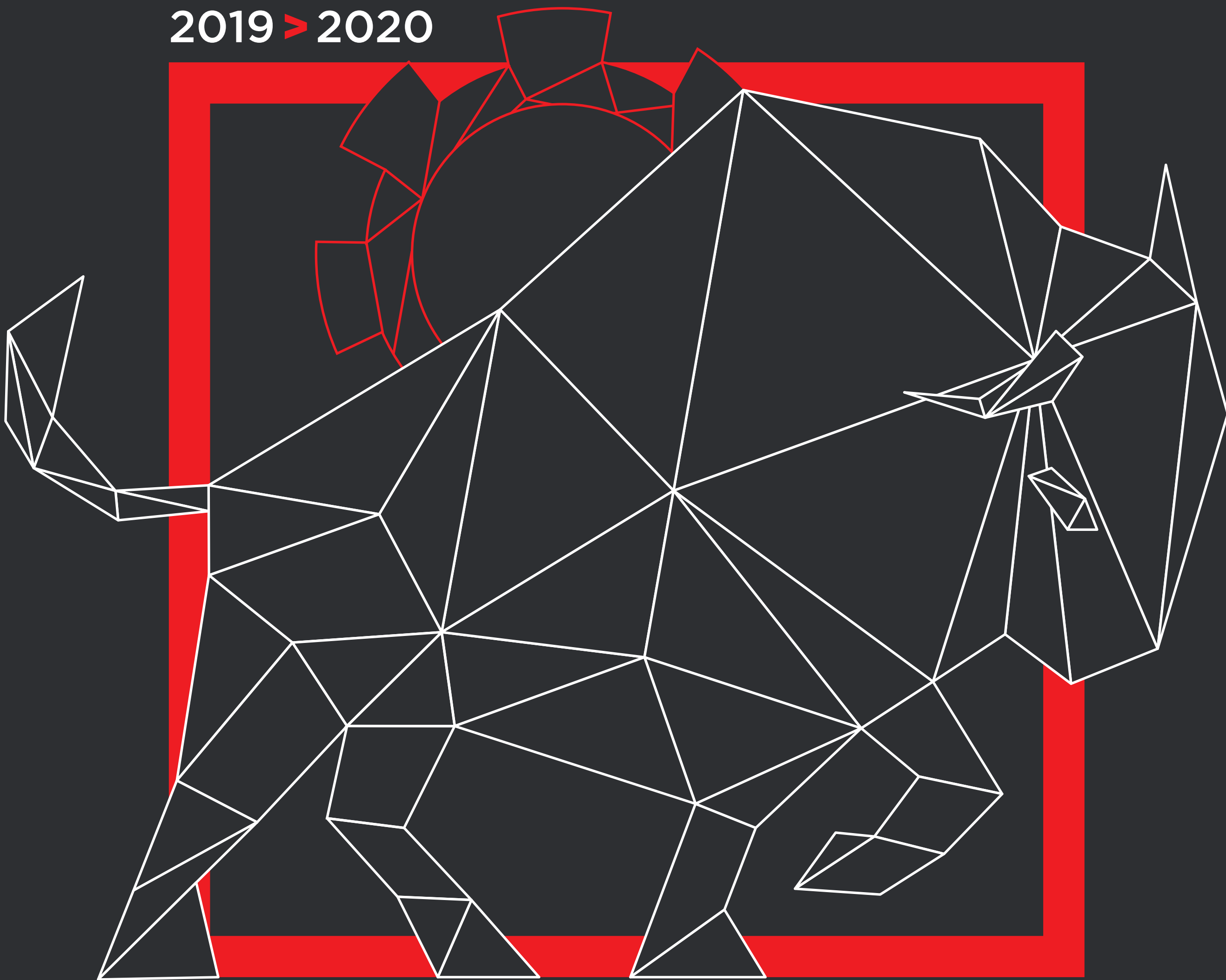
DERICHEBOURG

2019 > 2020



UNIVERSAL REGISTRATION DOCUMENT

2019 › 2020

INCLUDING THE ANNUAL FINANCIAL REPORT

Contents

Group Profile 2

1 CSR report (serving as statement of extra-financial performance) 11

1.1 Overview of businesses and business model 13
1.2 Main CSR Risks 30
1.3 Scorecard showing principal social, environmental and societal information 32
1.4 Being a committed employer 33
1.5 Reducing the Group's environmental footprint 43
1.6 Being a major player in the circular economy 49
1.7 Consolidating relationships of trust with our partners 53
1.8 Duty of vigilance 56
1.9 Report by the independent third party organization on the consolidated statement of extra-financial performance 57

2 Board of Directors' report on corporate governance 61

2.1 The Board of Directors 63
2.2 Special committees of the Board of Directors 74
2.3 The Deputy Chief Executive Officer 76
2.4 Compensation of the members of the Board of Directors and executive officers 77
2.5 Executive officers' declaration concerning transactions in the Company's shares 82
2.6 Related-party agreements 83
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) 84
2.8 Factors likely to have an impact in the event of a public offering 84
2.9 Rules applicable to shareholder participation in shareholders' meetings 85
2.10 Independent auditors' special report on related-party agreements 86

3 Group management report 89

3.1 Significant events during the fiscal year 91
3.2 Earnings from businesses and financial position 94
3.3 Risk factors 106
3.4 Shareholder structure and threshold crossing 113
3.5 Financial results for the last five fiscal years 115
3.6 Group organization charts 115
3.7 Statement of extra-financial performance 122
3.8 Agenda and draft resolutions for the shareholders' combined general meeting of February 10, 2021 122

4 Financial statements 131

4.1 Consolidated financial statements for the year ended September 30, 2020, in compliance with IFRS 132
4.2 Parent company financial statements at September 30, 2020 186
4.3 Independent auditors' fees and fees paid to their network by the Group 212

