company shares	10% of the share capital at a maximum price of €20 per share	18 months from the shareholders' meeting, i.e. until August 4, 2020	Yes
February 5, 2019	Authorization to reduce the share capital by canceling shares	10% of the share capital per 24-month period	18 months from the shareholders' meeting, i.e. until August 4, 2020	Yes

2.8 Factors likely to have an impact in the event of a public offering

The following factors are likely to have an impact in the event of a public offering:

- the Company's shareholding structure (see section 3.4);
- the existence of double voting rights under certain conditions (see section 5.8);
- the ability to buy and sell the Company's securities (see section 6.6);
- the use of current authorizations to issue share equivalents (see section 2.7);
- clauses in syndicated loan agreements that require immediate repayment in the event of a change in control of the Company (see note 4.11.1.5 to the consolidated financial statements);
- the provisions of the trademark licensing agreement entered into with TBD Finances, controlled by the Derichebourg family, and Derichebourg for the use of the Derichebourg trademark (see section 2.6.3).

2.9 Rules applicable to shareholder participation in annual shareholders' meetings

Article 28 of the bylaws explains how shareholders may participate in annual shareholders' meetings. "Every shareholder is entitled to attend shareholders' meetings or to be represented thereat, regardless of the number of shares held, provided that all amounts payable on shares are fully paid up. All shareholders may be represented by another shareholder, by their spouse or by the partner with whom he/she has signed a civil solidarity pact ("pacte civil de solidarité"). He/she may also be represented by any other individual or legal entity of his/her choice. A proxy can be granted for a single meeting only. A proxy can be granted for two meetings, one ordinary and one extraordinary, if they are both held on the same day or within a period of fifteen days of each other. The proxy shall be valid for all successive meetings convened with the same agenda. All shareholders shall be entitled to vote by mail, in accordance with the requirements set by the legislation and regulations currently in effect.

The Company shall include the information required by the laws currently in effect with all proxy forms and mail ballots that it sends to shareholders.

The owners of shares that are not domiciled in France may be represented by an intermediary registered in accordance with the requirements prescribed by the legislation and regulations currently in effect. In the event of a division of the ownership rights in a share, the holder of the right to vote may attend or be represented at the meeting without prejudice to the right of the beneficial owner to participate at all shareholders' meetings. Joint shareholders may be represented as specified in Article 12. However, the right to participate in shareholders' meetings shall be conditioned on the registration of the name of the shareholder or of the registered intermediary described hereinabove in the registered share accounts maintained by the Company or its agent, or in the bearer accounts maintained by the approved intermediary, on the second working day prior to the shareholders' meeting at zero hours (Paris time). The registration of securities within the time period stipulated in the previous paragraph must be carried out either in the registered share accounts maintained by the Company, or in the bearer accounts maintained by the approved intermediary. These formalities must be carried out under the conditions set by current legislation.

Every shareholder who owns shares of a particular class shall be entitled to participate in the shareholders' special meetings for such class, in accordance with the requirements specified hereinabove. For the purposes of calculating the quorum and the majority, shareholders who participate in the shareholders' meeting by videoconference or by means of telecommunications allowing them to be identified and in accordance with the applicable laws and regulations shall be considered present, provided the Board of Directors has decided on the use of such means of participation before the shareholders' meeting was convened."

2.10 Statutory Auditors' special report on related-party agreements and commitments

To the shareholders' meeting,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related-party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying the interest for the Company. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the shareholders' meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the general shareholders' meeting

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments signed during the fiscal year just ended, and which were given prior authorization by your Board of Directors of December 4, 2018.

DERICHEBOURG trademark licensing agreement with TBD

Individual involved:

Mr. Daniel Derichebourg, Chairman of the Board of Directors and CEO of your Company and managing director of DBG Finances.

Purpose and type

Your Board justifies this agreement by the following: your Company benefits from human, material and technical resources from DBG Finances to allow it to exercise its activities. It is recalled that DBG Finances takes a direct and active part in managing Derichebourg Group and its subsidiaries as well as in their strategic development.

The Board of Directors authorized the renewal of the Derichebourg brand license agreement with the company TBD Finances, the owner of this brand, and set the amount of the license royalty for the Derichebourg brand at 0.07% of the consolidated revenue of the Environment division and at 0.12% of the consolidated revenue of the Multiservices division. This agreement took effect on March 1, 2019, for a ten-year term.

Terms

Under this agreement, the amount of the royalty recorded as expenses by your Company for the period March 1, 2019 to September 30, 2019 amounted to €1,362,071.67 excluding taxes.

Reasons justifying its interest for the Company

Your Board justifies this agreement as follows: your Company benefits from the strong reputation of the Derichebourg brand in the field of waste collection and, more generally, the environmental area and that of Multiservices. It contributes to the perception of high quality services in all the businesses associated with it and is one of the core elements of the Group's DNA.

This new agreement has all of the same clauses and conditions as that which expired on February 28, 2019.

Amendment to the services agreement with DBG Finances, Derichebourg Group's ultimate holding company.

Individual involved:

Mr. Daniel Derichebourg, Chairman of the Board of Directors and CEO of your Company and General Partner of DBG Finances.

Purpose and type

The meeting of the Board of Directors of December 4, 2018, authorized a change in the amount of the compensation for services invoiced by DBG Finances, which had been set at €1,700,000 in accordance with the service agreement with DBG Finances of January 2, 2018, in order to take it to the amount of €1,300,000 excluding taxes for the 2019 calendar year. An amendment was agreed on January 2, 2019.

It was also agreed that this new compensation would apply for 2020 subject to it being in line with the corresponding 2020 budget.

Terms

For the period January 1, 2019 to September 30, 2019, your Company recorded an expense of €975,000 excluding taxes in respect of this agreement.

Reasons justifying its interest for the Company

The Board has given the following reasons for this agreement: the company benefits from the human, material and technical resources of DBG Finances to enable it to conduct its activities. It should be noted that DBG Finances participates directly and actively in the leadership of the Derichebourg Group and its subsidiaries and their strategic development. This agreement reproduces all terms and conditions of the agreement that was renewed by the Board on 5 December 2017.

Derichebourg wishes to match the resources and tools made available to the services provided by DBG Finances and has thus modified the amount of remuneration for the services performed by DBG Finances.

Agreements and commitments already approved by the general shareholders' meeting

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been advised that the implementation of the following agreements and commitments, which were approved by the general shareholders' meeting in prior years, continued during the year.

DERICHEBOURG trademark licensing agreement with the company TBD Finances

At its meeting on July 2, 2007, the Board of Directors authorized the execution of a licensing agreement for the DERICHEBOURG trademark with TBD FINANCES, the owner of the trademark.

The Board of Directors' meeting of December 12, 2008 set the amount of the royalty payment at 0.07% of the consolidated revenue of the Environment division and 0.12% of the consolidated revenue of the Multiservices division.

This agreement took effect on March 1, 2009 for a ten-year term.

The royalty expense recognized by your Company for the period October 1, 2018 to February 28, 2019 was €972,908.33, excluding taxes.

Service agreement with DBG Finances

Director involved: Mr. Daniel Derichebourg, Chairman of the Board of Directors and Chief Executive Officer of your Company and General Partner of DBG Finances.

The Board of Directors' meeting of December 5, 2017 authorized, for a period of three years starting from January 1, 2018, the renewal of the assistance agreement with DBG Finances by which this latter would take part in managing the Group's policy and in the supervision and control of its subsidiaries, in particular for the provision and centralization of management tools and services in managerial, administrative, financial and commercial areas. An amendment to this agreement was signed on January 2, 2019.

During the fiscal year ended September 30, 2019, your Company recognized an expense of €425,000, excluding taxes, under this agreement for the period from October 1, 2018 to December 31, 2018. An amendment to this agreement was signed on January 2, 2019.

Paris and Paris-La Défense, December 9, 2019

The Statutory Auditors

DENJEAN & ASSOCIES AUDIT	BM&A	ERNST & YOUNG Audit
Thierry Denjean	Eric Seyvos	Pierre Abily

03

GROUP MANAGEMENT REPORT

3.1 Significant events during the fiscal year

3.1.1 Drop in volumes and prices in the recycling business

Since the Trump administration's decision of mid-2018 to impose tariffs on imports of steel (25%) and aluminum (10%), followed a few weeks later by China's retaliatory tariffs on imports of non-ferrous metals from the United States and political tensions between the United Sates and Turkey in the summer of 2018, the economic conditions under which the Group's Recycling business operates have gradually deteriorated:

- China's retaliatory measures (tariffs imposed on imports of non-ferrous metals from the United Sates) resulted in the collapse of trade flows that had been stable for 20 years, as most of America's non-ferrous metal waste had been exported to China. American recyclers sought to place those products elsewhere in the world, which resulted in a sudden influx of goods, particularly aluminum (the most widely used metal after iron), in Southeast Asia and Europe. This caused market imbalances, as local demand remained stable, resulting in a sustained fall in prices.

In the case of stainless steel waste, another phenomenon took place: Indonesian exports of cheap ore made recycled stainless steel less competitive, resulting in a fall in volumes and prices;

- concerning the ferrous scrap metal market, tensions between the United States and Turkey, which arose in August 2018 following the detention of an American pastor on allegations that he had ties with an opponent to Turkey's current regime, resulted in a sudden devaluation of the Turkish lira, an increase in interest rates, and an abrupt economic crisis in the country. Steel production, along with purchases of Turkish ferrous scrap metal, dropped by around 10% over the first 9 months of the 2019 fiscal year, putting downward pressure on ferrous scrap metal prices (down by around $70/t between spring and fall 2019, i.e. -25%), as Turkey is the world's largest importer. At the same time, Turkey's domestic steel market receded by around 30%, which means that the 20-point difference between the drop in production and Turkish domestic consumption was exported to the Middle East and Europe, where those volumes competed with those produced by the Group's domestic customers, resulting in a drop in their ferrous scrap metal needs.

However, the unfavorable economic trend that has affected the recycling business over recent months does not negate the long-term benefits of steel from electric steel mills and recycled non-ferrous metals:

- much lower CO_2 emissions than primary production, equivalent to a ratio of 1 to 2.3 for steel;
- lower energy consumption per ton produced;
- locally available resources and preservation of local jobs;
- lower investment.

Moreover, the Group's management principles should help it weather this difficult period:

- low inventory levels to avoid exposure to price fluctuations, and search for satisfactory unit margins;
- dense coverage across France, ensuring the cost effectiveness of specialized sorting lines, and vertical integration that generates added value.

3.1.2 Available outlets for shredder residues

During the past fiscal year, at some of the recycling centers equipped with metal waste shredders, the Group's Recycling business was faced with difficulties in finding outlets for its final waste, i.e. the shredder residues (10-15% of a shredder's inflows). This situation was due to the impact of the French law relating to the transition towards green growth, which provides for a 50% reduction of the intake capacities of landfill sites by 2025 compared with 2010. The final waste from the recycling of waste from economic activities – which includes shredder residues – only accounts for 4% of the volumes sent to landfill, while landfill sites take in large amounts of waste that has not necessarily gone through any upstream sorting or recovery process. Recycling firms have been the first companies to be faced with this difficulty. With the professional organization Federec, the Group raised the awareness of public authorities concerning these difficulties, which resulted in the temporary stoppage of two shredders in the winter of 2018/2019. The draft law relative to the fight against food wastage and to the circular economy – currently under review – should examine this issue and lay down strict rules on the acceptance of recyclable waste in landfill sites, in order to ensure that the final waste from sorting and recycling facilities can be accepted as a priority. The options to be examined include the creation of a legal basis enabling prefects to increase storage capacity quotas and deviate from regional waste prevention and management plans ("PRPGD") whenever their implementation results in non-compliance with the principle of proximity. In parallel, the concept of territorial compartmentalization must also be examined, as the logic of recycling is not tied to administrative boundaries, but to geographic and economic areas. At the same time, the Group is conducting initiatives aimed at promoting the use of shredder residues as a source of energy in cement production, and in furnaces using solid recovered fuel.

3.1.3 Signing of a loan agreement with the European Investment Bank

On July 19, 2019, Derichebourg signed a €130 million loan agreement with the European Investment Bank, to contribute to the long-term financing of a multi-year investment program in France in the field 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).

The loan granted by the EIB comes under the framework of the European fund for strategic investments, also called the "Juncker Plan". It reflects the will of the European Union's bank to further increase its funding to combat climate change. Furthermore, this is the first loan granted to a company in France in the field of circular economy, which is now a priority for the EIB.

3.1.4 Signing of an agreement for the acquisition of the Lyrsa Group

On September 19, 2019, Derichebourg Environnement signed an agreement with Layro for the acquisition of the Lyrsa Group, the Spanish leader in metal waste recycling. The completion of this acquisition is subject to the fulfillment of conditions precedent, including the review of the transaction by the Spanish merger control authorities. In Spain, Derichebourg's share of the metal waste recycling market is currently very small.

The acquisition agreement provides for the acquisition of Layro's interests in Lyrsa, Archamesa and Redisa, as well as the possibility for those companies' minority shareholders to contribute their shares.

In 2018, the Lyrsa Group business targeted by this acquisition posted revenue of €427 million. The group processes nearly 1 million tons of metal waste per year, including around 160,000 tons of non-ferrous metals. The group has around 600 employees.

Lyrsa was founded in 1939. It operates 18 recycling centers (17 in Spain and 1 in Portugal). The company is the leading independent Spanish player in the recycling of metal waste. It operates three shredders (including one which has been jointly owned with the Derichebourg Group for 27 years), a sorting center for the metals derived from the shredding process, an aluminum refinery and a lead refinery.

If the conditions precedent are fulfilled, the acquisition should be completed by the end of 2019.

The Derichebourg Group intends to finance this acquisition through its available cash and existing credit lines.

3.1.5 Change in regulations relating to the cost of labor in France

The 2019 Finance Act provided that the Employment and Competitiveness Tax Credit ("CICE") – introduced in 2013 – would end on January 1, 2019. This tax credit used to reduce by 6% the cost of wages below 2.5 times the minimum wage. On the same date, a 6-point reduction in employers' national health contributions was introduced (within the limit of 2.5 times the minimum wage). In theory, the impact of these two mechanisms should have canceled each other out. However, in practice, a negative impact of €1.7 million was recorded in the Multiservices business for companies practicing a pay lag. They did not benefit from the CICE or from the contribution reductions for the month of December 2018.

Moreover, the impact is a lot more significant in terms of corporate income tax, since the change has generated an additional corporate income tax expense of around €10 million for the year, for the Group as a whole.

3.1.6 Other changes in the scope of consolidation

3.1.6.1 Acquisitions in the Multiservices division

Pursuant to our objective of achieving revenue of €1 billion by 2023, several external growth operations have supplemented the organic growth of the Multiservices division, generally with the aim of strengthening our regional coverage.

Cleaning

During the fiscal year, Derichebourg Propreté acquired the following businesses (through the acquisition of equity interests or business assets):

- Alizé and Alizé Alsace, operating in Franche-Comté and Alsace, with annual revenue of €3.5 million;
- CCI and SVP 30, specialized in industrial maintenance in the Nîmes region, with annual revenue of €2 million;
- ASP and ASP 85, operating in the south of Maine-et-Loire and Vendée, with annual revenue of €2 million;
- Net Services and DML, operating in the Oise, with annual revenue of €3.5 million;
- Aquitaine Nettoyage, operating in the Landes and Pays de l'Adour, with annual revenue of €3 million, mainly in the service sector, retail and the agri-food industry;
- A2 Propreté, operating in Corrèze and Haute-Vienne, with annual revenue of €2 million;
- at the end of the fiscal year, Derichebourg Multiservices acquired a majority stake in the three companies of Grupo Net. Based in continental Spain, the Canary Islands and the Balearic Islands, Grupo Net recorded revenue of €30 million in 2018 and employs nearly 4,000 people. The company mainly covers the cleaning sector, related services and green spaces. This transaction has reinforced the coverage of Derichebourg Multiservices in the Iberian Peninsula. The Group, which is already present in Spain through its subsidiary SELMAR SA, has thus strengthened its position and become a major player with over 5,000 employees. The acquisition of this stake, which gives the Group the option of increasing its interest to 100% in the coming years, fits into a strategy of growth in the Iberian Peninsula.

Energy

On January 30, 2019, Derichebourg Énergie acquired the shares of Vibey Énergies, a company specializing in electrical work for the construction industry, operating in the Bordeaux region and Arcachon basin, earning annual revenue of €5 million Up until now, the Energy business had exclusively been based in Ile-de-France.

Remote surveillance

On April 1, 2019, Derichebourg Technologies acquired Steo's remote surveillance business.

Temporary employment services

After the year-end reporting date, Derichebourg Intérim acquired the shares of Immedia Services, a company that operates three agencies – in Arras, Liévin and Valenciennes – and posted revenue of €12 million in 2018. This acquisition rounds off the Group's coverage of the Hauts-de-France region.

3.1.6.2 Disposal of San Germano and CMT

On January 30, 2019, Derichebourg Environnement sold its household waste collection, urban cleaning and waste processing businesses in Italy to Iren Ambiente. The disposal was carried out through the companies San Germano and CMT.

San Germano is a leading private player providing household waste collection and urban cleaning services for public authorities in the Piedmont, Lombardy and Sardinia regions, thanks to a network of around 20 agencies. CMT collects and treats paper, cardboard and plastics on six sites located in the Piedmont region and Sardinia.

The contribution of these businesses to consolidated revenue for the 2017/2018 fiscal year amounted to €61 million (2.1% of total revenue). They employ around 900 people.

On April 24, 2019, the Group received an earnout proposal of €(10) million as well as a claim in the amount of €5 million from Iren Ambiente, the buyer of San Germano and CMT. The Group disputed both the amount of the proposed earnout and the determination of the claim amount. The Group recognized an earnout of €(3) million, in respect of the loss made between the reference date (September 30, 2017) and the closing date (January 30, 2019). It did not contest this amount.

3.1.6.3 Disposal of the Group's operations in Morocco

In line with its ongoing strategy of growth in the European market, in September 2019, Derichebourg sold to its partner the 51% stake it held in Derichebourg A&D Développement, the holding company for all household waste collection and service activities in Morocco.

Derichebourg is very proud of having provided its technical expertise in the services it provided, along with its local partner, to the residents of the country's main communities, within the framework of the environment improvement policy implemented by the Kingdom of Morocco. The Derichebourg Group is confident in the quality of the team put in place to maintain a high service level and continue the development initiated.

Overall, the 2019 earnings of the Moroccan operations and the proceeds of their sale have had little impact on the Group's pre-tax profit.

For the fiscal year ended September 30, 2018, the contribution of these operations amounted to 2% of the Derichebourg Group's revenue, 4% of its recurring Ebitda and 12% of its external debt.

3.1.6.4 Disposal of the nuclear engineering company after the reporting date

On October 1, 2019, Derichebourg Multiservices Holding sold its shares in Derichebourg Services & Ingénierie Nucléaire to a company specialized in nuclear works and services. For a number of months, the company had been encountering technical difficulties which it could not overcome in several projects.

For the fiscal year, this company earned revenue of €1 million. Taking into account the reassessment of the project results for the fiscal year and the penalties incurred for late delivery, the company's contribution to operating income (loss) amounted to €(8.7) million, of which €(5.0) million for non-recurring items.

The financial consequences of this sale were recognized in the fiscal year ended September 30, 2019.

3.2 Earnings from businesses and financial position

3.2.1 Group results

In millions of euros	2019	2018	Change %
Revenue	**2,705.0**	**2,919.7**	**(7.4%)**
Recurring Ebitda[(1)]	**191.2**	**202.1**	**(5.4%)**
in % of revenue	7.1%	6.9%	
Recurring operating profit (loss)[(2)]	**103.1**	**118.3**	**(12.8%)**
in % of revenue	*3.8%*	*4.1%*	
Italy – balance from dispute with Rotamfer		(9.5)	
Italy – balance from CRS – Scrap dispute		(0.6)	
Italy – impact of the sale of household waste collection and waste treatment businesses		(7.0)	
Waste collection – loss against Veolia in first-instance ruling		(3.7)	
Nuclear engineering business contracts	(5.0)		
Gain/loss on disposal of subsidiaries and other	(0.6)	(1.2)	
Operating profit (loss)	**97.5**	**96.3**	**1.3%**
Net financial expenses	(9.7)	(11.7)	
Foreign exchange and other gains and losses	(0.7)	(1.1)	
Pre-tax profit (loss)	**87.0**	**83.4**	**4.4%**
Income tax	(30.5)	(16.3)	
Income from associates	2.4	2.1	
Net profit (loss)	**58.9**	**69.2**	**(14.9%)**
Income net of tax from discontinued activities		3.4	
Consolidated net income (loss)	**58.9**	**72.6**	**(18.8%)**
Attributable to shareholders	55.6	71.1	
Attributable to non-controlling interests	3.3	1.5	

(1) Recurring Ebitda = Recurring operating profit (loss) + depreciation and amortization on property, plant and equipment and intangible assets, net of reversals.

(2) Recurring operating profit (loss) = Operating profit (loss) +/- non-recurring income and expenses.

Consolidated revenue

Fiscal year 2018/2019 revenue stood at €2.7 billion, down by 7.4% compared to the previous fiscal year, impacted by a downturn of (12.7%) in the Environmental Services business, partially offset by an increase of 6.9% in the revenue of the Multiservices business. On a constant exchange rate basis, revenue decreased by 7.6%.

In millions of euros	2019	2018	Change
Environmental Services	1,846.7	2,116.4	(12.7%)
Multiservices	857.6	802.5	6.9%
Holding companies	0.8	0.8	(4.8%)
Total Group revenue	**2,705.0**	**2,919.7**	**(7.4%)**

Recurring Ebitda

Recurring Ebitda stood at €191.2 million, down by €11 million compared to the previous fiscal year. This reduction was mainly due to the reduction in the Ebitda of the Environmental Services business.

The ratio of Ebitda to revenue was 7.1%, up by 20 basis points compared to the previous fiscal year, thanks to the preservation of unit margins in a context of lower prices.

Non-recurring items

In 2019, non-current items amounted to €(5.6) million and were mainly related to the financial impact of technical and organizational problems in the nuclear engineering subsidiary, which was sold on October 1, 2019.

During the previous fiscal year, this amounted to €(22) million and comprised:

- €9.5 million paid to Rotamfer to end all litigation associated with an acquisition project initiated in 2007 and abandoned in 2009, due to non-fulfillment of the conditions precedent from the Group's point of view, and to the Group's wrongful conduct according to the seller. A transaction put an end to ten years of dispute and several litigation proceedings, the outcome of which was uncertain;
- €0.6 million in additional expenses in respect of a transaction opposing the Italian subsidiary CRS to a former lessor. The transaction amounted to €1.6 million;
- €7 million in respect of the expected loss in the sale of Italian subsidiaries San Germano and CMT (household waste collection and waste treatment);
- €3.7 million in respect of a first-instance ruling by the Commercial Court of Paris under the terms of a judgment in proceedings opposing the Veolia Group to Poly-Environnement subsidiaries (household waste collection) and concerning staff transfer conditions in 2014. The Group has appealed this judgment;
- €1.2 million in respect of a loss on the sale of the companies Plastic Recycling and Hydrovide.

Operating profit (loss)

After taking into account €88.5 million in depreciation (an increase of €4.4 million year-on-year), operating profit was €97.5 million, up €1.2 million (1.3%) compared to the previous fiscal year.

Profit (loss) before tax

After deducting €9.7 million in financial expenses (down €2.0 million compared to the previous year), and €0.7 million in other net financial expenses, pre-tax profit amounted to €87.0 million, an improvement of €3.6 million, i.e. 4.4%.

Results of discontinued activities

The item Net income from discontinued or held-for-sale operations included, during the previous fiscal year, the impact of €3.4 million resulting from the dispute with regarding the Servisair liability guarantee compared with the amount provisioned.

Consolidated net profit

After taking into account corporate income tax of €30.5 million, a sharp increase compared with last year relating primarily to the replacement of the CICE (tax credit) by reductions in employers' contributions (taxable profit), consolidated net profit amounted to €58.9 million, down 18.8% compared to the previous year. Earnings attributable to the shareholders of the consolidating entity amounted to €55.6 million.

Earnings per share

Earnings per share were €0.35 compared to €0.43 last year.

3.2.2 Environmental Services

In millions of euros	2019	2018	Change %
Revenue	**1,846.7**	**2,116.4**	**(12.7%)**
Recurring Ebitda	162.1	173.1	(6.4%)
in % of revenue	*8.8%*	*8.2%*	
Recurring operating profit (loss)	**88.2**	**102.9**	**(14.3%)**
in % of revenue	*4.8%*	*4.9%*	
Italy – balance of CRS-Scrap litigation		(0.6)	
Waste collection – loss against Veolia in first-instance ruling		(3.7)	
Other	(0.7)		
Operating profit (loss)	**87.5**	**98.6**	**(11.3%)**

The revenue of the Environmental Services division decreased by 12.7% to €1.8 billion (-13.1% at constant exchange rates).

Tonnages sold changed as follows:

In thousand tons	2019	2018	Change
Ferrous metals	3,445.8	3,746.0	(8.0%)
Non-ferrous metals	535.1	540.7	(1.0%)
Total volumes	**3,980.9**	**4,286.6**	**(7.1%)**

In millions of euros	2019	2018	Change
Ferrous metals	858.9	1,016.4	(15.5%)
Non-ferrous metals	674.7	760.6	(11.3%)
Services	313.1	339.4	(7.8%)
Total revenue Environmental Services	**1,846.7**	**2,116.4**	**(12.7%)**

Ferrous metals

As indicated previously, market conditions began to deteriorate gradually in the autumn of 2018 following the reduction in Turkish ferrous metal purchases. The reduction in ferrous metal prices accelerated from the summer of 2019 onwards.

In this context of lower prices, and with demand from steelmakers also down, the Group has striven to maintain its unit margins.

By region, changes in volumes were as follows:

- France (excluding trading): -6.0%;
- Other European subsidiaries (excluding trading): -8.1%;
- Europe Trading: -19% (scope for intervention clearly lower than the volumes transiting recycling centers);
- Americas Region: -6%.

The price of ferrous metal sold was on average 8% lower than in the previous fiscal year, with a sharp sales price reduction at the end of the 2019 fiscal year.

Non-ferrous metals

Volumes of non-ferrous metals processed by the Group (535,100 t) were almost unchanged, with the downturn limited to 1.0%.

By family, volumes of aluminum ingots sold increased by 12% (notably influenced by the addition of volumes from the Prémery refinery), with other aluminum families down 6%. Thanks to annual contracts signed (with volume commitments, but at indexed prices), aluminum ingot volumes were not affected by lower production from automotive sector subcontractors who are the main outlet for this stream.

Copper volumes (including brass and copper cables) were maintained overall (3% growth).

The stainless steel market was extremely challenging throughout the fiscal year (stainless steel waste tonnage down by 12%), with production from European customers facing competition from Asian stainless steel production using Indonesian nickel.

The Group continued its investments aimed at sorting its non-ferrous metals (excluding aluminum) in Europe using the flotation process, in order to reduce its dependence on the Chinese and Southeast Asian markets, where access is more difficult because of the growing requirements for the absence of impurities in the containers shipped.

The average unit price of NFM sold was 8% lower (€107/t) than the previous year. The drop was especially sharp for the aluminum family (-16% for aluminum ingots) and lead (-13%).

Service provisions

Services revenue was down 7.7%. This was mainly due to the disposal of household waste collection and waste processing activities in Italy and to the disposal of the Moroccan activities.

In France, the trends in the services businesses were as follows:

- Recycling services: +6%;
- Services to local authorities: +5%.

	2019			2018			Change		
In millions of euros	REC	SCOL	Total ENV	REC	SCOL	Total ENV	REC	SCOL	Total ENV
Trade margin Ferrous scrap metal & NFM	337.6		337.6	363.3		363.3	(25.7)		(25.7)
Trade margin Other Products	(1.0)		(1.0)	(4.6)		(4.6)	3.6		3.6
Service provisions	109.5	203.6	313.0	104.3	235.1	339.4	5.1	(31.5)	(26.4)
Net income	**446.1**	**203.6**	**649.7**	**463.1**	**235.1**	**698.2**	**(17.0)**	**(31.5)**	**(48.5)**
Costs	(309.2)	(178.3)	(487.6)	(313.3)	(211.8)	(525.1)	4,0	33.5	37.5
Recurring Ebitda	**136.9**	**25.2**	**162.1**	**149.8**	**23.3**	**173.1**	**(12.9)**	**1,9**	**(11.0)**
Depreciation and amortization	(58.2)	(15.8)	(74.0)	(50.1)	(20.1)	(70.2)	(8.1)	4.3	(3.8)
Recurring EBIT	**78.7**	**9.5**	**88.2**	**99.7**	**3.2**	**102.9**	**(21.0)**	**6.3**	**(14.7)**

REC: Recycling.
SCOL: Public sector services.

In the recycling business, consolidated net income was down €48.5 million, and costs (before depreciation) by €37.5 million.

The change in the trade margin of the Recycling business was attributable mainly to a reduction in volumes of ferrous metals processed (€(14.9) million), a slight erosion of unit margins impacted by falling prices (€(5.4) million). With regard to non-ferrous metals, the volume effect was low, with unit margins eroded very slightly overall in the context of lower prices (€(3.4) million). The limited erosion of unit margins (traditional ferrous and non-ferrous metals), and the resilience of the induction flotation and aluminum refinery activities should be highlighted in an unfavorable climate. Given this lower activity, cost savings were made:

- semi-variable costs, such as energy (€(2.9) million) or maintenance and repair costs;
- personnel charges: €(3.8) million

For services to local authorities, recurring Ebitda grew by €1.9 million to stand at €25.2 million, in particular thanks to improved results in France. It should be explained that this recurring Ebitda includes €9.8 million for businesses sold during the year (collection and processing of non-metallic wastes in Italy, all activities in Morocco).

Recurring Ebitda

For Environmental Services, recurring Ebitda amounted to €162.1 million, down 6.4% compared to the previous fiscal year. It represented 8.8% of revenue, which was an improvement of 60 basis points over the previous year. This improvement demonstrates that unit margins were maintained against a background of lower prices.

Recurring operating profit (loss)

The division's depreciation amounted to €74 million, up €3.8 million compared to last year (including growth of €8 million for the recycling business). This increase is the result of more sustained investment during recent years. Investments made during the fiscal year are described in section 3.2.7.

Recurring operating profit (loss) stood at €88.2 million, down €14.7 million (i.e. 14.3%) compared to last year.

Operating profit (loss)

There were few notable non-recurring items over the fiscal year.

Recurring operating profit amounted to €87.5 million, down €11.1 million or 11.3%.

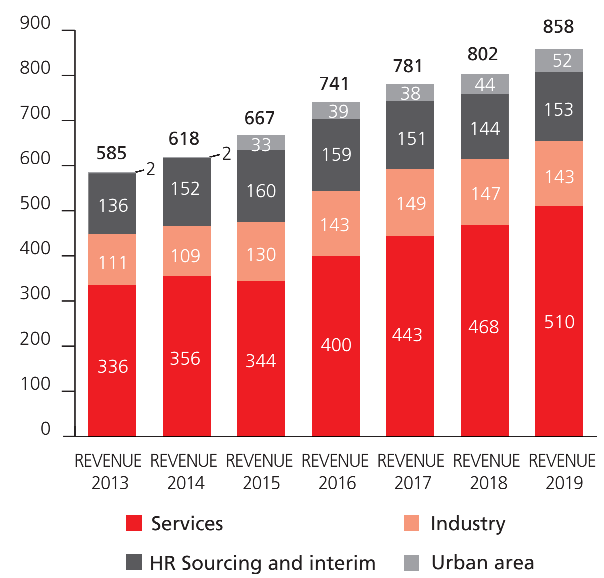
3.2.3 Multiservices

In millions of euros	2019	2018	Change %
Revenue	**857.6**	**802.5**	**+6.9%**
Recurring Ebitda	**33.0**	**33.2**	**(0.6%)**
in % of revenue	*3.8%*	*4.1%*	
Recurring operating profit (loss)	**21.3**	**22.1**	**(3.4%)**
in % of revenue	2.5%	2.8%	
Nuclear engineering business contracts	(5.0)		
Operating profit (loss)	**16.4**	**22.1**	**(25.9%)**

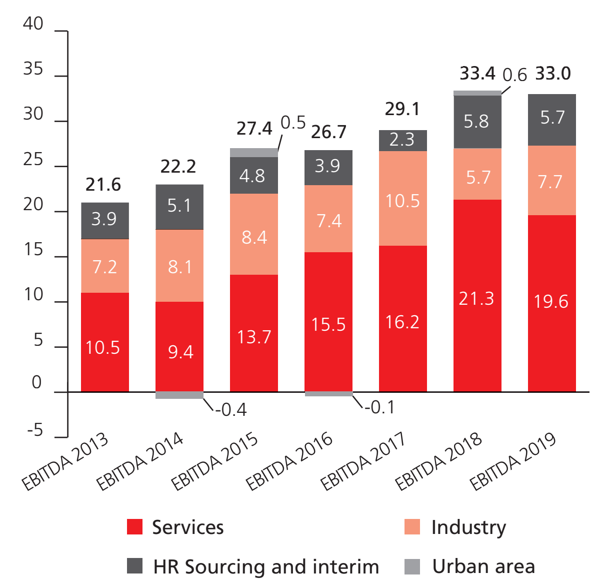
The contribution of the Multiservices business to the Group's consolidated revenue was €857.6 million, up 6.9% compared to the previous year. All business segments recorded an increase in revenue.

The chart below shows the change in revenue over the past seven years.

In millions of euros



In millions of euros



Services Solutions

Revenue from the Services Solutions segment (cleaning and related services, energy, etc.) represented 59% of the total, i.e. €510 million. The Services Solutions segment increased by €42 million or 9%. This was attributable to:

- the sound commercial momentum of the Cleaning business in France;
- acquisitions in France (€7.6 million) in the Cleaning and Energy businesses;
- sound commercial momentum of the Energy businesses;
- winning new contracts in the foreign Cleaning business (in particular, Portugal), and an acquisition in Spain (+€6 million in two months of contribution to revenue).

The Ebitda of Services Solutions was €19.6 million, down €1.5 million compared to last year. The main reason for this negative variance is the month of December 2018. Given the practice of pay lag (payment of wages on the 10th of the following month), this month benefited from neither the CICE nor the cut in employers' social security contributions as from January 2019. This impact is estimated to be €(1.7) million for the Multiservices division.

Industry Solutions

Industry Solutions (dedicated to the aeronautical industry and, for the last time this fiscal year, to the Nuclear Engineering sector) represented 16.7% of the total revenue of the Multiservices business. The revenue of Industry Solutions amounted to €143 million. It was down 2% on a comparable basis, but a distinction should be made between the growth in Aeronautical Services (+6.6%) and the very sharp reduction in Nuclear sector activities (down by around 90%). Derichebourg Services & Ingénierie nucléaire was sold on October 1, 2019.

Recurring Ebitda for Industry Solutions amounted to €7.7 million, up €2.0 million compared to last year. This was due to the improvement in the positive contribution from the Aeronautical businesses to recurring Ebitda (€11.5 million, i.e. 8% of revenue, up by €3.9 million) and the negative contribution of the Nuclear Engineering business to recurring Ebitda of €(3.7) million (compared to €(1.9) million last year). In the context of the sale of this company, a non-recurring expense of €(5) million was also recognized. During the fiscal year, Derichebourg Atis Aéronautique notably supported the development of its main customer in Canada and established a base in China.

HR Sourcing Solutions

HR Sourcing Solutions (temporary work) represented 17.8% of total revenue for the period, or €153 million. Revenue was up by 5.8%. Services for customers in the Aerial and Aeronautical industry increased by 6.6%, while non-specialized temp services increased by 5.5%, following a negative start to the year reflecting the reduction in services to the Distribution sector due to demonstrations. Recurring Ebitda was almost unchanged at €5.7 million, or 3.7% of revenue.

Urban Area Solutions

Urban Area Solutions (maintenance of urban furniture) represented 6% of total revenue over the period, or €52 million. This revenue was up 18%. This increase was attributable to the development of public lighting services and the winning of new customers in the signage and associated services sector. The Ebitda of this sector remained at 0, reflecting a lack of volume in the signage business.

For the reasons given above, the recurring operating profit of the Multiservices division stood at €21.3 million, compared with €22.1 million in the previous year.

Excluding the negative contribution of the Nuclear Engineering company, the one-time impact in December 2018 due to the lack of CICE and no reduction in employer contributions for companies practicing pay lag, and the loss made on a contract that ended in July 2019, recurring Ebitda would have been improved by €6.4 million. *Pro forma* Ebitda reflecting these impacts was 4.6%.

3.2.4 Holding Companies

In millions of euros	2019	2018	Change %
Revenue	**0.8**	**0.8**	**-**
Recurring Ebitda	**(3.9)**	**(4.2)**	**N/A**
in % of revenue	N/A	N/A	
Recurring operating profit (loss)	**(6.4)**	**(6.7)**	**N/A**
in % of revenue	*N/A*	*N/A*	
Gain/loss on disposal of subsidiaries		(1.2)	
Italy – balance from dispute with Rotamfer		(9.5)	
Italy – impact of the sale of household waste collection and waste treatment businesses		(7.0)	
Operating profit (loss)	**(6.4)**	**(24.4)**	**73.8%**

Recurring Ebitda and recurring operating profit (loss) changed little compared to the previous fiscal year. These are headquarters costs that are not rebilled to operating activities.

Derichebourg SA

The main role of Derichebourg SA – the Group's parent company – is to act as a holding company for the Group's parent-holding companies (Derichebourg Environnement and Derichebourg Multiservices Holding). It also holds the securities of Derichebourg Immobilier, the direct or indirect owner of the Group's real estate assets. In addition, it acts as the Group's central corporate treasury and holds the syndicated loan agreements and most of the medium-term loans. Derichebourg SA is also the parent company of the French tax consolidation Group.

Main Company data:

In millions of euros	2019	2018
Revenue	3.2	3.2
Operating results	(1.9)	(2.0)
Net financial income (loss)	27.1	50.5
Recurring profit (loss) before tax	25.2	48.4
Non-recurring gain (loss)	3.9	2.7
Income tax	(0.5)	17.3
Net profit (loss)	**28.6**	**68.5**

Revenue was stable compared to the previous fiscal year, as were operating expenses, so the operating loss (€(1.9) million) was very close to that of the previous year.

Financial income was €23.4 million lower than last year. This was attributable to:

- dividends received from subsidiaries – Derichebourg Environnement (lower than last year, at €26 million), Derichebourg Multiservices Holding (€12 million), Derichebourg Immobilier SCI (€3 million), Derichebourg Holding GmbH (€1 million) – and to provisions for a subsidiary's investment securities.

Non-recurring gain (loss) was positive at €3.9 million compared with €2.7 million last year.

Until last year, corporate income tax constituted income for the parent company thanks to the tax consolidation mechanism and the existence of tax loss carry-forwards. From this fiscal year and given that all of the tax consolidation losses had been used up, it amounted to an expense of €0.5 million.

Net profit (loss) was significantly positive at €28.6 million.

In accordance with Article L. 441-6-1 of the French Commercial Code, the payment schedule for Derichebourg's trade payables is shown below:

In millions of euros	Due	Not yet due	Total
Non-Group suppliers		0.1	0.1
Intra-Group suppliers		0.5	0.5
Total	0.0	0.6	0.6
Outstanding invoices		2.3	2.3
Total suppliers and related accounts Derichebourg SA	**0.0**	**2.9**	**2.9**

The holding company does not have significant receivables relating to third-parties outside the Group (see schedule of receivables and payables presented in section 3.4 of the notes to the parent company financial statements).

Furthermore:

- none of the expenses referred to in Article 39-4 of the GTC were incurred over the fiscal year;
- the Company did not incur any research and development costs. The Group's research and development activities are detailed in 1.1.1.4 and 1.6.1.2;
- the following investments were made and thresholds crossed during the course of the fiscal year:
  - upwards: none,
  - downwards: Derichebourg A&D Développement (disposal): 50% and 33.33% thresholds.

3.2.5 Outlook

3.2.5.1 Events occurring after year-end

As indicated in 3.1.6.4, on October 1, 2019, Derichebourg Multiservices Holding sold its shares in Derichebourg Services & Ingénierie Nucléaire to a player in the nuclear services and works industry.