5 Information on the Company and share capital 213

5.1 Share capital: amount of subscribed capital 215
5.2 Authorized capital not issued 215
5.3 Non-equity securities 215
5.4 Securities giving access to the Company's share capital 215
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 216
5.6 Table showing changes in share capital during the last three fiscal years 216
5.7 Shares held by the issuer or by its subsidiaries 216
5.8 Voting Rights 217
5.9 2% threshold set in bylaws 217
5.10 Restrictions on voting rights and share transfers provided for in the Company bylaws 217
5.11 List of owners of any securities containing any special rights of control 218
5.12 Employee shareholdings 218
5.13 Shareholder agreements 218
5.14 Amendment of Company bylaws 218
5.15 Rules on convening shareholders' meetings 219
5.16 Powers of the Board of Directors, in particular, for the issue or buyback of shares 221
5.17 Agreements entered into by the Company which are amended or end in the event of a change of control 221
5.18 Dividends 222

6 Further information 225

6.1 Person responsible for the Universal Registration Document 227
6.2 Name of the person responsible for financial information 227
6.3 Statutory Auditors 228
6.4 General information about Derichebourg 229
6.5 Assessment of the 2019/2020 share buyback program 230
6.6 Presentation of the 2020/2021 share buyback program 231
6.7 Communication with institutional investors and individual shareholders 233
6.8 Information provided by third parties, statements made by experts and declarations of interests 235
6.9 Significant contracts 235
6.10 Concordance table between the Derichebourg Universal Registration Document and the annual financial report 236
6.11 Concordance table between the Derichebourg Universal Registration Document and Annex 1 and 2 of Delegatted Regulation (EU) 2019/980 of March 14, 2019 237

UNIVERSAL REGISTRATION DOCUMENT

2019/2020

including the annual financial report

This is a free translation of the Universal Registration Document which was submitted to the French securities regulator (Autorité des marchés financiers), the competent authority under EU regulation no. 2017/1129, on December 14, 2020, without prior approval in accordance with Article 9 of regulation.

The Universal Registration Document may be used for a public securities offer or to trade securities on a regulated market. In this case it should be accompanied by a note on the securities in question, and if necessary a summary and all amendments made to the Universal Registration Document. The French securities regulator shall approve the set of documents listed above in accordance with EU Regulation no. 2017/1129.

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 Independent Auditors' report on the consolidated financial statements for the fiscal year ended September 30, 2019, as presented respectively on pages 85 to 117, 119 to 168 and 169 to 171 of the registration document filed with the French securities regulator on December 12, 2019 under number D.19-1011;
- the presentation of the entire Group's business activities, the Group's consolidated financial statements and the Independent 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 Independent Auditors' report on related-party agreements and commitments for the fiscal years ended September 30, 2019 and September 30, 2018, which are included in the Company's registration documents filed respectively with the French securities regulator on December 12, 2019 under number D.19-1011 on pages 81 to 83, and on December 12, 2018 under number D.18-0977 on page 77.

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.

	Employees	Countries	Sites	Revenue
DERICHEBOURG	42,200 EMPLOYEES	10 COUNTRIES	400 SITES	€2.5 BN REVENUE
DERICHEBOURG environnement	4,900 EMPLOYEES	9 COUNTRIES	283 SITES	€1.6 BN REVENUE
DERICHEBOURG multiservices	37,300 EMPLOYEES	6 COUNTRIES	117 SITES	€0.8 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.

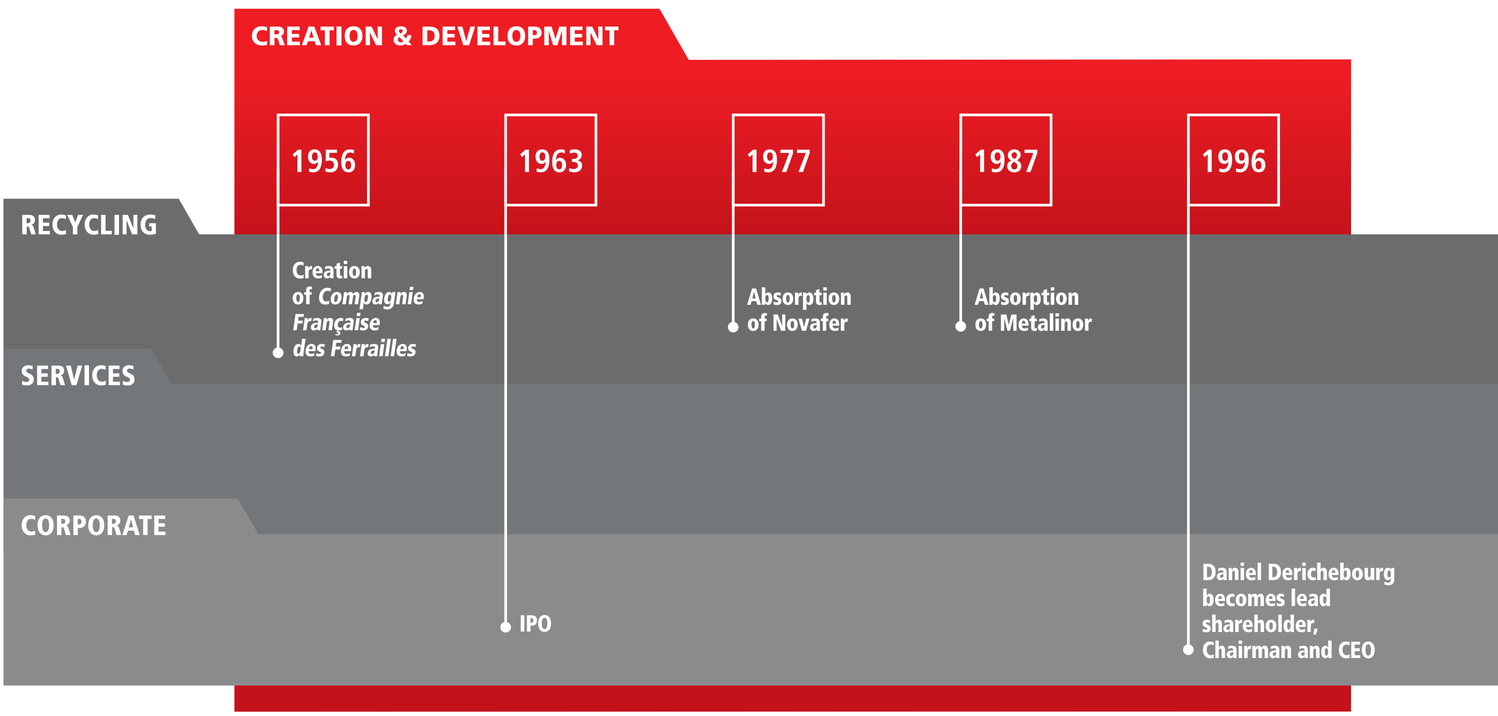
A PIONEERING SPIRIT TO SERVE THE ENVIRONMENT

A GLOBAL OPERATOR AND LOCAL ACTOR IN POSITIONS OF LEADERSHIP

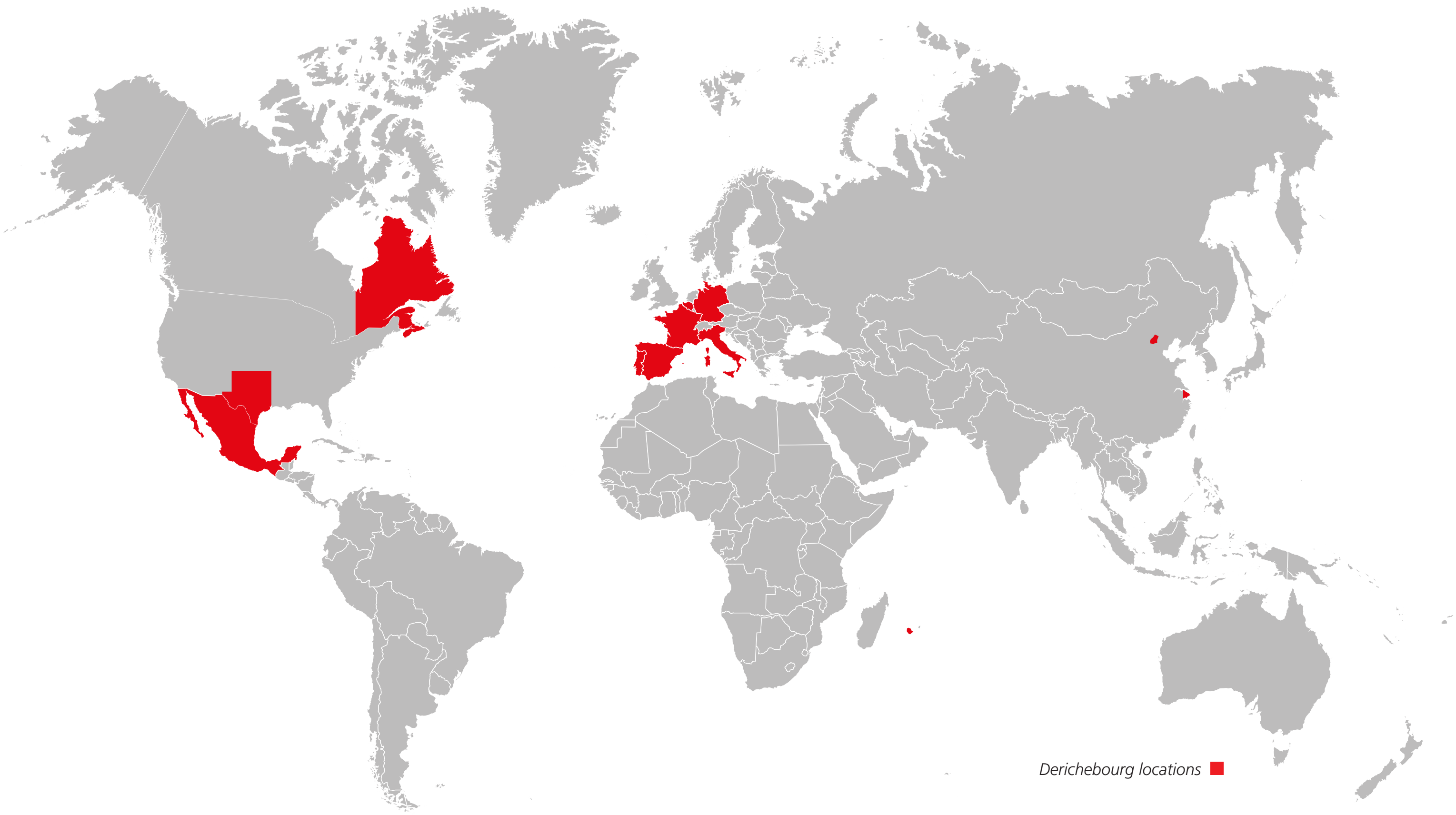
With operations in 10 countries and nearly 400 locations worldwide,

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



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



DIVERSIFICATION/RATIONALIZATION

2005 2007

Acquisition of Penauille Polyservices and merger of CFF Recycling

2013

Disposal of Servisair in order to concentrate on the core business and reduce debt