3.2.5.2 Significant changes in the trading position, information on trends

Environmental Services business

The geopolitical crises of recent months, which have affected the recycling business, do not call into question long-term trends in the steel market, in which steel from electrical mills and non-ferrous metals from the recycling stream are likely to play a growing role:

- Much lower CO_2 emissions than primary production, equivalent to a ratio of 1:2.3;
- Lower energy consumption per tonne produced;
- Locally available resources and preservation of local jobs.

The Group, whose strategy forms part of a long-term vision for this market, has adapted its business model to withstand economic fluctuations effectively, as fiscal year 2018/2019 has just demonstrated:

- Low inventory levels to avoid exposure to price fluctuations, and the search for satisfactory unit margins;
- Dense coverage across France, ensuring the cost effectiveness of specialized sorting lines, and vertical integration that generates added value.

The acquisition of Lyrsa, the leading player in metal waste recycling in Spain, which is due to close very shortly, fits into this long-term vision of acquiring positions of a critical size in strategic markets where targets are very rare. Spain will become the Group's second largest country in terms of revenue and assets.

In the shorter term, the recycling activity for the first two months of the 2019/2020 fiscal year was relatively stable in terms of volumes.

The prices of the different products processed by the Group have risen slightly in relation to the low recorded in October.

- The expansionary monetary policies implemented by central banks and the budgetary policies announced by states could promote a recovery in sectors such as construction and infrastructures, which are consumers of the products processed by the Group's customers.
- A trade agreement between the United States and China, and/or an easing of the criteria for the acceptance of solid waste in China, would certainly be likely to lead to an increase in commodity prices, as well as volumes exported.

Multiservices business

The Multiservices business should continue its growth during fiscal year 2019/2020, both in terms of revenue and profitability, notably due to the full-year impact of acquisitions carried out last year. These include, in particular, the acquisition of Grupo Net – Silnet in Spain in the cleaning business, Immedia Services in temporary recruitment and 10 companies or businesses acquired in France in the cleaning business.

3.2.5.3 Profit forecasts

The Group does not quantify the profit forecast.

3.2.6 The Group's net financial debt

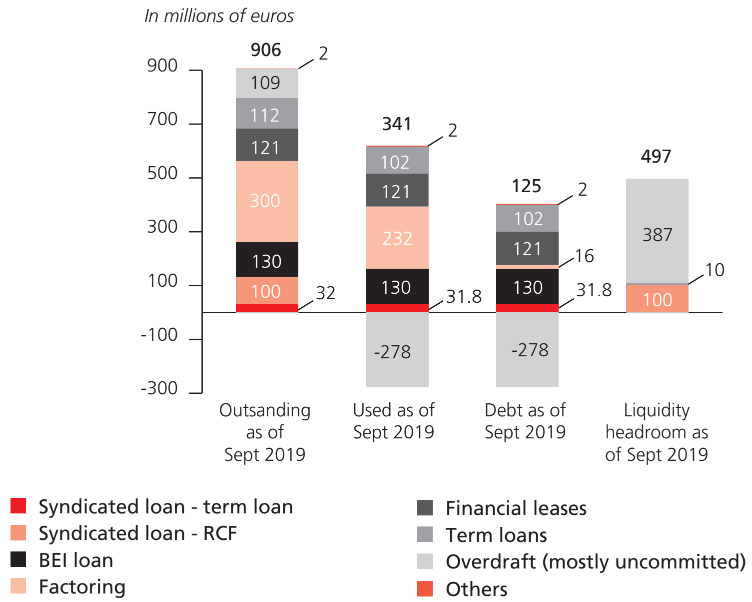
Opening debt at 09-30-18	**95.1**
Property, plant and equipment and intangible capital investments	144.3
Recurring Ebitda	(191.2)
Non-recurring items with a counterpart entry in cash and cash equivalents	4.5
Acquisitions	17.0
Disposals of companies	(8.0)
Financial expenses paid	9.7
Taxes paid	20.7
Change in working capital requirement	(0.9)
Impact of IFRS 5	1.1
Other	(7.0)
Subtotal before shareholder flows	**85.6**
Dividends paid	22.4
Buyback of own shares	16.9
Closing debt at 09-30-19	**124.9**

The Group has a healthy financial structure.

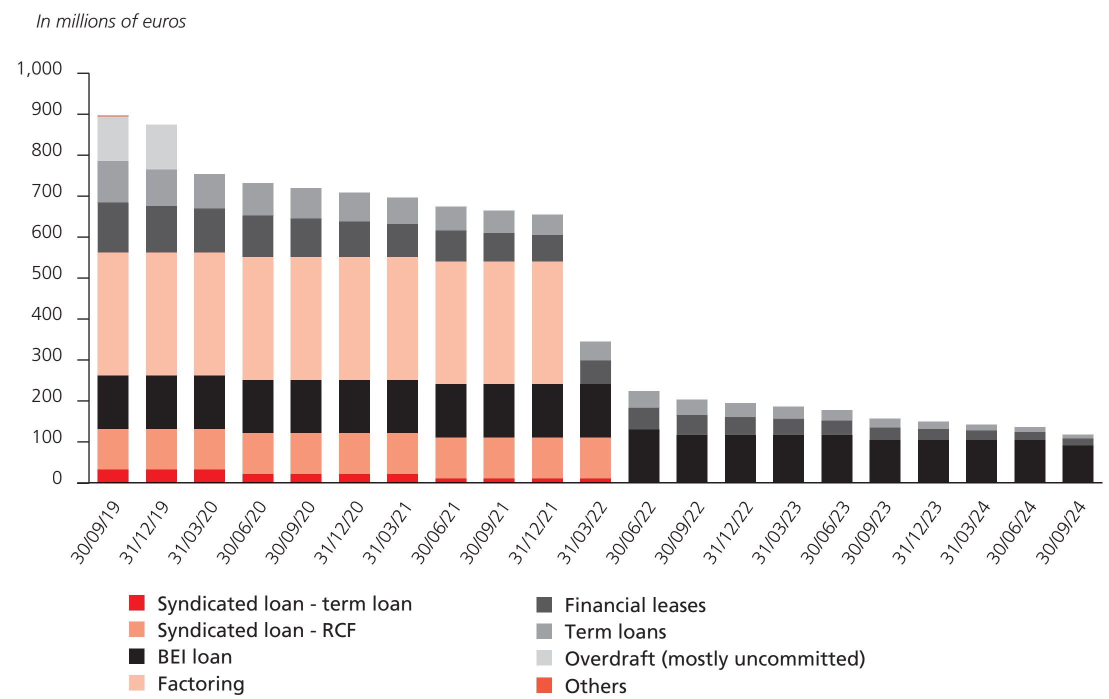
Its leverage ratio (net debt to recurring Ebitda) is 0.65 and its gearing ratio (net debt to equity) is 0.24.

The Group has ample leeway to implement its investment projects, and a robust financial liquidity position.

The following table details the Group's various sources of funding and their use.



The credit line repayment schedule is set out below. The Group deems that its credit lines are sufficient to finance its business and investments for the next 12 months:



A legal approach has been adopted for overdrafts, by refusing to extend them over two months even though, in practice, they can be considered to be longer-term.

3.2.6.1 Cash flow

The cash flow table is included in 4.1.3. Further information on the conditions of the Group's lines of financing can be found in note 4.11 of the notes to the consolidated financial statements.

3.2.6.2 Financing structure and borrowing conditions

The financing structure and borrowing conditions are detailed in note 4.11 to the consolidated financial statements.

At September 30, 2019, the Group was compliant with its various financial covenants and had almost €497 million in undrawn credit lines (excluding undrawn factoring lines, and including non-confirmed lines and the use of cashflow included in the balance sheet).

3.2.6.3 Restrictions on the use of capital

Restrictions on the use of capital are shown in detail in note 4.11 of the notes to the consolidated financial statements.

3.2.7 Investments

3.2.7.1 Objectives

For many years, the Group has had a policy of regular investment, the objectives of which, by sector, are as follows:

Environmental Services

- continued expansion of regional coverage;
- better control of sourcing (material flow) by developing a fleet of collection vehicles and reception centers as well as the energy efficiency of this fleet;
- maintaining the high quality of production equipment and standardizing assets;
- development of plants in urban areas and, in a wider sense, compliance with environmental requirements;
- control, where possible, of the land assets of the sites at which the Group operates;
- vertical integration by setting up specific sorting lines in order to keep added value within the Group through more advanced sorting, and to gradually reduce sterile volumes sent to landfill.

Business Services

- development and rationalization of the branch network;
- purchase of the materials required for the start-up of contracts won.

3.2.7.2. Main investments

The table below shows the main investments made (recognized in asset accounts, independent of the financing mode, use of own shares or leasing):

In millions of euros	2019	2018	2017
Investments in land or infrastructures	13	21	19
Production equipment	77	67	37
Handling and transportation equipment	36	20	38
Other	0	0	0
Environmental Services subtotal	**126**	**108**	**94**
Cleaning	10	6	7
Other Multiservices investments	6	5	4
Multiservices subtotal	**16**	**11**	**11**
Holding companies subtotal	**3**	**4**	**2**
Total property, plant and equipment and intangible investments	**145**	**123**	**107**

The year's investments can be broken down as follows:

- property acquisition: €5 million;
- construction and repair of shredders: €14 million;
- acquisition of handling equipment: €15 million;
- acquisition of trucks: €14 million;
- acquisition and repair of shears: €8 million;
- WEEE lines: €6 million;
- site fittings: €14 million;
- household refuse collection dumpsters and related equipment: €20 million;
- other: €30 million;

Environmental Services total: €126 million.

For Multiservices, investments are mainly related to work equipment (single-disc machines and cleaning machinery) and the renewal of vehicles.

3.2.7.3 Investments in progress

Engaged investment orders for which invoices had not yet been received, totaled €32 million.

The Group has also committed to acquiring the Lyrsa Group (see 3.1.4).

3.3 Risk factors

3.3.1 The risk analysis and monitoring process

An initial mapping exercise covering the Company's general risks was prepared during 2018. It will be updated at regular intervals.

The Board of Directors is kept informed of changes to the Company's principal risks.

In the context of the operating organization, the directors of the operating entities are responsible for identifying and assessing the risks relating to the businesses that they manage. In carrying out this assessment, they are supported by the Group's support services (Financial Department, Secretariat General, Insurance Department, Technical Department, Legal Department and CSR Department).

Two other risk mappings were conducted during the fiscal year: one as part of the application of the provisions of the Sapin 2 law and the other covering CSR risks.

3.3.2 Overview of principal risks identified and the risk management system

Risks	Risk management systems
Geopolitical risks and economic cycle-related risks	
The introduction of customs barriers leading to the segmentation of international trade could have a negative impact upon the prices and/or volumes of recycled materials processed by the Group.	These exogenous risks cannot be controlled by the Group. A low inventory policy is likely to limit the impacts should situations of this kind arise, as would the policy seeking to protect unit margins.
The industries that consume the products sold by the Group's Recycling business (steel, metallurgy) are considered to be cyclical. A slowdown in these cycles may affect the profitability of the business.	
The European and Turkish steel industries rely on the strength of domestic steel consumption in China. When this consumption falls, the pressure from low-cost Chinese exports increases and competes with European and Turkish steelmakers.	
Country risks	
The Group has indirect exposure (China for non-ferrous metals, Turkey for ferrous scrap metals) to countries outside of Western Europe where the Group carries out its principal business activity. A deterioration in the economic situation of these countries may indirectly affect (lower prices or change in trade flows) the business activity of the Group as a whole.	This risk cannot be completely controlled. A policy of diversifying the Group's customer base contributes to lowering these risks.
Customer risks	
Environmental Services' largest customer represents 14% of its revenue, and the five largest represent around 30%. The financial failure, or a reduction in commercial relations with one of these customers, could affect the Group's profits.	The Group's practice is to monitor, on an almost systematic basis, its customer outstandings, to insert retention of ownership clauses in its contracts and to obtain the majority of payment for major exports before goods are unloaded. A customer diversification policy is also likely to reduce this risk. The logistical framework (access to ports) needed for this diversification is in place.
Multiservices' largest customer represents 16% of this division's revenue. A significant reduction in services provided could affect the Group's profits.	Regular high-level meetings are held with major customers in order to assess the level of satisfaction of customers and service providers. A customer diversification policy has been initiated. It is likely to reduce this risk in future.
Operating risks	
Prolonged unavailability of industrial equipment without back-up: certain sorting or refining equipment is located at only one Group site. Its prolonged unavailability could significantly affect the Group's business.	The Group has a policy of regularly maintaining its facilities. Intermediate products could be sold in their current condition on less favorable terms. The Group has undertaken to duplicate certain equipment: a second refinery (different technology) has been commissioned and flotation sorting is under consideration.

Risks	Risk management systems
Major accident at a recycling center (explosion, fire, physical injury, etc.) or a natural disaster (earthquake, flood, etc.) interrupting operations.	The Group has a workplace safety policy (see section 1.4.1) in order to protect its employees. None of the Group's sites handles more than 10% of volumes. Moreover, volumes may be diverted to sites that are geographically close. Lastly, the Group has insurance policies aimed at insuring against insurable financial consequences in the event of such events taking place.
The subsidiary Derichebourg Atis Aéronautique carries out the assembly or quality inspection of a large number of aircrafts. In the event of an air accident involving an aircraft on which Derichebourg Atis Aéronautique has worked, it could be deemed to be liable.	The aeronautical industry relies on several successive checks of operations. The implementation of Derichebourg Atis Aéronautique's quality policy is verified by its customers. Furthermore, a specific insurance policy has been taken out.
A major strike affecting a number of service activities.	Historically speaking, the number of strike days (see section 1.4.3) has been low. The Group endeavors to maintain a high quality professional working environment with accessible management.
Regulatory risks	
The Group exports a significant share of the tonnages of ferrous or non-ferrous metals that it processes. The majority of volumes exported do not require complicated formal procedures. Some exports have to undergo specific formalities (notifications). In the context of a changing regulatory environment, the export of goods that do not comply with specifications could occur, leading to goods being returned and/or fines being applied.	Documents accompanying exported goods are subject to particular care and are prepared by people specializing in this area.
The TGAP (French general tax on polluting activities) collected when shredding residues are sent to landfill could increase significantly and the opportunities for landfill be reduced. Should this situation arise, the Group's profits would be affected.	The eco-design of products is such as to enable the better recycling of end-of-life products. The Group is working to improve the sorting of fractions that are currently not recyclable (light shredding residue and induction waste) as part of one of the CSR targets that it has set itself (see section 1.6.1.2). The success of these initiatives requires commercial streams to be identified that are capable of using the various by-products.
The implementation of the IED directive (Industrial emissions) could require investments to be made, mainly in order to reduce emissions to air from shredders, noise and discharge into water.	These regulations will concern all players in the business. The implementation schedule for these measures will be on a multi-annual (four to five-year) basis.
Financial consequences of unintended non-compliance with employment regulations: the Group employs more than 30,000 employees in labor-intensive service activities. The complex nature of employment management (calculating hours, reductions in contributions, etc.) could lead to significant contribution adjustments despite there being no intention to circumvent the regulations.	In the face of increasing complexity, the Group is bringing together payroll functions in shared service centers in order to share expertise.
As the final operator at all of its operating sites, in the event that activities cease, the Group is responsible for rehabilitating the various sites in accordance with an objective to be agreed with local and regional authorities. The Group endeavors to limit the potential consequences of its activity on the environment, in particular through the presence of concrete slabs, but it does not have detailed knowledge of the history of all of the sites it operates. In the event of a cessation of activities, significant sums could be paid out to restore and to clean up certain sites.	The Group's intention is to continue activity at the vast majority of the sites that it operates. At the few sites where the Group is planning to cease activity, the Group recognizes provisions when it has management plans prepared in accordance with the future state of the site. At September 30, 2019, the amount of the provisions for rehabilitation and decontamination was €4.0 million.
In 2012, Derichebourg SA and the subsidiary AFM Recyclage (as the final operator) entered into an agreement with the local authority, which was renewed in 2018. Under this agreement, they would release land, transfer it to the local authority and transfer their activity to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for non-sensitive and industrial uses. After the end of the fiscal year, an estimate was made of the cost of this decontamination and its total cost calls into question the economics of the operation. Discussions have begun with stakeholders in order to see whether it is possible to find a solution that is acceptable to everyone. Should this not be the case, AFM Recyclage would seek to continue its activity at the site.	The Group is not able to determine with sufficient certainty whether it will in fact continue its activity on this site and, where applicable, the amount of the total decontamination costs that it would be liable to pay.

Risks	Risk management systems
Information technology risks	
A major IT incident (hardware failure, cybercrime, etc.) could affect the Group's activities.	The Group has a reliable IT organization based on duplicating machine rooms, tested failover plans and the regular backup of data. During the next year, the Group will prepare business recovery plans. The Group considers that the majority of its operating activities can continue for several hours in the absence of the Group's IT capabilities.
Legal risks and development risks	
For service activities, the Group may offer services that are in addition to those already offered and this may present costing and performance risks.	The Group endeavors to focus on each of its businesses so that they have sufficient size and experience to address all of their challenges.
Risk of a disagreement with a joint venture partner that could lead to a deadlock or to commitments given by the Group that exceed its share in the Company.	As the Group wholly controls the vast majority of its subsidiaries, such cases are few in number. The potential risks of such situations are regularly reviewed.
Risks related to the consequences of inappropriate behavior	
Risk of fraud (impersonation fraud, factoring fraud, etc.).	Initiatives to raise awareness (for accountants, transfer order signatories, etc.) of these risks, limiting the number of people authorized to work on payment flows.
Reputational risk and risk of being banned for a period from participating in public tender processes following an irregularity in a tender process.	Implementation of the provisions of the Sapin 2 Law, in particular involving training initiatives for employees affected by these matters.
Liquidity risk	
See note 4.11.3 to the consolidated financial statements and section 3.2.6	
Foreign exchange and interest rate risk	
See note 4.12 to the consolidated financial statements.	
Significant ongoing litigation	
See note 4.27 to the consolidated financial statements.	

3.3.3 The internal control system

3.3.3.1 Internal control objectives

The purpose of internal control is to prevent and control risks inherent in the Company's business and the risk of errors and fraud in the accounting and financial fields, in particular. As with any control system, it cannot provide assurance that risks will be totally controlled or eliminated. Control procedures mainly seek to ensure that managerial actions, transactions and staff behavior comply with the guidelines and rules the Company's governing bodies have set forth to govern the Company's business as well as the applicable laws and regulations.

The purpose of these control procedures is also to ensure that the accounting, financial, legal and economic information provided to the Company's structures and that may be provided to third parties pursuant to regulatory requirements or as part of the Group's communication policy, is reliable and faithfully reflects the Company's business and position.

3.3.3.2 Description of the general organization of internal control

Derichebourg Group's internal control function

The internal control function reports to the Secretariat General.

It manages the risk management system put in place by the Group.

Its objectives are:

- asset protection;
- the reliability of financial information;
- implementing the instructions and guidelines set by the executive body;
- compliance with laws and regulations;
- the proper functioning of internal processes.

It enables:

- the Group's activities to be managed in the best possible way;
- operations to be more efficient;
- resources to be optimized;
- the identification of risks that could prevent strategic and operating objectives from being achieved;
- control and monitoring initiatives to be implemented.

The Group's internal control function has a key role. In particular, it lays down processes, formalizes procedures and monitors corrective actions.

It harmonizes the operating and managerial practices of subsidiaries.

It helps to improve performance in close cooperation with operating units.

Lastly, it is in tune with the organization's challenges so that it can anticipate the risk-related requirements of the businesses.

General control environment

The Group is comprised of a headquarters, the Derichebourg holding company, and two operating divisions:

- Environmental Services (which includes the real estate companies);
- Business services.

The headquarters of the Group's Environmental Services business also contains the Group's General Management and the central operations departments.

Each of the Group's divisions has its specific business, internal-control and risk-management concerns.

The division heads are responsible for conducting business in accordance with the objectives set by the managing director of the Group and deputy managing director, which are under their control.

A delegation of powers system has been put in place to ensure operational efficiency. Each company delegates authority in compliance with common guidelines. Subsidiaries are responsible for the day-to-day management of operations, except for the following activities, which are managed centrally:

- investment decisions that are considered strategic due to their nature or amount;
- financing and cash-management policy;
- insurance policy;
- management of executives and wage policy;
- the common IT network.

Business systems are a significant factor in the general control environment. Procedures, most of which are written, describe recurrent business procedures in the information systems.

Control activities

Control activities are based on the implementation of a set of policies and procedures defined at the headquarters level, at the two divisions and at the companies that are a part thereof.

The goal of these actions is to provide proper control of the risks likely to affect the accomplishment of the Company's goals. Control procedures are set up and overseen primarily by the managers and employees of the subsidiaries, taking into account the Group's requirements and the specificities of each line of business.

When a control procedure is designed, the goal is that a risk identified does not materialize in the Company's business.

Other control activities monitor the activity after it occurs in order to verify that the designed controls were effective, particularly information requests.

Information and communications

The Company's goal is to allow operational and functional managers to have access to relevant information that is circulated quickly enough to enable them to perform their responsibilities efficiently.

Together with the relevant functional departments, the Information Systems Department ("DSI") defines the information systems necessary to properly manage operations and support the Group's strategic objectives.

DSI analyzes and manages the risks related to its systems in order to ensure the availability, integrity and confidentiality of information, in accordance with legal and contractual requirements.

Oversight of internal controls

Certain functional managers at headquarters use networks of experts, who can conduct control actions within each department and transfer know-how from one entity to another.

3.3.3.3 Description of internal control procedures put in place

Main organizational procedures and internal control

In order to meet its operational and financial objectives, the Group has structured its internal control utilizing the following organization.

The Group is composed of a listed holding company that controls parent-holding companies, which in turn oversee the Group's operational businesses.

Some of the Group's corporate services and support functions have been delegated to Derichebourg Environnement. This centralized organization allows the Group's main guidelines and objectives to be applied in a uniform manner.

The Executive Committees

Each division has its own Executive Committee:

- an Environmental Committee chaired by the Deputy CEO and composed of the Chairmen of the European subsidiaries of Environmental Services businesses, the HR director, the Chief Financial Officer and other attendees according to the subjects under discussion. This committee meets around once a month;
- a Multiservices Committee, chaired by the Head of the Multiservices business and composed of the heads of businesses and heads of support functions. Other attendees may also be invited according to the subjects under discussion. This committee meets at least once a quarter.

The role of these committees is to analyze the commercial and financial performance of each Group division, to review market developments, implement Group guidelines and to set operational and financial objectives.

Monthly meetings are also organized for each division in order to review monthly performance.

The Finance Department

- Ensures that financial transactions are carried out (raising capital in banking markets, financing projects and investments).

Group management report
Risk factors 3

- Manages the Group's cash in cooperation with the divisions, (debt and liquidity) through a reporting system.
- Analyzes major financial risks together with the divisions (interest rates, foreign currencies) and defines the hedging policies to cover these risks.
- Analyzes differences between forecasts and actual figures.
- Participates in the analysis of investment projects and proposed contracts.
- Ensures the reliability of accounting and management information, in particular by determining at the Group level the type, scope, form and frequency of financial information to be provided by the divisions. It also establishes the financial reporting standards, accounting standards and procedures and the instruments and procedures for consolidating information.

The Legal Department, part of the Secretariat General

- Manages all of the Company's legal transactions.
- Provides counsel for operational businesses in France.
- Manages all legal activities in France.
- Coordinates the Group's lawyers and legal advice activities.

3.3.3.4 Internal control procedures related to the preparation and processing of financial and accounting information

Internal control procedures related to the preparation and processing of financial and accounting information are mainly prepared under the supervision of General Management by the Financial and Accounting Department, which reports directly to General Management. The operating subsidiaries are responsible for implementation.

Most of these procedures are frequently modified to ensure that they meet the Group's requirements.

The Group's Financial and Accounting Department is responsible for preparing Derichebourg's corporate financial statements and the Group's consolidated financial statements.

For this task it is supported by the following organization:

The role of corporate governance bodies

The Board of Directors reviews and approves the annual financial statements of Derichebourg and the Group's consolidated financial statements. The main accounting options used are brought to the attention of the Audit Committee.

The Group's earnings for the period, consolidated balance sheet and financial position are examined at this meeting.

The Statutory Auditors express their findings upon completion of their audit.

The accounting and financial organization

- Definition and communication of the Group's accounting policies, both for the corporate financial statements and the consolidated financial statements under IFRS.
- New legislation and regulations are monitored to assess their potential impact on the Group's accounts.
- Monthly closing: each subsidiary closes its accounts on a monthly basis. They are then subjected to an accounting analysis and a management analysis by the division's operational and financial staff.
- Definition and communication of instructions for closing the books. Prior to each stage of the consolidation process, the Accounting Department circulates consolidation packs, closing assumptions (table of rates), the scope of data to be provided and its schedule. This information is sent to the Group subsidiary administrative and financial managers.
- Development, installation and maintenance of the IT consolidation tools.
- Standardization of the IT tools (configuration, maintenance, communication and verification of data) secures and harmonizes data processing.
- Communicating accounting and financial information to the Group's administrative and management bodies, and verifying financial information prior to its circulation.

Information systems

The subsidiaries use the same accounting software in all French entities and in some European services subsidiaries.

There are also "business-specific" applications that record business flows and translate them into accounting flows. Controls are performed to check that transactions are correctly and exhaustively recorded.

To ensure that these applications operate correctly, they are maintained in-house or by a contractor.

3.3.4 Insurance

The Group is particularly conscious of the need to prevent risks and allocates resources and a significant budget to training, site security and a range of programs covering prevention, protection, security, health and the environment.

This risk management nevertheless includes taking out insurance policies with financially sound international insurance companies. It is the responsibility of the Group's Insurance Department, which is managed by the parent company, to identify the risks, for each business sector, define the correct balance between insurance requirements and guarantees to be entered into, as well as the acceptable levels of policy excesses and ceilings in order to remain competitive.

This is why the decision was taken, from an economy of scale perspective, to negotiate policies at central level. Consequently, all Group entities are covered by so-called "master" insurance policies that are translated into local policies in accordance with the regulations and risks identified locally. Similarly, the Insurance Department uses a "master" underwriter that acts as the conduit to local underwriters in the countries where the Group operates.

In this way, the Group guarantees harmonization and an optimum level of security in its insurance policies, which it reviews whenever necessary, on the basis of information fed back by subsidiaries and claim monitoring. This takes place on at least an annual basis.

The Derichebourg Group, confident of its management of the risk associated with the investments it has made over the past two years in terms of prevention and protection in its core business, i.e. recycling, is now looking at expanding the proportion of self-insurance.

This self-insurance may come in several forms, including a structured form.

Main insurance programs

The Group's insurance policy is based on more than 10 programs including the following main policies:

- General Public Liability Insurance: covering third-party criminal and contractual liability incurred by the Group in the event of personal injury or material and intangible damage likely to arise in the course of business operations or after delivery;
- Specific Public Liability Insurance for pollution risks;
- Airport Public Liability Insurance;
- Accident insurance: covering direct material damage and consequential operating losses arising from accidents to the insured equipment;
- Vehicle Fleet Insurance: working from a common base, these are essentially policies adapted to the needs of local regulations;
- Transport Insurance: covering claims arising from maritime, rail and ground transportation between the Group's plants and its customers;
- Charterer Insurance;
- Ten-Year Insurance for all building-related activities;
- Directors' Liability Insurance;
- Workers' Compensation insurance, to cover work-related accidents and illness; this system is specific to the United States.

The total cost of the Group's policies was €11 million at September 30, 2019.

3.4 Shareholder structure and threshold crossing

3.4.1 Shareholder structure

The following table summarizes information about the known shareholders of the Company as at September 30, 2019, the closing date of its most recent fiscal year.

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	65,745,648	41.25	131,491,296	57.79
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	1,686,029	1.06	1,686,029	0.74
Treasury shares	0	0	0	0
Free float	91,899,918	57.65	94,290,107	41.44
Total	**159,397,489**	**100.00**	**227,533,326**	**100.00**

* *CFER and FINANCIÈRE DBG are ultimately controlled by the family of Mr. Daniel Derichebourg.*

As at September 30, 2018, the capital ownership structure was as follows:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	65,745,648	40.12	131,491,296	56.67
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	1,568,021	0.96	1,538,021	0.68
Treasury shares	0	0	0	0
Free float	96,499,217	58.88	98,888,139	42.62
Total	**163,878,780**	**100.00**	**232,013,350**	**100.00**

* *CFER and FINANCIÈRE DBG are ultimately controlled by the family of Mr. Daniel DERICHEBOURG.*

As at September 30, 2017, the capital ownership structure was as follows:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	82,133,526	50.12	155,719,198	64.93
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	1,739,983	1.06	1,739,983	0.72
Treasury shares	0	0	0	0
Free float	79,939,377	48.78	82,308,387	34.32
Total	**163,878,780**	**100.00**	**239,833,462**	**100.00**

* *CFER and FINANCIÈRE DBG are ultimately controlled by the family of Mr. Daniel DERICHEBOURG.*

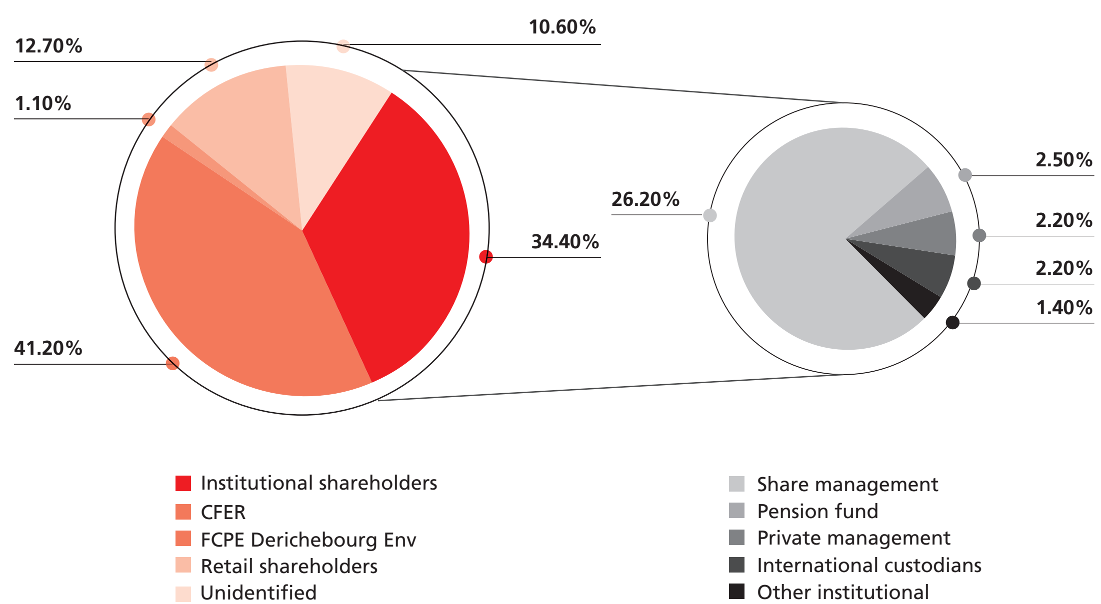
3.4.2 Threshold crossing

During the fiscal year, the following threshold crossings occurred at Derichebourg:

Date	Shareholder's name	Threshold crossed
10-03-19	Norges Bank	Below the 5% share capital threshold with 3.52% of voting rights
10-05-19	Norges Bank	Above the 5% share capital threshold with 3.70% of voting rights
10-18-19	Norges Bank	Below the 5% share capital threshold with 3.45% of voting rights
11-13-19	Sycomore Asset Management	Above the 2% share capital threshold with 1.50% of voting rights

3.4.3 Analysis of the share capital by type of shareholder

The chart below depicts the breakdown of share capital by type of shareholder. Shareholders not identified are linked to the individual threshold used in identifying shareholders.



3.5 Financial results for the last five fiscal years

In euros	09-30-15	09-30-16	09-30-17	09-30-18	09-30-19
SHARE CAPITAL AT YEAR-END					
Share capital	42,020,508	42,020,508	40,969,695	40,969,695	39,849,372.25
Total number of ordinary shares outstanding	168,082,030	168,082,030	163,878,780	163,878,780	159,397,489
OPERATIONS AND NET PROFIT OR LOSS FOR THE YEAR					
Gross revenue before sales tax	3,245,564	3,236,195	3,241,419	3,244,195	3,243,807
Earnings before tax, employee profit-sharing and provisions and depreciation(1)	6,736,673	1,065,415	39,352,849	42,268,502	39,529,594
Income tax	(4,733,957)	(10,064,953)	(11,857,430)	(17,347,138)	522,936
Earnings after tax, employee profit-sharing and provisions and depreciation	5,355,844	(1,619,845)	73,475,580	68,486,462	28,566,966
Earnings distributed	8,404,102	3,361,641	22,943,029	22,943,029	17,533,724(1)
EARNINGS PER SHARE *(IN EUROS)*					
Earnings after tax and employee profit-sharing but before provisions and depreciation(1)	0.07	0.07	0.31	0.36	0.24
Earnings after tax, employee profit-sharing and provisions and depreciation	0.03	(0.01)	0.45	0.42	0.18
Net dividend per eligible share	0.05	0.02	0.14	0.14	0.11(1)
PERSONNEL					
Average number of salaried employees during the year	2	2	2	2	2
Total salaries and wages for the year	438,219	322,692	391,589	419,161	398,241
Amounts paid for social benefits for the fiscal year (social security contributions, other employee benefits, etc.)	183,302	163,840	198,585	216,271	207,627

(1) Subject to approval by the combined shareholders' meeting of January 31, 2020.

3.6 Group organization chart

3.6.1 Group organization and Issuer's position in the Group

Derichebourg's assets mainly comprise:

- equity interests in two parent-holding companies, Derichebourg Environnement and Derichebourg Multiservices Holding, which each control the operating companies in the appropriate division;
- shares in DBG Holding GmbH, which owns the Recycling business in Germany; and
- shares in Derichebourg Immobilier, which owns most of the property assets of Environmental Services.

For the most part, the Group's subsidiaries are financed centrally by Derichebourg, through the syndicated loan set up on March 31, 2014 (and amended on May 5, 2017 and February 2, 2018) with a residual amount of €131.8 million (see note 4.11.1.5 to the consolidated financial statements).

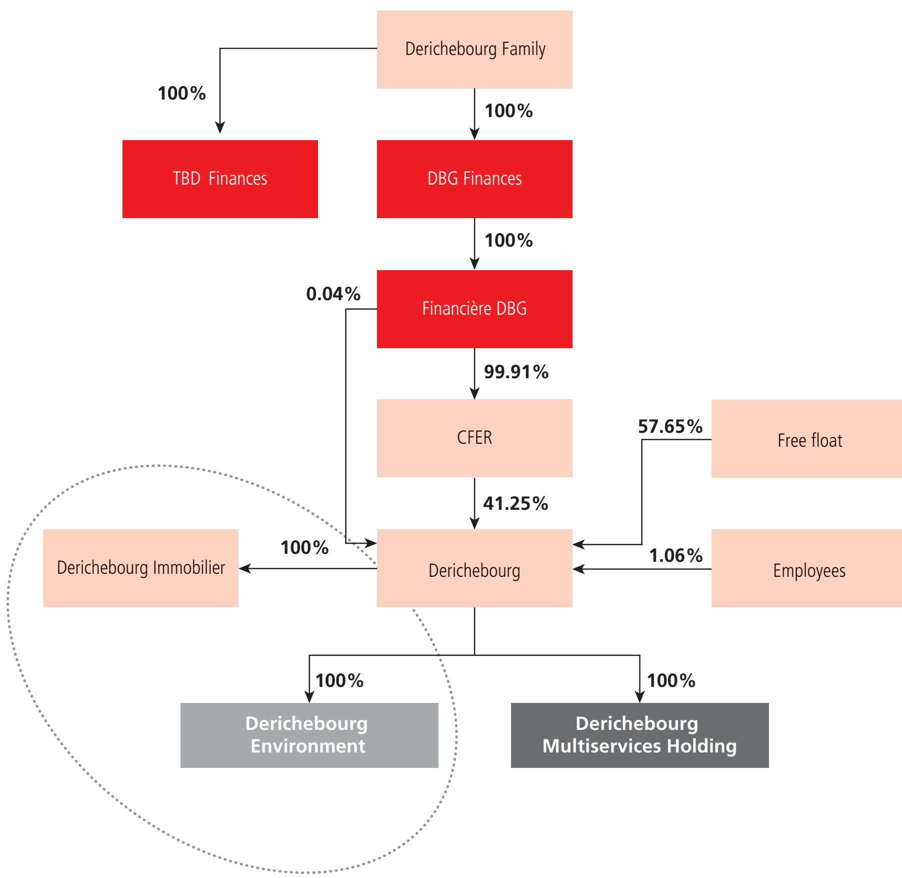
Derichebourg has signed cash agreements with its subsidiaries or sub-subsidiaries to enable current account advances or loans.

3.6.2 Organizational structure

To make it easier to read, the organization chart is presented in three parts:

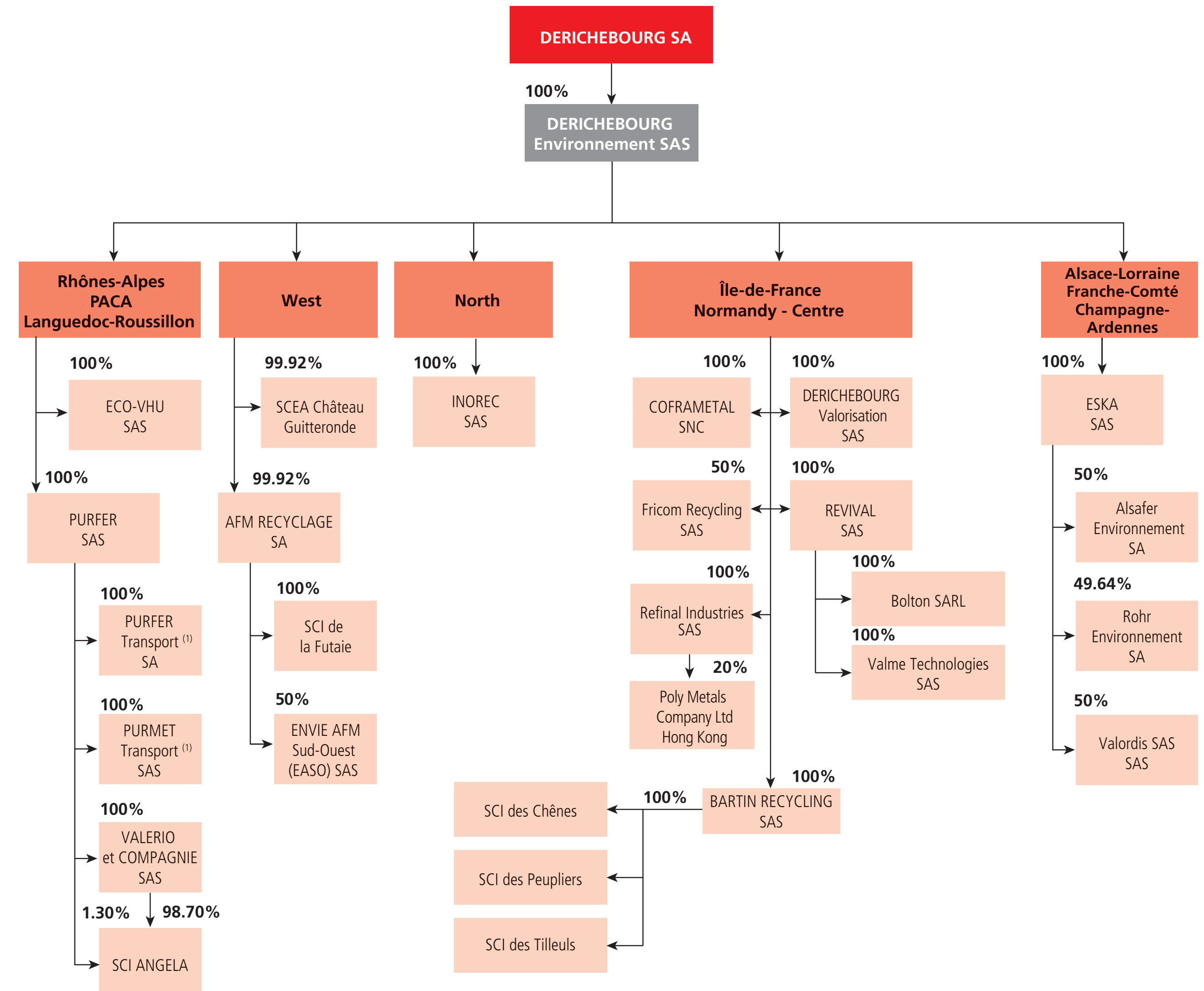
- summary organization chart of the Group and its shareholders (3.6.2.1);
- detailed organization chart of Environmental Services (3.6.2.2);
- detailed organization chart of Business Services (3.6.2.3).