CONSOLIDATION

2015 2016

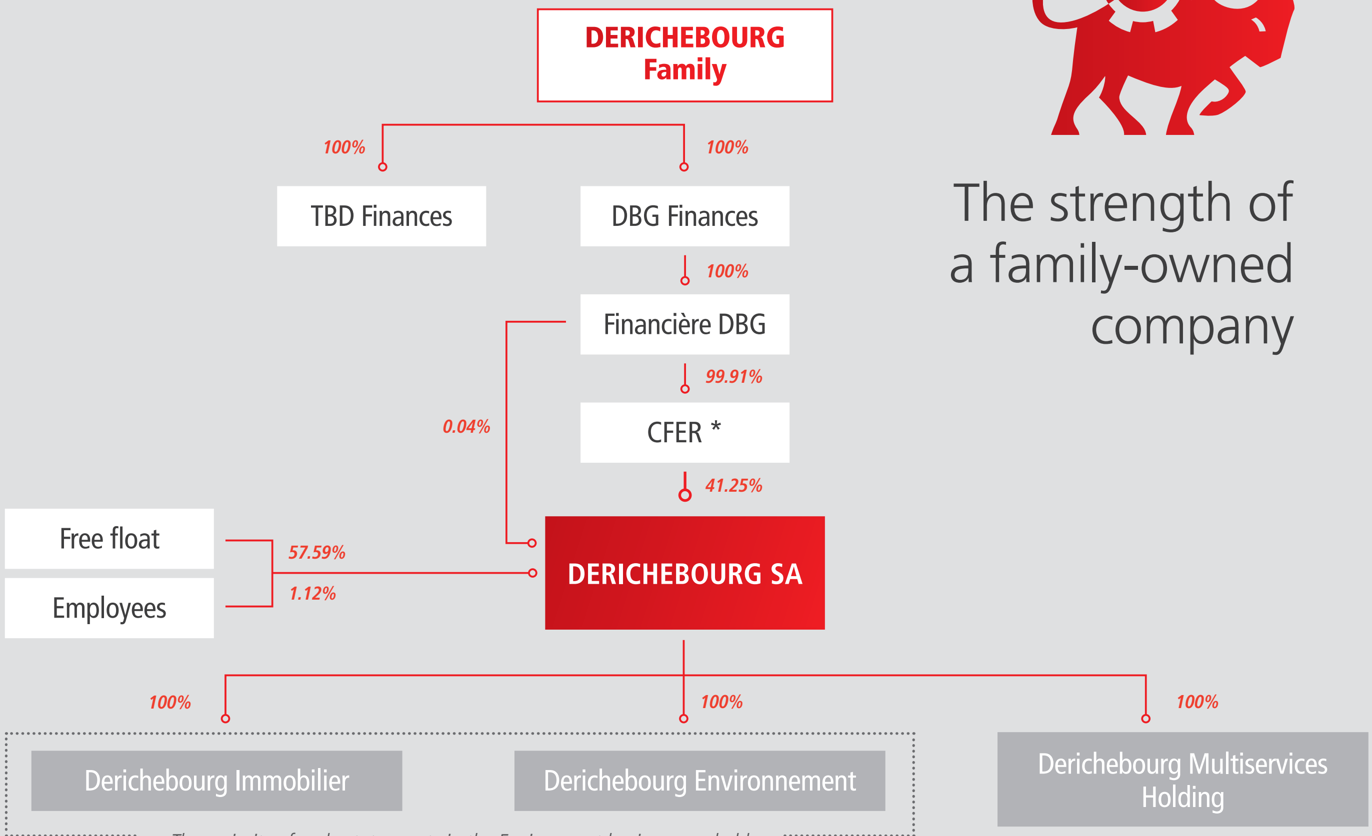
Acquisition of 40 sites:
Valerio (10/2015)
Galloo IdF (01/2016)
SLG (01/2016)
Bartin (12/2016)

2019

Signature of the contract to acquire the Spanish group Lyrsa, which operates 18 recycling centers (17 in Spain and 1 in Portugal)

SHAREHOLDER **STRUCTURE**

A group listed on Euronext Paris.



The majority of real estate assets in the Environment business are held by Derichebourg Immobilier.

** Please note that CFER holds 57.80% of voting rights.*

The strength of a family-owned company

SOLID FINANCIAL **PERFORMANCE**

In millions of euros	2020	2019	Change	Change %
Revenue	2,464.1	2,705.0	(241.0)	(8.9%)
Recurring Ebitda	180.9	191.2	(10.4)	(5.4%)
Recurring operating profit (loss)	62.4	103.1	(40.8)	(39.5%)
Operating profit (loss)	56.2	97.5	(41.3)	(42.4%)
Pre-tax profit (loss)	41.5	87.0	(45.5)	(52.3%)
Net profit (loss) attributable to shareholders	21.3	55.6	(34.3)	(61.6%)
Dividend per share suggest	-	0.11	(0.11)	-
Net financial debt	341.1	124.9	216.2	173%

Ratios	2020	2019
Recurring Ebitda *(as a % of revenue)*	7.3%	7.1%
Recurring operating profit/loss *(as a % of revenue)*	2.5%	3.8%
Leverage ratio [(1)]	1.84	0.65

(1) Pro forma of acquisitions, impact over 12 months on a rolling basis.