3.6.2.1 Summary organization chart of the Group and its shareholders

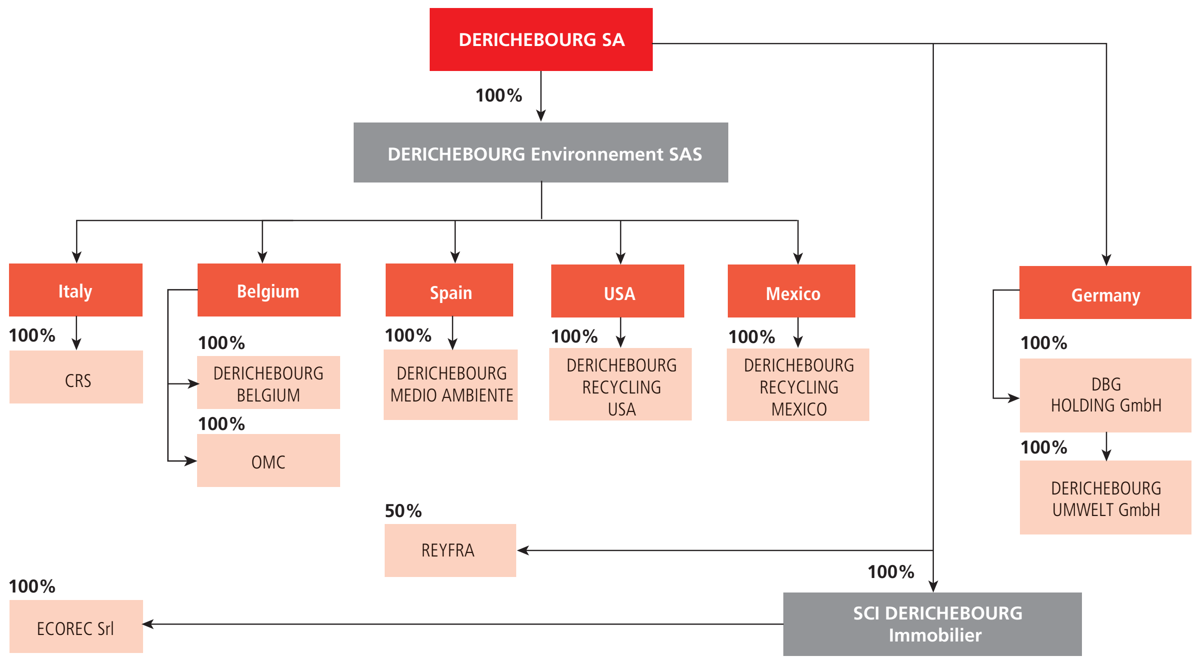


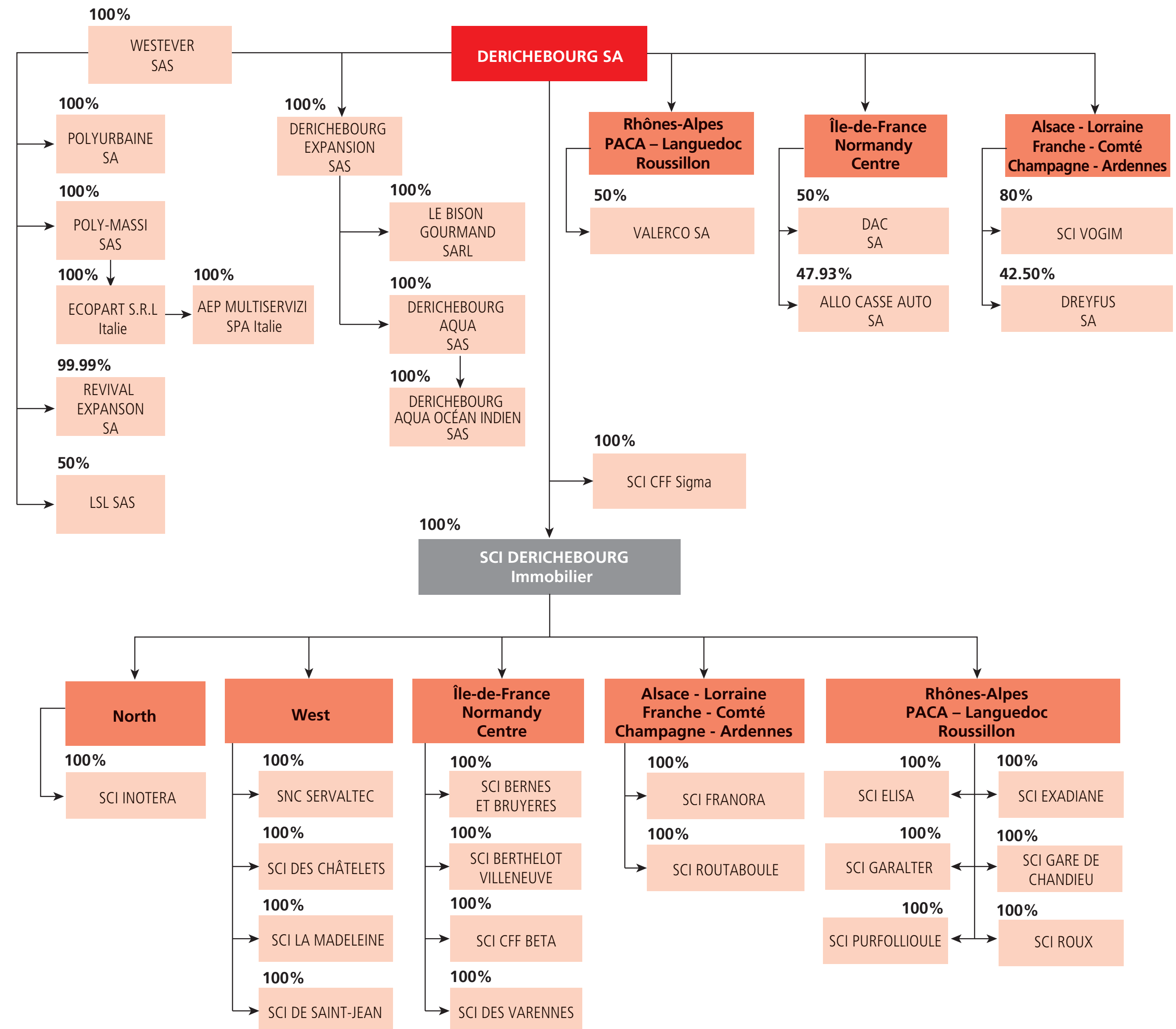
The chart above is presented in % holdings. CFER holds 57.79% of the voting rights.

3.6.2.2 Detailed organization chart of Environmental Services

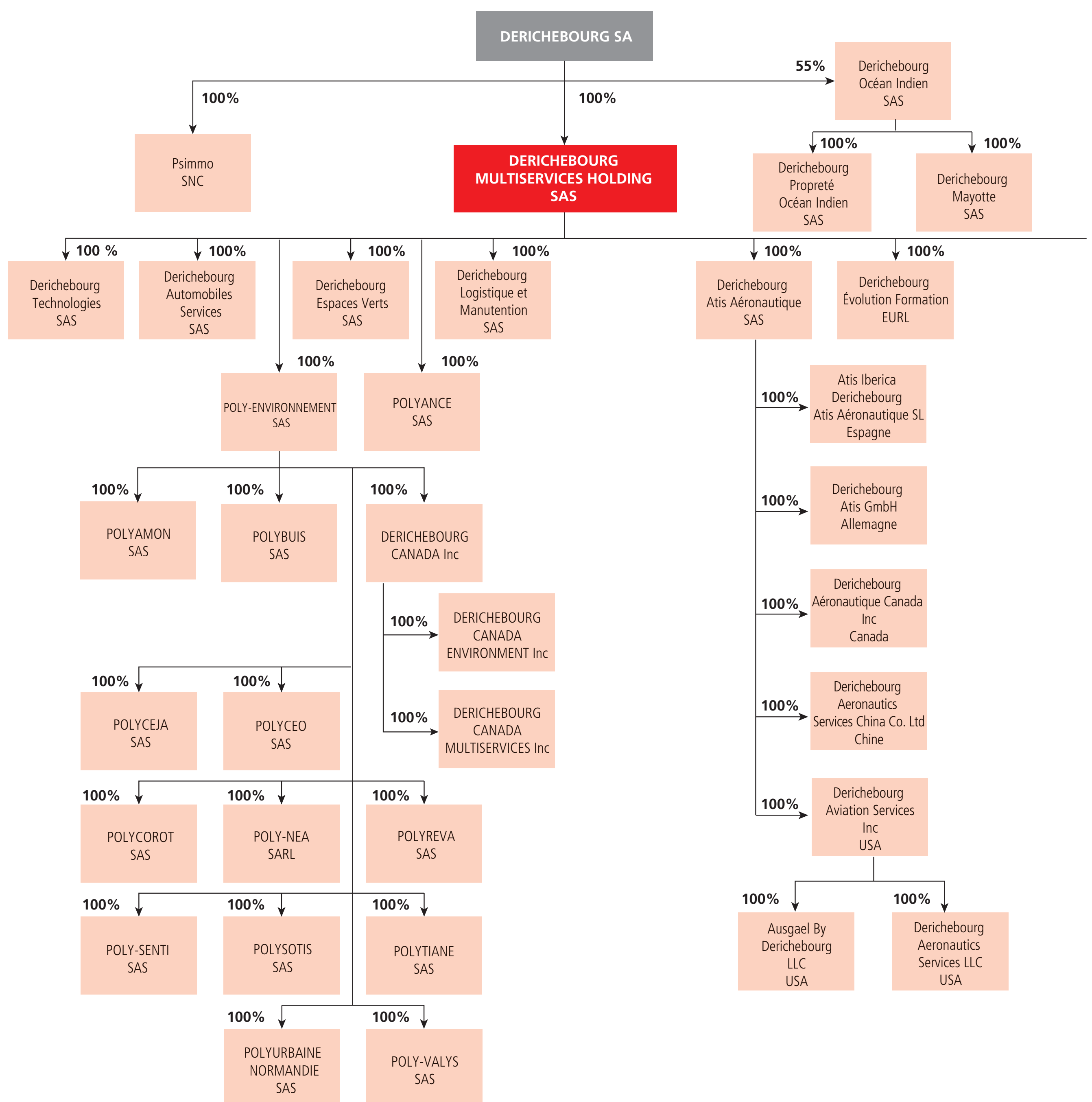


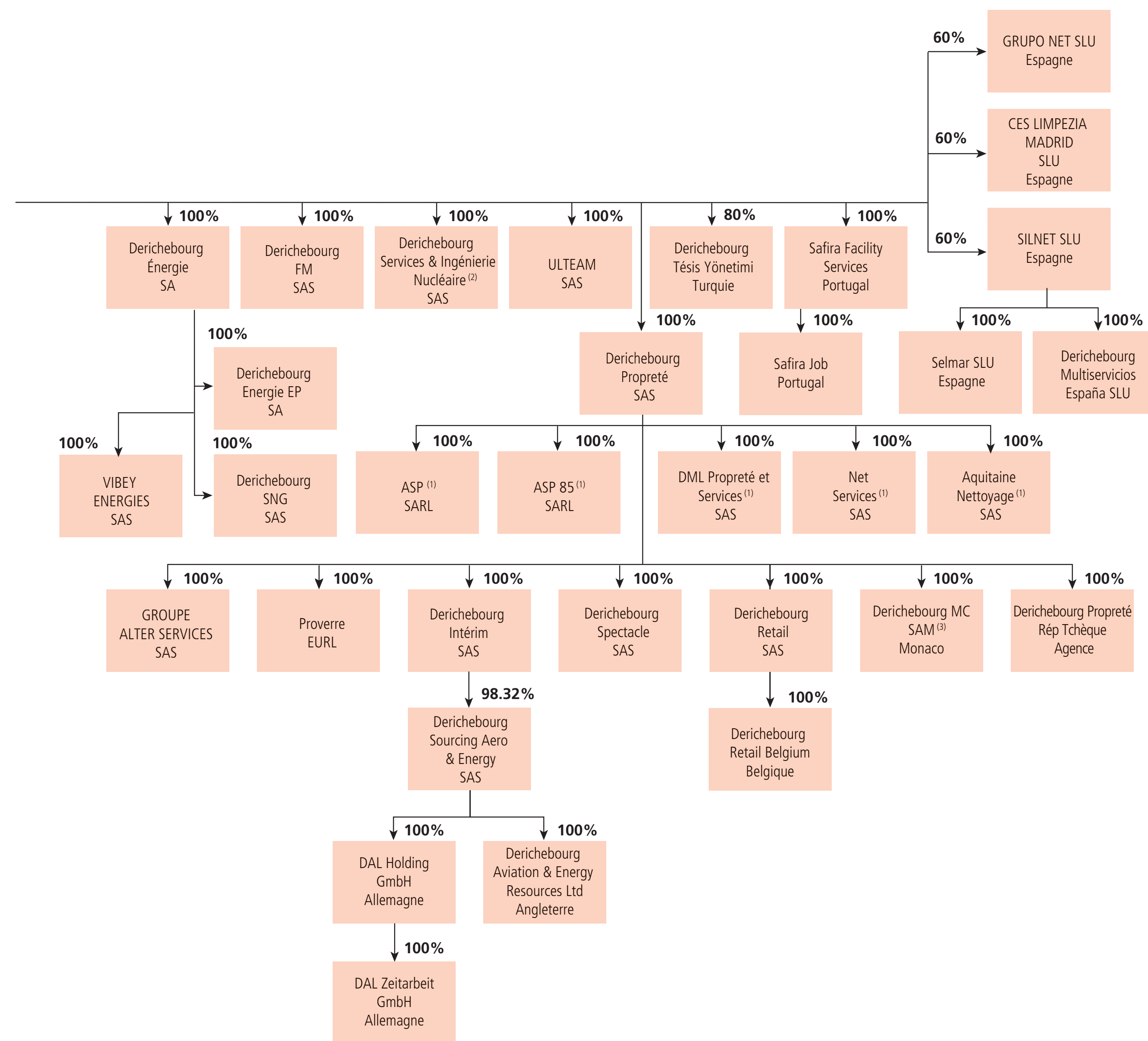
The Dohmen and Prosimétal subsidiaries are in liquidation and do not appear on the organization chart.
(1) Companies subject to a universal transfer of assets to the benefit of the sole partner as of October 1, 2019.


DERICHEBOURG SA
100%
DERICHEBOURG Environnement SAS
Italy
100%
CRS
Belgium
100%
DERICHEBOURG BELGIUM
100%
OMC
Spain
100%
DERICHEBOURG MEDIO AMBIENTE
USA
100%
DERICHEBOURG RECYCLING USA
Mexico
100%
DERICHEBOURG RECYCLING MEXICO
Germany
100%
DBG HOLDING GmbH
100%
DERICHEBOURG UMWELT GmbH
50%
REYFRA
100%
SCI DERICHEBOURG Immobilier
100%
ECOREC Srl


100%
WESTEVER SAS
DERICHEBOURG SA
100%
POLYURBAINE SA
100%
POLY-MASSI SAS
100%
ECOPART S.R.L Italie
100%
AEP MULTISERVIZI SPA Italie
99.99%
REVIVAL EXPANSON SA
50%
LSL SAS
100%
DERICHEBOURG EXPANSION SAS
100%
LE BISON GOURMAND SARL
100%
DERICHEBOURG AQUA SAS
100%
DERICHEBOURG AQUA OCÉAN INDIEN SAS
Rhônes-Alpes PACA – Languedoc Roussillon
50%
VALERCO SA
Île-de-France Normandy Centre
50%
DAC SA
47.93%
ALLO CASSE AUTO SA
Alsace - Lorraine Franche - Comté Champagne - Ardennes
80%
SCI VOGIM
42.50%
DREYFUS SA
100%
SCI CFF Sigma
100%
SCI DERICHEBOURG Immobilier
North
100%
SCI INOTERA
West
100%
SNC SERVALTEC
100%
SCI DES CHÂTELETS
100%
SCI LA MADELEINE
100%
SCI DE SAINT-JEAN
Île-de-France Normandy Centre
100%
SCI BERNES ET BRUYERES
100%
SCI BERTHELOT VILLENEUVE
100%
SCI CFF BETA
100%
SCI DES VARENNES
Alsace - Lorraine Franche - Comté Champagne - Ardennes
100%
SCI FRANORA
100%
SCI ROUTABOULE
Rhônes-Alpes PACA – Languedoc Roussillon
100%
SCI ELISA
100%
SCI EXADIANE
100%
SCI GARALTER
100%
SCI GARE DE CHANDIEU
100%
SCI PURFOLLIOULE
100%
SCI ROUX

3.6.2.3 Detailed organization chart of Business Services





(1) Companies subject to a universal transfer of assets to the benefit of the sole partner as of October 1, 2019.
(2) Company sold effective October 1, 2019.
(3) Company in the process of liquidation.

3.7 Statement of extra-financial performance

The report covering extra-financial information can be found in chapter 1 of this Universal Registration Document.

3.8 Agenda and draft resolutions submitted to the shareholders' combined general meeting of January 31, 2020

Agenda

Ordinary resolutions

- Approval of the parent company annual financial statements for the fiscal year ended September 30, 2019 and discharge to the directors.
- Approval of the consolidated financial statements for the fiscal year ended September 30, 2019.
- Allocation of income for the fiscal year ended September 30, 2019.
- Approval of the agreements and commitments referred to in Article L. 225-38 *et seq.* of the French Commercial Code.
- Approval of the elements of remuneration owed or granted to Mr. Daniel Derichebourg, Chairman and Chief Executive Officer, for the fiscal year ended September 30, 2019.
- Approval of the elements of remuneration owed or granted to Mr. Abderrahmane El Aoufir, Deputy CEO, for the fiscal year ended September 30, 2019.
- Renewal of the term of office as joint Principal Statutory Auditors of DENJEAN & ASSOCIÉS AUDIT.
- Non-renewal and non-replacement of the appointment as joint Alternate Statutory Auditor of Mr. Mark Bathgate.
- Authorization to be granted to the Board of Directors to trade in Company shares.

Extraordinary resolutions

- Authorization to be given to the Board of Directors to reduce the share capital by canceling shares.
- Extension of the Company's duration and corresponding amendment to Article 5 of the bylaws.
- Removal of the mention of attendance fees and corresponding amendment to Article 20 of the bylaws.
- Powers for formalities.

Draft resolutions

Ordinary resolutions

First resolution

Approval of the parent company annual financial statements for the fiscal year ended September 30, 2019

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' report, approves the parent company annual financial statements for the fiscal year ended September 30, 2019, as presented, which show a net profit of €28,566,965.79.

It also approves the transactions reflected in these financial statements or summarized in these reports.

Finally, it notes that none of the expenses and charges referred to in Article 39-4 of the French General Tax Code arose during the fiscal year ended September 30, 2019.

Therefore, it grants discharge to the directors for the performance of their mandates during said fiscal year.

Second resolution

Approval of the consolidated financial statements for the fiscal year ended September 30, 2019

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Group management report (included in the Board of Directors' management report) and the Statutory Auditors' report, approves the consolidated financial statements for the fiscal year ended September 30, 2019, as presented, which show a profit of €55.6 million (attributable to Company shareholders) as well as the transactions reflected in these financial statements and summarized in these reports.

Third resolution

Allocation of income

The shareholders' meeting, acting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, upon a proposal from the Board of Directors, resolves to allocate the net profit for the fiscal year ended September 30, 2019 in the amount of €28,566,965.79 as follows:

Origin

• Net income for the year	€28,566,965.79
• Retained surplus	€284,063,930.47
• Distributable earnings	**€312,630,896.26**

Allocation

• Total dividend distribution	€17,533,723.79
• Retained earnings	€295,097,172.47
• Total	**€312,630,896.26**

Consequently, the dividend is set at €0.11 per share composing the share capital with dividend rights.

The ex-dividend date is scheduled for February 7, 2020 and the dividend will be paid on or after February 11, 2020.

Dividends not paid out for treasury shares that may be held by the Company at the time of payment will be allocated to retained earnings.

When the dividend is paid to individuals resident for tax purposes in France, the dividend is subject either, to a single flat-rate withholding tax on the gross dividend of 12.8% (Article 200 A of the French General Tax Code), or, at the taxpayer's express, irrevocable and global request, to income tax in accordance with the progressive scale of tax after, notably, a 40% allowance (Article 200 A, 13 and 158 of the French General Tax Code). The dividend is also subject to social security withholdings at the rate of 17.2%.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the shareholders' meeting notes that the following dividends were distributed for the three previous fiscal years:

Fiscal years	Total dividend(1)	Dividend per share
2015-2016	€3,277,575.60	€0.02
2016-2017	€22,943,029.20	€0.14
2017-2018	€22,943,029.20	€0.14

(1) including dividends on treasury shares

In accordance with Article 158-3-2 of the French General Tax Code, individuals resident for tax purposes in France were entitled to a 40% allowance on dividends paid in respect of the last three fiscal years.

Fourth resolution

Approval of the agreements and commitments referred to in Article L. 225-38 *et seq.* of the French Commercial Code

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Independent Statutory Auditors' special report on the agreements and commitments referred to in Article L. 225-38 *et seq.* of the French Commercial Code, approves the said report, notes the information on the agreements concluded and commitments made during the previous fiscal years covered by this report, and approves the new agreements signed during the fiscal year ended September 30, 2019.

Fifth resolution

Approval of the elements of remuneration owed or granted to Mr. Daniel Derichebourg, Chairman and Chief Executive Officer, for the fiscal year ended September 30, 2019

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, upon the proposal by the Board of Directors, approves, in accordance with Article L. 225-100 of the French Commercial Code, the elements of compensation due or awarded in respect of the fiscal year ended September 30, 2019 to Mr. Daniel Derichebourg, Chairman and Chief Executive Officer, as presented in the Corporate Governance report in the 2018/2019 Universal Registration Document.

Sixth resolution

Approval of the elements of remuneration owed or granted to Mr. Abderrahmane El Aoufir, Deputy CEO, for the fiscal year ended September 30, 2019

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, upon the proposal by the Board of Directors, in accordance with Article L. 225-100 of the French Commercial Code, approves the elements of compensation due or awarded in respect of the fiscal year ended September 30, 2019 to Mr. Abderrahmane El Aoufir, Deputy CEO, as presented in the corporate governance report in the 2018/2019 Universal Registration Document.

Seventh resolution

Renewal of the term of office as joint Principal Statutory Auditors of DENJEAN & ASSOCIÉS AUDIT

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, upon the Board of Directors' proposal, decides to renew the term of office as joint Principal Statutory Auditors of DENJEAN & ASSOCIÉS AUDIT with its registered office located in Paris (75016), 19 rue de Presbourg, and registered with the Paris Trade and Companies Register under the number 539 769 729, for a duration of six fiscal years, ending after the shareholders' ordinary general meeting called to approve the financial statements for the fiscal year ended September 30, 2025.

Group management report
Agenda and draft resolutions submitted to the shareholders' combined general meeting of January 31, 2020
3

Eighth resolution

Non-renewal and non-replacement of the appointment as joint Alternate Statutory Auditor of Mr. Mark Bathgate

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, upon the Board of Directors' proposal, decides not to renew the term of office as joint Alternate Statutory Auditor of Mr. Mark Bathgate and not to proceed with his replacement, pursuant to Article L. 823-1 of the French Commercial Code.

Ninth resolution

Authorization to be granted to the Board of Directors to trade in Company shares

The shareholders' general meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report:

1. authorizes the Board of Directors, in accordance with the provisions of Article L. 225-209 *et seq*. of the French Commercial Code, to acquire Company shares up to a limit of 10% of the number of shares comprising the share capital; this limit applies to the date on which the purchases are made.

   Shares may be acquired, sold or transferred at any time, including during public offer periods, on one or several occasions and by any means, on the market or by private contract, including blocks of shares (with no limit on volume), in accordance with the regulations in force.

   These transactions may be made at any time, subject to the abstention periods provided for in the legal and regulatory provisions;
2. resolves that the Company shares, within the limits fixed above, can be purchased:
   - to stimulate the market or market liquidity of Derichebourg stock through a liquidity contract entered into with an investment service provider, in compliance with the AMAFI ethical charter approved by the AMF, the French securities regulator,
   - to grant shares to employees, in accordance with legal requirements and generally within the framework of a profit sharing or company savings plan,
   - to purchase shares for subsequent use in exchange or as payment for acquisitions,
   - to deliver shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means,
   - to reduce the share capital through the cancellation of shares under the conditions stipulated by law, subject to the adoption of the tenth resolution submitted to the shareholders' meeting for approval,
   - to implement all approved market practices that come to be recognized by law or the French securities regulator;
3. resolves that the maximum purchase price for each share be set at €20, excluding acquisition expenses. Therefore, the maximum amount that the Company is likely to pay in the event of a purchase at the maximum price of €20 would total €318,794,960, based on the share capital at September 30, 2019;
4. resolves that the share purchase price will be adjusted by the Board of Directors in the event of financial transactions involving the Company under the conditions provided for in the regulations in force;
5. resolves that this authorization is granted for a term of 18 months from the date of the present shareholders' meeting. It supersedes the authorization granted under the fourteenth resolution of the combined shareholders' meeting of February 5, 2019.

Extraordinary resolutions

Tenth resolution

Authorization to be given to the Board of Directors to reduce the share capital by canceling shares

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' extraordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, authorizes the Board of Directors to, on its own decision, on one or several occasions, reduce the share capital within a limit of 10% of the Company's share capital per 24-month period, by canceling shares that the Company holds or may hold following purchases made as part of the share purchase program authorized under the ninth resolution submitted to the present meeting or share purchase programs authorized before or after the date of the present meeting.

The shareholders' meeting grants full powers to the Board of Directors, with the possibility to delegate under the conditions provided for by law, to perform these transactions within the limits and at the times it determines, to fix the terms and conditions for said transactions and perform all necessary deductions from reserves, earnings or premiums, to record said transactions and to modify the bylaws accordingly and in general make all decisions and perform all formalities.

This authorization is granted for a period of 18 months from the date of this meeting. It supersedes the authorization granted under the fifteenth resolution of the combined shareholders' meeting of February 5, 2019.

Eleventh resolution

Extension of the Company's duration and corresponding amendment to Article 20 of the bylaws

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report and having noted that the Company expires on January 9, 2040, resolves to extend the Company's duration by 99 years from this date, i.e. until January 30, 2119.

In accordance with the provisions of Article L. 210-6, paragraph 1 of the French Commercial Code, the shareholders note that the extension does not involve creating a new legal entity.

The shareholders' meeting accordingly resolves to amend Article 5 of the bylaws as follows:

"ARTICLE 5 – DURATION

The duration of the Company, which was initially set at fifty (50) years from its registration in the Trade and Companies Register, has been extended by ninety-nine (99) years until January 30, 2119, by the combined shareholders' meeting of January 31, 2020, except where further extended or dissolved early."

Twelfth resolution

Removal of the reference to attendance fees and corresponding amendment to Article 20 of the bylaws

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' extraordinary general meetings, having reviewed the Board of Directors' report, resolves to no longer make reference to the term "attendance fees" and to amend Article 20 of the bylaws as follows:

"ARTICLE 20 – DIRECTORS' REMUNERATION

The shareholders' meeting may allocate to directors as remuneration for their activity a fixed annual sum that this meeting shall set without being bound by previous decisions. This amount shall be charged as operating costs and will stay in place until otherwise decided. The Board of Directors shall freely distribute between its members the overall amount allocated to directors."

Thirteenth resolution

Powers for formalities

The shareholders' meeting grants full powers to the bearer of an original, copy or excerpt of these minutes to carry out all filing, publication and other formalities required by law.

04

FINANCIAL STATEMENTS

4.1 Consolidated financial statements for the year ended September 30, 2019, in compliance with IFRS

4.1.1 Derichebourg Group consolidated balance sheet as at September 30, 2019

Assets *(in millions of euros)*	Note annexes	09-30-19	09-30-18
Goodwill	4.1	227.7	217.9
Intangible assets	4.1	8.0	6.2
Property, plant and equipment	4.2	539.2	480.9
Financial assets	4.3	8.8	10.5
Investments in associates and joint ventures	4.4	18.5	17.1
Deferred taxes	4.23	26.5	22.0
Other assets	4.5	0.0	0.0
Total non-current assets		**828.5**	**754.6**
Inventories	4.6	67.8	76.7
Trade receivables	4.7	284.1	286.6
Tax receivables	4.7	3.8	11.4
Other assets	4.7	62.5	82.7
Financial assets	4.7	20.2	13.8
Cash and cash equivalents	4.8	284.6	145.6
Financial instruments	4.12	0.0	0.0
Total current assets		**723.0**	**616.9**
Total non-current assets and groups of assets held for sale	**4.24**	**5.8**	**41.4**
Total assets		**1,557.4**	**1,412.9**

Liabilities *(in millions of euros)*	Note annexes	09-30-19	09-30-18
Share capital	4.9	39.9	41.0
Share premiums		0.8	16.5
Own shares		0.0	0.0
Reserves		427.0	379.3
Net income for the year		55.6	71.1
Group shareholders' equity		**523.1**	**507.9**
Non-controlling interests	4.10	2.9	3.8
Total shareholders' equity		**526.0**	**511.7**
Financial borrowings and debts	4.11	324.8	156.2
Provision for pensions and similar benefits	4.13	49.6	42.6
Other provisions	4.13	23.7	25.3
Deferred taxes	4.23	17.1	17.5
Other liabilities	4.16	3.2	1.7
Total non-current liabilities		**418.4**	**243.4**
Financial borrowings and debts	4.11	84.8	84.5
Provisions	4.14	2.6	4.8
Trade payables	4.15	257.1	281.2
Tax payables	4.15	7.7	3.3
Other liabilities	4.15	252.7	255.0
Financial instruments	4.12	2.7	1.1
Total current liabilities		**607.6**	**629.9**
Total liabilities related to a group of assets held for sale	**4.24**	**5.4**	**27.9**
Total liabilities		**1,557.4**	**1,412.9**

4.1.2 Derichebourg Group consolidated income at September 30, 2019

In millions of euros	Note annexes	2019	2018
Revenue	4.17	2,705.0	2,919.7
Other revenues from operations		3.2	4.6
Purchased used		(1,210.7)	(1,437.7)
External expenses		(398.3)	(395.7)
Personnel expenses	4.29	(856.0)	(835.3)
Taxes and duties		(51.1)	(54.8)
Depreciation		(88.5)	(84.1)
Change in provisions	4.18	(6.5)	(10.7)
Change in inventory: work-in-progress and finished products		(2.0)	2.2
Other operating expenses	4.19	(17.6)	(12.7)
Other operating income	4.19	25.7	22.7
Recurring operating profit (loss)		**103.1**	**118.3**
Other non-recurring expenses	4.20	(5.0)	(13.8)
Other non-recurring income	4.20	0.1	
Gain/loss on disposal of consolidated companies	4.21	(0.8)	(8.2)
Operating profit (loss)		**97.5**	**96.3**
Net financial expenses	4.22	(9.7)	(11.7)
Foreign exchange and other gains and losses	4.22	(0.7)	(1.2)
Profit (loss) before tax		**87.0**	**83.4**
Income tax	4.23	(30.5)	(16.3)
Group share of income from associates and joint ventures	4.4	2.4	2.1
Net profit (loss)		**58.9**	**69.2**
Income net of tax from discontinued activities			3.4
Consolidated net income (loss)		**58.9**	**72.6**
Attributable:			
▫ to shareholders		55.6	71.1
▫ to non-controlling interests		3.3	1.5
Earnings per share: earnings attributable to Company shareholders *(in euros/share)*	4.25		
▫ basic		0.35	0.4
▫ diluted		0.35	0.4
Earnings per share: attributable to shareholders after net income from discontinued or held-for-sale operations *(in euros/share)*			
▫ basic		0.35	0.4
▫ diluted		0.35	0.4

Derichebourg Group statement of consolidated comprehensive income

In millions of euros	2019	2018
Consolidated net income (loss)	**58.9**	**72.6**
Translation differences	3.8	1.1
Cash flow hedging	(0.1)	0.0
Restatement of liabilities linked to commitments from defined benefit plans	(6.8)	(1.7)
Taxes on other comprehensive income	2.2	0.6
Income and expenses for the period recognized directly in shareholders' equity	**(1.0)**	**0.0**
Comprehensive income for the period	**57.9**	**72.6**
Of which		
▫ attributable to Company shareholders	54.6	71.1
▫ attributable to non-controlling interests	3.3	1.5

4.1.3 Derichebourg Group consolidated statement of cash flows at September 30, 2019

In millions of euros	Note annexes	2019	2018
Total consolidated net profit (loss)		58.9	72.6
Consolidated net profit (loss) from held for sale or discontinued operations		0.0	3.4
Consolidated net income from continuing operations		58.9	69.2
Adjustments for:			
Elimination of profit (loss) from associates and joint ventures		(2.4)	(2.1)
Depreciation and amortization and provisions		86.2	83.7
Fair value gains (losses)		1.5	(0.7)
Elimination of gains (loss) on asset disposals		0.6	3.3
Elimination of profit (loss) from dividends		(0.0)	(0.0)
Other non-cash income and expenses		(0.1)	0.0
Operating cash flow after financing costs and income tax		**144.6**	**153.3**
Net interest expense		9.8	11.7
Income tax		30.5	16.3
Operating cash flow before financing costs and income tax		**184.9**	**181.3**
Changes in working capital requirement related to operations		0.9	10.6
Income tax paid		(20.7)	(21.7)
Cash flows from operations generated by discontinued activities		0.0	0.0
Net cash flow from operating activities		**165.1**	**170.2**
Impact of changes in scope		(4.6)	0.6
Acquisition of property, plant and equipment and intangible assets		(89.5)	(90.1)
Acquisition of financial assets		(0.4)	(0.3)
Change in loans and advances granted		0.2	(0.8)
Disposal of property, plant and equipment and intangible assets		16.9	4.5
Disposal of financial assets		0.0	0.0
Dividends received		1.1	1.0
Cash flow related to investment activities for discontinued operations		0.0	(2.8)
Net cash flow from investment activities		**(76.4)**	**(87.8)**
Capital increase		0.0	0.0
Proceeds from borrowings		167.2	23.8
Repayment of borrowings		(54.9)	(78.0)
Net financial interests paid		(9.1)	(11.7)
Dividends paid to Group shareholders		(22.4)	(22.9)
Dividends paid to non-controlling interests		(0.7)	(0.6)
Own shares		(16.9)	0.0
Factoring		(6.1)	(1.7)
Cash flow related to finance activities for discontinued operations		0.0	0.0
Net cash flow from finance activities		**57.1**	**(91.1)**
Impact of foreign exchange rate fluctuations		1.6	0.4
Change in cash and cash equivalents		**147.4**	**(8.3)**
Cash and cash equivalents at beginning of the period	4.8	131.6	141.8
Cash and cash equivalents at close of the period	4.8	277.8	131.6
Net cash and cash equivalents reclassified following the application of IFRS 5		1.2	1.9
Change in cash and cash equivalents		**147.4**	**(8.3)**

4.1.4 Change in Derichebourg Group consolidated shareholders' equity at September 30, 2019

In millions of euros	Capital	Share premiums	Own shares	Reserves	Currency translation reserves	Net income for the year	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Position at September 30, 2017	**41.0**	**16.5**	**0.0**	**322.8**	**3.4**	**76.0**	**459.7**	**2.9**	**462.6**
Appropriation of prior-year profit				76.0		(76.0)	0.0		
Dividends payments				(22.9)			(22.9)	(0.6)	(23.5)
Own shares							0.0		0.0
Net profit for the year attributable to the Group						71.1	71.1	1.5	72.6
Income and expenses recognized directly through equity				(1.0)	1.1		0.1	0.0	0.1
Other variation							0.0	0.0	0.0
Position at September 30, 2018	**41.0**	**16.5**	**0.0**	**374.9**	**4.5**	**71.1**	**507.9**	**3.8**	**511.7**
Appropriation of prior-year profit				71.1		(71.1)	0.0		
Dividends payments				(22.4)			(22.4)	(0.7)	(23.2)
Own shares	(1.1)	(15.8)					(16.9)		0.0
Net profit for the year attributable to the Group						55.6	55.6	3.3	58.9
Income and expenses recognized directly through equity				(4.8)	3.8		(1.0)		(1.0)
Other variation[1]								(3.5)	(3.5)
Position at September 30, 2019	**39.9**	**0.8**	**0.0**	**418.7**	**8.3**	**55.6**	**523.1**	**2.9**	**526.0**

(1) of which €(3.2) million related to the sale of household waste collection and treatment activities in Morocco.

4.1.5 Notes to the consolidated financial statements

Contents

1. Presentation of the Group

1.1 Identity of the issuer

Derichebourg is a public limited company created and domiciled in France with its registered headquarters at 119, avenue du Général-Michel-Bizot, 75012 Paris. Derichebourg is listed in compartment B of the Euronext market. The Group's business activities are as follows:

- Environmental Services;
- Business Services;
- Holding companies.

Many of Derichebourg's Environmental Services' operating properties are owned through a real estate investment company.

The consolidated financial statements for the period from October 1, 2018 to September 30, 2019 were approved by Derichebourg's Board of Directors on December 4, 2019.

They reflect the financial position of the Company and its subsidiaries, and the Group's interests in joint ventures and associated companies.

The financial statements are presented in millions of euros, unless otherwise stated. The amounts are rounded to the nearest hundred thousand euros.

All companies close their accounts on September 30, except for Dreyfus, SCEA du Château Guiteronde, SCI La Futaie, Derichebourg Recycling Mexico, Reyfra, SCI Elisa, SCI Angela, SCI des Chênes, SCI Garalter, SCI des Peupliers, SCI des Varennes, SCI des Châtelets, SCI de Saint Jean, SCI des Tilleuls, Servicios Integrales de Limpiezas Net, Grupo Net and Centro especial de servicios de limpieza Madrid, which close their accounts on December 31.

1.2 Material events occurring over the fiscal year

Environmental Services

- Signing of an agreement for the acquisition of the Lyrsa Group

On September 19, 2019, Derichebourg Environnement signed an agreement with Layro for the acquisition of the Lyrsa Group, the Spanish leader in metal waste recycling. The completion of this acquisition is subject to the fulfillment of conditions precedent, including the review of the transaction by the Spanish merger control authorities. In Spain, Derichebourg's share of metal waste recycling market is currently very small.

The acquisition agreements provides for the acquisition of Layro's interests in Lyrsa, Archamesa and Redisa, as well as the possibility for those companies' minority shareholders to tender their shares.

In 2018, the Lyrsa Group's operations covered by this planned acquisition posted revenue of €427 million. The group processes nearly 1 million metric tons of metal waste per year, including around 160,000 metric tons of non-ferrous metals. The group has around 600 employees.

Lyrsa was founded in 1939. It operates 18 recycling centers (17 in Spain and 1 in Portugal). The company is the leading independent Spanish player in the recycling of metal waste. It operates 3 shredders (including one which has been jointly owned with the Derichebourg Group for 27 years), a center for the sorting of the metals derived from the crushing process, an aluminum refinery and a lead refinery.

If the conditions precedent are fulfilled, the acquisition should be completed by the end of 2019.

The Derichebourg Group intends to finance this acquisition with its available cash and existing credit lines.

- Sale of San Germano and CMT

On January 30, 2019, Derichebourg Environnement sold its household waste collection, urban cleaning and waste processing businesses in Italy to Iren Ambiente. The disposal was carried out through the companies San Germano and CMT.

San Germano is a leading private player providing household waste collection and urban cleaning services for public authorities in the Piedmont, Lombardy and Sardinia regions, thanks to a network of around 20 agencies. CMT collects and treats paper, cardboard and plastics on 6 sites located in the Piedmont region and Sardinia.

The contribution of these businesses to consolidated revenue for the 2017/2018 fiscal year amounted to €61 million (2.1% of total revenue). They employ around 900 people.

On April 24, 2019, the Group received an earnout proposal (€(10) million) as well as a claim in the amount of €5 million from Iren Ambiente, the buyer of San Germano and CMT. The Group disputed both the amount of the proposed earnout and the determination of the claim amount. The Group recognized an earnout of €(3) million, in respect of the loss made between the reference date (September 30, 2017) and the closing date (January 30, 2019). It did not contest this amount.