SERVICES ORGANIZED **INTO TWO COMPLEMENTARY BUSINESSES**

DERICHEBOURG **ENVIRONNEMENT**

- Revenue: **€1,627.4 M**
- Recurring Ebitda: **€142.2 M**
- Ferrous metals: **3,159.2 thousands of tons**
- Non ferrous metals: **552.3 thousands of tons**
- Aluminum ingots: **77,100 t**
- ELVs recovered: **409,000**
- WEEE: **206,100 t** recycled worldwide every year
- Number of shredders: **28**
- Number of shears: **67**
- Surface area owned and operated: **465 ha**
- Shredder residue recovery rate: **33.1%**

OUR SOLUTIONS

INDUSTRY

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

LOCAL GOVERNMENTS

- Waste collection
- Urban cleaning
- Landfill management

COLLECTIVE SCHEMES

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

DERICHEBOURG **MULTISERVICES**

- Average annual growth rate: **4.8%**
- Number of employees: **37,300**
- Number of locations: **117**
- Number of businesses: **19**

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
- Copper granulate

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) medium-term 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

BEING A COMMITTED EMPLOYER

- Deploying a risk prevention policy to guarantee employee safety and health
- Developing employment and skills
- Contributing to building a caring society

2

CONSOLIDATING RELATIONSHIPS OF TRUST WITH OUR PARTNERS

- Managing CSR risks in the value chain
- Offering a sustainable service

3

REDUCING THE GROUP’S ENVIRONMENTAL FOOTPRINT

- Improving the impact of our facilities
- Contributing to carbon neutrality
- Guaranteeing the environmental performance of our services

4

BEING A MAJOR PLAYER IN THE CIRCULAR ECONOMY

- Improving the recovery of waste treated on our facilities

MEASURABLE SOCIAL

PERFORMANCE

- **6.7%** Employees with disabilities
- **62%** Women
- **38%** Men
- **118** Nationalities

ENVIRONNEMENT

- **5.3 million tons** Contribution to avoided CO_2 emissions
- **206,100t** Recovered WEEE
- **409,000** Recovered ELVs

STRATEGY-ORIENTED GOVERNANCE

DIRECTORS AND CEOS

Daniel DERICHEBOURG
Chairman and Chief Executive Officer

Boris DERICHEBOURG
Director

Thomas DERICHEBOURG
Director

Abderrahmane EL AOUFIR
Deputy CEO (non-director)

COMPOSITION OF THE BOARD OF DIRECTORS

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	👤 *		
Boris DERICHEBOURG	👤		👤
Thomas 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 **13**

1.1.1 Environmental Services business 14
1.1.2 Multiservices business 23
1.1.3 Derichebourg Group business model. 28

1.2 Main CSR Risks **30**

1.2.1 Analysis of CSR risks 30
1.2.2 CSR strategy 31

1.3 Scorecard showing principal social, environmental and societal information **32**

1.4 Being a committed employer **33**

1.4.1 Deploy a risk prevention policy to guarantee employee safety and health 33
1.4.2 Developing employment and skills 34
1.4.3 Contributing to building a caring society 38

1.5 Reducing the Group's environmental footprint **43**

1.5.1 Improving the impact of our facilities 43
1.5.2 Contributing to carbon neutrality 45
1.5.3 Guaranteeing the environmental performance of our services 48

01

1.6	**Being a major player in the circular economy**	**49**
1.6.1	Improving the recovery of waste treated in our facilities	50
1.7	**Consolidating relationships of trust with our partners**	**53**
1.7.1	Managing CSR risks in the value chain	53
1.7.2	Offering a sustainable service	54
1.8	**Duty of vigilance**	**56**
1.9	**Report by the independent third party organization on the consolidated statement of extra-financial performance**	**57**

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 and outsourced aeronautical services.