- Sale of the Group's operations in Morocco

In line with its strategy of ongoing growth in the European market, in September 2019, Derichebourg sold to its partner the 51% stake it held in Derichebourg A&D Développement, the holding company for all household waste collection and service activities in Morocco.

Derichebourg is very proud of having provided its technical expertise in the services it provided, with its local partner, to the residents of the country's main communities, within the framework of the environment improvement policy implemented by the Kingdom of Morocco. The Derichebourg Group is confident in the quality of the team put in place to maintain a high service level and continue the development initiated.

Overall, the 2019 earnings from the Moroccan operations and the proceeds of their sale have had little impact on the Group's pre-tax profit.

For the fiscal year ended September 30, 2018, the contribution of these operations amounted to 2% of the Derichebourg Group's revenue, 4% of its recurring Ebitda and 12% of its external debt.

- Disposal of the nuclear engineering subsidiary after the reporting date

On October 1, 2019, Derichebourg Multiservices Holding sold its shares in Derichebourg Services & Ingénierie Nucléaire to a nuclear services and works player. For a number of months, the company had been encountering technical difficulties which it could not overcome in several projects.

For the fiscal year, the company earned revenue of €1 million. Taking into account the reassessment of the project results for the fiscal year, and the penalties incurred for late delivery, the business's contribution to operating income (loss) amounted to €(8.7) million, of which €(5.0) million for non-recurring items.

The financial consequences of this sale were recognized in the fiscal year ended September 30, 2019.

1.3 Events occurring after year-end

As indicated in 1.2, on October 1, 2019, Derichebourg Multiservices Holding sold its shares in Derichebourg Services & Ingénierie Nucléaire to a company specialized in nuclear works and services.

2. Accounting policies, rules and methods

2.1 General policies

In accordance with European regulation 1606/2002 of July 19, 2002 on international standards, the Derichebourg Group's financial statements on September 30, 2019 were prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The above standards and interpretations are available on the European Commission's website (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32002R1606) and include International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and Interpretations issued by the Standing Interpretations Committee (SIC) and by the International Financial Reporting Interpretations Committee (IFRIC).

The accounting policies used are identical to the previous year.

Segment data is also unchanged from the previous year.

The financial statements were drawn up in accordance with the going concern principle.

The consolidated financial statements of the Derichebourg Group for the year ended September 30, 2019 are available upon request from the Company's registered office located at 119, avenue du Général Michel Bizot, Paris, or on its website, www.derichebourg.com.

2.1.1 Standards and interpretations applicable to the fiscal year beginning October 1, 2018

The standards and interpretations adopted by the European Union and which are required to be applied to the Derichebourg Group consolidated financial statements starting on or after October 1, 2018 are as follows:

- IFRS 15: "Revenue from contracts with customers", applicable to fiscal years beginning on or after January 1, 2018;
- IFRS 9: "Financial Instruments", applicable to fiscal years beginning on or after January 1, 2018;
- annual improvement cycle 2014-2016, on IFRS 1 "First-time adoption of IFRS" and IAS 28 "Investments in associates and joint ventures" applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IFRS 15: "Revenue from contracts with customers", applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IFRS 2 "Classification and measurement of share-based payment transactions" applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IAS 40 "Transfers of investment property" applicable to fiscal years beginning on or after January 1, 2018;
- IFRIC 22 "Foreign currency transaction and advance consideration" applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IFRS 4: "Insurance contracts: applying IFRS 9 'Financial instruments' with IFRS 4", applicable to fiscal years beginning on or after January 1, 2018.

First-time application of these standards has no impact on the Group's consolidated financial statements.

2.1.2 Standards and interpretations published but not yet effective

The Group has undertaken no early application of standards or interpretations that were not mandatory as of October 1, 2018 (the application dates are those recognized by EFRAG):

- annual improvements to IFRS cycle 2015-2017;
- amendments to IAS 19 "Plan Amendment, Curtailment or Settlement";
- amendments to IAS 28 "Long-term interests in associates and joint ventures";
- amendments to IFRS 9 "Prepayment features with negative compensation" applicable to fiscal years beginning on or after January 1, 2019;
- IFRIC 23 "Uncertainty over income tax treatments" applicable to fiscal years beginning on or after January 1, 2019;

IFRS 16 "Leases", applicable to fiscal years beginning on or after January 1, 2019

The Derichebourg Group decided to apply IFRS 16 using the simplified retrospective method as of October 1, 2019. It will thus restate all of its leases covered by this standard on the basis that the right-of-use asset is equal to the amount of the lease liability, adjusted for the amount of prepaid rental payments and advantages received from lessors. As a reminder, the exemptions set out in the standard are the following:

- leases of less than 12 months;
- leases of low-value assets;

Having laid down the framework of its IFRS 16 project in 2018, the Group continued its work in 2019 with the listing of its lease agreements, followed by their gathering together.

To assess the impacts of the leases and for their operational follow-up, the Group opted for an IT solution allowing:

- centralization of lease data;
- continuation of initial conditions;
- addition of lease lifecycle events;
- generation of the statement of asset depreciation and statement of accounting depreciation of the liability.

The estimated impact of the application of IFRS 16 as of October 1, 2019 on the Group's balance sheet and income statement is as follows:

- recognition of a right-of-use asset ranging between €65 and €80 million;
- recognition of a lease liability ranging between €65 and €80 million;
- an increase in Ebitda of between €23 and €26 million;
- an increase in net financial expenses ranging between €1 and €1.5 million.

Real estate leases

The Group has identified those of its real estate leases that meet the criteria defining a lease under IFRS 16. The term of real estate leases corresponds to the non-cancellable period, to which may be added lease renewal options, the exercise of which by the Group is deemed reasonably certain. The position taken in respect of French commercial leases of the 3/6/9 type, is to consider them to have a 3-year lease term in the Multiservices division, and a 9-year term in the Environmental Services division. The discount rate used for the measurement of the right-of-use asset and the lease liability is determined according to the geographic region and residual term.

Equipment leases

The Group has analyzed all of its equipment leases in order to determine those that fall under the scope of IFRS 16. Following this work, the main leases identified correspond to leases of vehicles, site equipment, household waste dumpsters and cleaning equipment.

The potential impact of other standards will be measured over the course of the next fiscal year.

2.2 Accounting policies

2.2.1 Consolidation methods

In accordance with the provisions of IFRS 10, companies over which the Group directly or indirectly exercises control are fully consolidated. The Group exercises control when it controls the entity and has an exposure or right to this entity's variable returns, while also having the capacity to act on these returns.

In accordance with IFRS 11, joint arrangements are classified into two categories, joint ventures and joint operations, according to the type of rights and obligations held by each of the parties.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control involves the contractually agreed sharing of control of the entity, which only exists in cases where decisions concerning the relevant activities require the unanimous consent of the parties sharing control.

An associate is a company over which the Group exercises significant influence. Significant influence exists when the Group has the power to participate in decisions regarding the entity's financial and operational policies but does not control or jointly control these policies.

The results, assets and liabilities of equity interests in associated companies or joint ventures are included in the Group's consolidated financial statements, according to the equity method.

2.2.2 Use of estimates

To prepare the Group's consolidated financial statements, its management must make judgments and estimates that could have a significant effect on some of the assets, liabilities, income and expense items presented in these statements and in the notes thereto. The Group regularly revises its judgments and estimates on the basis of past experience and other factors it deems relevant based on economic conditions. Given the uncertainty that underlies these judgments and estimates, actual business activity could require a significant adjustment to the amounts recognized for a given period.

Judgments

In preparing the financial statements for the period ending September 30, 2019, there were no particular situations for which management was called upon to exercise specific judgment.

Estimates

Key estimates regarding future events and other major sources of uncertainty at the reporting date are:

- assessment of the recoverability of trade receivables (see note 4.7 – Trade receivables, other receivables and current financial assets), exposure to credit risk, as well as the risk profile;
- provisions for risks and for employee benefits (see note 4.13 – Non-current provisions and provisions for commitments to employees, and note 4.14 – Current provisions);

- income tax and assessment of deferred tax assets (see note 4.23 – Income tax);
- potential impairment of goodwill and intangible assets (see note 4.1 – Intangible assets and goodwill).

2.2.3 Non-controlling interests

Non-controlling interests are presented separately from the Group's shareholder equity on the balance sheet.

When the share of the non-controlling interests in the losses of a fully consolidated Group company is more than their share in equity, the excess, and any further losses applicable to the non-controlling interests, are allocated against the majority interests, unless the minority shareholders have a binding obligation to cover these losses.

2.2.4 Translation of the financial statements of foreign companies and firms

In most cases, the functional currency of the Group's foreign companies and firms is the same as their local currency. The financial statements of foreign companies prepared in a currency different from that of the Group consolidated financial statements are translated in accordance with the "closing rate" method. Their balance sheets are translated at the exchange rates applicable on the closing date and their income statements are translated at the average rate for the period. The resulting translation differences are recognized as translation differences in consolidated reserves. Goodwill relating to foreign companies is considered as being part of the acquired assets and liabilities and, as such, is translated at the rate of exchange in effect on the closing date.

A loan to a foreign subsidiary, the settlement of which is neither planned nor probable in the foreseeable future, constitutes part of the Group's net investment in this foreign subsidiary. Translation adjustments arising from a monetary item that forms part of a net investment are recorded directly in other comprehensive income under currency translation reserves and recognized in income on disposal of the net investment.

2.2.5 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are converted into euros at the exchange rate in effect on the transaction date. At year-end, trade receivable and payable accounts denominated in a foreign currency are converted into euros at the year-end exchange rate. The resulting gains and losses are recognized in the income statement for the year.

2.3 Valuation rules and methods

2.3.1 Income from ordinary activities (revenue)

Consolidated revenue represents, for Business Services, the amount of services invoiced to customers outside the Group when the services are supplied.

For Environmental Services, revenue is recognized when control of the products manufactured is transferred, usually upon shipping.

It includes, after elimination of intra-Group transactions, the revenue of fully consolidated companies.

2.3.2 Deferred taxes

In accordance with IAS 12, deferred taxes are recognized on the temporary differences between the carrying amounts of assets and liabilities and their tax base. In accordance with the liability method, they are calculated based on the expected tax rate for the period when the carrying amount of the asset or liability is recovered or settled. The effects of changes in tax rates from one period to another are recognized in the income statement or in equity, according to the symmetry principle, for the period during which the change occurred.

Deferred taxes relating to items recognized directly in shareholders' equity are also recognized in shareholders' equity.

Deferred tax assets resulting from temporary differences, tax losses and tax credits carried forward are limited to the estimated amount of tax recoverable.

This is evaluated at year-end, based on the profit forecasts of the tax entities concerned. Deferred tax assets and liabilities are not discounted.

2.3.3 Earnings per share

Basic earnings per share are defined as the Group share of net income, divided by the weighted average number of shares outstanding during the year, after deduction of shares bought back.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted to take into account the dilutive effect of equity capital instruments issued by the Group that are likely to increase the number of shares outstanding, such as options to subscribe for or purchase shares.

2.3.4 Intangible assets

Intangible assets that are identifiable or separately controlled by the Group are recognized as assets on the balance sheet. They mainly include computer software and are amortized on a straight line basis over their useful life, which is generally between twelve months and five years, depending on their significance. Intangible assets acquired are recognized on the balance sheet at their acquisition cost.

2.3.5 Goodwill

Goodwill represents the difference recognized, on the date a company enters into the consolidation scope, between the acquisition cost of its shares, and the Group's share of the fair value on the acquisition date of the assets, liabilities and contingent liabilities attributable to the Company acquired on the date of purchase of the shares.

Positive goodwill is recognized as assets on the balance sheet under the heading "Goodwill". Negative goodwill is recognized directly in the income statement in the year of acquisition under the item "Other non-recurring expenses".

Goodwill is not amortized.

2.3.6 Impairment of non-current assets other than financial non-current assets

Goodwill, intangible assets and property, plant and equipment are subjected to impairment testing in certain circumstances:

- for non-current assets whose useful life is indefinite (as in the case of goodwill), impairment testing is carried out at least once per year, and any time there is an indicator of impairment;
- for other non-current assets, testing is only carried out when there is an indicator of impairment.

Assets subjected to impairment tests are grouped into cash generating units (CGUs) which are groupings of similar assets whose utilization generates identifiable cash flows. When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU is the higher of the fair value less the costs to sell and the value in use. The value in use is determined by discounting the future cash flows likely to arise from an asset or a CGU. These future cash flows are estimated over a period of five years. Beyond that period, cash flows are extrapolated by applying a growth rate to infinity. The CGUs defined by the Group relate to the following businesses:

- Environmental Services
- Business Services.

These impairment tests are conducted annually at September 30.

2.3.7 Property, plant and equipment

Property, plant and equipment are recognized at their acquisition or production cost, reduced by the cumulative depreciation and any potential impairment provisions.

Depreciation charges are normally applied on a straight line basis over the useful life of the asset; nevertheless, accelerated depreciation may be used where it appears more appropriate for the conditions in which the equipment is used.

The useful lives generally applied are as follows:

Buildings	10 to 30 years
Equipment and technical installation	3 to 10 years
Airport equipment	5 to 10 years
Other tangible assets	4 to 10 years

Maintenance and repair costs are charged to income, with the exception of those incurred to increase productivity or prolong the useful life of an asset.

2.3.8 Investment grants

Investment grants are treated as deferred income. They are brought into income over the estimated useful life of the asset concerned.

2.3.9 Finance leases

Assets acquired under finance leases are recognized as property, plant and equipment when the lease agreements effectively transfer to the Group almost all the risks and benefits of ownership of these assets. They are recognized as assets at cost price at the date of acquisition and depreciated over their useful lives, with the corresponding debt being recognized as a liability.

The rental payments under the lease are divided between financial expenses and reduction of the debt related to the lease in such a way as to obtain a constant rate of interest on the balance of the debt remaining due.

Rental agreements which do not have the characteristics of finance leases are treated as simple operating leases and only the rental payments are charged to income throughout the entire term of the agreement.

2.3.10 Investments in associates and joint ventures

The Group's equity investments accounted for using the equity method are initially recognized at acquisition cost including any goodwill arising, where applicable. Subsequently, their carrying amount is increased or decreased to take into account the Group's share of profits or losses made after the acquisition date. When the losses are greater than the value of the Group's net investment in the entity, they are recognized only if the Group has a contractual commitment to recapitalize the entity or has made payments on its behalf. If there is any indication of impairment, the recoverable amount of the investments consolidated using the equity method is tested in accordance with the methods described in the note on impairment of non-current assets, other than financial assets.

2.3.11 Other non-current financial assets

This category includes receivables related to equity investments, loans and receivables and assets available for sale (mainly investment securities).

In accordance with IFRS 9 "Financial Instruments", equity interests in non-consolidated companies are considered by their nature to be assets available for sale and as such are recognized at their fair value.

Where the shares are listed, the fair value is the price quoted on the stock market. If the fair value cannot be determined reliably, the shares are recognized at cost price. Changes in fair value are recognized directly in shareholders' equity in an account created for this purpose.

Where there is an objective indication of impairment, an irreversible provision for impairment is recognized in the income statement. This provision may be reversed only when the relevant shares are sold.

Loans are recognized at amortized cost. An impairment provision may be recognized if there is an objective indication of such impairment. The amount corresponding to the difference between the net carrying amount and the recoverable amount is recognized in the income statement. It may be reversed if the recoverable amount increases subsequently.

2.3.12 Inventory and work in progress

Inventories of raw materials and goods purchased for resale are recognized using the weighted average cost method. The work in progress and finished goods of Environmental Services are valued at cost price, including the cost of materials and labor and other costs directly related to production.

At each closing date, inventories are valued at the lower of cost or net realizable value.

2.3.13 Trade and other operating receivables

Trade and other operating receivables are recognized at nominal value, discounted when necessary, and adjusted for any impairment considering any potential risk of non-payment. Provisions for impairment are determined on a case-by-case basis.

A specific impairment provision is made for doubtful receivables.

2.3.14 Cash and cash equivalents

Cash includes demand deposits and current accounts but excludes bank overdrafts which are included in financial liabilities. Cash equivalents include investments held with a view to meeting short term cash commitments. Securities include cash deposits, money-market mutual funds and negotiable debt securities which can be realized or sold at any time. They are valued at their market value. Any change in the fair value of these assets is recognized in the income statement.

To be considered as a cash equivalent, they must be easily convertible and subject to only negligible risk of loss in capital.

2.3.15 Treasury shares

Company shares held by the Group are recognized as a deduction from shareholders' equity at their acquisition cost. Any profits or losses related to the purchase, sale, issue or cancellation of treasury shares are recognized directly in shareholders' equity without impacting the income statement.

2.3.16 Pension commitments and other employee benefits

Pension commitment

The Group applies revised IAS 19.

Commitments arising from defined benefit pension plans for both active and retired employees are indicated on the balance sheet. They are determined according to the projected unit credit method based on annual evaluations. The actuarial assumptions used to determine these commitments vary in accordance with the economic conditions of the country in which the plan is in effect.

For externally managed and funded defined benefit plans (pension funds or insurance contracts), the fair value surplus or deficit in relation to the present value of the obligations is recognized as a balance sheet asset or liability. Surplus assets are only recognized on the balance sheet if they represent a future economic benefit for the Group.

The past service cost represents benefits granted either when the business adopts a new defined benefit plan or when it modifies the level of benefits from an existing plan. Once new benefit rights are vested following the adoption of a new plan, the past service cost is immediately recognized in the income statement. Conversely, when the adoption of a new plan gives rise to the vesting of rights subsequent to its implementation date, the past service cost is recognized as an expense, on a straight line basis, over the average period left to run until the corresponding rights are fully vested.

Actuarial gains and losses result mainly from the effects of changes to the actuarial assumptions and adjustments related to experience (differences between the actuarial assumptions used and the reality observed). They are recognized in other comprehensive income.

Expenses recognized over the fiscal year include additional rights vested for an additional year of service, changes to existing rights at opening due to financial discounting, the expected return on plan assets, past service costs and the effect of any curtailments or settlements. The portion relating to additional rights is recognized under personnel expenses and the financial cost of net liabilities is recognized in the income statement.

2.3.17 Provisions

Provisions are liabilities whose due date or amount cannot be precisely determined. They are calculated based on the discounted amount corresponding to the best estimate of the resources required to meet the obligation.

Provisions for business disputes concern, for the most part, employment disputes. They are calculated on a case-by-case basis in Environmental Services and, considering the number, on a statistical but nominal basis in Business Services.

Provisions for restructuring include the cost of the plans and measures decided on, where these have been announced before the year-end date.

2.3.17.1 Provisions for service awards

In Environmental Services, a bonus linked to service awards is given to employees after a certain number of years of service. The service awards are determined based on a discounted calculation taking into account assumptions about the probability of employees remaining with the Company, as well as a 0.5% discount rate.

The bonuses are paid according to the service period required for the service awards:

- silver 20 years: €500
- vermeil 30 years: €800
- gold 35 years: €1,100
- grand gold 40 years: €1,500

2.3.17.2 Current provisions

Current provisions represent provisions directly related to the operating cycle of each business line, whatever the term required for their reversal.

The provisions for other current risks are mainly provisions for late-delivery penalties, provisions for individual redundancies and other risks arising from business operations.

2.3.17.3 Non-current provisions

Non-current provisions represent provisions not directly related to the operating cycle and whose term is generally greater than one year. They are mostly provisions for litigation.

Non-current provisions for a term of less than one year are recognized on the balance sheet under current provisions.

2.3.17.4 Provisions for environmental risks

Provisions for environmental risks are established whenever there is a legal or contractual requirement to restore an operating site, or whenever the Company is deemed liable for a quantifiable environmental risk. These provisions are measured on a site-by-site basis by estimating the cost of the work (see section 1.5.2.1).

Business Services

By its very nature, Business Services has a very low environmental impact. Environmental issues are managed by the Quality, Safety and Environment (QSE) Department and form an integral part of each entity's general policies. QSE contacts within the various entities are responsible for implementing environmental initiatives and have the role of:

- ensuring compliance with regulations;
- responding to client demands such as external evaluation questionnaires required by some of our major clients (such as Ecovadis and Carbon Disclosure Project assessments). External audits are also conducted by clients;
- drawing up CSR diagnostics and implementing action plans. These impacts are taken into consideration within the context of the global Corporate Social Responsibility initiative defined as a result of a diagnosis conducted using the approach described by the French Federation of Cleaning Companies (FEP).

Environmental Services

Due to the very nature of its Environmental Services operations, which involve recycling metals, the Derichebourg Group is helping to preserve the planet's natural resources (iron ore, copper, bauxite, etc.). Recycling metals saves a significant amount of energy compared with the primary production of such metals, with up to 94.8% for aluminum and 16.5% for steel (source: Report on the economical benefit of recycling, Bureau of international recycling). In this way, the Group is helping to reduce greenhouse gas emissions, as detailed in section 1.6 of Chapter 1 of this Universal Registration Document.

For almost ten years, each regional subsidiary has had an Environmental Officer (reporting to the Environmental Services director), who liaises with the relevant authorities (DREAL, prefectures, water agencies, local councils, waterways, associations, etc.) in order to:

- check that the Group's business activities are conducted in accordance with current legislation and regulations (operating licenses), as poorly managed recycling activities can cause pollution;
- learn about regulatory changes;
- ensure that facilities are supervised and releases to the environment are monitored and controlled;
- train and inform colleagues about best practice.

Likewise, operations are often conducted on land with an industrial past, whose history is not always available. Where necessary, soil surveys are conducted in application of regulatory changes.

To the Group's knowledge, no pollution hazards have been revealed for which a provision has not been made or for which a solution has not been found.

2.3.18 Financial debt (current and non-current)

Financial debt includes:

- the syndicated loan agreement signed on March 31, 2014 and its five riders (the third rider extending the contract until March 31, 2022);
- the non-recourse factoring agreement signed on January 1, 2015, renewed twice in April 2016 and November 2018;
- finance leases;
- other borrowings and bilateral lines.

These debts are valued and recognized at amortized cost using the effective interest rate method. According to this method, the cost of the debt includes issuance costs, originally deducted from the nominal value of the debt as a liability. Also in this method, interest expenses are recognized on an actuarial basis.

In the event that the terms of a loan agreement are modified, if the cash flows discounted at the initial effective interest rate under the new terms, including any fees paid and negotiation costs, exceed the discounted value of the flows anticipated under the agreement by more than 10%, the issuance costs and negotiation fees are recognized as expenses.

Financial debt with a term of less than one year is recorded under Current financial debt.

2.3.19 Fair value of derivative assets and liabilities (IAS 32-IFRS 9)

The Group uses derivatives to hedge its exposure to market risks (interest rates, exchange rates and raw material prices).

According to IFRS 9, all derivatives must be recognized on the balance sheet at their "fair value". If derivatives do not meet the criteria for hedge accounting, fluctuations in their fair value are recognized in the income statement.

Derivatives may be considered hedging instruments in three situations:

- hedging of fair value;

- hedging of future cash flows;
- hedging of a net investment in a foreign operation.

A fair value hedge covers exposure to the risk of changes in the fair value of an asset, liability or non-recognized firm commitment arising from changes in financial variables (interest rates, exchange rates, share prices, raw material costs, etc.).

A future cash flow hedge covers changes in the value of future cash flows related to existing assets or liabilities or to a highly probable forecasted transaction.

A hedge of a net investment in foreign currency covers the foreign exchange risk related to a net investment in a consolidated foreign subsidiary.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses, to hedge the foreign exchange risk related to loans in foreign currencies and to manage the fixed/variable rate split of its debt.

Interest rate swap agreements enable the Group to borrow long-term at variable rates and to exchange the interest rate on the debt incurred, either at the outset or during the term of the loan, against a fixed or variable rate. The Group may purchase interest-rate options, caps and floors as part of its strategy to hedge its debt and financial instruments.

Interest rate and foreign exchange derivatives used by the Group to hedge changes in its debt denominated in foreign currencies qualify as hedges in accordance with IFRS 9 because:

- the hedging relationship is clearly defined and documented from the date of implementation;
- the efficiency of the hedging relationship is clearly demonstrated in the beginning and on a regular basis for as long as it lasts.

The application of hedge accounting has the following consequences, the derivative always being measured on the balance sheet at its fair value:

- for fair value hedges of existing assets or liabilities, the change in fair value of the derivative is recognized in the income statement. This change is offset in the income statement by re-measuring the hedged item on the balance sheet. Any difference between the two changes in value represents the inefficiency of the hedging relationship;
- for hedges of future cash flows, the "efficient" portion of the change in fair value of the hedging instrument is recognized directly in shareholders' equity in a specific reserve account, and the portion of the change in fair value considered "inefficient" is recognized in the income statement. The amounts recognized in the reserve account are entered in the income statement once the hedged cash flows are recognized;
- for hedges covering net investments in a foreign country, the "efficient" portion of the changes in fair value of the derivative instrument is recognized in shareholders' equity under the heading "translation reserve" and the portion considered "inefficient" is recognized in the income statement. The profit or loss on the derivative that was recognized in the translation reserve must be transferred to the income statement in the event of the sale of the foreign entity that was the subject of the initial investment.

As part of its trading business in non-ferrous metals, the Group uses forward purchase and sale agreements concluded on the London Metal Exchange (LME) in order to reduce its exposure to the risk of fluctuations in non-ferrous metal prices (copper, aluminum, nickel). Changes in the fair value of the derivative instruments (forward purchases and sales of metals on the LME) are recognized in the income statement.

Financial instrument	Subsequent valuation method	Recognition of the change in value
Equity interests	Fair value	In shareholders' equity, unless the impairment observed is long-term, in which case it would be recognized in the income statement via an impairment
Marketable securities	Fair value	On the income statement
Loans and receivables	Amortized cost	On the income statement
Financial debt	Amortized cost	
Other liabilities	Amortized cost	

2.3.20 Held-for-sale and discontinued operations

Assets and liabilities classified as held for sale are measured at the lower of their carrying value or their fair value less selling costs.

The profit (loss) from discontinued operations is recorded on a separate line of the income statement.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;
- or is a subsidiary acquired exclusively to be sold.

At September 30, 2019, assets and liabilities relating to Derichebourg Services & Ingénierie Nucléaire were classified as held for sale for the reason set out in note 1.3 in Chapter 4, Events occurring after year-end. The detail of assets and liabilities classified as held for sale can be found in note 4.24.

2.3.21 Employment Competitiveness Tax Credit (CICE)

The employment competitiveness tax credit for the last civil quarter of 2018 is recorded as a deduction to personnel expenses.

3. Changes in consolidation scope

3.1 New companies included in the consolidation scope

Environmental Services division

Inclusion of Revival Expansion

The Group acquired Revival Expansion (formerly Galloo Île-de-France) on February 8, 2019.

The amount of goodwill recognized in the financial statements of Revival Expansion is €0.7 million.

Fair value of net assets acquired breaks down as follows:

Revival Expansion

In millions of euros	
Non-current assets	4.3
Current assets	0.0
Total assets	**4.3**
Non-current liabilities	0.9
Current liabilities	0.0
Total liabilities	**0.9**

The contribution to of Revival Expansion to the Group profit (loss) at September 30, 2019 is not significant.

Business Services

Servicios integrales de limpieza net, Grupo net and Centro especial de servicios de limpieza Madrid

On July 29, 2019, Derichebourg Multiservices Holding acquired three cleaning companies in Spain, Servicios integrales de limpieza net (Silnet), Grupo net and Centro especial de servicios de limpieza Madrid (CES L. Madrid).

The amount of goodwill recognized in the financial statements of these three companies is €2.6 million.

Fair value of net assets acquired breaks down as follows:

Cleaning Spain

In millions of euros	
Non-current assets	4.9
Current assets	10.6
Total assets	**15.5**
Non-current liabilities	1.0
Current liabilities	10.6
Total liabilities	**11.6**

The contribution to the Group's results at September 30, 2019 is as follows (since August 1, 2019):

In millions of euros	
Revenue	5.8
Recurring Ebitda	0.0
Operating profit (loss)	0.0
Net profit (loss)	**0.0**

Vibey Énergies

On February 4, 2019, Derichebourg Énergie acquired Vibey Énergies.

The amount of goodwill recognized in the financial statements of Vibey Énergies is €0.2 million.

Fair value of net assets acquired breaks down as follows:

Vibey Énergies

In millions of euros	
Non-current assets	0.2
Current assets	2.0
Total assets	**2.2**
Non-current liabilities	0.0
Current liabilities	1.6
Total liabilities	**1.6**

The contribution to the Group's results at September 30, 2019 is as follows (since February 4, 2019):

In millions of euros	
Revenue	3.7
Recurring Ebitda	(0.2)
Operating profit (loss)	(0.2)
Net profit (loss)	**(0.2)**

Cleaning France

Between April and May 2019, Derichebourg Propreté carried out several acquisitions.

The goodwill recognized in the financial statements of these companies totals €5.2 million.

Fair value of net assets acquired breaks down as follows:

Cleaning France

In millions of euros	
Non-current assets	5.6
Current assets	3.8
Total assets	**9.4**
Non-current liabilities	0.2
Current liabilities	2.1
Total liabilities	**2.3**

The contribution to the Group's results at September 30, 2019 is as follows (since May 2019):

In millions of euros	
Revenue	4.0
Recurring Ebitda	0.7
Operating profit (loss)	0.7
Net profit (loss)	**0.4**

- Inclusion of Safira Job
- Inclusion of Derichebourg Tésis Yönetimi
- Inclusion of Derichebourg Aéronautique Canada
- Inclusion of Derichebourg Aeronautics Services China

Holding Companies

- Inclusion of Le Bison Gourmand

3.2 Companies excluded from the consolidation scope

Business Services

None

Environmental Services division

- Disposal of San Germano and CMT on January 30, 2019
- Disposal of the Group's investment in Derichebourg A&D Développement on September 24, 2019
- Liquidation of Bas Long Prés and CPI on September 30, 2019

Holding Companies

None

3.3 Internal restructuring

Business Services

- Universal transfer of assets from Nettoyage Centre Alsace, Nettoyage Sud Alsace and SCI Les peupliers to Derichebourg Propreté on October 1, 2018
- Universal transfer of assets from Derichebourg SHC to Derichebourg Propreté on February 1, 2019

Environmental Services division

- Universal transfer of assets from Valrecy to Derichebourg Environnement on March 1, 2019
- Universal transfer of assets from SCI AFM 86, AFM Touraine, Carlissa, La Roche, Mandy Recuper and Preveza to SCI Derichebourg Immobilier on April 1, 2019
- Universal transfer of assets from SCI Bima, Chaufontaine, L'écureuil, Licodia, Setiam and Sudiane to SCI Derichebourg Immobilier on July 1, 2019
- Universal transfer of assets from Polyurbaine 13 and Polyseane to Poly-Environnement on July 1, 2019

Holding Companies

None

3.4 Change in percentage of control

Environmental Services division

None

Business Services

None

4. Notes

4.1 Intangible assets and goodwill

In millions of euros	09-30-18	Increases	Decreases	Change in scope[1]	Impact of IFRS 5	Other variation	Foreign exchange differences	09-30-19
Goodwill	319.4			8.1	(0.3)	1.8	0.1	329.1
Concessions, patents, licenses	15.8	0.8	(0.1)	0.4	(0.1)	3.3		20.1
Other intangible assets	10.3	3.9				(5.1)		9.1
Total gross value	**345.5**	**4.7**	**(0.1)**	**8.5**	**(0.4)**		**0.1**	**358.4**
Goodwill	(101.5)							(101.5)
Concessions, patents, licenses	(13.6)	(1.3)	0.1		0.1			(14.9)
Other intangible assets	(6.2)	(0.2)						(6.4)
Total amortization & depreciation	**(121.3)**	**(1.5)**	**0.1**		**0.1**			**(122.8)**
Total net value	**224.2**	**3.2**		**8.5**	**(0.3)**		**0.1**	**235.6**

(1) See note 3 – Changes in consolidation scope.

4.1.1 Change in the scope of goodwill

In millions of euros	09-30-19
Cleaning France (ASP, ASP 85, Aquitaine Nettoyage, DML, Net Services)	5.2
Cleaning Spain (SILNET, Grupo Net, CES L. Madrid)	2.6
Revival Expansion	0.7
Vibey Énergies	0.2
Bas Long Prés	(0.6)
Total change	**8.1**

See note 3 – Changes in consolidation scope.

4.1.2 Impairment tests

Impairment tests were carried out on the Environmental Services and Business Services activities at September 30, 2019.

No impairment indicators were identified on cash-generating units as at September 30, 2019.

The information concerning the cash generating units, to which significant amounts of goodwill have been attributed as part of the impairment tests, is as follows:

Net carrying amounts of goodwill impacted

In millions of euros	09-30-19	09-30-18
CGU – Business Services	179	170
CGU – Environmental Services	49	48
Total	**228**	**218**

The valuation method used to determine the recoverable amount of these cash-generating units is the value in use. The data and the assumptions used for the impairment tests of the assets included in the cash generating units (CGUs) are as follows:

In millions of euros	Discount rate 2018/2019[1]	Growth rate to infinity 2018/2019	Discount rate 2017/2018[1]	Growth rate to infinity 2017/2018	Valuation method
CGU – Environmental Services	9.00%	1.00%	9.50%	1.00%	Discounted cash flow and terminal value
CGU – Business Services	8.00%	1.00%	8.50%	1.00%	Discounted cash flow and terminal value

(1) The discount rate used is the weighted average cost of capital (WACC).

The value in use of the cash generating units (CGUs) determined by business segment is calculated by discounting the forecast operating cash flows at the rates mentioned above. These cash flows are after tax (operating profit + amortization and depreciation – tax – change in working capital requirement – operating investments) and are based on a five-year business plan.

These impairment tests are conducted annually at September 30.

The key assumptions to which the impairment tests of Environmental Services and Business Services are sensitive are the following:

- the discount rate, calculated by breaking down the Weighted Average Cost of Capital: this rate is 9% for Environmental Services and 8% for Business Services;
- Ebitda for the final year of the explicit forecast. This Ebitda has been determined on the basis of business plans;
- impact on enterprise value the long-term growth rate of the businesses. This was estimated at 1% for all businesses. This was calculated based on the following factors:
  - Environmental Services: demand for recycling in developed countries and growth in demand in emerging countries,
  - Business Services: increased outsourcing and use of temporary workers. The business plan for Business Services anticipates 2% growth in revenue per year, driven by the Group's cleaning services. Modest growth in the ratio of Ebitda to revenue is also anticipated over the period, reaching 4.2% during the final year. This growth will stem primarily from projected business developments, without any major modifications to the division's structure. The Ebitda margin during the final year is close to that of other major players in the industry.

The enterprise values thus determined for the CGUs of the two segments are higher than their book value.

Impact on enterprise value

	Environmental Services			Business Services		
In millions of euros	Discount rate +0.5%	Discount rate -0.5%	Ebitda +/-5% (in absolute terms) for the final year	Discount rate +0.5%	Discount rate -0.5%	Ebitda +/-5% (in absolute terms) for the final year
Impact on enterprise value	(58)	65	+/-5.2%	(22)	26	+/-4,4%

	Environmental Services		Business Services	
In millions of euros	Growth rate +0.5%	Growth rate -0.5%	Growth rate +0.5%	Growth rate -0.5%
Impact on enterprise value	(41)	46	(17)	19

These stress tests did not result in the recognition of any impairment losses on goodwill.

4.2 Property, plant and equipment (including leasing)

In millions of euros	09-30-18	Increases	Decreases	Change in scope[1]	Impact of IFRS 5	Other variation	Foreign exchange differences	09-30-19
Land (including leasing)	181.2	2.2		0.5	1.2	1.8	1.9	188.8
Buildings (including leasing)	295.6	12.7	(1.1)	(5.8)	3.8	21.8	0.6	327.7
Machinery & equipment (including leasing)	771.7	59.9	(10.5)	(14.0)	(0.5)	(3.4)	6.4	809.7
Other tangible assets (including leasing)	293.4	42.5	(8.0)	(8.5)	(0.6)	(62.6)	2.1	258.2
Tangible assets under construction	32.3	18.8	(3.5)	0.2		(36.3)	0.1	11.5
Advances and deposits	0.5	3.7	(0.2)			(0.1)		3.9
Total gross value	**1,574.8**	**139.8**	**(23.3)**	**(27.6)**	**3.9**	**(78.9)**	**11.2**	**1,599.8**
Land (including leasing)	(39.2)	(3.5)		1.8			(0.6)	(41.6)
Buildings (including leasing)	(178.4)	(12.7)	1.0	2.3	(0.6)		(0.3)	(188.7)
Machinery & equipment (including leasing)	(636.2)	(44.9)	14.3	14.0	0.4	15.6	(5.5)	(642.2)
Other tangible assets (including leasing)	(240.1)	(25.5)	7.2	7.8	0.5	63.3	(1.4)	(188.1)
Total amortization & depreciation	**(1,093.9)**	**(86.6)**	**22.5**	**25.9**	**0.3**	**78.9**	**(7.7)**	**(1,060.6)**
Total net value	**480.9**	**53.3**	**(0.8)**	**(1.6)**	**4.1**		**3.5**	**539.2**

(1) See note 3 – Changes in consolidation scope.

Property, plant and equipment financed by lease-financing contracts

In millions of euros	09-30-18	Increases	Decreases	Change in scope[2]	Impact of IFRS 5	Other changes[1]	Foreign exchange differences	09-30-19
Land and buildings	20.7							20.7
Machinery & equipment	251.7	23.9	(2.4)	(2.6)		(0.1)	0.4	270.9
Other tangible assets	113.8	31.3	(0.4)	(9.5)	(0.2)	(63.3)	0.3	72.1
Total gross value	**386.2**	**55.2**	**(2.8)**	**(12.1)**	**(0.2)**	**(63.4)**	**0.7**	**363.7**
Total amortization & depreciation	**(290.2)**	**(31.0)**	**2.4**	**9.8**	**0.1**	**78.9**	**(0.3)**	**(230.2)**
Total net value	**96.1**	**24.2**	**(0.3)**	**(2.3)**	**(0.1)**	**15.5**	**0.4**	**133.5**

(1) As part of the preparatory work for the first-time application of IFRS 16, which will take place during the next fiscal year, the Group has removed fully depreciated fixed assets with a gross value of €78.9 million. The amount of €15.5 million represents the amount of fixed assets acquired during the previous fiscal year, refinanced during the fiscal year through leases.

(2) See note 3 – Changes in consolidation scope.

4.3 Financial assets

4.3.1 Change during the fiscal year

In millions of euros	09-30-18	Increases	Decreases	Change in scope[1]	Other variation	Foreign exchange differences	09-30-19
Equity interests	3.2	0.4	(0.1)	(0.7)			2.8
Loans, securities and other long-term financial assets	8.7	20.1	(18.7)	(2.8)	(0.2)	0.1	7.2
Total gross value	**11.9**	**20.5**	**(18.8)**	**(3.5)**	**(0.2)**	**0.1**	**10.0**
Impairment loss on investments	(1.4)			0.3			(1.1)
Impairment loss on loans, securities and other receivables	(0.1)						(0.1)
Total impairment	**(1.5)**			**0.3**			**(1.2)**
Total net value	**10.5**	**20.5**	**(18.8)**	**(3.2)**	**(0.2)**	**0.1**	**8.8**

(1) See note 3 – Changes in consolidation scope.

4.3.2 Non-current financial assets by maturity date (excluding investment securities)

In millions of euros	09-30-19	More than 1 year	More than 5 years
Loans, securities and other long-term financial assets	7.1	5.0	2.1
Total net value	**7.1**	**5.0**	**2.1**

4.3.3 Investment securities and receivables related to equity investments by type

In millions of euros	Country	% holding	Gross value	Provisions	Net value	
Equity interests						
ENVIRONMENTAL SERVICES						
DOHMEN	Belgium	100%	1.4		1.4	Under liquidation
PROSIMETAL	France	50%	0.2	(0.2)	0.0	Under liquidation
Other companies (less than €0.1 million)	France		0.3		0.3	
BUSINESS SERVICES						
DERICHEBOURG ATIS MAINTENANCE SERVICES	France	100%	0.9	(0.9)	0.0	Under liquidation
Total			**2.8**	**(1.1)**	**1.7**	

4.4 Investments in associates and joint ventures

4.4.1 By type

				Share of shareholders' equity	
In millions of euros	Country	% holding	Share of income	09-30-19	09-30-18
ASSOCIATES					
ALLO CASSE AUTO	France	48%	0.6	2.3	2.2
DAC	France	50%	0.1	0.9	0.8
DREYFUS	France	43%	0.5	5.6	5.4
ROHR ENVIRONNEMENT	France	50%	0.4	1.8	1.6
JOINT VENTURES					
ALSAFER ENVIRONNEMENT	France	50%	0.1	0.2	0.2
ENVIE AFM SUD OUEST	France	50%	0.1	0.7	0.6
REYFRA	Spain	50%	0.7	6.8	6.1
VALERCO	France	50%		0.1	0.1
Total			**2.4**	**18.5**	**17.1**

(1) See note 3 – Changes in consolidation scope.

Condensed financial information for Environmental Services' joint ventures

		ALSAFER	ENVIE AFM SUD OUEST	REYFRA	VALERCO
	Balance sheet date	09-30-19	09-30-19	09-30-19	09-30-19
In millions of euros	Country	France	France	Spain	France
Financial position					
Non-current assets			0.3	10.9	
Current assets		0.7	2.2	8,7	0.4
Total assets		**0.7**	**2.5**	**19.6**	**0.4**
Non-current liabilities			0.1	0.7	
Current liabilities		0.2	1.1	5.3	0.2
Total liabilities		**0.2**	**1.2**	**6.0**	**0.2**
Net assets		**0.5**	**1.3**	**13.6**	**0.2**
Income statement					
Revenue		1.8	4.5	43.4	0.6
Net profit (loss)		**0.2**	**0.2**	**1.4**	**0.0**
Statement of cash flow					
Net cash flow from operating activities		0.3	0.5	4.2	0.1
Net cash flow from investment activities				(1.7)	
Net cash flow from finance activities		(0.2)		(0.4)	
of which, dividends received by the subsidiary					
Impact of exchange rate fluctuations					
Cash and cash equivalents at beginning of the period		0.3	0.6	(2.1)	0.2
Cash and cash equivalents at close of the period		0.4	1.1		0.3
Change in cash and cash equivalents		**0.1**	**0.5**	**2.1**	**0.1**

4.4.2 Change during the fiscal year

In millions of euros	09-30-18	Share of profit	Dividends	09-30-19
Equity interests in associated companies	17.1	2.4	(1.0)	18.5

4.5 Other non-current assets

In millions of euros	Gross value on 09-30-19	Provisions	Net value on 09-30-19
Other receivables	0.4	(0.4)	0.0
Total	**0.4**	**(0.4)**	**0.0**

4.6 Inventories

4.6.1 By type

In millions of euros	Gross value on 09-30-19	Gross value on 09-30-18
Raw materials	3.8	6.5
Other consumables	10.8	9.4
Work in progress	1.7	0.8
Finished and semi-finished goods	1.5	4.5
Goods for resale	50.7	56.4
Total	**68.6**	**77.5**

4.6.2 Change during the fiscal year

In millions of euros	Net values on 09-30-18	Variation	Change in scope(1)	Foreign exchange differences	Change in impairment(2)	Net value at 09-30-19
Raw materials	6.5	(2.9)	0.2			3.8
Other consumables	8.9	1.6	(0.2)	0.1	0.1	10.4
Work in progress	0.8	0.9				1.7
Finished and semi-finished goods	4.5	(2.9)				1.5
Goods for resale	56.1	(7.1)	1.2	0.3	(0.1)	50.4
Total	**76.7**	**(10.4)**	**1.2**	**0.4**	**0.0**	**67.8**

(1) See note 3 – Changes in consolidation scope.
(2) Change in impairment of inventory.

In millions of euros	09-30-18	Provisions	Reversals	09-30-19
Impairment of inventory	(0.8)	(0.2)	0.2	(0.8)

4.7 Trade receivables, other receivables and current financial assets

	09-30-19			09-30-18		
In millions of euros	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Trade receivables	**293.9**	**(9.8)**	**284.1**	**297.0**	**(10.4)**	**286.6**
Tax receivables	**3.8**		**3.8**	**11.4**		**11.4**
Advances and deposits	8.3		8.3	9.9		9.9
Employee-related receivables	8.5		8.5	4.6		4.6
Employment-competitiveness (CICE) receivables				24.2		24.2
Tax receivables	26.0		26.0	23.5		23.5
Other receivables	13.3	(3.0)	10.3	15.7	(4.7)	11.1
Prepaid expenses	9.3		9.3	9.4		9.4
Other current assets	**65.4**	**(3.0)**	**62.5**	**87.4**	**(4.7)**	**82.7**
Dividends due						
Loans, deposits and securities	20.3	(0.1)	20.2	14.0	(0.1)	13.8
Current financial assets	**20.3**	**(0.1)**	**20.2**	**14.0**	**(0.1)**	**13.8**

Change in impairment of trade receivables

In millions of euros	09-30-18	Provisions	Reversals	09-30-19
Impairment of trade receivables	(10.4)	(1.3)	1.8	(9.8)

4.8 Cash and cash equivalents

By type

Cash and cash equivalents include investment securities, current account balances due by banks and cash.

In millions of euros	Gross value on 09-30-19	Provisions	Net value at 09-30-19	Net values on 09-30-18
Marketable securities	1.3	(0.2)	1.1	0.3
Cash	283.5		283.5	145.3
Total	**284.8**	**(0.2)**	**284.6**	**145.6**

In millions of euros	09-30-19	09-30-18
Cash and cash equivalents	284.6	145.6
Bank overdrafts	7.0	14.2
Net cash	**277.6**	**131.4**

The cash pooling system, which the Group has implemented mainly in France, centralizes all subsidiary cash flows on a daily basis to reduce finance costs.

The Group reports cash and cash equivalents according to the accounting balance of each bank account, whereas these accounts can be aggregated with other accounts that could have a different balance in the context of the merger of interests and overall overdraft authorizations granted to the Group.

4.9 Consolidated shareholders' equity

As of September 30, 2019, the Company's share capital consisted of 159,397,489 shares with a nominal value of €0.25 each, corresponding to a total nominal value of €39,849,372.25.

Analysis of the share capital and voting rights

	Shares		Voting rights	
Shareholders	Number of shares	% of share capital	Number	%
CFER*	65,745,648	41.25	131,491,296	57.79
Financière DBG*	65,894	0.04	65,894	0.03
Employees	1,686,029	1.06	1,686,029	0.74
Treasury shares	0	0	0	0
Free float	91,899,918	57.65	94,290,107	41.44
Total	**159,397,489**	**100.00**	**227,533,326**	**100.00**

* *CFER and Financière DBG are ultimately controlled by the family of Mr. Daniel DERICHEBOURG.*

The Board of Directors' meeting of May 22, 2019 decided to cancel 4,481,291 treasury shares. Following this Board meeting, the share capital comprises 159,397,489 shares.

Dividends

In millions of euros	For the fiscal year 2018/2019[1]	For the fiscal year 2017/2018	For the fiscal year 2016/2017
Net dividends in euros	0.11	0.14	0.14
Total net distribution	17.5	22.9	22.9

(1) Subject to approval by the shareholders' meeting.

The Board of Directors has proposed a €0.11/share dividend distribution to the shareholders' meeting.

4.10 Non-controlling interests

In millions of euros	09-30-19	09-30-18
Non-controlling interests at the beginning of the year	3.8	2.9
Changes in consolidation scope[1]	(3.6)	(0.0)
Consolidated company earnings attributable to non-controlling interests	3.3	1.5
Share of dividends from consolidated companies	(0.7)	(0.6)
Impact of foreign exchange rate fluctuations on non-controlling interests	0.0	0.0
Other variation	0.1	(0.0)
Non-controlling interests at year-end	**2.9**	**3.8**

(1) of which €(3.2) million in respect of the sale of household waste collection and treatment activities in Morocco.

4.11 Indebtedness

4.11.1 Financial borrowings and debts

4.11.1.1 Changes in financial indebtedness

In millions of euros	09-30-18	Increases	Decreases	Changes in scope[2]	Impact of IFRS 5	Other variation	Foreign exchange differences	09-30-19
Loans from financial institutions[1]	94.2	166.8	(2.5)	0.9		(30.1)	0.4	229.7
Miscellaneous financial debt	1.4	0.4		(0.5)		(0.0)	0.1	1.4
Debts linked to finance leases	60.6	70.8		(2.2)		(35.6)	0.1	93.7
Non-current financial debt	**156.2**	**238.0**	**(2.5)**	**(1.8)**		**(65.8)**	**0.7**	**324.8**
Loans from financial institutions[1]	46.7	1.7	(29.7)	0.8		30.1	0.1	49.7
Miscellaneous financial debt	0.2							0.2
Debts linked to finance leases	23.4		(29.7)	(1.6)	(0.1)	35.6	0.1	27.8
Bank overdrafts	14.2		(7.1)	(0.2)			0.2	7.0
Current financial debt	**84.5**	**1.7**	**(66.6)**	**(0.9)**		**65.8**	**0.4**	**84.7**
Total financial debt	**240.7**	**239.7**	**(69.1)**	**(2.7)**	**(0.1)**	**0.0**	**1.1**	**409.5**

(1) See notes 4.11.1.4 to 4.11.1.7 inclusive for details on the main credit lines.

(2) See note 3 – Changes in consolidation scope.

4.11.1.2 Maturity profile of loans and non-current financial debt

Maturity profile of non-discounted contractual cash flows from financial debt excluding amortized cost, factoring debt and bank overdrafts

In millions of euros	09-30-19	09-30-20	09-30-21	09-30-22	09-30-23	09-30-24	09-30-25 and beyond
Syndicated loan	31.8	10.6	10.6	10.6			
EIB Loan	130.0			13.0	13.0	13.0	91.0
Finance leases	121.4	27.8	24.8	20.5	17.7	14.1	16.5
Other medium- and long-term lines	102.3	23.2	21.6	18.5	16.1	13.4	9.5
Miscellaneous financial debt	1.6	0.2				1.4	
Total financial debt excluding amortized cost, factoring, and bank overdrafts	**387.1**	**61.8**	**57.0**	**62.6**	**46.8**	**41.9**	**117.0**
Amortized cost of syndicated credit	(0.6)						
Factoring debt	16.0						
Bank overdrafts	7.0						
Total financial debt	**409.5**						

The detail of other medium- and long-term lines can be found in notes 4.11.1.4 to 4.11.1.7 inclusive.

4.11.1.3 Financial debt by main currencies

In millions of euros	09-30-19	Euro	American dollar	Canadian dollar
Loans from financial institutions	229.7	221.2	0.7	7.9
Miscellaneous financial debt	1.4	1.4		
Debts linked to finance leases	93.7	93.2	0.4	
Non-current financial debt	**324.8**	**315.8**	**1.1**	**7.9**
Loans from financial institutions	49.7	46.8	0.9	2.0
Miscellaneous financial debt	0.2	0.2		
Debts linked to finance leases	27.8	26.9	0.9	
Bank overdrafts	7.0	6.5	0.6	
Current financial debt	**84.7**	**80.4**	**2.4**	**2.0**
Total financial debt	**409.5**	**396.2**	**3.5**	**9.9**

4.11.1.4 Characteristics of main credit lines

Denomination	Currency	Nominal amount *(in millions of currency)*	Rate/Index	Final maturity date	Book value at 09-30-19 *(in millions of euros)*	Book value at 09-30-18 *(in millions of euros)*
Syndicated loan(1)	EUR	132.5	Euribor 3M	03/31/2022	31.8	42.4
Revolving credit(1)	EUR	100.0	Euribor 3M	03/31/2022		
EIB Loan	EUR	130.0	1.127%	08/02/2031	130.0	
Canada Loan - 2018 - 1	CAD	5.2	4.080%	07/06/2025	3.0	3.3
Canada Loan - 2017 - 1	CAD	9.0	3.340%	04/01/2024	4.2	4.9
Canada Loan - 2017 - 2	CAD	2,7	3,340%	04/01/2024	1.2	1.4
Canada Loan - 2015 - 1	CAD	3,5	3,840%	12/22/2022	1.2	1.5
United States Loan - 2018 - 1	USD	3.0	Libor USD 3M	06/01/2021	1.6	2.4
France Loan - 2019 - 1	EUR	20.0	Euribor 3M	09/02/2024	20.0	
France Loan - 2019 - 2	EUR	3.3	1.419%	06/30/2029	3.3	
France Loan - 2019 - 3	EUR	3.0	0.980%	02/20/2026	2.8	
France Loan - 2019 - 4	EUR	5.0	0.960%	05/31/2026	5.0	
France Loan - 2019 - 5	EUR	4.0	1.250%	06/01/2025	3.8	
France Loan - 2018 - 1	EUR	5.0	1.360%	04/30/2025	5.0	5.0
France Loan - 2018 - 2	EUR	5.5	1.650%	06/05/2030	5.0	5.4
France Loan - 2017 - 1	EUR	5.0	2.190%	04/30/2024	4.8	5.0
France Loan - 2017 - 2	EUR	3.0	1.250%	06/01/2022	1.7	2.3
France Loan - 2017 - 3	EUR	5.0	2.190%	04/30/2024	4.8	5.0
France Loan - 2017 - 4	EUR	6.0	1.200%	04/30/2022	3.3	4.5
France Loan - 2017 - 5	EUR	4.0	1.200%	04/30/2022	2.1	2.9
France Loan - 2017 - 6	EUR	10.0	0.850%	09/30/2024	7.2	8.6
France Loan - 2017 - 7	EUR	2.1	2.410%	09/08/2024	1.5	1.8
France Loan - 2016 - 1	EUR	5.0	0.610%	12/22/2023	3.1	3.8
France Loan - 2016 - 2	EUR	5.0	0.610%	12/22/2023	3.1	3.8
France Loan - 2016 - 3	EUR	8.0	1.250%	04/30/2021	2.9	4.5
France Loan - 2013 - 1	EUR	4.0	Euribor 3M	05/05/2023	1.5	1.9
Other borrowings - Outstandings < 1.5 MEUR					10.1	9.6
Non-recurring finance lease debts					93.7	60.6
Recurring finance lease debts					27.8	23.4
Miscellaneous financial debt	EUR				1.6	1.6
Amortized cost of syndicated credit	EUR				(0.6)	(1.1)
Syndicated factoring(2)	EUR	300.0		12/31/2021	16.0	22.0
Confirmed and unconfirmed bilateral lines	EUR	109.4			7.0	14.2
Total financial debt					**409.5**	**240.7**

(1) The Derichebourg Group has contracted a syndicated loan agreement, which, along with the EIB loan and its factoring agreements, constitutes its main sources of funding.

(2) Including €240 million from non-recourse factoring of receivables for €231.1 million in financing received as at September 30, 2019.

4.11.1.5 2014 loan agreement

On March 31, 2014, the Group entered into a loan agreement with ten financial institutions, for the sum of €232.5 million and comprising a €100 million revolving loan and a €132.5 million repayment loan.

Regarding the repayment loan, the outstanding balance at September 30, 2019 was €31.8 million. Annual installments consist of €10.6 million due each March 31 until 2022.

The revolving loan of €100 million had not been drawn as at September 30, 2019.

Five riders were signed on March 31, 2015, January 22, 2016, May 5, 2017, February 2, 2018, and June 19, 2019 at the Group's request, to amend a number of provisions, notably the margin scale in rider No. 1, the ratios to be respected in rider No. 2, the repayment schedule in rider No. 3, the lifting of guarantees relating to the repayment of loans in rider No. 4 and the increase in the additional debt authorized in rider No. 5.

Interest rate

The amounts drawn on these credit lines carry interest at the Euribor rate, plus a margin which is adjusted periodically based on the ratio of consolidated net financial indebtedness to consolidated Ebitda.

Early repayment obligations - Event of default

The loan agreement allows the lenders to require early repayment of the entire amount due, should a majority of the lenders request it, following the occurrence of certain common default events, particularly where an event has a significant adverse effect on the business or the financial situation of the Derichebourg Group, or on the ability of Derichebourg to service its debt.

A change of control or delisting of Derichebourg shares would constitute an event warranting mandatory early repayment.

In addition, the loan agreement provides for an obligation to make early partial repayment of the sums owing in the event of a capital increase, the issuance of shares giving access to capital or debt securities (if its maturity precedes that of the syndicated loan).

Covenants

The loan agreement also includes covenants that could theoretically limit the ability of Group companies to do the following without the lenders' consent:

- to take out additional debts;
- to grant sureties and guarantees;
- to undertake mergers, demergers or restructurings;
- to undertake certain acquisitions, beyond a certain threshold;
- to make investments over the course of a given company fiscal year that exceed the amounts set by the agreement;
- to sell assets or equity interests, except for those specified in the loan agreements;
- to redeem and/or reduce their share capital, with certain exceptions.

The loan agreement also contains commitments requiring the purchase and maintenance of insurance policies in line with practices generally accepted in the businesses of the Derichebourg Group.

On May 5, 2017, Derichebourg SA (the Borrower) signed an amendment No. 3 with the lenders, with the following main features:

- a three-year extension to the maturity of the credits, i.e. until March 31, 2022 (amortization in five annual installments of €10.6 million of the balance of €53 million of the refinancing loan, and availability of the €100 million revolving credit facility until March 31, 2022);
- relaxation of a number of the contractual clauses, specifically intended to facilitate the Group's development.

On February 2, 2018, the lenders agreed, in the light of the reduction in the amount of the loans and the net improvement in the Group's financial position, to remove the guarantees (pledges) relating to the repayment of the loans.

On June 19, 2019, the lenders agreed to raise the amount of additional authorized debt, in order to enable the loan with the European Investment Bank (EIB) to be set up.

4.11.1.6 Factoring agreement

On January 1, 2015, the Derichebourg Group entered into a non-recourse factoring agreement covering the French, Belgian, German, and Italian Environmental Services and Business Services entities. The term of this agreement is confirmed at three years, due to expire on December 31, 2021 and the maximum amount was set at €300 million in the amendment of November 2018.

The receivables covered by this agreement correspond to deliveries made or services rendered to private customers or to French public sector customers.

Each time receivables are sold, the receivables approved by the credit insurer (after deduction of any outstanding receivables previously sold without recourse) are sold without recourse. The other receivables are sold with recourse. The receivables retain their status (factored with or without initial recourse) until payment takes place.

The factor is co-insured with the Group by two different credit insurers. They are responsible for paying out any compensation under the credit insurance policy.

Interest is deducted when the receivable is sold based on the average contractual payment terms. The risk of late payment is transferred to the factors.

The dilution rate (credits, cancellation of receivables) is low.

The total receivables derecognized under factoring agreements amounted to €228.2 million as at September 30, 2019.

The Group derecognizes 95% of receivables without recourse because of the 5% unguaranteed residual amount.

4.11.1.7 EIB Loan

See note 1.2 Material events occurring over the fiscal year

The agreement is set to run for 12 years, with a grace period of two years, following which the loan is repayable in 10 equal annual installments.

The text of the EIB contract is close to that of the syndicated loan contract. It includes a commitment to maintain the EIB pari passu with the Group's other lenders, and a commitment to inform the EIB if a new credit contract includes stricter clauses, to allow it to assess whether it needs to amend the contract.

4.11.2 Net financial position

In millions of euros	09-30-19	09-30-18
Financial debt	409.5	240.7
Cash and cash equivalents	284.6	145.6
Total net debt	**124.9**	**95.1**

4.11.3 Liquidity risk

The Group uses a cash-flow management tool. This tool keeps track of the maturity of financial investments and financial assets (e.g., accounts receivable) and the estimated future cash flow from operations.

At September 30, 2019, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement signed in March 2014, with an authorized outstanding amount of €131.8 million. It includes a five-year loan for €31.8 million, repayable in equal annual installments (outstanding amount authorized and drawn of €31.8 million as at September 30, 2019), and a five-year usable revolving loan in the sum of €100 million, repayable at maturity. The next installment for the repayment loan is due on March 31, 2020 and amounts to €10.6 million. At September 30, 2019, there was no drawdown being made under the revolving loan;
- a non-recourse factoring agreement went into effect on January 1, 2015. Its initial two-year term was renewed twice, in April 2016 and November 2018, extending the maturity to the end of December 2021 and its limit to €300 million (subject to receivables available). The factoring purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse beyond that amount. The total receivables that may be derecognized by the Group is thus dependent on the total receivables available and the credit insurers' authorized limits. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by the Group; The amount drawn down from this line as at September 30, 2019 is €231.1 million, for a contribution to net debt of €16 million;
- €112 million in medium-term borrowings, of which €102.3 million had been drawn down;
- a loan agreement with the European Investment Bank for €130 million;
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding as at September 30, 2019 was €121.5 million.
- bilateral credit lines, whether confirmed or not, totaling €109.4 million, which are not used since the Group's net cash position is €277.6 million at September 30, 2019.

Financial ratios

The syndicated loan agreement requires the Group to maintain the following financial ratios:

- the annual leverage ratio, being the ratio of (a) consolidated net financial debt to (b) consolidated Ebitda, on each calculation date and over a rolling 12-month period ending on each calculation date, must be less than 3.00.

At September 30, 2019, the leverage ratio was 0.65;

- the debt service coverage ratio, i.e. the ratio of (a) consolidated cash flow before debt service to (b) net financial expenses on each calculation date and over a rolling 12-month period ending on each calculation date considered, must be greater than 5.

At September 30, 2019, the coverage ratio stood at 19.64.

The Group was in compliance with its financial covenants on September 30, 2019.

Given the liquidity margin of €497 million at September 30, 2019, and based on business and investment forecasts, the Group estimates that it has sufficient financial lines to meet its payments over the 12 months from September 30, 2019.

4.12 Financial instruments

The Group uses certain financial instruments to reduce risks related to interest rates, exchange rates affecting its commercial activities and raw material prices.

4.12.1 Market value of financial instruments

To determine the fair value of financial instruments, the Group uses the following fair value hierarchy, according to the valuation methods used:

- level 1: the prices listed for identical assets or liabilities in active markets (not adjusted);
- level 2: directly or indirectly observable inputs concerning the asset or liability other than the quoted prices used at level 1;
- level 3: methods that use inputs that have a significant impact on the recognized fair value and are not based on observable market data.

On September 30, 2019, all of the Group's assets and liabilities measured at fair value are classified as level 2.

During the 2019 fiscal year, there was no change in fair-value valuations between level 1 and level 2 and no transfer to, or from, level 3.

In millions of euros	09-30-19	09-30-18
Assets at fair value through profit or loss		
▫ Derivative instruments – assets		0.0
Assets at fair value through equity		
▫ Derivative instruments – assets		0.0
Loans and receivables		
▫ Non-current loans		0.0
▫ Non-current deposits and securities	6.9	8.6
▫ Other non-current financial assets	0.2	0.0
▫ Current trade receivables	284.1	286.6
▫ Current loans		
▫ Current deposits and securities	20.2	13.8
▫ Cash and cash equivalents	284.6	145.6
Held-to-maturity investments		
▫ None		
Available-for-sale assets		
▫ Equity interests	1.7	1.8
Liabilities at fair value through profit or loss		
▫ Derivative instruments – liabilities	1.2	(0.2)
Liabilities at fair value through equity		
▫ Derivative instruments – liabilities	1.6	1.4
Other liabilities		
▫ Syndicated loan	31.2	41.3
▫ Other non-current financial debt	304.3	125.5
▫ Debts Trade payables	258.7	281.2
▫ Other current financial liabilities	0.4	0.3
▫ Short-term loans and bank overdrafts	73.8	84.2

4.12.2 Market value of derivative instruments

In millions of euros		09-30-19 Assets	09-30-19 Liabilities	09-30-18 Assets	09-30-18 Liabilities
Derivatives for interest-rate risks	Cash flow hedge		2.5		1.1
Derivatives for exchange-rate risk	Cash flow hedge	0.0	0.2	0.0	0.0
Amount of derivatives in the consolidated balance sheet		**0.0**	**2.7**	**0.0**	**1.1**

4.12.3 Interest rate risks

The Group determines the desired split of debt between fixed and variable rates based on forecast trends for interest rates and the hedging requirement set forth in the syndicated loan agreement. At September 30, 2019, 20% of the debt was under a floating rate.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses and manage the fixed/variable rate split of its debt.

The Group's variable-rate debt is fully hedged. A 1% change in the three month Euribor would have no impact on the Group's financial statements.

Breakdown of debt between fixed and variable rates

In millions of euros	09-30-19 Fixed rate	09-30-19 Variable rate	09-30-19 Total	09-30-18 Fixed rate	09-30-18 Variable rate	09-30-18 Total
Financial liabilities	326.6	75.9	402.5	154.2	72.3	226.5
Cash and cash equivalents		7.0	7.0		14.2	14.2
Total financial liabilities	**326.6**	**82.9**	**409.5**	**154.2**	**86.5**	**240.7**
%	80%	20%	100%	64%	36%	100%

Net financial position after hedging

In millions of euros	09-30-19 Less than 1 year	09-30-19 From 1 to 5 years	09-30-19 Beyond that period	09-30-18 Less than 1 year	09-30-18 From 1 to 5 years	09-30-18 Beyond that period
Non-current financial debt		207.7	117.0		140.9	15.3
Current financial debt	84.8			84.5		
Financial liabilities	**84.8**	**207.7**	**117.0**	**84.5**	**140.9**	**15.3**
Non-current financial assets (excluding investment securities)		(5.0)	(2.1)		(5.0)	(3.6)
Current financial assets	(20.2)			(13.8)		
Cash and cash equivalents	(7.0)			(145.6)		
Financial assets	**(27.2)**	**(5.0)**	**(2.1)**	**(159.5)**	**(5.0)**	**(3.6)**
Net position before hedging	**57.6**	**202.7**	**114.9**	**(75.0)**	**135.9**	**11.7**
Swaps		(50.0)		(95.0)		
Net position after hedging	**57.6**	**152.7**	**114.9**	**(170.0)**	**135.9**	**11.7**

Derivative interest rate instruments by maturity

In millions of euros	Initial rate	Less than 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Swap variable rate -> fixed rate:					
SWAP EUR	0.56%			50.0	
Total nominal value EUR				**50.0**	

4.12.4 Foreign exchange risk

Exchange rates used

In euros	Foreign currencies	2019 Year-end	2019 Average	2018 Year-end	2018 Average
Canada	CAD	1,4426	1,4971	1,5064	1,5275
China	CNY	7,7784	7,7957		
United States	USD	1,0889	1,1281	1,1576	1,1906
Morocco	MAD	10,6224	10,8145	10,9376	11,1533
Mexico	MXN	21,4522	21,8837	21,7800	22,6387
United Kingdom	GBP	0,8857	0,8841	0,8873	0,8847
Turkey	TRY	6,1491	6,3239	6,9650	5,2495

Generally, the Group's revenue is generated in the same currency as the related costs. Accordingly, the Group has little exposure to foreign exchange risk, and business transactions made in a non-local currency (mostly dollar-denominated exports from France) are generally hedged with forward contracts. Euro movements against the US dollar do, however, have a significant impact on the translation of Environmental Services division revenue and operating income into euros.

The Group uses foreign exchange forward contracts to hedge its foreign exchange risk.

In millions of currency	USD
Forward purchases	
Forward sales	10.5

Accounts receivable, tax receivables and other current assets by currency

In millions of currency	Receivables at 09-30-19 Local currency	Receivables at 09-30-19 Euro	Receivables at 09-30-19 %	Receivables at 09-30-18 Local currency	Receivables at 09-30-18 Euro	Receivables at 09-30-18 %
CAD	6.3	4.4	1%	5.4	3.6	1%
EUR	329.9	329.9	95%	329.6	330.2	87%
GBP	0.2	0.3	0%	0.1	0.1	0%
MAD				321.5	29.4	7%
MXN	85.0	4.0	1%	68.5	3.1	1%
TRY	4.8	0.8	0%			
USD	12.1	11.1	3%	16.5	14.2	4%
Total		**350.4**	**100%**		**380.7**	**100%**

Trade payables, tax liabilities and other current liabilities

	Payables at 09-30-19			Payables at 09-30-18		
In millions of currency	Local currency	Euro	%	Local currency	Euro	%
CAD	2.2	1.5	0%	1.7	1.2	0%
EUR	508.2	508.2	99%	510.7	510.7	95%
GBP	0.2	0.2	0%	0.1	0.1	0%
MAD				221.0	20.2	4%
MXN	40.3	1.9	0%	37.6	1.7	0%
TRY	2.4	0.4	0%			
USD	5.8	5.4	1%	6.4	5.5	1%
Total		**517.5**	**100%**		**539.5**	**100%**

The following table shows the sensitivity of profit before tax, before and after hedging, to a reasonable change in the US dollar exchange rate, all other variables being constant.

		09-30-19		09-30-18	
In millions of euros		Before hedging	After hedging	Before hedging	After hedging
CAD	+5%	(0.2)	(0.2)	(0.1)	(0.1)
	-5%	0.2	0.2	0.1	0.1
USD	+5%	(0.8)	(0.3)	(0.9)	(0.4)
	-5%	0.9	0.4	1.0	0.4
Total	**+5%**	**(1.0)**	**(0.6)**	**(1.0)**	**(0.5)**
	-5%	**1.1**	**0.6**	**1.1**	**0.6**

4.12.5 Credit or counterparty risk

Financial transactions (i.e. loans, hedges on currencies, interest rates and raw materials) are carried out with leading financial institutions for the purpose of reducing risk.

To reduce counterparty risk on domestic, export and foreign accounts receivable, Environmental Services and Business Services systematically apply for credit insurance to cover 95% of this risk on these receivables, excluding taxes. The credit insurer may however sometimes refuse coverage based on its assessment of a customer's solvency.

Exposure to customer risk is regularly compared to the credit insurer's authorized limits.

For several years now, the Group has implemented a very strict policy of monitoring customer outstandings and systematically issuing routine reminders for overdue outstandings.

The Business Services business has a very large portfolio of customers that represents all sectors of the French economy. Its credit risk is therefore proportionate to the risk that the French economy itself will fail, and without the risk that the default of any single customer could threaten the Group's survival.

Aging of accounts receivable (gross values excluding doubtful receivables)

In millions of euros	Total outstanding 09-30-19	Not due	<1 month	<4 months	>4 months
Environmental Services	131.4	97.6	20.0	6.6	7.2
Business Services	150.3	69.1	40.2	30.0	11.0
Holding companies	4.6	4.3		0.1	0.2
Total	**286.3**	**171.0**	**60.2**	**36.7**	**18.4**

Despite the turbulent environment, the Group has not yet observed any significant increase in payment delays and customer credit risk is €1.9 million. The Group considers that its other loans do not constitute a substantial risk, except for certain receivables more than four months overdue.

4.12.6 Raw materials risk

In the normal course of its business, the Group enters into few forward contracts to buy or sell ferrous or non-ferrous metals, and these contracts generally do not require a firm price commitment beyond one month. Depending on whether metal prices rise or fall, the Group may have to purchase or sell at a price less favorable than when the contract was entered into to honor a contract. However, the Group's risk practice is to only enter into a contract to sell when a purchase has been made. Three specialist companies, aluminum refiner Refinal, and ferrous metals traders Inorec and Coframétal, may make buy or sell commitments before finding a counterparty for the transaction. They may hedge these transactions on the London Metal Exchange. (Other Group companies may also hedge transactions on the LME, but this is exceptional).

The Group may therefore have to sell its inventories of processed metal goods to its customers for less than the initial purchase price if the market price for these goods declines between the time of purchase and the time of sale. The volatility of the prices of different metals may create exceptional "price effects" which the Group endeavors to limit by holding low levels of stock.

4.13 Non-current provisions and provisions for commitments to employees

4.13.1 Change in non-current provisions

In millions of euros	09-30-18	Provisions	Reversals used	Write backs not used	Changes in scope[1]	Impact of IFRS 5	Other variation	Foreign exchange differences	09-30-19
Provisions for labor disputes	5.3	2.0	(1.6)	(0.7)					5.0
Provisions for other disputes	3.9	1.3	(1.0)		(0.1)	(1.3)	0.0		2.8
Provisions for URSSAF disputes	7.9	0.9							8.9
Provisions for guarantees	0.7	0.1		(0.2)					0.6
Provisions for service awards	2.2	0.8	(0.1)	(0.3)					2.6
Provisions for restructuring	0.3								0.3
Environmental provisions	4.5	0.4	(1.3)					0.1	3.7
Other non-current provisions	0.5		(0.5)						0.0
Total	**25.3**	**5.5**	**(4.5)**	**(1.2)**	**(0.1)**	**(1.3)**	**0.0**	**0.1**	**23.7**

(1) See note 3 – Changes in consolidation scope.

4.13.2 Provisions for commitments to employees

In France, Group employees benefit from State pension plans and from retirement benefits paid by the employer in accordance with the collective agreements in force at each subsidiary.

In other countries, the plans depend on local legislation, the type of business and the past practices of the subsidiary concerned.

The projected costs and obligations recognized in the consolidated financial statements have been determined based on the following actuarial assumptions:

Actuarial assumptions for Business Services	Euro zone 2018-2019	Euro zone 2017-2018
Discount rate	0.50%	1.50%
Rate of inflation	2.00%	2.00%
Long-term forecast salary growth rate	2.00%	2.00%
Expected return on assets		
▫ shares		
▫ fixed assets		
▫ liquidity		
▫ bonds		
▫ hedge funds		
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	Internal to the Company, applied to each employee	Internal to the Company, applied to each employee
Retirement age	Voluntary departure at 62 years of age for non-executives	Voluntary departure at 62 years of age for non-executives
	Voluntary departure at 62 years of age for executives	Voluntary departure at 62 years of age for executives

Actuarial assumptions for Environmental Services and Holding companies	Euro zone 2018-2019	Euro zone 2017-2018
Discount rate	0.50% to 0.70%	1.50% to 1.95%
Long-term forecast salary growth rate	0% to 2%	0% to 2%
Expected return on assets		
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	INSEE tables adapted to the Group's turnover	INSEE tables adapted to the Group's turnover
Retirement age	Voluntary departure at 62 years of age for non-executives Voluntary departure at 62 years of age for executives	Voluntary departure at 62 years of age for non-executives Voluntary departure at 62 years of age for executives

For Environmental Services and Business Services in France, the discount rate used in this measurement is 0.50%.

IAS 19 specifies that the discount rate must be equal to the yield paid on high-quality corporate bonds having the same maturity as the commitment.

In the euro zone, the yield on high-quality corporate bonds (AA) at the measurement date was 0.48% according to the IBOXX benchmark

The discount rate actually used in this valuation complies with IAS 19.

In millions of euros	09-30-18	Provisions	Reversals used	Write backs not used	Changes in scope	Impact of IFRS 5	Comprehensive income	09-30-19
Employee benefits	42.6	4.3	(3.9)		(0.1)	(0.1)	6.8	49.6

In millions of euros	2019	2018	2017
Actuarial value of commitments at opening	**42.6**	**43.2**	**45.3**
Current service cost	3.4	3.2	3.4
Interest expense	0.7	0.7	0.5
Actuarial gains and losses related to experience	1.6	1.5	(6.9)
Actuarial gains and losses related to changes to the actuarial assumptions	5.3	0.1	(0.0)
Employee contributions			0.0
Benefits paid	(3.8)	(3.6)	(1.8)
Acquisitions, disposals, liquidations			0.0
Change in scope			2.6
Impact of IFRS 5	(0.1)	(2.4)	
Foreign exchange differences			0.0
Actuarial value of commitments at closing	**49.6**	**42.6**	**43.2**
Fair value of plan assets at opening	**0.0**	**0.0**	**0.0**
Interest income			0.0
Expected return on assets other than interest			0.0
Administrative costs			0.0
Contributions by employer	3.8	3.6	1.8
Employee contributions			0.0
Benefits paid	(3.8)	(3.6)	(1.8)
Assets distributed on settlement			0.0
Changes in scope			0.0
Impact of IFRS 5			
Foreign exchange differences			0.0
Fair value of plan assets at closing	**0.0**	**0.0**	**0.0**
Provisions recognized on the balance sheet			
Actuarial value of commitments	49.6	42.6	43.2
Fair value of assets	0.0	0.0	0.0
Net value of commitments	**49.6**	**42.6**	**43.2**
Amounts recognized in profit or loss			
Current service cost	3.4	3.1	3.4
Financial cost	0.7	0.7	0.5
Administrative costs			0.0
Gains/Losses on settlements			0.0
Total	**4.1**	**3.8**	**3.9**
Analysis of amount recognized in other comprehensive income			
Expected return on assets other than interest	0.0	0.0	0.0
Actuarial gains and losses related to experience	(1.6)	(1.5)	6.9
Actuarial gains and losses related to changes to the actuarial assumptions	(5.3)	(0.1)	0.0
Total gains/(losses) recognized in other comprehensive income	**(6.8)**	**(1.6)**	**6.8**
Provisions at the beginning of the year	**42.6**	**43.2**	**45.3**
Net expense for the year	4.1	3.9	3.9
Impact on comprehensive income	6.8	1.6	(6.8)
Benefits paid	(3.8)	(3.6)	(1.8)
Other			2.6
Impact of IFRS 5	(0.1)	(2.4)	
Foreign exchange differences			0.0
Provisions at year-end	**49.6**	**42.6**	**43.2**

4.14 Current provisions

In millions of euros	09-30-18	Provisions	Reversals used	Write backs not used	Other variation	Foreign exchange differences	09-30-19
Provisions for disputes	2.4	0.6	(0.6)	(0.1)			2.3
Provisions for restructuring	0.6	0.0	(0.6)				0.0
Provisions for taxes	0.1		(0.1)				0.0
Environmental provisions	1.5		(1.4)				0.1
Other provisions	0.2	0.2	(0.2)		0.0	0.0	0.2
Total	**4.8**	**0.8**	**(2.9)**	**(0.1)**	**0.0**	**0.0**	**2.6**

4.15 Other current liabilities

In millions of euros	09-30-19	09-30-18
Trade payables	**257.1**	**281.2**
Tax payables	**7.7**	**3.3**
State and payroll taxes	218.0	225.2
Advances and payments on account received on orders	10.9	9.1
Current account credit balances	0.6	0.4
Miscellaneous liabilities	9.6	7.3
Deferred income	13.6	13.1
Other current liabilities	**252.7**	**255.0**

4.16 Other non-current liabilities

In millions of euros	09-30-19	09-30-18
Trade payables	2.3	0.8
Deferred income	0.9	0.9
Other non-current liabilities	**3.2**	**1.7**

4.17 Segment reporting

The segments shown correspond to the two branches of Derichebourg's business: Environmental Services and Business Services.

Each of these segments produces and provides goods and services and represents a group of cash generating units monitored each month by General Management through its management report.

The scope of segment reporting is unchanged from the previous year.