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

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

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

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

Main markets

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

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

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

1.1.1 Environmental Services business

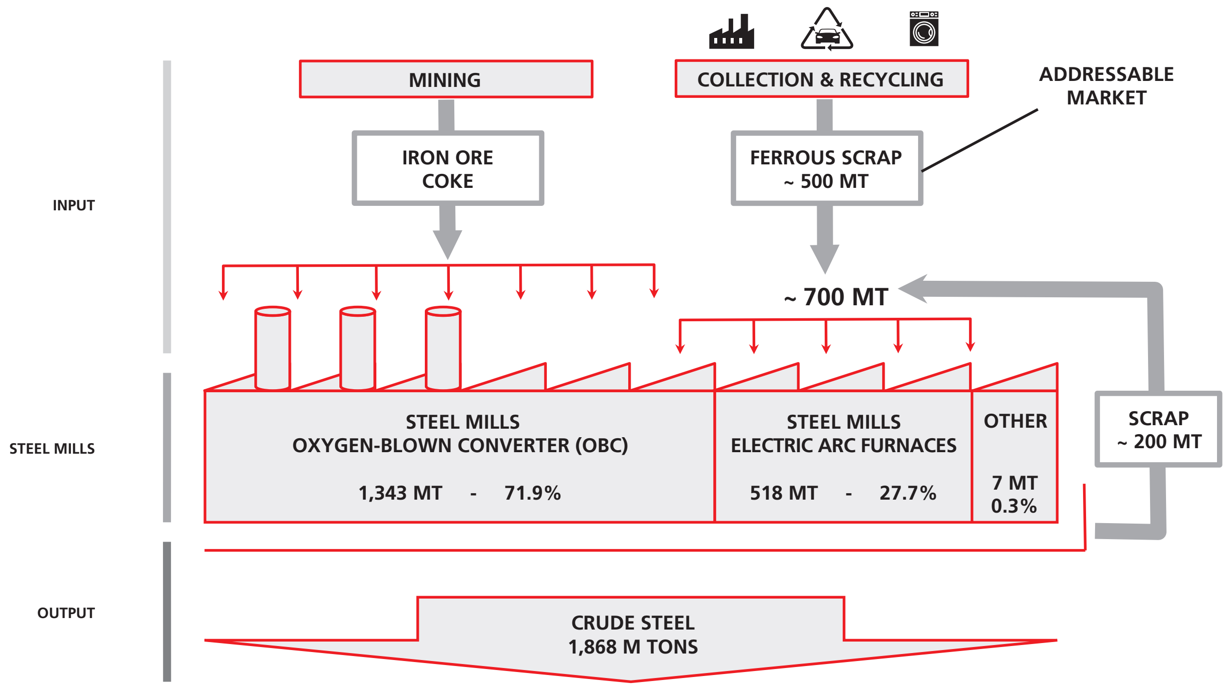
1.1.1.1 Recycling business

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

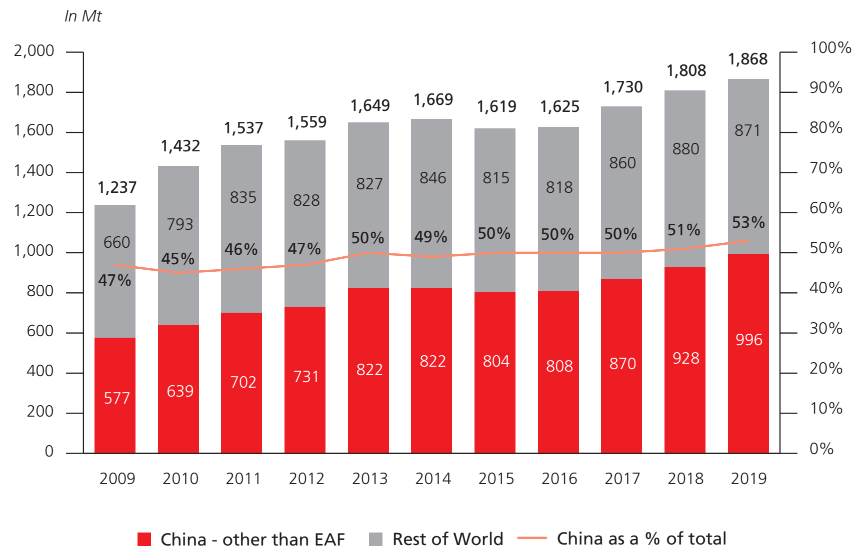
The ferrous scrap metal recycling market is at the interface between an upstream market (waste supply) and a downstream market (steel mill needs).

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



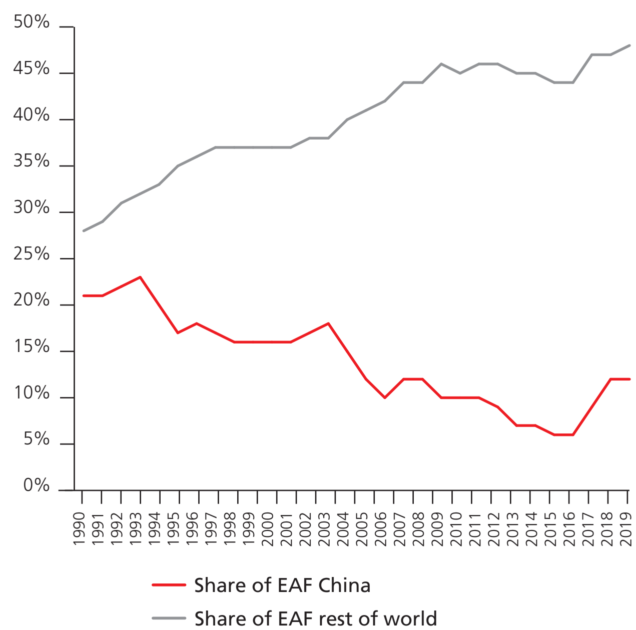
Source: Worldsteel Association.

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

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

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

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



Source: Worldsteel Association.

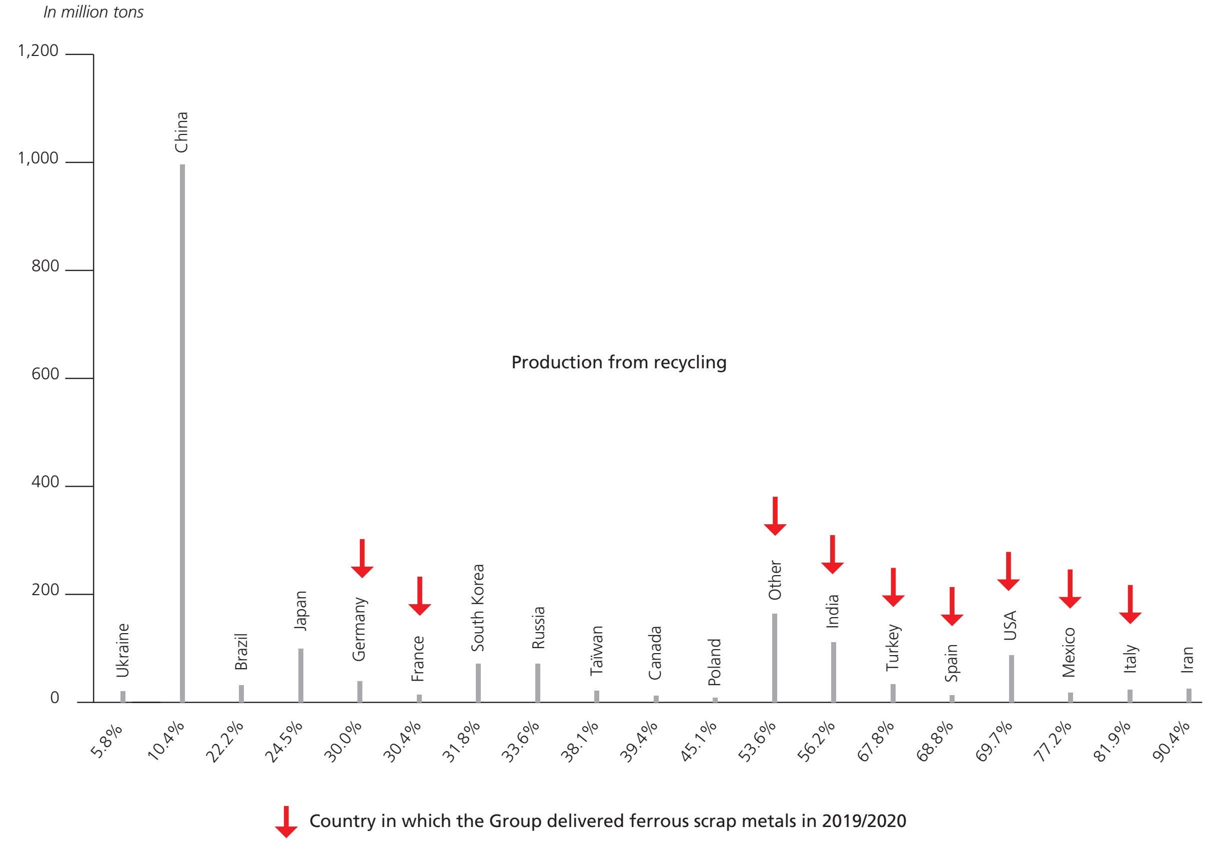
As you can see in the previous graph, the share of steel from electric steel mills tends to increase from year to year, on a regular basis in countries other than China, and more recently in China. The competitive advantages of steel from electric mills are as follows:

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

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

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

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



Source: Worldsteel Association.

- Steel and ferrous scrap metal trade flows

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

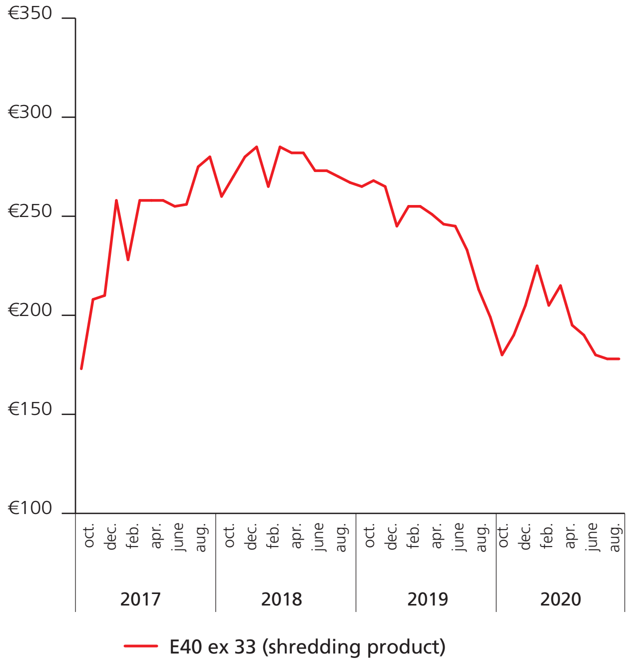
The intensity of Chinese steel exports significantly influences the European steel market and consequently its need for ferrous scrap metal. Starting in mid-2016, China has sharply reduced its steel exports to Europe due to its strong domestic demand, which has allowed European and Turkish steelmakers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

Turkey is the world’s largest importer of ferrous scrap metal. It produces 34 MT of steel, 68% of which comes from electric mills, with insufficient local raw materials, and imports about 19 MT/year of ferrous scrap metal (19% of the global trade). Unlike domestic markets, where price negotiations with steel mills occur monthly, the Turkish market buys ships on the spot market (up to 40,000 t). This means that changes in Turkish prices have an effect on the supply regions of the United States and Europe, which have a surplus of ferrous scrap metals. The economic situation in Turkey is also a factor that influences the ferrous scrap metal market.

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

The ferrous scrap metal recycling market is perceived as relatively volatile, 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:

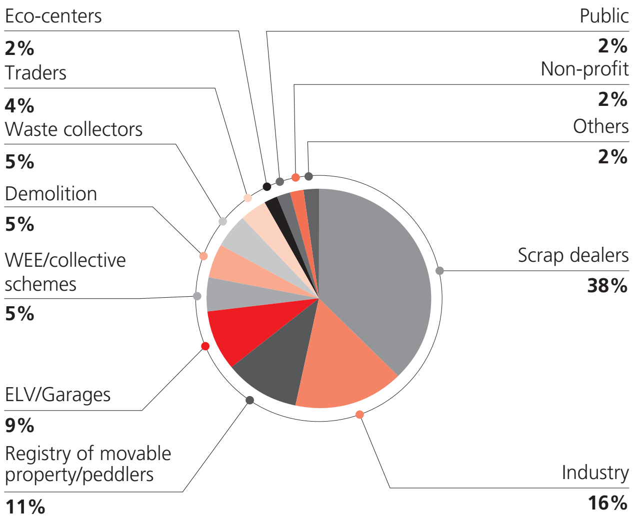


Source: Derichebourg.

- 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.

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

1.1.1.1.2 The non-ferrous metals recycling market (NFM)

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

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

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

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

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

Source: Federec, key recycling figures 2019.

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

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

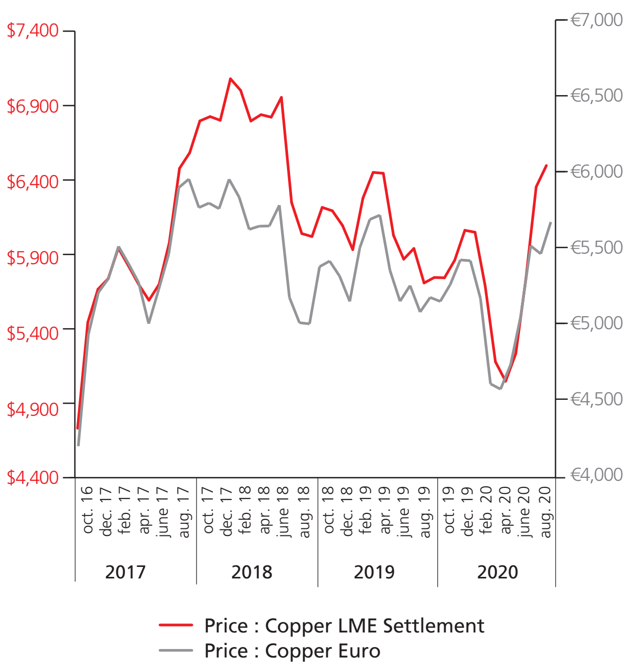
In addition, the production of secondary, recycled products is much cheaper than manufacturing primary products from ore. Investments required are, on average, three to four times lower than for refining ore. Energy savings compared to the production of primary metal are about 60% to 80% for copper and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