4.17.1 By business segment

4.17.1.1 Revenue

In millions of euros	2019	2018	Change in %
Environmental Services	1,846.7	2,116.4	(12.7%)
Business Services	857.6	802.5	6.9%
Holding companies	0.8	0.8	(4.8%)
Total	**2,705.0**	**2,919.7**	**(7.4%)**

4.17.1.2 Consolidated income statement items

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at september 30,
2019					
External revenue	1,850.4	871.8	33.3	(50.4)	2,705.0
Inter-segment revenue	(3.7)	(14.2)	(32.5)	50.4	0.0
Revenue	**1,846.7**	**857.6**	**0.8**	**0.0**	**2,705.0**
Recurring operating profit (loss)	88.2	21.3	(6.4)		103.1
Operating profit (loss)	87.5	16.4	(6.4)		97.5
Net income from associates	2.4				2.4
2018					
External revenue	2,120.0	817.0	31.8	(49.0)	2,919.7
Inter-segment revenue	(3.6)	(14.5)	(31.0)	49.0	0.0
Revenue	**2,116.4**	**802.5**	**0.8**	**0.0**	**2,919.7**
Recurring operating profit (loss)	102.9	22.1	(6.7)		118.3
Operating profit (loss)	98.6	22.1	(24.4)		96.3
Net income from associates	2.1				2.1

4.17.1.3 Other segment reporting

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at September 30,
2019					
Total assets (current and non-current)	1,005.8	553.8	518.3	(526.4)	1,551.5
Assets associated with held-for-sale assets		5.8			5.8
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	698.6	391.0	462.9	(526.4)	1,026.0
Liabilities associated with held-for-sale assets		4.6	0.8		5.4
Total liabilities (current and non-current excluding shareholders' equity)	**698.6**	**395.5**	**463.7**	**(526.4)**	**1,031.4**
Flows at September 30, 2019					
Tangible and intangible capital investments	125.9	15.9	2.8		144.6
Tangible and intangible amortization	(74.1)	(11.7)	(2.5)		(88.3)
Impairment	(0.2)				(0.2)
2018					
Total assets (current and non-current)	1,012.5	502.7	383.8	(527.5)	1,371.5
Assets associated with held-for-sale assets	48.4	0.0	(7.0)	0.0	41.4
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	711.1	342.4	347.4	(527.5)	873.3
Liabilities associated with held-for-sale assets	27.9	0.0	0.0	0.0	27.9
Total liabilities (current and non-current excluding shareholders' equity)	**739.0**	**342.4**	**347.4**	**(527.5)**	**901.2**
Flows at September 30, 2018					
Tangible and intangible capital investments	108.9	11.1	4.0	0.0	124.0
Tangible and intangible amortization	(70.8)	(11.1)	(2.5)	0.0	(84.4)
Impairment	0.0	0.0	0.0	0.0	0.0

4.17.2 Information by geographic zone

In millions of euros	Continental Europe	France	North and South America	Africa	Middle East	Total at September 30,
2019						
Revenues (origin of sales)	323.1	2,161.1	170.6	47.5	2.7	2,705.0
Tangible and intangible capital investments	15.3	121.5	6.7	1.1	0.0	144.6
Tangible and intangible amortization	(7.8)	(66.8)	(10.7)	(3.1)	(0.0)	(88.5)
Total net tangible assets	56.8	419.2	63.1		0.1	539.2
2018						
Revenues (origin of sales)	387.3	2,300.4	181.4	50.6		2,919.7
Tangible and intangible capital investments	9.2	92.2	19.6	3.0		124.0
Tangible and intangible amortization	(11.2)	(60.0)	(8.6)	(4.6)		(84.4)
Total net tangible assets	46.7	363.0	64.2	6.9		480.9

4.18 Change in provisions

In millions of euros	2019	2018
Provisions on current assets	(1.5)	3.2
Provisions for liabilities and charges	(5.0)	7.5
Total	**(6.5)**	**10.7**

4.19 Other operating expenses and income

In millions of euros	2019	2018
Proceeds from sale of property, plant and equipment	1.3	2.3
Production of assets for own use	2.0	2.4
Write backs of provisions on property, plant and equipment	0.4	0.2
Write backs of provisions on current assets[(1)]	6.8	3.0
Write backs of provisions for liabilities and charges	8.7	7.5
Transfers of operating expenses	3.9	3.9
Operating and investment subsidies	1.2	1.6
Others	1.4	1.8
Total other operating income	**25.7**	**22.7**
Carrying amount of non-current assets sold	(0.2)	2.8
Losses from irrecoverable and written-off receivables[(2)]	(7.0)	(1.7)
Duties and licenses	(6.8)	(7.5)
Board members/attendance fees paid	(0.2)	(0.1)
Others	(3.5)	(6.2)
Total other operating expenses	**(17.6)**	**(12.7)**

(1) Of which €4.5 million in write backs for impairment of trade receivables of Vigimark Sûreté (see note 4.26 to the 2013 financial statements).

(2) Of which €4.5 million in losses for irrecoverable trade receivables of Vigimark Sûreté (see note 4.26 to the 2013 notes).

4.20 Other non-recurring expenses and income

	2019	2018	
Nuclear engineering company contracts[(1)]	(5.0)	(9.5)	Italy – balance from dispute with Rotamfer
		(0.6)	Italy – balance from CRS – Scrap dispute
		(3.7)	Waste collection – loss against Veolia in first-instance ruling
Total other non-recurring expenses	**(5.0)**	**(13.8)**	
Other	0.1		
Other non-recurring income	**0.1**		

(1) See note 1.2 - Material events occurring over the fiscal year.

4.21 Gain/loss on disposal of consolidated companies

	2019	2018	
France - Derichebourg Services & Ingénierie nucléaire[1]	(0.8)	(7.0)	Italy – impact of the sale of household waste collection and waste treatment businesses
Belgium - liquidation of CPI & Bas Long Prés	(0.7)	0.5	France – disposal of Hydrovide
Morocco - disposal of household waste collection and waste treatment business[1]	0.6	(1.7)	France – disposal of investment in Plastic Recycling
Italy – disposal of household waste collection and waste treatment businesses	0.1		
Gain/loss on disposal of consolidated companies	**(0.8)**	**(8.2)**	

(1) See note 1.2 - Material events occurring over the fiscal year.

4.22 Net financial expenses

To provide a better assessment of the debt service cost, net financial expenses have been calculated between financial expenses and financial income from investments made, and after taking into account the effect of interest-rate hedges.

Any amounts not falling within the above definition are, where applicable, shown on a separate line.

In millions of euros	2019	2018
Interest on loans, bank overdrafts and factoring	(7.9)	(9.1)
Interest on current accounts		0.0
Leasing interests	(1.4)	(1.8)
Dividends		0.0
Income from investment securities and cash equivalents		0.0
Interest-rate hedges and other financial income and expenses	(0.5)	(0.9)
Net financial expenses	**(9.7)**	**(11.7)**
Foreign exchange gains and losses	0.3	0.3
Interest expense on retirement and pension plans	(0.7)	(0.7)
Other	(0.4)	(0.8)
Foreign exchange and other gains and losses	**(0.8)**	**(1.2)**

4.23 Income tax

4.23.1 By type

In millions of euros	2019	2018
Income before tax from consolidated companies	87.0	83.4
Current income tax	(34.6)	(11.3)
Deferred tax	4.1	(5.0)
Total income tax expense	**(30.5)**	**(16.3)**
Effective tax rate	**(35.1%)**	**(19.6%)**

The French Finance Law for 2019 maintained the standard corporate tax rate of 34.43% for fiscal years beginning in 2019, without changing the rates for the following fiscal years.

The Group's net income tax expense takes into account the progressive income tax rate reduction through the application of the rate in force at the time of the reversal of the temporary differences.

4.23.2 Actual income tax expense

	2019	2018
Theoretical tax income or expense	(30.0)	(28.7)
Impact of tax rate changes	(0.1)	(0.2)
Recognition/Limitation of deferred tax assets	1.9	6.3
Permanent tax differences	0.8	8.5
Permanent differences linked to consolidation adjustments	(3.5)	(2.6)
Differences in tax rates applicable to foreign companies	0.4	0.4
Actual tax income	**(30.5)**	**(16.3)**

The Group's actual Income tax expense was calculated on the basis of income from continuing operations before tax, restated for the Group's share of income from associated companies.

For fiscal year 2019, the Group's actual income tax expense was reconciled on the basis of a tax rate of 34.43%, as for fiscal 2018.

4.23.3 Tax consolidation

The Derichebourg Group has opted in France for the tax consolidation regime which allows it to offset the taxable results of its French subsidiaries where the direct or indirect holding is greater than 95%. The consolidated companies affected by this regime have signed an agreement setting out the methods for applying the tax consolidation, in accordance with the rules established by the tax administration.

The consolidated tax Group is made up of the following companies:

DERICHEBOURG SA	DERICHEBOURG TECHNOLOGIES	PURFOLLIOULE SCI
AFM RECYCLAGE	ÉCO-VHU SAS	PURMET TRANSPORT
BERNES ET BRUYÈRES SCI	ESKA	REFINAL INDUSTRIES
BERTHELOT VILLENEUVE SCI	EXADIANE SCI	REVIVAL
BOLTON	FRANORA SCI	ROUTABOULE SCI
CFF BETA SCI	GROUPE ALTER SERVICES	ROUX SCI
CFF SIGMA SCI	GARE DE CHANDIEU SCI	ULTEAM
COFRAMETAL	INOREC	VALME TECHNOLOGIES
DERICHEBOURG AQUA	INOTERA SCI	WESTEVER
DERICHEBOURG ATIS AÉRONAUTIQUE	POLY-ENVIRONNEMENT	
DERICHEBOURG AUTOMOBILE SERVICES	POLYAMON	
DERICHEBOURG ÉNERGIE	POLYBUIS	
DERICHEBOURG ÉNERGIE E.P.	POLYCEJA	
DERICHEBOURG ENVIRONNEMENT	POLYCEO	
DERICHEBOURG ESPACES VERTS	POLYCOROT	
DERICHEBOURG ÉVOLUTION FORMATION	POLY-MASSI	
DERICHEBOURG EXPANSION	POLY-NEA	
DERICHEBOURG FM	POLYREVA	
DERICHEBOURG IMMOBILIER SCI	POLY-SENTI	
DERICHEBOURG INTÉRIM	POLYSOTIS	
DERICHEBOURG LOGISTIQUE ET MANUTENTION	POLYTIANE	
DERICHEBOURG MULTISERVICES HOLDING	POLYURBAINE	
DERICHEBOURG PROPRETÉ	POLYURBAINE NORMANDIE	
DERICHEBOURG RETAIL	POLY-VALIS	
DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	PROVERRE	
DERICHEBOURG SNG	PSIMMO	
DERICHEBOURG SOURCING AERO & ENERGY	PURFER	
DERICHEBOURG SPECTACLE	PURFER TRANSPORT	

The Derichebourg Group's tax savings amount to €0.6 million.

4.23.4 Analysis of deferred tax assets and liabilities

In millions of euros	09-30-19	09-30-18
Tax losses carried forward	7.1	5.6
Temporary differences	5.6	4.5
Restatement of regulated provisions	(5.8)	(6.3)
Social benefits	11.8	10.0
Finance leases	(1.3)	(2.1)
Elimination of intra-Group profits	1.4	1.8
Valuation differences	(8.0)	(7.3)
IFRS restatements	0.6	0.0
Other types	(2.0)	(1.9)
Net deferred taxes	**9.4**	**4.4**
Of which		
Deferred tax assets	26.5	22.0
Deferred tax liabilities	17.1	17.5
Net deferred taxes	**9.4**	**4.4**

In France, the Group has recognized €2.7 million in deferred tax assets relating to one entity that is not part of the tax consolidation grouping, in light of the outlook for future taxable profits.

The Group also has tax loss carryforwards for which no deferred taxes have been recognized in the amount of €17.1 million in France and €44.0 million abroad.

4.24 Discontinued or held-for-sale operations

Nuclear engineering business (in millions of euros)	09-30-19
Goodwill	(0.3)
Property, plant and equipment	(0.2)
Total non-current assets	**(0.5)**
Trade receivables	(3.7)
Other current assets	(0.4)
Cash	(1.2)
Total current assets	**(5.3)**
Total non-current assets and groups of assets held for sale	**5.8**
Financial borrowings and debts	(0.0)
Employee benefits	(0.1)
Other provisions	(1.4)
Total non-current liabilities	**(1.5)**
Borrowings and bank overdrafts (portion at less than one year)	(0.0)
Provisions	(0.8)
Debts Trade payables	(1.9)
Other current liabilities	(1.0)
Total current liabilities	**(3.8)**
Total liabilities related to a group of held-for-sale assets	**5.4**

4.25 Earnings per share

		2019	2018
Net profit (loss) attributable to Company shareholders *(in millions of euros)*	(A)	55.6	71.1
Net profit (loss) attributable to the Group from discontinued operations *(in millions of euros)*	(B)		3.4
Net profit (loss) attributable to the Group after elimination of discontinued operations *(in millions of euros)*	(C)=(A-B)	55.6	67.6
Impact of dilution on net income	(D)		0.0
Profit after dilution	(E)	55.6	67.6
Number of ordinary shares at year-end		159,397,489	163,878,780
Own shares			
Number of ordinary shares at year-end, excluding own shares		159,397,489	163,878,780
Weighted average number of ordinary shares during the year, excluding own shares	(F)	160,518,131	163,878,780
Number of ordinary shares at year-end after dilution, excluding own shares	(G)	159,397,489	163,878,780
Basic earnings per share (excluding discontinued operations) *(in euros)*	**(C)/(F)**	**0.35**	**0.4**
Basic earnings per share after dilution *(in euros)*	**(E)/(G)**	**0.35**	**0.4**
Earnings per share after net income from discontinued operations (in euros)	**(A)/(F)**	**0.35**	**0.4**
Diluted earnings per share after net income from discontinued operations (in euros)	**(A+D)/(G)**	**0.35**	**0.4**

4.26 Commitments

4.26.1 Details of commitments given

Breakdown of off-balance sheet commitments

In millions of euros	Bonds	Guarantees	09-30-19	09-30-18
Rent	0.8	0.1	0.9	0.9
Financial institutions - Market[(1)]	24.2	20.4	44.6	61.6
Environmental commitments	1.6	2.6	4.2	6.2
Temporary work[(2)]	12.7	0.2	12.9	13.3
Tax commitments	0.6	0.5	1.1	1.2
Others	0.1	0.3	0.4	0.8
Total	**40.0**	**24.1**	**64.1**	**84.0**

(1) Bonds given in accordance with the requirements of certain markets.
(2) Bonds given by the parent company to the financial institution issuing the guarantee required by law for the Temporary work business.

4.26.2 Details of commitments received

- Confirmed lines of credit not used as of September 30, 2019:
  - bilateral line – Germany: €17.2 million;
  - bilateral line – Belgium: €12.5 million;
  - bilateral line – Portugal: €2.7 million;
  - revolving loan (syndicated loan): €100 million.
- Retention bonds: €1.5 million

4.26.3 Leasing agreements

The Group has entered into operating leases for certain items of equipment. These leases are for periods averaging three to five years.

4.26.3.1 Operating leases

The minimum future lease payments under non-cancellable operating leases were as follows at September 30, 2019:

Future minimum payments – Operating leases

In millions of euros	09-30-19	09-30-18
< 1 year	(21.0)	(28.7)
>1 year and <5 years	(16.6)	(29.2)
>5 years	(8.4)	(10.9)
Total	**(46.0)**	**(65.4)**

In millions of euros	09-30-19	09-30-18
Rental expenses for the period	(36.8)	(34.0)
Total	**(36.8)**	**(34.0)**

4.26.3.2 Finance leases

The minimum future lease payments that will be made on finance leases were as follows at September 30, 2019:

Future minimum payments – Finance leases

In millions of euros	09-30-19	09-30-18
<1 year	(29.1)	(27.5)
>1 year and <5 years	(78.7)	(55.8)
>5 years	(17.2)	(7.5)
Total	**(124.9)**	**(90.8)**

In millions of euros	09-30-19	09-30-18
Lease payments expensed in the period	(28.1)	(30.9)
Total	**(28.1)**	**(30.9)**

4.27 Significant litigation

4.27.1 Italy

In November 2013, the director (managing director) of the Italian subsidiary of the Multiservices business (AEP Multiservizi) was remanded in custody, as part of an investigation into procedures for awarding public contracts in Campania. Given the block on the Company's operations likely to be caused by his incapacity, his appointment as managing director was revoked. He has since been freed and the post-judgment measures of constraint lifted. Although the company itself was not the subject of legal action, the Group decided to anticipate the consequences of this company's situation and recorded a non-recurring provision of €4 million in its financial statements for the fiscal year ended September 30, 2016. The company's activity is continuing, although the volume of business is reduced.

4.27.2 Belgium

A tax audit was conducted on the Belgian subsidiary Derichebourg Belgium relating to the identification of suppliers of metals and ferrous scraps for the years 2006 to 2010. In November 2017, the Court of Appeal considered that the Company had not adhered to the law concerning identification of the VAT of suppliers and rejected the deduction of purchase invoices deemed non-compliant. This resulted in the provisional payment of tax increases amounting to €6 million, recognized under expenses during fiscal 2017. The Company has appealed to the Court of Cassation.

4.27.3 France

- In June 2018, several subsidiaries in the household waste collection business were jointly ordered by the lower court to pay €3.7 million to entities in the Veolia Group, after a judgment by the Paris Commercial Court in proceedings relating to the terms of personnel transfer in 2014 after the Veolia Group took over household waste collection in the 11th and 19th arrondissements of Paris from the subsidiary Polyurbaine. The Group has appealed this judgment. The sums paid were recognized under expenses during the previous fiscal year.
- The Group is often subject to Urssaf (French social security body) audits on its services activities. The subsidiary Derichebourg Atis Aéronautique was audited in fiscal year 2017/2018. Following this audit, the subsidiary made a provision in the amount of €1.5 million corresponding to a likely adjustment. It is contesting an unfunded amount of €3.2 million for meal allowances that were not subjected to social security charges, because it considers this adjustment to be unfounded.
- In 2012, Derichebourg SA and the subsidiary AFM Recyclage (as the final operator) entered into an agreement with the local authority, which was renewed in 2018. Under this agreement, they would release land, transfer it to the local authority and transfer their activity to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for non-sensitive, industrial uses. After the end of the fiscal year, an estimate was made of the cost of this decontamination and its total cost calls into question the economics of the operation. Discussions have begun with stakeholders in order to see whether it is possible to find a solution that is acceptable to everyone. Should this not be the case, AFM Recyclage would seek to continue its activity at the site.

4.28 Related party transactions

4.28.1 Transactions with non-consolidated related parties

The Group is controlled by CFER, which holds 41.25% of the Company's share capital. The ultimate parent company is DBG FINANCES, incorporated in Belgium.

In millions of euros	09-30-19	09-30-18
DBG FINANCES	0.0	0.0
Related party receivables	**0.0**	**0.0**
DBG FINANCES	0.6	0.4
TBD FINANCES	1.1	1.2
Mrs. IDA DERICHEBOURG	NS	NS
Related party payables	**1.7**	**1.6**
TBD FINANCES	(2.3)	(2.5)
Non-recurring expenses	**(2.3)**	**(2.5)**
DBG FINANCES	(1.4)	(1.7)
SCI FONDEYRE	NS	NS
SCI DEMUEYES	NS	NS
Mrs. IDA DERICHEBOURG	NS	NS
Operating expenses	**(1.4)**	**(1.7)**
DBG FINANCES	0.0	0.0
Revenue	**0.0**	**0.0**

4.28.2 Transactions between the Group and its partners in equity-accounted companies

09-30-19 *In millions of euros*	Trade receivables	Debts Trade payables	Financial borrowings and debts	Revenue	Purchased used	External expenses
ALSAFER		0.1			(1.0)	
ALLO CASSE AUTO	0.1		0.1	0.2		
EASO		0.2		0.2	(1.0)	
REYFRA	0.1			0.5		
VALERCO		0.1		0.1		(0.6)
Total	**0.2**	**0.4**	**0.1**	**1.0**	**(2.0)**	**(0.6)**

4.29 Employee information

4.29.1 Headcount by business segment

	09-30-19	09-30-18
Business Services	32,189	28,585
Environmental Services	4,499	10,687
Holding companies	145	136
Total headcount*	**36,833**	**39,408**

* *Headcount by number of employees at year-end.*

4.29.2 Personnel expenses by type

In millions of euros	09-30-19	09-30-18
Wages and salaries	656.7	644.0
Social charges	192.6	210.0
Employee profit sharing	9.0	5.7
Income from Employment Competitiveness Tax Credit (CICE)	(5.2)	(26.5)
Other personnel expenses	2.8	2.1
Total	**856.0**	**835.3**

4.30 Executive compensation

The total amount of compensation of any kind paid by the Company, controlled companies and controlling companies to members of the Company's executive bodies at September 30, 2019 was €2.3 million. At September 30, 2018, this amount was €2.3 million.

Members of the administrative bodies do not receive future benefits.

4.31 Accounting options related to the first-time adoption of IFRS

4.31.1 Business combinations

The Group has decided not to retrospectively adjust business combinations prior to October 1, 2004.

4.31.2 Property, plant and equipment

IFRS 1 allows certain types of assets to be recognized at their fair value in the opening balance sheet and for this value to be used as the deemed cost. The Group decided to apply this option specifically to some assets, and in particular, to land and improvements and to structures on owned land as of the date of transition to IFRS.

The fair value of the various real estate assets was determined based on appraisals by an external party.

The application of this option had the following impacts on equity on October 1, 2004:

- €62.7 million before tax and €40.5 million after tax on the Group's share of equity;
- €0.2 million before tax and €0.1 million after tax on non-controlling interests.

4.31.3 Translation methods

The Group elected to apply unrealized exchange gains or losses as of October 1, 2004 to its consolidated reserves. Accordingly, such gains or losses will not be recognized in income when assets are disposed of in a foreign currency.

4.32 Consolidation scope

Holding companies

Legal name	% Interest	Consolidation method
Germany		
DBG HOLDING GmbH	100.00%	FC
France		
CFF SIGMA SCI	100.00%	FC
DERICHEBOURG ENVIRONNEMENT	100.00%	FC
DERICHEBOURG MULTISERVICES HOLDING	100.00%	FC
DERICHEBOURG	100.00%	PARENT
DERICHEBOURG EXPANSION	100.00%	FC
LE BISON GOURMAND	100.00%	FC
SCEA DU CHÂTEAU GUITERONDE	100.00%	FC
SCI DE LA FÛTAIE	99.92%	FC
WESTEVER	100.00%	FC

Environmental Services

Legal name	% Interest	Consolidation method
Germany		
DERICHEBOURG UMWELT	100.00%	FC
Belgium		
DERICHEBOURG BELGIUM	100.00%	FC
Canada		
DERICHEBOURG CANADA ENVIRONNEMENT Inc.	100.00%	FC
DERICHEBOURG CANADA Inc.	100.00%	FC
Spain		
DERICHEBOURG MEDIO AMBIENTE	100.00%	FC
REYFRA	50.00%	EA
United States		
DERICHEBOURG RECYCLING USA	100.00%	FC
France		
AFM RECYCLAGE	99.92%	FC
ALLO CASSE AUTO	48.00%	EA
ALSAFER ENVIRONNEMENT	49.99%	EA
BARTIN RECYCLING	100.00%	FC
BERNES ET BRUYÈRES SCI	100.00%	FC
BERTHELOT VILLENEUVE SCI	100.00%	FC
BOLTON	100.00%	FC
COFRAMETAL	100.00%	FC
DERICHEBOURG IMMOBILIER SCI	100.00%	FC
DAC	50.00%	EA
DERICHEBOURG AQUA	100.00%	FC
DERICHEBOURG AQUA OCÉAN INDIEN	100.00%	FC
DERICHEBOURG OCÉAN INDIEN	55.00%	FC
DERICHEBOURG PROPRETÉ OCÉAN INDIEN	55.00%	FC
DREYFUS	42.50%	EA
ÉCO-VHU	100.00%	FC
ENVIE AFM SUD OUEST	49.96%	EA
ESKA	100.00%	FC
EXADIANE SCI	100.00%	FC
FRANORA SCI	100.00%	FC
FRICOM	50.00%	FC
INOREC	100.00%	FC
INOTERA SCI	100.00%	FC
POLYAMON	100.00%	FC
POLYBUIS	100.00%	FC
POLYCEJA	100.00%	FC
POLYCEO	100.00%	FC
POLYCOROT	100.00%	FC
POLY-ENVIRONNEMENT	100.00%	FC
POLY-MASSI	100.00%	FC
POLY-NEA	100.00%	FC
POLYREVA	100.00%	FC
POLY-SENTI	100.00%	FC
POLYSOTIS	100.00%	FC
POLYTIANE	100.00%	FC
POLYURBAINE	100.00%	FC
POLYURBAINE NORMANDIE	100.00%	FC
POLY-VALIS	100.00%	FC
PURFER	100.00%	FC
PURFER TRANSPORT	100.00%	FC
PURFOLLIOULES SCI	100.00%	FC
PURMET TRANSPORT	100.00%	FC
REFINAL INDUSTRIES	100.00%	FC
REVIVAL	100.00%	FC
REVIVAL EXPANSION	99.99%	FC
ROHR ENVIRONNEMENT	49.63%	EA
ROUTABOULE SCI	100.00%	FC
ROUX SCI	100.00%	FC
SCI ANGELA	100.00%	FC
SCI ELISA	100.00%	FC
SCI DE LA GARE DE CHANDIEU	100.00%	FC
SCI DE SAINT JEAN	100.00%	FC
SCI DES CHATELETS	100.00%	FC
SCI DES CHÊNES	100.00%	FC
SCI DES PEUPLIERS	100.00%	FC
SCI DES TILLEULS	100.00%	FC
SCI DES VARENNES	100.00%	FC
SCI LA MADELEINE	100.00%	FC
SERVALTEC SNC	100.00%	FC
VALERCO	50.00%	EA
VALERIO ET COMPAGNIE	100.00%	FC
VALME TECHNOLOGIES	100.00%	FC
VALORDIS	50.00%	FC
VOGIM SCI	80.00%	FC
Italy		
AEP MULTISERVIZI SPA	100.00%	FC
CRS	100.00%	FC
ECOPART SRL	100.00%	FC
ECOREC	100.00%	FC
Mexico		
DERICHEBOURG RECYCLING MEXICO	99.99%	FC

Business Services

Legal name	% Interest	Consolidation method
Germany		
DAL HOLDING GmbH	100.00%	FC
DAL ZEITARBEIT	100.00%	FC
DERICHEBOURG ATIS GmbH	100.00%	FC
Belgium		
DERICHEBOURG RETAIL BELGIUM	100.00%	FC
Canada		
DERICHEBOURG AÉRONAUTIQUE CANADA	100.00%	FC
China		
DERICHEBOURG AERONAUTICS SERVICES CHINA	100.00%	FC
Spain		
CENTRO ESPECIAL DE SERVICIOS DE LIMPIEZA MADRID	100.00%	FC
DERICHEBOURG ATIS IBERICA	100.00%	FC
GRUPO NET	100.00%	FC
SELMAR SA	100.00%	FC
SERVICIOS INTEGRALES DE LIMPIEZA NET	100.00%	FC
France		
AQUITAINE NETTOYAGE	100.00%	FC
ASP	100.00%	FC
ASP 85	100.00%	FC
CFF BETA SCI	100.00%	FC
DERICHEBOURG ATIS AÉRONAUTIQUE	100.00%	FC
DERICHEBOURG AUTOMOBILES SERVICES	100.00%	FC
DERICHEBOURG ÉNERGIE	100.00%	FC
DERICHEBOURG ÉNERGIE E.P.	99.96%	FC
DERICHEBOURG ESPACES VERTS	100.00%	FC

Legal name	% Interest	Consolidation method
DERICHEBOURG ÉVOLUTION FORMATION	100.00%	FC
DERICHEBOURG FM	100.00%	FC
DERICHEBOURG SOURCING AERO & ENERGY	100.00%	FC
DERICHEBOURG INTÉRIM	100.00%	FC
DERICHEBOURG PROPRETÉ	100.00%	FC
DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	100.00%	FC
DERICHEBOURG LOGISTIQUE ET MANUTENTION	100.00%	FC
DERICHEBOURG RETAIL	100.00%	FC
DERICHEBOURG SPECTACLE	100.00%	FC
DERICHEBOURG SNG	100.00%	FC
DERICHEBOURG TECHNOLOGIES	100.00%	FC
DML	100.00%	FC
GARALTER SCI	100.00%	FC
GROUPE ALTER SERVICES	100.00%	FC
LSL	50.00%	FC
NET SERVICES	100.00%	FC
PROVERRE	100.00%	FC
PSIMMO	100.00%	FC
SAM DERICHEBOURG MC	99.90%	FC
ULTEAM	100.00%	FC
VIBEY ÉNERGIES	100.00%	FC
Portugal		
SAFIRA FACILITY SERVICES	100.00%	FC
United Kingdom		
DERICHEBOURG AVIATION ENERGY RESOURCES	100.00%	FC
Turkey		
DERICHEBOURG TESIS YONETIMI	80.00%	FC

4.1.6 Statutory Auditors' report on the consolidated financial statements

To the Derichebourg shareholders' meeting,

Opinion

In performance of the mission entrusted to us by your shareholders' meetings, we have conducted an audit of the Derichebourg consolidated financial statements for the fiscal year ended September 30, 2019, as attached to this report.

In our opinion, the consolidated financial statements for the fiscal year prepared in accordance with IFRS standards as adopted in the European Union give a true and fair view of the results of the profits, losses and transactions of the past fiscal year as well as the financial position and assets at year-end of the group consisting of the persons and entities included in the consolidation.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of the opinion

- Auditing framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Statutory Auditors in the auditing of the consolidated financial statements" section of this report.

- Independence

We conducted our audit mission in accordance with the independence rules applicable to us, from October 1, 2018 to the date of our report, and we did not in particular provide any services prohibited by Article 5 (1) of regulation (EU) No. 537/2014 or the code of ethics for the Statutory Auditor profession.

Justification of our assessments – Key points of the audit

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, please note the key points of the audit relating to the risks of material misstatement, which, in our professional judgment, were the largest for the audit of the consolidated financial statements for the fiscal year, as well as the responses we provided to those risks.

The assessments thus made fall within the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on items in these consolidated financial statements in isolation.

- Goodwill testing

Risk identified

As of September 30, 2019, the Group's goodwill totaled €228 million, compared with a consolidated balance sheet of €1,557 million. The Group performs impairment tests on those assets, the terms of which are described in notes 2.3.6 and 4.1.2 to the consolidated financial statements. In particular, assets tested for impairment are grouped into cash-generating units ("CGUs"). When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU can itself be determined by applying the discounted future cash flow method, which is based on assumptions about the change in each activity and the use, notably, of a growth rate to infinity and discount rates.

We therefore considered that the valuation of goodwill was a key point of the audit given the significant nature of the goodwill, and the fact that it relies on estimates, as indicated in note 2.2.2 to the consolidated financial statements.

Our response

We examined the procedures put in place relating to impairment tests on goodwill. We used valuation specialists to help us assess the discount rates and the growth rate to infinity used for the various CGUs. We also analyzed the consistency of cash flow forecasts with past performance and market outlooks. Lastly, we conducted sensitivity analyses on the following assumptions: discount rate, growth rate to infinity and recurring operating profit (loss) of each CGU.

Specific verification

As required by law and regulations, and in accordance with professional standards applicable in France, we have conducted the specific verifications of the information relating to the Group provided in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We certify that the Consolidated Statement of Extra-financial Performance stipulated in Article L. 225-102-1 of the French Commercial Code is included in the information provided about the Group in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this code, we have not conducted verifications of fairness and consistency of the information contained in this Statement with the consolidated financial statements.

Information resulting from other legal and regulatory requirements

- Appointment of Statutory Auditors

We were appointed Statutory Auditors for Derichebourg by your shareholders' meeting of February 7, 2018 for BM&A, February 19, 2014 for DENJEAN ET ASSOCIÉS AUDIT and March 15, 2007 for ERNST & YOUNG Audit.

As of September 30, 2019, the firm BM&A was in the second uninterrupted year of its mission, the firm DENJEAN ET ASSOCIÉS AUDIT was in the sixth uninterrupted year of its mission and the firm ERNST & YOUNG Audit in the thirteenth year, of which thirteen years since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and persons comprising the corporate governance with respect to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union and to implement the internal controls that it deems necessary for the preparation of consolidated financial statements with no material misstatements, whether due to fraud or error.

In the preparation of the consolidated financial statements, management is responsible for evaluating whether the Company can continue to operate, for presenting in these financial statements, where appropriate, the necessary information relating to the continuity of operations and applying the going concern accounting convention unless there are plans to liquidate the Company or cease operations.

The Audit Committee is responsible for monitoring the financial information preparation process and for monitoring the effectiveness of the internal control and risk management systems and, as needed, of the internal audit systems as regards to the procedures relating to the preparation and processing of accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors related to the audit of the consolidated financial statements

- Purpose of audit and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatements. Misstatements may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or cumulatively, may influence the economic decisions that users of the financial statements make based on them.

As stated in Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of the Company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, a Statutory Auditor shall exercise his or her professional judgment throughout this audit. Moreover:

- it shall identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks and collect information it considers sufficient and appropriate to form its opinion. The risk that a significant anomaly due to fraud will not be detected is higher than for a significant anomaly due to an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumvention of internal controls;
- it shall review the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, not to express an opinion on the effectiveness of the internal controls;
- it shall assess the appropriateness of accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- it shall assess the appropriateness of management's application of the going concern accounting convention and, depending on the evidence gathered, the existence or non-existence of significant uncertainty related to events or circumstances that may call into question the Company's ability to continue as a going concern. Such assessment shall be based on the information gathered up to the date of its report, but it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If it concludes that there is a significant uncertainty, it shall draw the attention of its report's readers to the information provided in the consolidated financial statements about this uncertainty or, if this information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;
- it shall assess the overall presentation of the consolidated financial statements and evaluate whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof;
- concerning the financial information of the persons or entities included in the scope of consolidation, it shall collect information that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It shall be responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on said financial statements.

- Report to the Audit Committee

We are submitting to the Audit Committee a report that outlines the scope of the audit and the working program put in place, as well as the conclusions resulting from our work. We also disclose, where appropriate, the significant weaknesses in the internal controls that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit Committee are the risks of material misstatement, which we deem to have been most significant for the audit of the consolidated financial statements for the year and, as a result, constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration described in Article 6 of regulation (EU) No. 537-2014 confirming our independence, as described in the rules applicable in France as set forth in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the code of ethics for the Statutory Auditor profession. As needed, we discuss with the Audit Committee the risks that may affect our independence and the safeguarding measures applied.

Paris and Paris-La Défense, December 9, 2019

The Statutory Auditors

BM&A	DENJEAN ET ASSOCIÉS AUDIT	ERNST & YOUNG Audit
Eric Seyvos	Thierry Denjean	Pierre Abily

4.2 Parent company financial statements as at September 30, 2019

4.2.1 Balance sheet

ASSETS *In thousands of euros*	09-30-19 Gross	09-30-19 Depreciation and amortization and provisions	09-30-19 Net	09-30-18 Net
Assets				
Intangible assets				
Concessions, patents and similar rights	38	38	0	0
Goodwill	46		46	46
Other intangible assets			0	0
Advances and deposits on intangible assets			0	0
Property, plant and equipment				
Land	1,379	90	1,289	1,289
Buildings	5,419	4,766	653	755
Industrial plants, machinery and equipment	320	320	0	0
Other tangible assets	152	152	0	0
Assets under construction	488		488	488
Advances and deposits			0	0
Financial assets(1)				
Equity interests	627,126	314,197	312,929	329,026
Receivables related to equity investments			0	0
Other long-term investments			0	0
Loans			0	0
Other financial assets	1,160		1,160	911
Total (I)	**636,128**	**319,563**	**316,565**	**332,515**
Current assets				
Inventory				
Raw materials and supplies			0	0
Work in progress for production of goods			0	0
Goods			0	0
Advances and payments on account on orders	**1**		**1**	**0**
Receivables				
Trade receivables and related accounts	6,375	36	6,339	2,905
Other receivables	355,595	15,164	340,431	326,107
Marketable securities			0	0
Cash	130,770		130,770	51,328
Accruals				
Prepaid expenses	81		81	52
Total (II)	**492,822**	**15,200**	**477,622**	**380,392**
Charges to be spread over several periods (III)				**0**
Premiums on the redemption of bonds (IV)				
Unrealised foreign exchange losses (V)	**38**		**38**	**10**
Grand total (I to V)	**1,128,988**	**334,763**	**794,225**	**712,917**
(1) Share of net financial assets – less than one year			*110*	*111*

EQUITY AND LIABILITIES *In thousands of euros*	09-30-19	09-30-18
Shareholders' equity		
Share capital or individual (of which 39,849 paid)	39,849	40,970
Issue, merger and capital contribution premiums	764	16,546
Reevaluation adjustments(1)	0	0
Legal reserve	4,260	4,260
Regulated reserves(2)	0	0
Other reserves	0	0
Retained earnings	284,064	238,013
Net income for the year	28,567	68,486
Regulated provisions	8	8
Total (I)	**357,512**	**368,283**
Provisions for liabilities and charges		
Provisions for liabilities	11	9
Provisions for charges	1	2
Total (II)	**12**	**11**
Debts(3)		
Convertible bonds		
Other bonds		
Loans from financial institutions(4)	226,267	81,186
Loans and miscellaneous financial debt	113	94
Advances and payments on account received on orders	0	0
Trade payables and related accounts	2,858	2,606
Tax and social security liabilities	11,918	7,674
Liabilities on fixed assets and related accounts	585	585
Other liabilities	190,937	249,823
Accruals		
Deferred income		
Total (III)	**432,678**	**341,968**
Unrealized foreign exchange gains (IV)	**4,023**	**2,655**
Grand total (I to IV)	**794,225**	**712,917**
(1) Revaluation reserve (1,976)	*0*	*0*
(2) Of which long-term capital gains regulated reserves	*0*	*0*
(3) Payables and deferred income – less than one year	*230,497*	*277,742*
(4) Including bank overdrafts and bank credit accounts	*110*	*0*

4.2.2 Income statement

In thousands of euros	2019			2018
	France	Export	Total	
Operating income				
Sale of goods				
Production sold				
goods				
services	3,244		3,244	3,244
Net revenue	**3,244**		**3,244**	**3,244**
Production held in inventory				
Production of assets for own use				
Operating grants				
Write back of depreciation, provisions and transfers of charges			4,739	37
Other income			2,178	2,382
Total operating income (I)			**10,161**	**5,663**
Operating expenses				
Purchase of goods				
Change in inventory (goods)				
Purchase of raw materials and other supplies				
Change in inventory (raw materials and supplies)				
Other purchases and external charges(1)			3,966	4,219
Taxes, duties and similar payments			63	67
Salaries			398	419
Social charges			208	216
Operating allowances				
- on fixed assets: depreciation			101	107
- on fixed assets: provisions				
- on current assets: provisions			15	22
- for liabilities and charges: provisions				
Other charges			7,263	2,646
Total operating expenses (II)			**12,014**	**7,696**
Operating income (I-II)			**(1,853)**	**(2,033)**
Profit allocated or loss transferred (III)				
Loss incurred or profit transferred (IV)				
Financial income				
Financial income from equity interests(2)			42,707	47,303
Income from other securities and receivables from non-current assets				
Other interest income(2)			4,924	4,679
Releases of provisions and expense transfers			8,353	8,605
Foreign exchange gains			9	290
Net income on disposal of marketable securities				0
Total financial income (V)			**55,993**	**60,877**
Financial expenses				
Provisions and depreciation			23,413	5,815
Interest and similar expenses(3)			5,488	4,404
Foreign exchange losses			4	187
Total financial expenses (VI)			**28,905**	**10,406**
Net financial income (loss) (V-VI)			**27,088**	**50,471**
Recurring profit (loss) before tax (I-II+III-IV+V-VI)			**25,235**	**48,438**

In thousands of euros	2019	2018
Exceptional income		
Exceptional income on management operations	3,500	
Exceptional income on capital transactions	500	1,353
Releases of provisions and expense transfers		6,175
Total exceptional income (VII)	**4,000**	**7,528**
Exceptional expenses		
Exceptional expenses on management operations		
Exceptional expenses on capital transactions	145	4,827
Exceptional provisions for amortization and depreciation		
Total exceptional expenses (VIII)	**145**	**4,827**
Non-recurring gain (loss) (VII-VIII)	**3,855**	**2,701**
Employee profit sharing (IX)		
Income tax (X)	523	(17,347)
Total income (I+III+V+VII)	**70,154**	**74,068**
Total expenses (II+IV+VI+VIII+IX+X)	**41,587**	**5,582**
Profit or loss (total income - total expenses)	**28,567**	**68,486**
(1) Equipment finance leases	*12*	*12*
(2) Financial income related to associated companies	*43,708*	*49,318*
(3) Interest related to associated companies	*206*	*283*

4.2.3 Notes to the parent company financial statements

Contents

1. Highlights of the fiscal year

1.1 Material events occurring over the fiscal year

- Signing of an agreement for the acquisition of the Lyrsa Group

On September 19, 2019, Derichebourg Environnement signed an agreement with Layro for the acquisition of the Lyrsa Group, the Spanish leader in metal waste recycling. The completion of this acquisition is subject to the fulfillment of conditions precedent, including the review of the transaction by the Spanish merger control authorities. In Spain, Derichebourg's share of metal waste recycling market is currently very small.

The acquisition agreements provides for the acquisition of Layro's interests in Lyrsa, Archamesa and Redisa, as well as the possibility for those companies' minority shareholders to tender their shares.

In 2018, the Lyrsa Group's operations covered by this planned acquisition posted revenue of €427 million. The group processes nearly 1 million metric tons of metal waste per year, including around 160,000 metric tons of non-ferrous metals. The group has around 600 employees.

Lyrsa was founded in 1939. It operates 18 recycling centers (17 in Spain and 1 in Portugal). The company is the leading independent Spanish player in the recycling of metal waste. It operates three shredders (including one which has been jointly owned with the Derichebourg Group for 27 years), a sorting center for the metals derived from the shredding process, an aluminum refinery and a lead refinery.

If the conditions precedent are fulfilled, the acquisition should be completed by the end of 2019.

The Derichebourg Group intends to finance this acquisition with its available cash and existing credit lines.

- Sale of San Germano and CMT

On January 30, 2019, Derichebourg Environnement sold its household waste collection, urban cleaning and waste processing businesses in Italy to Iren Ambiente. The disposal was carried out through the companies San Germano and CMT.

San Germano is a leading private player providing household waste collection and urban cleaning services for public authorities in the Piedmont, Lombardy and Sardinia regions, thanks to a network of around 20 agencies. CMT collects and treats paper, cardboard and plastics on 6 sites located in the Piedmont region and Sardinia.

The contribution of these businesses to consolidated revenue for the 2017/2018 fiscal year amounted to €61 million (2.1% of total revenue). They employ around 900 people.

On April 24, 2019, the Group received an earnout proposal (€(10) million) as well as a claim in the amount of €5 million from Iren Ambiente, the buyer of San Germano and CMT. The Group disputed both the amount of the proposed earnout and the determination of the claim amount. The Group recognized an earnout of €(3) million, in respect of the loss made between the reference date (September 30, 2017) and the closing date (January 30, 2019). It did not contest this amount.

- Sale of the Group's operations in Morocco

In line with its strategy of ongoing growth in the European market, in September 2019, Derichebourg sold to its partner the 51% stake it held in Derichebourg A&D Développement, the holding company for all household waste collection and service activities in Morocco.

Derichebourg is very proud of having provided its technical expertise in the services it provided, with its local partner, to the residents of the country's main communities, within the framework of the environment improvement policy implemented by the Kingdom of Morocco. The Derichebourg Group is confident in the quality of the team put in place to maintain a high service level and continue the development initiated.

Overall, the 2019 earnings from the Moroccan operations and the proceeds of their sale have had little impact on the Group's pre-tax profit.

For the fiscal year ended September 30, 2018, the contribution of these operations had amounted to 2% of the Derichebourg Group's revenue, 4% of its recurring Ebitda and 12% of its external debt.

- Disposal of the nuclear engineering business after the reporting date

On October 1, 2019, Derichebourg Multiservices Holding sold its shares in Derichebourg Services & Ingénierie Nucléaire to a nuclear services and works player. For a number of months, the company had been encountering technical difficulties which it could not overcome in several projects.

For the fiscal year, the company earned revenue of €1 million. Taking into account the reassessment of the project results for the fiscal year and the penalties incurred for late delivery, the company's contribution to operating income (loss) amounted to €(8.7) million, of which €(5.0) million for non-recurring items.

The financial consequences of this sale were recognized in the fiscal year ended September 30, 2019.

1.2 Events between the closing date and approval of the financial statements

As indicated in 1.1, on October 1, 2019, Derichebourg Multiservices Holding sold its shares in Derichebourg Services & Ingénierie Nucléaire to a company specialized in nuclear works and services.

2. Accounting policies and methods

2.1 Accounting rules and methods

The financial statements have been prepared in accordance with French accounting standards as defined in the:

- French Commercial Code;
- ANC regulation 2014-03 (dated June 5, 2014 and relating to the revised French General Chart of Accounts);

The financial statements were approved during the meeting of the Board of Directors on December 4, 2019.

General accounting policies have been applied in accordance with the prudence principle, in line with certain basic assumptions:

- continuity of operations,
- consistency of accounting policies from one fiscal year to the next,
- independence of fiscal years,
- and in accordance with general rules for preparing and setting out annual financial statements.

The historical cost method has been used for measuring items recognized in the financial statements.

The accounting method was not changed during the fiscal year ended September 30, 2019.

2.2 Intangible assets

Goodwill is recognized at the acquisition cost.

It is subjected to an annual impairment test, where necessary, whether or not there is an indication of an impairment.

When the acquisition value is higher than the current value, the Company records an impairment. The current value is the higher of the market value or the value in use. The value in use corresponds to the discounted value of cash flows expected from the use of assets.

Goodwill impairments are never reversed.

The transposition of the new European directive and the implementation of the new goodwill impairment rules, in accordance with the methods specified in regulations 2015-06 and 2015-07 of the ANC have had no impact on the annual financial statements.

Start-up costs are fully amortized over the fiscal year in which they are recognized.

Computer software is amortized over a period of 12 months to five years depending on how crucial the software is to the business.

2.3 Property, plant and equipment

The assets are recognized at their acquisition cost. Depreciation is calculated on a straight line basis, over the estimated useful life of the property.

However, in the case of companies absorbed throughout the fiscal year which did not apply these rules, no correction to the initial depreciation plans has been made.

The main depreciation periods used are:

- buildings and fittings: 10 to 30 years[1];
- (1) NB: this is increased to 50 years for investment properties.
- technical installations: 4 to 10 years;
- transport equipment and operations: 3 to 5 years;
- other fixed assets: 4 to 10 years.

2.4 Financial assets

Investment securities and other long-term investments are recognized at acquisition cost, with any directly related costs recognized as expenses.

Investment securities are recorded in the balance sheet if their value in use is less than the net carrying amount.

Value in use is mainly determined based on estimated and discounted forecasted cash flows for the subsidiary, less net interest expense.

2.5 Inventory

N/A.

2.6 Receivables

Trade and other operating receivables are recognized at nominal value, discounted when necessary, and adjusted for any impairment considering any potential risk of non-payment. Provisions for impairment are determined on a case-by-case basis.

A specific impairment provision is made for doubtful receivables.

2.7 Receivables and payables denominated in foreign currencies

Receivables and payables denominated in foreign currencies are recognized at year-end according to the usual accounting policies; a provision is made for unhedged unrealized losses.

(1) NB: this is increased to 50 years for investment properties.

2.8 Marketable securities

These are recognized at acquisition cost. At year-end, a provision is made if the historical value is less than the carrying amount.

2.9 Provisions for liabilities and charges

Provisions are recognized for the best estimate of the amount of resources required to extinguish said obligation (legal or implicit). No provision is made for contingent liabilities for which a reliable estimate cannot be made. Where necessary, a description of the risks incurred is inserted in the notes relating to the provisions for liabilities and charges.

2.9.1 Service awards

A service award bonus is given to employees after 20, 30, 35 and 40 years of service. The provision for service awards is determined based on a discounted calculation taking into account assumptions about the probability of employees remaining with the Company, as well as a 1.5% discount rate (inflation included). The provision for service awards totals €1 thousand.

2.9.2 Environmental aspects

N/A.

2.10 Regulated provisions

The regulated provisions included in the balance sheet are:

- the difference between depreciation for tax purposes and depreciation for impairment calculated using the straight line method;
- the consideration for regulated provisions is entered in the income statement under exceptional income and expenses.

2.11 Pension and other post-employment benefits

Retirement commitments are calculated using the projected unit credit method and service is pro-rated. The estimate is based on a calculation which takes into account compensation, years of service, life expectancy, employee turnover rate and actuarial assumptions. The calculation takes into account the following assumptions:

- departure procedure and age: voluntary departure at 62 years of age for non-executives and at 62 for executives;
- mortality table: TGM 05/TGF 05;
- employee turnover: based on Group data;
- discount rate (inflation included): 0.5%;
- career profile: 2%;
- social charge rates: 45%.

The estimated discounted commitment for retirement payments to Company employees totals €130 thousand. No provision has been made for retirement payments; this is an off-balance sheet commitment.

2.12 Employee profit-sharing

N/A.

2.13 Tax consolidation

The Group has opted for the tax consolidation system.

The scope of application includes French companies in which Derichebourg SA's direct or indirect holding is at least 95% (head of the tax consolidation group). Each company calculates and pays its tax to the head of the tax consolidation group as if there was no tax consolidation. The Derichebourg Group's tax savings amount to €0.6 million.

2.14 Financial instruments

Derichebourg uses financial instruments to manage its exposure to interest-rate risks, mainly swaps and caps.

The total amount of instruments intended to cover variable-rate debt is as follows:

- debt in thousands of euros: 50,000 (0 of which is deferred);
- debt in thousands of dollars: 0.

2.15 Identity of the parent company

CFER is the parent company. It held 41.25% of Derichebourg SA as at September 30, 2019.

The ultimate parent company is DBG Finances based in Belgium.

3. Explanatory notes to the financial statements

3.1 Fixed assets

In thousands of euros		Gross value at the beginning of the year	Increases	Decreases	Gross value at year end
Start-up and development costs					
Other intangible assets (I)		**85**			**85**
Land		1,379			1,379
Buildings	On own land	3,199			3,199
	On third-party land	1,510			1,510
	General installations, fittings and fixtures in buildings	710			710
Industrial plants, machinery and equipment		320			320
Other tangible assets	General installations and miscellaneous fittings and fixtures	34			34
	Transport equipment				
	Office equipment and computer hardware	118			118
	Recoverable packaging and other				
Tangible assets under construction		488			488
Advances and deposits					
Total II		**7,758**			**7,758**
Equity-accounted investments					
Other investments		626,177	1,093	145	627,125
Other long-term investments					
Loans and other long-term financial assets		911	250		1,161
Total III		**627,088**	**18,246**	**17,048**	**628,286**
Grand total (I+II+III)		**634,931**	**18,246**	**17,048**	**636,129**

3.2 Depreciation and amortization

Amortizable and depreciable assets *In thousands of euros*		Status and amortization/depreciation movements over the fiscal year: Amount at the beginning of the fiscal year	Increases	Decreases	Amount at the end of the fiscal year
Start-up and development costs					
Other intangible assets		38			38
Total intangible assets (I)		**38**			**38**
Land		90			90
Buildings	On own land	2,488	82		2,570
	On third-party land	1,510			1,510
	General installations and fittings	667	19		686
Industrial plant, machinery and equipment		320			320
Other tangible assets	General installations and miscellaneous fittings	34			34
	Transport equipment				
	Office and computer equipment and furniture	118			118
	Recoverable packaging and other				
Total property, plant and equipment (II)		**5,227**	**101**		**5,328**
Grand total (I+II)		**5,265**	**101**		**5,366**

3.3 Provisions recognized in the balance sheet

Type of provision *In thousands of euros*	Net amount at the beginning of the fiscal year	Increase provisions	Reversals used	Write backs not used	Net amount at the end of the fiscal year
Provisions for mining and oil resources					
Provisions for investments					
Provisions for price increases					
Accelerated depreciation					
▫ Of which exceptional additional charges of 30%					
Provisions for setting up operations abroad before January 1, 1992					
Provisions for setting up operations abroad after January 1, 1992					
Provisions for start-up loans					
Other regulated provisions	8				8
Total regulated provisions	**8**				**8**
Provisions for disputes					
Development costs					
Provisions for losses on forward markets					
Provisions for fines and penalties					
Provisions for foreign exchange losses	9	1			10
Provisions for pensions					
Provisions for taxes					
Provisions for renewal of fixed assets					
Provisions for major maintenance work					
Provisions for social security and tax charges on paid leave					
Other provisions for liabilities and charges	2		1		1
Total provisions for liabilities and charges	**11**	**1**	**1**		**11**
Provisions on intangible assets					
Provisions on property, plant and equipment					
Provisions for investments in associates					
Provisions for investment securities	297,151	17,045			314,196
Provisions for other financial assets					
Provisions for inventory					
Provisions for trade receivables	43	14	21		36
Other provisions for impairment	21,864	6,367	4,957	8,111	15,163
Total provisions for impairment	**319,058**	**23,426**	**4,978**	**8,111**	**329,395**
Grand total	**319,077**	**23,427**	**4,979**	**8,111**	**329,414**

3.4 Maturity of receivables and payables

Receivables *In thousands of euros*		Gross amount	Less than one year	More than one year
Receivables related to equity investments				
Loans				
Other financial assets		1,160	110	1,050
Total receivables linked to non-current assets		**1,160**	**110**	**1,050**
Doubtful accounts receivable		22		22
Other trade receivables		6,353	6,353	
Receivables linked to loaned securities				
Personnel and related accounts				
Social security and other social bodies				
State and other local authorities	Income tax			
	Value added tax	105	105	
	Other taxes			
	State – miscellaneous			
Groups and associated companies		355,378	355,378	
Miscellaneous debtors		112	112	
Total receivables linked to current assets		**361,970**	**361,948**	**22**
Prepaid expenses		81	81	
Total receivables		**363,211**	**362,139**	**1,072**
Loans granted during the fiscal year				
Repayments obtained during the fiscal year				
Loans and advances granted to associates				

Debts *In thousands of euros*		Gross amount	Less than one year	More than one and less than five years	More than five years
Convertible bonds					
Other bonds					
Loans from financial institutions repayable within a maximum of one year from date of advance		110	110		
Loans from financial institutions repayable at more than one year from date of advance		226,157	24,109	107,405	94,643
Loans and miscellaneous financial debt		113	113		
Trade payables and related accounts		2,858	2,858		
Personnel and related accounts		153	153		
Social security and other social bodies		92	92		
State and other local authorities	Income tax	6,173	6 ,173		
	Value added tax	5,478	5,478		
	Guaranteed bonds				
	Other taxes	23	23		
Liabilities on fixed assets and related accounts		585	585		
Groups and associated companies		190,771	190,771		
Other liabilities		166	166		
Liabilities linked to loaned securities					
Deferred income					
Total debts		**432,679**	**230,631**	**107,405**	**94,643**
Loans subscribed during the fiscal year		162,313	Loans from associates who are physical persons		
Loans redeemed during the fiscal year		17,342			

3.5 Marketable securities

In thousands of euros	Amount (gross value)
Own shares (number 0)	0
Mutual funds	0
Others	0
Total	**0**

3.6 Prepaid expenses and deferred income

In thousands of euros	Operating	Financial	Exceptional	Total
Deferred income				
Prepaid expenses	36	45		81
Total	**36**	**45**		**81**

3.7 Share capital

3.7.1 Composition of share capital

	Number of shares	Nominal value
Shares forming share capital at the beginning of the year	**163,878,780**	**0.25**
Change in capital	(4,481,291)	
Shares forming share capital at year-end	**159,397,489**	**0.25**

	Shares at year-end	Potential end shares
Number of shares	**159,397,489**	
Net profit (loss) *(in thousands of euros)*	28,567	
Earnings per share *(in euros)*	**0.18**	

3.7.2 Stock options

There are no longer any stock options outstanding.

3.7.3 Change in shareholders' equity

Shareholders' equity *In thousands of euros*	Value at the beginning of the year	Net income for the year	Allocations	Value at year-end
Share capital or individual share(1)	40,970		(1,121)	39,849
Issue, merger and capital contribution premiums, etc.(1)	16,546		(15,782)	764
Reevaluation adjustments				
Legal reserve	4,260			4,260
Statutory or contractual reserves				
Regulated reserves				
Other reserves				
Retained earnings	238,013		46,051	284,064
Net profit for the year (profit or loss)	**68,486**	**28,567**	**(68,486)**	**28,567**
Investment grants				
Regulated provisions	8			8
Total shareholders' equity	**368,283**	**28,567**	**(39,338)**	**357,512**

(1) The capital reduction follows the cancellation of treasury shares agreed by the Board of Directors on May 22, 2019.

3.8 Characteristics of main credit lines

The Derichebourg Group has contracted a syndicated loan, which, along with the loan from the European Investment Bank (EIB) and the factoring agreement, constitutes its main sources of funding.

2014 loan agreement

On March 31, 2014, the Group entered into a loan agreement with ten financial institutions, for the sum of €232.5 million and comprising a €100 million revolving loan and a €132.5 million repayment loan.

Regarding the repayment loan, the outstanding balance at September 30, 2019 was €31.8 million. Annual installments of €10.6 million are due on each March 31 until 2022.

The €100 million revolving credit had not been drawn as of September 30, 2019.

Five riders were signed (March 31, 2015, January 22, 2016, May 5, 2017, February 2, 2018 and June 19, 2019) at the Group's request, to amend a number of provisions, notably the margin scale in rider No. 1, the ratios to be respected in rider No. 2, the repayment schedule in rider No. 3, the removal of the guarantees relating to the repayment of the loans in rider No. 4 and the increase in the additional debt authorized in rider No. 5.

Interest rate

The amounts drawn on these credit lines carry interest at the Euribor rate, plus a margin which is adjusted periodically based on the ratio of consolidated net financial indebtedness to consolidated Ebitda.

Early repayment obligations – Event of default

The loan agreement allows the lenders to require early repayment of the entire amount due, should a majority of the lenders request it, following the occurrence of certain common default events, particularly where an event has a significant adverse effect on the business or the financial position of the Derichebourg Group, or on the ability of Derichebourg to service its debt.

A change in control or delisting of Derichebourg shares would constitute an automatic early repayment event.

In addition, the loan agreement provides for an obligation to make early partial repayment of the sums owing in the event of a capital increase, the issuance of shares giving access to capital or debt securities (if its maturity precedes that of the syndicated loan).

Covenants

The loan agreement also includes covenants that could theoretically limit the ability of Group companies to do the following without the lenders' consent:

- to take out additional debts;
- to grant sureties and guarantees;
- to undertake mergers, demergers or restructurings;
- to undertake acquisitions, above a certain threshold;
- to make investments over the course of a given company fiscal year that exceed the amounts set by the Agreement;
- to sell assets or equity interests, except for those specified in the loan agreements;
- to redeem and/or reduce their share capital, with certain exceptions.

The loan agreement also contains commitments requiring the purchase and maintenance of insurance policies in line with practices generally accepted in the businesses of the Derichebourg Group.

On May 5, 2017, Derichebourg SA (the Borrower) signed an amendment No. 3 with the Lenders, with the following main features:

- a three-year extension to the maturity of the loans, i.e. until March 31, 2022 (amortization in five annual installments of €10.6 million of the balance of €53 million of the Refinancing loan, and availability of the €100 million revolving credit facility until March 31, 2022);
- relaxation of a number of the contractual clauses, specifically intended to facilitate the Group's development.

On February 2, 2018, the Lenders agreed, in the light of the reduction in the amount of the loans and the net improvement in the Group's financial position, to remove the guarantees (pledges) relating to the repayment of the loans.

On June 19, 2019, the lenders agreed to increase the amount of the authorized additional debt in order to allow the arrangement of a loan with the European Investment Bank (EIB).

Factoring agreement

On January 1, 2015, the Derichebourg Group entered into a non-recourse factoring agreement covering the French, Belgian, German and Italian Environmental Services and Business Services entities. The term of this agreement is confirmed at three years, due to expire on December 31, 2021 and the maximum amount was set at €300 million in the amendment of November 2018.

Receivables covered by this agreement correspond to deliveries made or services rendered to private customers or to French public sector customers.

Each time receivables are sold, the receivables covered by the credit insurance's authorized limits (after deduction of any outstanding receivables previously sold without recourse) are sold without recourse. The other receivables are sold with recourse. The receivables retain their status (factored with or without initial recourse) until payment takes place.

Factors are co-insured with the Group by two different credit insurers. They are responsible for paying out any compensation under the credit insurance policy.

Interest is deducted when the receivable is sold based on the average contractual payment terms. The risk of late payment is transferred to the factors.

The dilution rate (credit, cancellation of receivables) is low.

The total receivables derecognized under factoring agreements amounted to €228.2 million as at September 30, 2019.

The Group derecognizes 95% of receivables without recourse because of the 5% unguaranteed residual amount.

EIB loan

The agreement is set to run for 12 years, with a grace period of two years, following which the loan is repayable in 10 equal annual installments.

The terms of the EIB agreement are similar to those of the syndicated loan agreement. It includes a commitment to rank the EIB on a pari passu basis with the Group's other lenders, and a commitment to inform the EIB if a new loan agreement comprises stricter clauses, so it can assess whether it needs to amend the agreement.

Liquidity risk

The Group uses a cash-flow management tool. This tool keeps track of the maturity of financial investments and financial assets (e.g., accounts receivable) and the estimated future cash flow from operations.

At September 30, 2019, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement signed in March 2014, with an authorized outstanding amount of €131.8 million. It includes a five-year loan for €31.8 million, repayable in equal annual installments (outstanding amount authorized and drawn of €31.8 million as at September 30, 2019), and a five-year revolving loan for the sum of €100 million, repayable at maturity. The next installment for the repayment loan is due on March 31, 2020 and amounts to €10.6 million. At September 30, 2019, there was no drawdown being made under the revolving credit;
- a non-recourse factoring agreement came into effect on January 1, 2015. Its initial two-year term was renewed twice, in April 2016 and November 2018, extending the maturity to the end of December 2021 and its limit to €300 million (subject to receivables available). The factor purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse beyond that amount. The total receivables that may be derecognized by the Group is thus dependent on the total receivables available and the credit insurers' authorized limits. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by the Group; The amount drawn down from this line as at September 30, 2019 is €231.1 million, for a contribution to net debt of €16 million;
- €112 million in medium-term borrowings, of which €102.3 million had been drawn down;
- a loan agreement with the European Investment Bank for €130 million;
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding as at September 30, 2019 was €121.5 million.

Bilateral credit lines, whether confirmed or not, totaling €109.4 million, which are not used since the Group's net cash position is €277.6 million at September 30, 2019.

Financial ratios

The syndicated credit agreements require the Group to maintain the following financial ratios:

the annual leverage ratio, being the ratio of (a) consolidated net financial debt to (b) consolidated Ebitda, on each calculation date and over a rolling 12-month period ending on each calculation date, must be less than or equal to 3.00.

- At September 30, 2019, the leverage ratio was 0.65.

the debt service coverage ratio, i.e. the ratio of (a) consolidated cash flow before debt service to (b) net financial expenses on each calculation date and over a rolling 12-month period ending on each calculation date considered, must be greater than 5.

- At September 30, 2019, the coverage ratio stood at 19.64.

The Group was in compliance with its financial covenants on September 30, 2019.

Given the liquidity margin of €497 million at September 30, 2019, and based on business and investment forecasts, the Group estimates that it has sufficient financial lines to meet its payments over the 12 months from September 30, 2019.

3.9 Breakdown of net revenue

Breakdown by business segment *In thousands of euros*	France	Export	Total
Duties and licenses	2,423		2,423
Leasing	564		564
Costs invoiced	257		257
Ferrous metals			
Metals			
Other operations			
Total	**3,244**		**3,244**

3.10 Non-recurring gain (loss)

Breakdown by type *In thousands of euros*	Amount
Income	
Exceptional income on management operations	3,500
Exceptional income on capital transactions	500
Releases of provisions and expense transfers	
- Releases of provisions	
Expenses	
Exceptional expenses on management operations	145
Exceptional expenses on capital transactions(1)	
Exceptional provisions for amortization and depreciation	
Total	**3,855**

(1) The exceptional income is related to the translation of foreign currency income and expenses related to the sale of the Moroccan subsidiaries.

3.11 Breakdown of income tax

In thousands of euros	Pre-tax profit (loss)	Tax due	Net profit (loss)
Operating results	(1,853)	(175)	(1,678)
Net financial income (loss)	27,088	735	26,353
Non-recurring gain (loss)	3,855	573	3,282
Effect of tax consolidation		(609)	609
Total	**29,090**	**523**	**28,567**

3.12 Increases, decreases in future tax payables

Type of temporary differences *In thousands of euros*	Base	Income tax amount
Increases		
Regulated provisions	8	3
Releases of provision for investments		
Accelerated depreciation		
Translation differences, assets		
Total increases		**3**
Decreases		
Social security contribution		
Tax loss carry forwards(1)	260,021	89,525
Investment		
Translation differences, liabilities	4,023	1,385
Total decreases		**90,910**

(1) Company deficit as if it were taxed separately. Tax consolidation losses: €0 million.

Income tax rate is as follows: 33.33% + social contribution of 3.30%, i.e. 34.43%.

3.13 Financial commitments

3.13.1 Off-balance sheet commitments in the ordinary course of business

Commitments given *In thousands of euros*	Amount
Financial guarantees	63,005
Commitments in respect of the liability of partners in SCIs	
Total	**63,005**

3.13.2 Off-balance sheet commitments given as part of indebtedness

As part of the 2014 syndicated loan taken out for a principal amount of €232.5 million by Derichebourg SA, a pledge on financial instruments had been authorized as a guarantee of the payment of the sums due to the lending banks. This pledge of securities was released during the fiscal year.

3.13.3 Off-balance sheet commitments in respect of subsidiaries

Commitments given *In thousands of euros*	Amount
Guarantees given for subsidiaries(1)	60,567
Other commitments given	
Total	**60,567**

(1) Companies for which guarantees have been given.

		In thousands of euros
French subsidiaries	AFM RECYCLAGE	14,653
	CFF BETA SCI	2,562
	DERICHEBOURG AQUA OCÉAN INDIEN	173
	DERICHEBOURG ÉNERGIE	14,103
	DERICHEBOURG ÉNERGIE EP	2,885
	DERICHEBOURG ESPACES VERTS	615
	DERICHEBOURG ÉVOLUTION FORMATION	6
	DERICHEBOURG IMMOBILIER SCI	1,500
	DERICHEBOURG INTÉRIM	7,238
	DERICHEBOURG LOGISTIQUE ET MANUTENTION	5
	DERICHEBOURG SERVICES INGÉNIERIE NUCLEAIRE	18
	ESKA	3,528
	LSL	25
	POLY-NORMANDIE; POLYCEJA; POLY-NEA; POLY-VALIS	1,304
	PURFER	124
	REVIVAL	3,361
	VIBEY ÉNERGIES	385
	WESTEVER	3,269
Canadian subsidiaries	DERICHEBOURG CANADA ENVT. INC	4,813

3.14 Average headcount

	Salaried employees	
Headcount	2018 fiscal year	2019 fiscal year
Managers	2	2
Skilled employees		
Employees and technicians		
Workers		
Other		
Total	**2**	**2**

3.15 Global compensation for directors

In thousands of euros	Amount
Compensation for the Board of Directors and other management bodies (attendance fees)	160

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3.16 Subsidiaries and equity interests: crossing of legal thresholds

	Shareholders' equity			Carrying amount of securities held						
In thousands of euros	Capital	Reserves and regulated provisions	Share of capital held, as %	Gross	Net	Outstanding l20oans and advances granted by the Company	Guarantees given by the Company	Revenue excluding tax for the last fiscal year	Profit or loss for the last fiscal year	Dividends paid in the last fiscal year
1 - Detailed information on subsidiaries and equity interests of which the inventory value exceeds 1% of Derichebourg's share capital										
A - Subsidiaries (more than 50% of share capital held by Derichebourg)										
DERICHEBOURG IMMOBILIER SCI	52,663	264	100	52,663	52,663	51,444		10,581	2,634	2,633
CFF SIGMA SCI	6,510	32	99.85	6,500	6,500			575	273	260
DERICHEBOURG ENVIRONNEMENT	127,753	20,264	100	128,643	128,643	10,944		26,965	44,200	25,551
DERICHEBOURG MULTISERVICES HOLDING	30,000	24,925	100	83,010	83,010	28,818		6,586	11,167	12,000
DBG HOLDING GmbH	41,738	(1,049)	100	338,866	29,430				(11,502)	1,054
PSIMMO	2,027	57	100	5,627	4,066	110		241	65	
DERICHEBOURG EXPANSION	50		100	1,133	1,133	1,631			(1,442)	
DERICHEBOURG OCÉAN INDIEN	500		55.00							
VOGIM	139	727	80.00	194	194			65	33	
WESTEVER	500	(6,840)	100	500	500	19,810			(603)	
B - Equity interests (10 to 50% of share capital held by Derichebourg)										
ALLO CASSE AUTO	110	3,457	47.93	2,212	2,212				1,165	527
DAC	40	1,471	49.80	516	516				159	
DREYFUS	40	12,182	42.50	816	816				1,059	225
REYFRA	7,200	5,014	50.00	3,360	3,360			43,386	1,390	
VALERCO	76	111	50.00	107	107			640	48	17
2 - General information on the subsidiaries and equity interests not covered in item 1										
A - a - French subsidiaries				**275**	**275**					
A - b - Foreign subsidiaries										
B - a - French equity interests				**2,700**	**0**	**116**				
B - b - Foreign equity interests										

3.17 Litigation

France

- In June 2018, several household waste collection subsidiaries were jointly ordered by the Court of First Instance to pay the amount of €3.7 million to Veolia Group entities. This follows a judgment by the Commercial Court of Paris as part of a procedure concerning staff transfer conditions in 2014 after Veolia Group replaced the subsidiary Polyurbaine in collecting household waste in the 11th and 19th districts of Paris. The Group has appealed this judgment.
- The Group is often subject to Urssaf (French social security body) audits on its services activities. The subsidiary Derichebourg Atis Aéronautique was audited in fiscal year 2017-2018. Following this audit, the subsidiary made a provision in the amount of €1.5 million, corresponding to the likely adjustment. It is contesting a non-provisioned amount of €3.2 million for meal allowances that were not subjected to social security charges, because it considers this adjustment to be unfounded.
- In 2012, Derichebourg SA and the subsidiary AFM Recyclage (as the final operator) entered into an agreement with the local authority, which was renewed in 2018. Under this agreement, they would release land, transfer it to the local authority and transfer their activity to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for non-sensitive, industrial uses. After the end of the fiscal year, an estimate was made of the cost of this decontamination and its total cost calls into question the economics of the operation. Discussions have begun with stakeholders in order to see whether it is possible to find a solution that is acceptable to everyone. Should this not be the case, AFM Recyclage would seek to continue its activity at the site.

Italy

In November 2013, the director (managing director) of the Italian subsidiary of the Multiservices business (AEP Multiservizi) was remanded in custody, as part of an investigation into procedures for awarding public contracts in Campania. Given the block on the Company's operations likely to be caused by his incapacity, his appointment as managing director was revoked. He has since been freed and the post-judgment measures of constraint lifted. Although the Company per se is not concerned by any legal action, the Group decided to anticipate the consequences of this company's situation and recorded a long-term provision of €4 million in its financial statements for the fiscal year ended September 30, 2016. The Company is continuing its activity, with a reduced level of volume.

Belgium

A tax audit was conducted on the Belgian subsidiary Derichebourg Belgium, relating to the identification of suppliers of metals and ferrous scraps for the years 2006 to 2010.

In November 2017, the Appeal Court considered that the Company had not adhered to the law concerning identification of the VAT of suppliers and rejected the deduction of purchase invoices deemed non-compliant. This led to the payment of tax increases on a temporary basis, for €6 million, recorded as an expense during the 2017 fiscal year. The Company has appealed the decision.

3.18 Related party transactions

3.18.1 Trademark licensing agreement

A trademark licensing agreement effective March 1, 2009 for ten years was entered into between TBD Finances, which is controlled by the Derichebourg family, and Derichebourg. This agreement, which governs the use of the Derichebourg trademark, enables the Group to develop its own clientele and increase its loyalty.

On December 4, 2018, the Board authorized the signing of a new agreement with the same conditions for another period of ten years starting March 1, 2019. The amount of fees, after taking into account the update to an independent intellectual property expert's report, was set at 0.07% of the Environment division's consolidated revenue and 0.12% of the Multiservices division's consolidated revenue.

The fee under this contract for the fiscal year was €2.3 million

3.18.2 Service agreement.

A service agreement was concluded for an initial three-year term, with effect from January 1, 2012, then renewed on January 1, 2015 and again on January 1, 2018 for successive three-year terms, with DBG Finances, a company controlled by the family of Mr. Daniel Derichebourg, which aims to define the terms and conditions of DBG Finances' influence over the definition and oversight of the Group's strategy.

A service amendment to this agreement was signed on January 2, 2019 to amend the amount of compensation to €1,300 thousand, exclusive of VAT, for the 2019 calendar year. The Board of Directors authorized this revision at its meeting of December 4, 2018.

The services covered by this agreement are:

- policy making and definition of the Group's strategic guidelines;
- help with drafting a business plan;
- contacts with management boards of major national and international client groups;
- internal and external development of the Group's business;
- support for acquisitions;
- corporate events;
- assistance with recruiting senior managers;
- legal and tax consultancy services;
- financial, accounting and management support.

For the period from October 1, 2018 to September 30, 2019, DBG Finances invoiced Derichebourg SA €1.4 million under this agreement.

4.2.4 Statutory Auditors' report on the parent company financial statements

To the Derichebourg shareholders' meeting,

Opinion

In performance of the mission entrusted to us by your shareholders' meetings, we have conducted an audit of the Derichebourg SA annual financial statements for the fiscal year ended September 30, 2019, as attached to this report.

In our opinion the annual financial statements give a true and fair view of the earnings, assets and liabilities and financial position of the Company over the period as well as of the financial position and assets and liabilities of the Company at year-end, in accordance with French accounting rules and principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Auditing framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Statutory Auditors in the auditing of the annual financial statements" section of this report.

Independence

We conducted our audit mission in accordance with the independence rules applicable to us, from October 1, 2018 to the date of our report, and we did not, in particular, provide any services prohibited by Article 5 (1) of regulation (EU) No. 537/2014 or the Code of ethics for the Statutory Auditor profession.

Justification of our assessments – Key points of the audit

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, please note the key points of the audit relating to the risks of material misstatement, which, in our professional judgment, were the largest for the audit of the annual financial statements for the fiscal year, as well as the responses we provided to those risks.

The assessments thus made fall within the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on items in these annual financial statements in isolation.

Measurement of investment securities

Audit risk	As of September 30, 2018, the gross value of investment securities totaled €626 million and the net value €329 million,compared with a total balance sheet of €713 million. The Company performs impairment tests on these financial assets, theterms of which are described in note 2.4 to the financial statements. When the value in use is lower than the net bookvalue, a provision for depreciation is recognized. Value in use is determined primarily by applying the discounted future cashflow method net of net financial debt. The implementation of this method requires the use of assumptions. We therefore considered that the valuation ofinvestment securities is a key point in the audit given their significant nature and the fact that it is based on estimates.
Audit procedures in response to this risk	We examined the procedures put in place by the Company for impairment tests. We included valuation specialists in ouraudit team to help us assess the discount rate, as well as the growth rate to infinity used. We also analyzed the consistencyof cash flow forecasts with past performance and market outlooks.

Specific verification

In accordance with the professional standards applicable in France, we also carried out the specific verifications required by law and regulations.

Information given in the management report and in the other documents addressed to shareholders giving details of the financial position and the annual financial statements.

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the Board of Directors' management report and in the other documents addressed to shareholders giving details of the financial position and the annual financial statements.

We certify the fair presentation and consistency with the annual financial statements of the information on the payment times indicated in Article D. 441-4 of the French Commercial Code.

Corporate governance report

We hereby certify that the Board of Directors' corporate governance report contains the disclosures required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

With regard to the disclosures made in accordance with Article L. 225-37-3 of the French Commercial Code on compensation and benefits granted to corporate officers as well as on undertakings given to them, we have verified their consistency with the financial statements or with data used to prepare such financial statements and, where appropriate, with the items of information obtained by your Company from your Company's parent companies or companies which it controls. Based on this work, we can confirm the accuracy and fair presentation of this information.

With regard to the disclosures of elements that your Company considers likely to have an impact in the event of a public takeover or exchange bid, provided in accordance with Article L. 225-37-5 of the French Commercial Code, we have verified their consistency with the documents from which they are extracted and which have been communicated to us. Based on this work, we do not have any observations to make concerning these disclosures.

Other information

In accordance with the law, we made sure that the various pieces of information relating to investments and control and the identity of the owners of the share capital or voting rights was communicated to you in the management report.

Information resulting from other legal and regulatory requirements

Appointment of Statutory Auditors

We were appointed Statutory Auditors for Derichebourg by your shareholders' meeting of February 7, 2018 for BM&A, February 19, 2014 for DENJEAN ET ASSOCIÉS AUDIT and March 15, 2007 for ERNST & YOUNG Audit.

As of September 30, 2019, the firm DENJEAN ET ASSOCIÉS AUDIT was in the sixth uninterrupted year of its mission, and ERNST & YOUNG Audit in the thirteenth year (of which thirteen years since the Company's securities were admitted to trading on a regulated market).

Responsibilities of management and persons comprising the corporate governance with respect to the annual financial statements

It is the responsibility of management to prepare annual financial statements that present a true and fair view in accordance with French accounting policies and rules and to implement the internal controls that it deems necessary for the preparation of annual financial statements with no material misstatements, whether due to fraud or error.

In the preparation of the annual financial statements, management is responsible for evaluating whether the Company can continue to operate, for presenting in these financial statements, where appropriate, the necessary information relating to the continuity of operations and applying the going concern accounting convention unless there are plans to liquidate the Company or cease operations.

The Audit Committee is responsible for monitoring the financial information preparation process and for monitoring the effectiveness of the internal control and risk management systems and, as needed, of the internal audit systems as regards to the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors related to the audit of the annual financial statements

Purpose of audit and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatements. Misstatements may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or cumulatively, may influence the economic decisions that users of the financial statements make based on them.

As stated in Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of the Company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, a Statutory Auditor shall exercise his or her professional judgment throughout this audit. Moreover:

- it shall identify and assess the risks that the annual financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks and collect information it considers sufficient and appropriate to form its opinion. The risk that a significant anomaly due to fraud will not be detected is higher than for a significant anomaly due to an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumvention of internal controls;
- it shall review the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, not to express an opinion on the effectiveness of the internal controls;
- it assesses the appropriateness of accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the annual financial statements;
- it shall assess the appropriateness of management's application of the going concern accounting convention and, depending on the evidence gathered, the existence or non-existence of significant uncertainty related to events or circumstances that may call into question the Company's ability to continue as a going concern. Such assessment shall be based on the information gathered up to the date of its report, but it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If it concludes that there is a significant uncertainty, it shall draw the attention of its report's readers to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;
- it shall assess the overall presentation of the annual financial statements and evaluate whether the annual financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof.

Report to the Audit Committee

We are submitting to the Audit Committee a report that outlines the scope of the audit and the working program put in place, as well as the conclusions resulting from our work. We also disclose, where appropriate, the significant weaknesses in the internal controls that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit Committee are the risks of material misstatement, which we deem to have been most significant for the audit of the annual financial statements for the year and, as a result, constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration described in Article 6 of regulation (EU) No. 537-2014 confirming our independence, as described in the rules applicable in France as set forth in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the Code of ethics for the Statutory Auditor profession. As needed, we discuss with the Audit Committee the risks that may affect our independence and the safeguarding measures applied.

Paris and Paris-La Défense, December 9, 2019

The Statutory Auditors

BM&A	**DENJEAN ET ASSOCIÉS AUDIT**	**ERNST & YOUNG Audit**
Eric Seyvos	Thierry Denjean	Pierre Abily

4.3 Statutory Auditors' fees and fees paid to their network by the Group

	EY				Denjean & Associés Audit				Bm&A			
	Amount		%		Amount		%		Amount		%	
In thousands of euros	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Audit												
Statutory Auditors, certification, review of separate and consolidated financial statements												
▫ Issuer	112	125	19%	17%	112	125	45%	44%	112	124	53%	58%
▫ Fully consolidated subsidiaries	427	427	73%	60%	139	160	55%	56%	100	88	47%	42%
Services other than certification of the financial statements												
▫ Issuer	40	115	7%	16%								
▫ Fully consolidated subsidiaries	5	50	1%	7%								
Subtotal	**584**	**717**	**100%**	**100%**	**251**	**285**	**100%**	**100%**	**212**	**212**	**100%**	**100%**
Services other than certification of the financial statements rendered by member firms to fully consolidated subsidiaries worldwide												
▫ Legal, tax, social												
▫ Other												
Subtotal												
Total	**584**	**717**	**100%**	**100%**	**251**	**285**	**100%**	**100%**	**212**	**212**	**100%**	**100%**

Furthermore, the financial statements of certain Group subsidiaries are audited by firms which are not members of the networks of the three Statutory Auditors mentioned above, to whom these firms report where necessary. The sum of the fees incurred by the Group for services provided by these auditors amounted to €390 thousand in fiscal year 2019 and €365 thousand in fiscal year 2018.

05 INFORMATION ON THE COMPANY AND SHARE CAPITAL

05

5.1 Share capital: amount of subscribed capital

As of September 30, 2019, the share capital is set at €39,849,372.25 (thirty-nine million, eight hundred forty-nine thousand, three hundred seventy-two euros and twenty-five cents). It is divided into 159,397,489 fully subscribed and paid-up shares with a nominal value of €0.25 each.

At the date of filing of this Universal Registration Document, the share capital was unchanged.

5.2 Authorized capital not issued

The shareholders' combined general meeting held on February 5, 2019 approved four resolutions delegating authority to the Board of Directors for a period of 26 months to issue all securities that give access to a share of the Company's capital immediately or in the future, either maintaining or eliminating preemptive subscription rights:

- the nominal amount of capital increases that may be carried out is €50 million;
- the nominal amount of debt securities likely to be issued is €500 million;
- the nominal amount of capital increases that may be carried out is €50 million as part of an offer to qualified investors or to a limited circle of investors set out in Article L. 411-2 (II) of the French Monetary and Financial Code within the limit of 20% of the share capital per year;
- the nominal amount of capital increases in respect of the incorporation of reserves is €50 million.

5.3 Non-equity securities

None.

5.4 Securities giving access to the Company's share capital

None currently.

5.5 Potential capital: impact of issues on the equity interest in Derichebourg of a shareholder with a 1% capital interest and who does not subscribe said issues

There is no instrument giving access in the future to the Issuer's capital.

5.6 Table showing changes in share capital during the last three fiscal years

As a reminder, below is a recap of the latest share capital developments:

Date	Transaction	Number of shares created	Number of shares cancelled	Number of shares comprising the share capital	Capital movements €	Balance share capital €	Changes in merger, issue and capital contribution premiums €	Merger, issue, capital contribution premium balance €
September 30, 2016				168,082,030		42,020,507.50		27,564,832.00
December 6, 2016	Cancellation of treasury shares		4,203,250	163,878,780	(1,050,812.50)	40,969,695.00	(11,018,637.72)	16,546,194.28
September 30, 2017				163,878,780		40,969,695.00		16,546,194.28
September 30, 2018				163,878,780		40,969,695.00		16,546,194.28
May 22, 2019	Cancellation of treasury shares		4,481,291	159,397,489	(1,120,322.75)	39,849,372.25	(15,782,549.03)	763,645.25
September 30, 2019				159,397,489		39,849,372.25		763,645.25

5.7 Shares held by the issuer or by its subsidiaries

As a reminder, the shareholders' combined general meeting of February 5, 2019 authorized the Company, for an 18-month period, to trade in own shares up to a maximum of 10% of its share capital, for the purposes of:

- to stimulate the market or market liquidity of Derichebourg stock through a liquidity contract entered into with an investment service provider, in compliance with the AMAFI ethical charter approved by the AMF, the French securities regulator;
- to grant shares to employees, in accordance with legal requirements and generally within the framework of a profit sharing or company savings plan;
- to purchase shares for subsequent use in exchange or as payment for acquisitions;
- to deliver shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means;
- canceling the shares thus purchased, as part of the Company's financial policy.

The same shareholders' meeting authorized the Board of Directors to reduce the share capital, in one or more transactions, by canceling the shares thus purchased, subject to a maximum of 10% of the share capital per 24-month period.

During that year, the Company acquired 4,481,291 shares representing 2.73% of the share capital, for the purpose of canceling those securities. All shares acquired were canceled by a decision of the Board of Directors on May 22, 2019.

As of September 30, 2019, the Company did not hold any of its own shares.

5.8 Voting rights

The voting rights attached to shares are proportional to the amount of capital that they represent. For an equal amount of the nominal value, each share of the capital carries the right to one vote. Nevertheless, a double voting right is attributed to all fully paid shares held in registered form for five years or more in the name of the same shareholder. As of September 30, 2019, the share capital comprised 159,397,489 shares with a nominal value of €0.25 each, including 68,135,837 shares with double voting rights. The number of voting rights at September 30, 2019 amounted to 227,533,326.

At September 30, 2019. Mr. Daniel Derichebourg's family held, through CFER and Financière DBG, 41.29% of the share capital of Derichebourg and 57.82% of the voting rights.

5.9 2% threshold set in bylaws

Any physical person or legal entity acting alone or in concert who comes to own the number of shares or voting rights that exceeds the thresholds set forth in the regulations in effect must provide the information specified in the latter. The same information is required whenever the holder's share of the capital or voting rights falls below the thresholds set forth in the regulations in effect.

Article 10 of the bylaws stipulates that any physical person or legal entity acting alone or in concert that comes to possess a number of shares representing 2% or more of the Company's share capital must inform the Company of the number of shares held within 15 days whenever this percentage is exceeded. If the number or percentage of the voting rights held is not the same as the number or percentage of the shares held, the percentage referred to above is calculated in terms of voting rights. Failure to observe the provisions of the bylaws results in the following sanction: shareholders in breach of said provisions may be deprived of voting rights for shares in excess of the fraction not declared.

Article 10 of the bylaws stipulates that the Company may at any time request from the organization responsible for the registration of securities the information provided for by law relating to the identity of the owners of securities which give an immediate or deferred right to vote at shareholders' meetings. The Company also has the right to request, under the conditions laid down by the French Commercial Code, the identity of the beneficial owners of shares if it considers that certain shareholders, whose identities have been disclosed to it, hold the shares concerned for the account of third parties.

The Company may request any legal entity holding more than 2.5% of the share capital or voting rights to inform it of the identity of any persons holding directly or indirectly more than one third of the share capital or voting rights of said legal entity.

The following threshold crossings were recorded during the fiscal year:

Date	Shareholder's name	Threshold crossed
10-03-19	Norges Bank	Below the 5% share capital threshold with 3.52% of voting rights
10-05-19	Norges Bank	Above the 5% share capital threshold with 3.70% of voting rights
10-18-19	Norges Bank	Below the 5% share capital threshold with 3.45% of voting rights
11-13-19	Sycomore Asset Management	Above the 2% share capital threshold with 1.50% of voting rights

5.10 Restrictions on voting rights and share transfers provided for in the Company bylaws

None.

5.11 List of owners of any securities containing any special rights of control

The voting rights attached to shares are proportional to the amount of capital that they represent. For an equal amount of the nominal value, each share carries the right to one vote. Nevertheless, a double voting right is attributed to all fully paid shares held in registered form for five years or more in the name of the same shareholder. As of September 30, 2019, the share capital comprised 159,397,489 shares with a nominal value of €0.25 each, including 68,135,837 shares with double voting rights. The number of voting rights at September 30, 2019 amounted to 227,533,326.

5.12 Employee shareholdings

At September 30, 2019, Derichebourg employees held 1.06% of the share capital and 0.74% of the voting rights.

5.13 Shareholder agreements

To the Issuer's knowledge, there are no shareholder agreements or agreements whose implementation could lead to a change in control.

5.14 Amendment of Company bylaws

(Article 35)

"A shareholders' extraordinary general meeting alone shall have the power to amend any provision of the bylaws. However, such meeting may not increase the obligations of shareholders, except in the event of a consolidation of shares that has been properly carried out or for the negotiation of securities granting rights to fractional shares in the case of transactions such as capital increases or decreases.

Furthermore, it may not change the Company's nationality except if the host country has concluded a special convention with France allowing the Company to acquire its nationality and transfer its registered office to its territory, and retain its legal personality. As an exception to the exclusive power of a shareholders' extraordinary general meeting to make all amendments to the bylaws, the Board of Directors may amend the provisions concerning the amount of capital and the number of shares that represent the capital, provided such amendments actually correspond to the results of a capital increase, decrease or redemption."

(Article 37)

"Shareholders' special meetings can be validly conducted pursuant to a first notice only if the shareholders present, voting by mail or represented, hold at least one half, and pursuant to a second notice, one quarter of the shares having the right to vote and whose rights are subject to modification at such meeting. If the latter quorum is not attained, the second meeting may be deferred to a subsequent date no later than two months after the date on which it was convened. The decisions of these meetings shall be made by a two-thirds vote of the shareholders present, voting by mail or represented."

5.15 Rules on convening shareholders' meetings

Convening shareholders' meetings (Article 25)

"Shareholders' meetings shall be convened by the Board of Directors. Failing this, they may be convened by the persons designated by the French Commercial Code, in particular, by the Statutory Auditors, a trustee appointed by the Presiding Judge of the Commercial Court ruling in summary proceedings on a petition filed by shareholders representing at least 5% of the Company's capital or, in the case of a shareholders' special meeting, one tenth of the shares of the relevant class.

Shareholders' meetings shall be held at the registered office or at any other place indicated in the notice of meeting."

(Article 26)

"At least 30 days before the date of the meeting, the Company shall publish a notice of meeting in the *Bulletin des annonces légales obligatoires* (Mandatory Legal Announcements Bulletin), specifying the meeting's agenda and containing the text of the draft resolutions presented to the shareholders' meeting by the Board of Directors, as well as the procedures for proving to the Company that bearer shares have been recorded in a securities account and that they are unavailable until the date of the meeting. It shall also state the time period for sending requests to include on the agenda draft resolutions proposed by shareholders.

Notices of meetings shall be given by a notice published in a newspaper authorized to publish legal notices in the department where the registered office is located, as well as in the *Bulletin des annonces légales obligatoires*, in accordance with the law.

Holders of registered shares for at least one month prior to the date of publication of the notice of meeting shall also be given notice in accordance with the requirements prescribed by the statutes and regulations in force.

All co-owners of jointly owned shares registered in such capacity during the period specified in the preceding paragraph shall hold these same rights. In the event of a division of the ownership rights in a share, the foregoing rights shall be held by the shareholder that holds the right to vote.

In the event that a meeting is unable to deliberate validly because the required quorum is not present, a second meeting shall be convened in the same manner as the first meeting and the notice of meeting shall restate the date of the first meeting. The same requirement shall apply to the notice of a meeting deferred in accordance with the provisions of the French Commercial Code.

The time period between the date of publication of the notice of meeting and the mailing of letters and the date of the meeting shall be at least 15 days in the case of the first notice and six days in the case of a notice thereafter."

Agenda (Article 27)

"The agenda for a meeting shall be drawn up by the party convening the meeting or by the court order appointing the trustee responsible for convening the meeting. One or more shareholders representing the share of capital set in the statutory and regulatory provisions shall have the right to require that draft resolutions be added to the meeting's agenda. The works council (*comité d'entreprise*) shall have the same right. A shareholders' meeting shall not deliberate on a matter of business that is not included in the agenda, and such agenda may not be amended in the event that a meeting is convened a second time. However, the meeting can in all circumstances dismiss one or more directors and appoint their replacements."

Admission to meetings – Voting by mail (Article 28)

This article was amended by the shareholders' combined general meeting of February 5, 2019.

"Every shareholder is entitled to attend shareholders' meetings or to be represented thereat, regardless of the number of shares held, provided that all amounts payable on shares are fully paid up.

All shareholders may be represented by another shareholder, by their spouse or by the partner with whom he/she has signed a civil solidarity pact (pacte civil de solidarité). He/she may also be represented by any other individual or legal entity of his/her choice. A proxy can be granted for a single meeting only. A proxy can be granted for two meetings, one ordinary and one extraordinary, if they are both held on the same day or within a period of fifteen days of each other. The proxy shall be valid for all successive meetings convened with the same agenda.

All shareholders shall be entitled to vote by mail, in accordance with the requirements set by the legislation and regulations currently in effect.

The Company shall include the information required by the laws currently in effect with all proxy forms and mail ballots that it sends to shareholders.

The owners of shares that are not domiciled in France may be represented by an intermediary registered in accordance with the requirements prescribed by the legislation and regulations currently in effect.

In the event of a division of the ownership rights in a share, the holder of the right to vote may attend or be represented at the meeting without prejudice to the right of the beneficial owner to participate at all shareholders' meetings. Joint shareholders may be represented as specified in Article 12.

However, the right to participate in shareholders' meetings shall be conditioned on the registration of the name of the shareholder or of the registered intermediary described hereinabove in the registered share accounts maintained by the Company or its agent, or in the bearer accounts maintained by the approved intermediary, on the second working day prior to the shareholders' meeting at zero hours (Paris time). The registration of securities within the time period stipulated in the previous paragraph must be carried out either in the registered share accounts maintained by the Company, or in the bearer accounts maintained by the approved intermediary. These formalities must be carried out under the conditions set by current legislation.

Every shareholder who owns shares of a particular class shall be entitled to participate in the shareholders' special meetings for such class, in accordance with the requirements specified hereinabove.

For the purposes of calculating the quorum and the majority, shareholders who participate in the shareholders' meeting by videoconference or by means of telecommunications allowing them to be identified and in accordance with the applicable laws and regulations shall be considered present, provided the Board of Directors has decided on the use of such means of participation before the shareholders' meeting was convened."

Selection of officers (Article 29)

"The meeting shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by a Vice-Chairman or by the director temporarily appointed to act as Chairman. Failing all of the above, the shareholders' meeting shall elect its Chairman. In the event the meeting is convened by the Statutory Auditors, a court-appointed trustee or by the liquidators, the meeting shall be chaired by the person or one of the persons who convened the meeting.

The duties of scrutineer shall be performed by the two shareholders who are present and hold the highest number of votes, and who agree to perform such duties. The officers thus selected shall appoint a secretary for the meeting, who need not be a shareholder.

An attendance sheet containing the information required by the laws in force shall be kept for each meeting. It shall be signed by the shareholders present and by the proxies, and shall be certified as accurate by the officers of the meeting. It shall be filed at the registered office and must be provided to any shareholder who makes a request therefore.

The officers ensure the proper functioning of the meeting but, at the request of any shareholder present, their decisions may be submitted to a vote of the meeting, which shall be decisive."

Voting (Article 30)

"The voting rights attached to equity or dividend shares shall be proportional to the share of capital they represent and each share entitles the holder thereof to at least one vote.

The Company may not validly vote shares that it has purchased itself. In particular, the following have no voting rights: shares which are not fully paid up, shares held by subscribers who may be called upon to rule, in shareholders' meetings, on the elimination of preemptive subscription rights and shares held by the interested party in the proceedings provided for in Article 21.

Double voting rights to those granted to other shares, in terms of the share of capital they represent, shall be attributed to all fully paid-up shares that have been held in registered form for at least five (5) years in the name of the same shareholder.

In the event of a capital increase by capitalization of reserves, profits or issue premiums, such rights shall also be conferred, from issuance, on registered shares allotted free of charge to shareholders in respect of existing shares that benefit from such rights.

Registered shares with double voting rights converted to bearer shares for any reason lose their double voting rights."

Shareholders' ordinary general meetings (Article 33)

"A shareholders' ordinary general meeting is entitled to make all decisions that exceed the powers of the Board of Directors and that are not within the jurisdiction of a shareholders' extraordinary general meeting. Such meetings shall be held at least once a year, within six months of the end of the fiscal year, to vote on all matters regarding the financial statements for the fiscal year. This time period may be extended at the request of the Board of Directors by an order of the Presiding Judge of the Commercial Court ruling *ex parte*."

Quorum and majority vote at shareholders' ordinary general meetings (Article 34)

"A shareholders' ordinary general meeting can be validly conducted pursuant to a first notice only if the shareholders present, voting by mail or represented hold at least one quarter of the shares having the right to vote. No quorum is required for a meeting convened pursuant to a second notice. Decisions shall be made by a majority of the votes held by the shareholders present, voting by mail or represented."

Shareholders' extraordinary general meetings (Article 35)

"A shareholders' extraordinary general meeting alone shall have the power to amend any provision of the bylaws. However, such meeting may not increase the obligations of shareholders, except in the event of a consolidation of shares that has been properly carried out or for the negotiation of securities granting rights to fractional shares in the case of transactions such as capital increases or decreases.

Furthermore, it may not change the Company's nationality except if the host country has concluded a special convention with France allowing the Company to acquire its nationality and transfer its registered office to its territory, and retain its legal personality.

As an exception to the exclusive power of a shareholders' extraordinary general meeting to make all amendments to the bylaws, the Board of Directors may amend the provisions concerning the amount of capital and the number of shares that represent the capital, provided such amendments actually correspond to the results of a capital increase, decrease or redemption."

Quorum and majority vote at shareholders' extraordinary general meetings (Article 36)

"Subject to the exceptions specified in the case of certain capital increases and of conversions into another type of company, a shareholders' extraordinary general meeting can be validly conducted pursuant to a first notice only if the shareholders present, voting by mail or represented hold at least one third of the shares having the right to vote, and pursuant to a second notice, one quarter of the shares having the right to vote. If the latter quorum is not attained, the second meeting may be deferred to a subsequent date no later than two months after the date on which it was convened. To the same exceptions as above, the decisions of a shareholders' extraordinary general meeting shall be made by a two-thirds vote of the shareholders present, voting by mail or represented.

If the meeting has been convened to deliberate on the approval of a contribution in kind or the granting of a specific benefit, the contributor or beneficiary, whose shares shall not be counted in calculating the quorum or the majority, may not participate in the vote, either on his/her own behalf or as a proxy."

5.16 Powers of the Board of Directors, in particular, for the issue or buyback of shares

The table in section 2.7 lists the powers delegated to the Board of Directors in terms of share issues.

Sections 2.7, 6.5 and 6.6 describe the powers of the Board of Directors to buy back shares.

5.17 Agreements entered into by the Company which are amended or end in the event of a change of control

Significant agreements that would be likely to come to an end in the event of a change of control at the Company are as follows:

- the 2014 syndicated loan agreement (amended by addenda on May 5, 2017, February 2, 2018, and June 19, 2019);
- loan agreement for €130 million signed on July 19, 2019.

5.18 Dividends

5.18.1 Dividend distribution policy

Without being interpreted as an ongoing commitment, it is Group practice to distribute around 30% of consolidated net income in the form of dividends. This figure is performance-related and subject to assessment of self-financing requirements.

5.18.2 Dividends paid over the last three fiscal years

The dividends distributed by Derichebourg in respect of the last three fiscal years are as follows:

	2016-2017	2016-2017	2017-2018
Dividend per share	0.02	0.14	0.14
Total dividends *(in millions of euros)*	3.3	22.9	22.9

On December 4, 2019, the Board of Directors proposed the distribution of a dividend of €0.11 per share to the shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2019.

5.18.3 Change in the Derichebourg share price (FR0000053381)

Month *In euros*	Opening price for the month	Highest	Lowest	Closing price for the month	Volume
October 2016	2.85	2.93	2.68	2.85	1,506,685
November 2016	2.87	3.12	2.63	2.99	3,361,694
December 2016	2.99	4.31	2.87	4.2	11,134,595
January 2017	4.14	4.67	4.09	4.26	4,961,953
February 2017	4.21	4.52	4.08	4.3	3,691,319
March 2017	4.3	5.07	4.17	4.67	4,347,977
April 2017	4.67	4.83	4.22	4.4	4,152,366
May 2017	4.34	6.55	4.32	6.06	9,445,094
June 2017	5.96	7.62	5.75	7.4	13,247,092
July 2017	7.49	7.57	6.85	7.4	7,281,452
Aug 2017	7.44	8.3	7.27	7.98	5,644,222
September 17	8.1	9	7.7	8.87	4,196,991
October 2017	8.87	9.85	8.53	9.16	4,766,595
November 2017	9.16	9.24	8.16	9.15	3,706,213
December 2017	9.15	9.45	8.4	9.11	4,413,684
January 2018	9.12	9.18	7.85	8.08	26,693,811
February 2018	8	8.14	7.15	7.39	8,273,863
March 2018	7.41	7.84	6.96	7.15	7,300,159
April 2018	7.11	7.57	6.96	7.34	4,983,020
May 2018	7.3	7.47	5.17	5.19	23,378,766
June 2018	5.25	5.82	5.2	5.42	21,074,708
July 2018	5.38	5.69	4.9	5.18	8,726,489
Aug 2018	5.19	5.15	4.57	4.81	9,739,445
September 2018	4.81	5	4.44	4.6	8,788,973
October 2018	4.59	4.69	3.5	4.26	13,547,119
November 2018	4.26	4.58	3.37	3.79	15,853,380
December 2018	3.92	4.03	3.22	4.00	15,899,761
January 2019	3.98	4.30	3.81	3.98	9,465,920
February 2019	4.02	4.38	3.48	3.80	16,117,974
March 2019	3.80	3.95	3.54	3.62	9,533,755
April 2019	3.63	4.15	3.62	3.88	6,616,797
May 2019	3.88	3.89	3.00	3.07	10,295,549
June 2019	3.03	3.38	3.00	3.38	5,509,223
July 2019	3.40	3.50	3.28	3.35	4,841,388
Aug 2019	3.35	3.38	3.03	3.25	3,856,913
September 2019	3.26	3.80	3.19	3.20	8,143,192
October 2019	3.20	3.32	3.04	3.23	6,031,940
November 2019	3.23	3.41	3.10	3.12	4,855,708

The data on volumes represent trading on Euronext.

06 FURTHER INFORMATION

06

6.1 Person responsible for the Universal Registration Document

6.1.1 Name and position of the person responsible

Mr. Daniel Derichebourg

Chairman and Chief Executive Officer of Derichebourg

6.1.2 Certification of the person responsible for the Universal Registration Document

I hereby certify, after having taken all reasonable measures to this effect, that the information contained in this registration document is, to my knowledge, in accordance with the facts and makes no omission likely to affect its scope. I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities, financial position, and results of the Company and all undertakings included in the consolidation, and that the management report on pages 87 to 117 presents a fair review of the development and performance of the business and financial position of the Company and all undertakings included in the consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the Statutory Auditors stating that they have checked the information contained in this Universal Registration Document concerning the financial position and financial statements and that they have read the Universal Registration Document in its entirety. The Statutory Auditors have prepared a report on the historical financial information presented in the registration document, which is set forth on pages 169 to 171 and 193 to 195 of said document.

Issued in Paris, on December 12, 2019

Daniel DERICHEBOURG

Chairman and Chief Executive Officer

6.2 Name of the person responsible for financial information

Person responsible: Pierre Candelier

Capacity: Chief Financial Officer

Address: 119, avenue du Général-Michel-Bizot – 75579 Paris Cedex 12 (France)

Tel.: +33 1 44 75 40 40

E-mail: communication@derichebourg.com

6.3 Statutory Auditors

6.3.1 Principal Statutory Auditors

BM&A

11, rue de Laborde – 75008 Paris.

Registered with the Paris Trade and Companies Registry under number 348 561 443.

Represented by Mr. Éric SEYVOS.

Date of appointment: February 7, 2018.

Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2023.

DENJEAN & ASSOCIÉS AUDIT

19, rue de Presbourg – 75016 Paris.

Registered with the Paris Trade and Companies Registry under number 539 769 729.

Represented by Mr. Thierry DENJEAN.

Date of appointment: February 19, 2014.

Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2019.

ERNST & YOUNG AUDIT SAS

Tour First 1, place des Saisons – TSA 14444 – 92037 Paris-La Défense Cedex.

Registered with the Nanterre Trade and Companies Registry under number 344 366 315.

Represented by Mr. Pierre ABILY.

Date of appointment: March 15, 2007.

Date of reappointment: February 5, 2019.

Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2024.

6.3.2 Alternate Statutory Auditors

Mr. Pascal de ROCQUIGNY du FAYEL

11, rue Laborde, 75008

Date of appointment: February 7, 2018.

Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2023.

Mr. Mark BATHGATE

19, rue de Presbourg – 75016 Paris

Date of appointment: February 19, 2014.

Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2019.

6.4 General information about Derichebourg

6.4.1 Legal name and trading name

The Company's legal name and trading name is Derichebourg. In this document, Derichebourg is referred to as "the Company" or "the Issuer", and the group made up of Derichebourg and its subsidiaries is referred to as "the Group".

6.4.2 Issuer's registration number

The Company is registered in the Paris Trade and Companies Registry under number 352 980 601.

Derichebourg shares are listed on Compartment B of the EURONEXT exchange (ISIN code: FR0000053381).

The Company is listed on: CAC-ALL TRADEABLE, CAC ALL SHARES, CAC MID&SMALL, CAC SMALL, CAC INDUSTRIALS, CAC SUP. SERVICES, EN FAMILY BUSINESS, NEXT 150.

6.4.3 Date of incorporation and term of the issuer

The Company was incorporated on December 11, 1989 for a term of 50 years with effect from its registration at the Trade and Companies Registry on January 9, 1990, which will expire on January 8, 2040.

6.4.4 Details of the registered office and legal form

Details of the registered office

119, avenue du Général-Michel-Bizot – 75012 Paris France
Tel.: +33 (0)1 44 75 40 40
Website: www.derichebourg.com

Legal form

Derichebourg is a French public limited liability company (*société anonyme*) with a Board of Directors incorporated in accordance with French legislation.

Its fiscal year begins on October 1 and ends 12 months later on September 30.

6.4.5 Corporate purpose of the issuer

(Article 3)

"The Company's purposes, in France and in all countries, are:

- to acquire, subscribe, and manage all securities;
- to acquire investments or interests in all commercial, industrial, financial, or real estate companies and enterprises;
- to provide all administrative, financial, accounting, or management services to the Company's subsidiaries or to all other companies in which the Company may hold an interest;
- to acquire, operate, manage, and administer, pursuant to a lease, rental or otherwise, all developed or undeveloped real property;
- and, in general, all real or personal property, commercial, industrial or financial transactions that may directly or indirectly relate to such purposes or to all similar or related purposes that may promote the operation or development thereof;

all of the foregoing both on its own behalf and on behalf of all third parties or by acquiring ownership interests, in any form whatsoever, by creating companies, by subscriptions, by limited partnerships, by mergers, by absorptions, by advances, by the purchase or sale of securities and corporate rights, by the purchase, sale or rental of its personal and real property or its rights therein, or by any other method.

It may carry out any transactions that are compatible with these purposes, that are related thereto or that contribute to the accomplishment thereof."

6.5 Assessment of the 2018/2019 share buyback program

The shareholders' combined general meeting of February 5, 2019 authorized the Board of Directors to buy back the Company's shares for up to a maximum of 10% of the share capital, i.e. 16,387,878 shares, at a maximum price of €20 per share. This authorization was granted for a period of 18 months, i.e. until August 4, 2020, and mainly for the following purposes:

- to stimulate the market or market liquidity of Derichebourg stock through a liquidity contract entered into with an investment service provider, in compliance with the AMAFI ethics charter approved by the AMF, the French securities regulator;
- to grant shares to employees, in accordance with legal requirements and generally within the framework of a profit sharing or company savings plan;
- to purchase shares for subsequent use in exchange or as payment for acquisitions;
- to deliver shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means;
- to cancel the bought-back shares, under the conditions stipulated by law. The same shareholders' meeting authorized the Board of Directors to reduce the share capital, in one or more transactions, by canceling the shares thus purchased, subject to a maximum of 10% of the share capital per 24-month period;
- to implement all approved market practices that come to be recognized by law or the French securities regulator.

The Company used this authorization during the year and acquired 4,481,291 Company shares for the purpose of canceling them, i.e. 2.73% of the share capital.

On May 22, 2019, the Board of Directors, using the delegation granted by the shareholders' combined general meeting of February 5, 2019, reduced the Company's share capital by €1,120,322.75 through the cancellation of 4,481,291 treasury shares, i.e. 2.73% of the share capital. Since that date, the Company's share capital has consisted of 159,397,489 shares.

The Company does not hold any treasury shares as at September 30, 2019 and the market value of the portfolio at September 30, 2019 was zero.

	Shares forming the share capital	Stock market activity	Stock options granted	Acquisitions	Delivery of shares upon the exercise of rights attaching to securities giving access to the share capital	Cancellation	Total
Position at September 30, 2018	163,878,780			0		0	0
As % of capital				0%		0%	0%
Allocation to stock-options							
granted							
other							
Stock options exercised							
Purchases				0	0	4,481,291	4,481,291
Sales				0	0	0	0
Cancellations						4,481,291	4,481,291
Position at September 30, 2019	159,397,489			0	0	0	0
As % of capital							0%

6.6 Presentation of the 2020/2021 share buyback program

6.6.1 Legal framework

In accordance with Article 241-2 of the AMF General Regulation and Commission regulation (EC) no. 2273/2003 of December 22, 2003, this section presents the purpose and terms of the Company's share buyback program. This program, which falls under the scope of Article L. 225-209 of the French Commercial Code, shall be subject to approval by the shareholders' combined general meeting on January 31, 2020.

6.6.2 Number of shares and portion of share capital held by the Company

The Company no longer holds any treasury shares following the cancellation of 4,481,291 treasury shares decided by the Board of Directors on May 22, 2019, using the delegation granted by the shareholders' combined general meeting on February 15, 2019.

6.6.3 Breakdown of the Company's own shares, by purpose

None.

6.6.4 Purpose of the new share buyback program

The new program's objectives are:

- to stimulate the market or market liquidity of Derichebourg stock through a liquidity contract entered into with an investment service provider, in compliance with the AMAFI ethics charter approved by the AMF, the French securities regulator;
- to grant shares to employees, in accordance with legal requirements and generally within the framework of a profit sharing or company savings plan;
- to purchase shares for subsequent use in exchange or as payment for acquisitions;
- to deliver shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means;
- to cancel the bought-back shares under the conditions stipulated by law, subject to the adoption of the corresponding resolution by the shareholders' meeting;
- to implement all approved market practices that come to be recognized by law or the French securities regulator.

6.6.5 Maximum portion of share capital, maximum number and characteristics of capital securities and maximum purchase price

The maximum portion of share capital authorized to be bought back under the new share buyback program would be 10% of the share capital, i.e. 15,939,748 shares.

Derichebourg shares are listed on Compartment B of the Euronext Paris exchange (ISIN code: FR 0000053381).

The maximum purchase price would be €20 per share.

The maximum expenditure for these purchases would be €318,794,960 representing 10% of the Company's share capital;

6.6.6 Buyback terms

The shares may be purchased, sold, exchanged or transferred using any means available in a stock-exchange or over-the-counter transaction, including the use of derivative financial instruments. All of the shares that may be acquired under the buy-back program may be purchased or transferred in blocks.

These transactions may be made at any time, including during a tender offer.

6.6.7 Duration of the buyback program

The term of the program is limited to 18 months from the shareholders' meeting convened to approve the financial statements for the fiscal year ended September 30, 2019, i.e. until July 30, 2021.

6.6.8 Results of the Company's previous share buyback program from February 5, 2019 to December 4, 2019

The details of this program at December 4, 2019 are as follows:

Percentage of own share capital owned directly and indirectly	0%
Number of shares cancelled during the last 24 months[(1)]	4,481,291
Number of shares held in portfolio	0
Book value of portfolio	€0
Market value of portfolio	€0

(1) The 24 months prior to the public presentation of the buyback program.

6.6.9 Results of the program's execution between February 5, 2019 and December 4, 2019

	Total sales and purchases		Opening positions at 11-30-19	
	Purchases	Sales/ transfers	Open buy positions	Open sell positions
Number of shares	4,481,291[(1)]	0		
Average transaction price (in €)	3.7719	0		
Amounts *(in euros)*	16,902,825	0		

(1) Of which 3,245,078 acquired between October 26, 2018 and January 30, 2019.

The share purchases and sales shown in the above table were not made under a liquidity contract or an acquisition contract.

6.7 Communication with institutional investors and individual shareholders

During the validity period of the Universal Registration Document, the following documents (or copies of these documents) can, if necessary, be consulted at the Company's registered office (119, avenue du Général Michel Bizot, 75012 Paris), on the Company's website (www.derichebourg.com), or on the French securities regulator's website (www.amf-france.org) for financial data and the Universal Registration Document:

(a) the incorporation documents and bylaws of the issuer;

(b) all reports, mail and other documents, historical financial data, valuations and reports issued by external experts at the request of the issuer, any part of which is included or referenced in the Universal Registration Document;

(c) the historical financial data of the issuer and its subsidiaries for each of the two fiscal years preceding the publication of this Universal Registration Document.

6.7.1 Communications methodology

Frequency: in accordance with the applicable regulations, Derichebourg publishes its half-year and annual financial statements and the accompanying reports.

Communication of information: in addition to the legally required announcements in financial publications, the latest communications are made available to the public on the Company's website, www.derichebourg.com.

6.7.2 Calendar: key dates

The Group's financial calendar is available on its website:
www.derichebourg.com

6.7.3 Periodic and occasional information: annual information document

Published on the websites www.derichebourg.com, http://inpublic.globenewswire.com or www.info-financiere.fr

Date	Document
October 17, 2018	Derichebourg Environnement signed a contract for the disposal of its household waste collection activities in Italy to Iren Ambiente
October 22, 2018	Threshold crossed
October 22, 2018	Presentation to financial analysts on October 23, 2018
October 30, 2018	Monthly information on total number of voting rights and shares comprising share capital as of August 31, 2018
October 30, 2018	Monthly information on total number of voting rights and shares comprising share capital as of September 30, 2018
October 30, 2018	Statement of transactions on own shares made from October 22 to 26, 2018
October 30, 2018	Weekly statement of transactions on own shares made from October 22 to 26, 2018
October 31, 2018	Derichebourg Propreté reinforces its presence in Alsace with the purchase of the goodwill of two companies, Alizé and Alizé Alsace
November 6, 2018	Statement of transactions on own shares made from October 29 to November 2, 2018
November 6, 2018	Weekly statement of transactions on own shares made from October 29 to November 2, 2018
November 14, 2018	Revenue for the 2017/2018 fiscal year up 6.9% despite a turbulent geopolitical context
November 26, 2018	Monthly information on total number of voting rights and shares comprising share capital as of October 31, 2018
December 4, 2018	Results for fiscal year 2017/2018
December 4, 2018	Presentation to financial analysts on December 5, 2018
December 5, 2018	Audio-Meeting of financial analysts of December 5, 2018
December 6, 2018	The Paris municipal authority reaffirms its confidence in Derichebourg Environnement by awarding it a household waste collection contract for two additional districts
December 11, 2018	Statement of transactions on own shares made from December 5 to 7, 2018
December 11, 2018	Statement of transactions on own shares made from December 5 to 7, 2018, transaction by transaction
December 12, 2018	Publication of 2017/2018 registration document
December 12, 2018	2017/2018 registration document including the annual financial report and the annual information document

Date	Document
December 18, 2018	Statement of transactions on own shares made from December 10 to 14, 2018
December 18, 2018	Statement of transactions on own shares made from December 10 to 14, 2018, transaction by transaction
December 24, 2018	Statement of transactions on own shares made from December 17 to 21, 2018
December 24, 2018	Statement of transactions on own shares made from December 17 to 21, 2018, transaction by transaction
January 1, 2019	Statement of transactions on own shares made from December 24 to 28, 2018
January 1, 2019	Statement of transactions on own shares made from December 24 to 28, 2018, transaction by transaction
January 8, 2019	Derichebourg Propreté & Services Associés strengthens its presence in the Mediterranean Basin with the acquisition of two businesses, CCI (Cabinet Conseil Industriel) and SVP 30
January 8, 2019	Statement of transactions on own shares made from December 31, 2018 to January 4, 2019
January 8, 2019	Statement of transactions on own shares made from December 31, 2018 to January 4, 2019, transaction by transaction
January 14, 2019	Monthly information on total number of voting rights and shares comprising share capital as of November 30, 2018
January 21, 2019	Statement of transactions on own shares made from January 14, 2019 to January 18, 2019
January 21, 2019	Statement of transactions on own shares made from January 14, 2019 to January 18, 2019, transaction by transaction
January 22, 2019	Terms for the preparation of preparatory documents for the shareholders' combined general meeting of February 5, 2019
January 22, 2019	Monthly information on total number of voting rights and shares comprising share capital as of December 31, 2018
January 29, 2019	Statement of transactions on own shares made from January 21, 2019 to January 25, 2019
January 29, 2019	Statement of transactions on own shares made from January 21, 2019 to January 25, 2019, transaction by transaction
January 30, 2019	Derichebourg Environnement sold its household waste collection activities in Italy today to Iren Ambiente
February 4, 2019	Derichebourg Énergie expands in the Bordeaux region
February 5, 2019	Shareholders' combined general meeting – Approval of the annual and consolidated financial statements
February 5, 2019	Statement of transactions on own shares made from January 28, 2019 to February 1, 2019
February 5, 2019	Statement of transactions on own shares made from January 28, 2019 to February 1, 2019, transaction by transaction
February 7, 2019	Shareholders' combined general meeting of February 5, 2019 – Result of resolution votes
February 13, 2019	Statement of transactions on own shares made from February 4, 2019 to February 8, 2019
February 13, 2019	Statement of transactions on own shares made from February 4, 2019 to February 8, 2019, transaction by transaction
February 15, 2019	Monthly information on total number of voting rights and shares comprising share capital as of January 31
February 19, 2019	Statement of transactions on own shares made from February 11, 2019 to February 15, 2019
February 19, 2019	Statement of transactions on own shares made from February 11, 2019 to February 15, 2019, transaction by transaction
February 27, 2019	Statement of transactions on own shares made from February 18, 2019 to February 22, 2019
February 27, 2019	Statement of transactions on own shares made from February 18, 2019 to February 22, 2019, transaction by transaction
February 28, 2019	Derichebourg Atis Aéronautique heads to Canada
April 12, 2019	Monthly information on total number of voting rights and shares comprising share capital as of February 28, 2019
April 12, 2019	Monthly information on total number of voting rights and shares comprising share capital as of March 31, 2019
April 26, 2019	Investor relations calendar 2018/2019
May 9, 2019	Derichebourg Propreté & Services Associés continues its external growth momentum
May 22, 2019	Results of the first half of 2018/2019
May 22, 2019	Notice of publication of the half-year financial report as at March 31, 2019
May 22, 2019	Half-year financial report as at March 31, 2019
May 22, 2019	Presentation to financial analysts on May 22, 2019
May 22, 2019	Audio-Meeting of financial analysts of May 22, 2019
June 6, 2019	Derichebourg Environnement inaugurates its new Bassens (Gironde) recycling platform, the first in France to be equipped with a combined recycling line for refrigerated appliances and hot water tanks
July 4, 2019	Monthly information on total number of voting rights and shares comprising share capital as of April 30, 2019
July 19, 2019	Derichebourg obtains €130 million in financing from the European Investment Bank in the context of the Juncker Plan
July 26, 2019	Monthly information on total number of voting rights and shares comprising share capital as of May 31, 2019
July 30, 2019	Derichebourg Propreté becomes the leader in Limousin
Aug 12, 2019	Monthly information on total number of voting rights and shares comprising share capital as of June 30, 2019
Aug 13, 2019	Monthly information on total number of voting rights and shares comprising share capital as of July 31, 2019

Date	Document
September 16, 2019	Derichebourg Multiservices strengthens its presence in Spain
September 19, 2019	Derichebourg Environnement has signed a contract for the acquisition of Lyrsa, the Spanish leader in scrap metal recycling
September 24, 2019	Derichebourg announces the sale of its activities in Morocco
September 27, 2019	Derichebourg Environnement wins the City of Paris's Trilib' tender in partnership with Sulo and Aurel Urban Design
October 17, 2019	Derichebourg Intérim et Recrutement's first acquisition
October 22, 2019	Derichebourg Aeronautics Services China spreads its wings in Asia
October 25, 2019	Monthly information on total number of voting rights and shares comprising share capital as of August 31, 2019
October 25, 2019	Monthly information on total number of voting rights and shares comprising share capital as of September 30, 2019

Information published in the Legal Publications Bulletin ("BALO")

Date of publication	Document
December 31, 2018	Notice of meeting / Notice of convening of shareholders' combined general meeting on February 5, 2019
January 21, 2019	Notice of meeting / Notice of convening of shareholders' combined general meeting on February 5, 2019
March 13, 2019	Notice of approval of the consolidated and parent company financial statements for the year ended September 30, 2018

6.7.4 Update on quarterly financial information

Following the publication on February 3, 2015 by the French securities regulator of a recommendation regarding the removal of the obligation to publish quarterly financial information, the Group has decided not to publish quarterly information, most notably because the volatility of the Environmental Services business requires a somewhat longer horizon to evaluate changes in figures.

6.8 Information provided by third parties, statements made by experts and declarations of interests

6.8.1 Statements/reports of experts

None.

6.8.2 Information provided by third parties

In preparing the financial statements in accordance with IFRS standards, the Group used information provided by third parties in the following areas:

- property assets: an expert appraisal of each operating site of Environmental Services that is owned outright was carried out by an independent and recognized firm in order to establish the market value of each real property asset as of October 1, 2004. This firm reappraised a sample of these assets during the 2009/2010 fiscal year to ensure that their value had not decreased;
- provisions for retirement payments: the Group has asked several independent firms of actuaries to calculate the provisions for retirement payments.

6.9 Significant contracts

The Group wishes to mention:

- the syndicated loan agreement signed on March 31, 2014 and its riders of May 5, 2017 and February 2, 2018;
- the non-recourse factoring agreement which went into effect on January 1, 2015 and the amendment extending it until December 31, 2021;
- July 19, 2019 loan with EIB.

which are the Group's main sources of funding. A detailed presentation of these agreements can be found in note 4.11 of the notes to the consolidated financial statements.

6.10 Concordance table between the Derichebourg Universal Registration Document and the annual financial report

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6.11 Concordance table between the Derichebourg Universal Registration Document and annex II of European regulation 2017/1129

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DERICHEBOURG

DERICHEBOURG
119 avenue du Général Michel Bizot - 75579 PARIS cedex 12
Tél. : +33 (0)1 44 75 40 40 - Fax : +33 (0)1 44 75 43 22
www.derichebourg.com