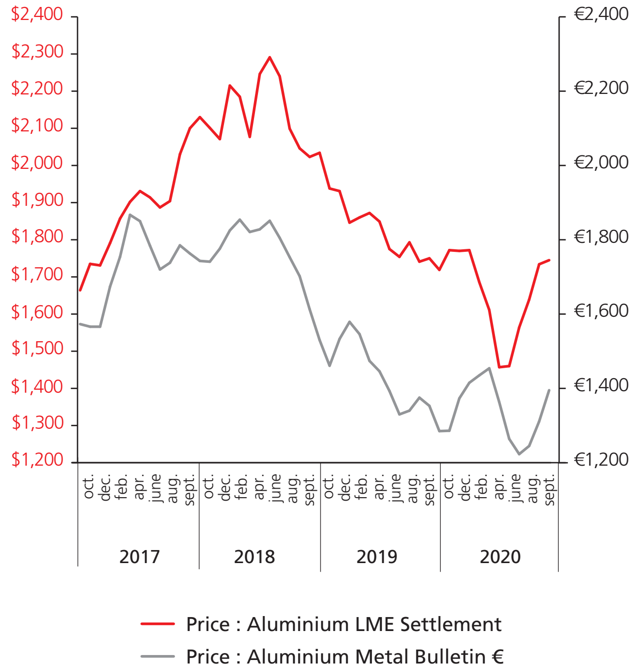
Even so, production cost savings are partially offset by the costs of collection and by environmental restrictions in industrialized nations. These limitations are less restrictive in emerging countries, which increasingly use this type of production and import recuperated products.

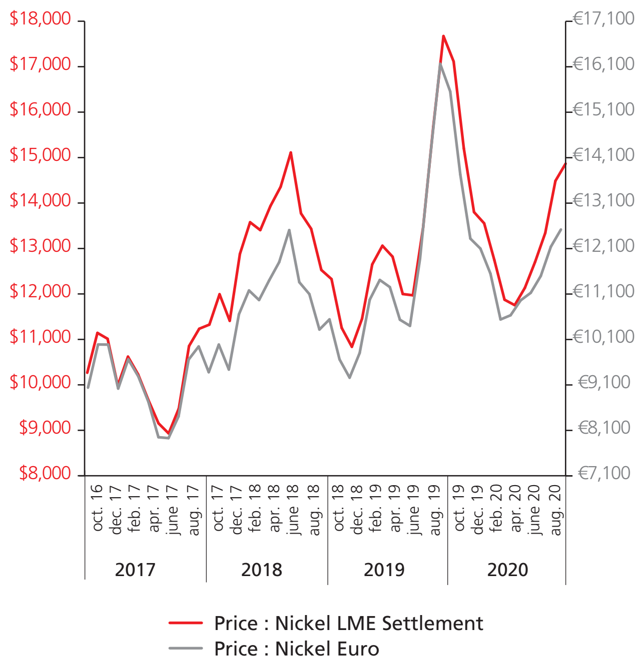
The recovering of end-of-life products alone accounts for approximately 35% of global non-ferrous metal production (source: Bureau of International Recycling). The global demand for non-ferrous metals correlates strongly with changes in the global industrial production index.

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

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



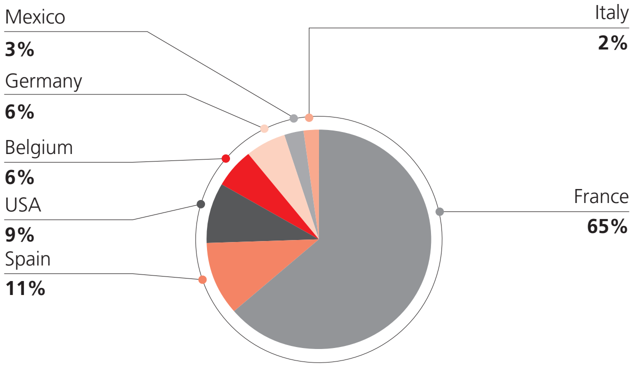




It should be noted that these graphs, and especially those for copper and nickel, imperfectly reflect the change in the Group's sale prices, which are based on the LME prices, but which also take into account a discount for the secondary metal. This discount changes according to market conditions. For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

1.1.1.1.3 Business portfolio

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



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

This business employs about 3,000 employees.

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

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

1.1.1.1.3.1 Ferrous metals

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

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

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

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

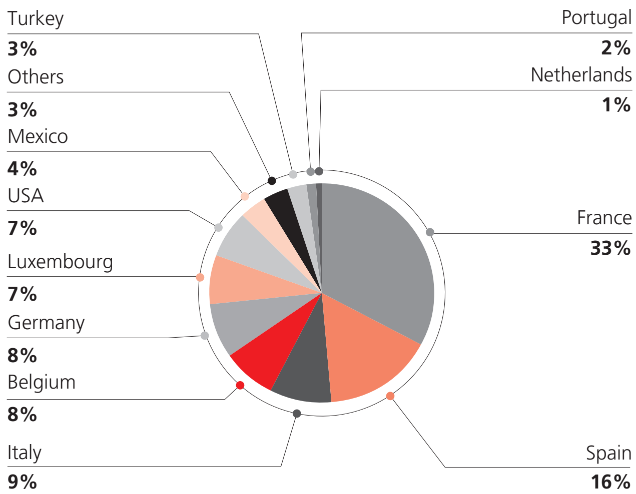
The second-largest actor with a national presence is the Ecore Group, whose share of the ferrous scrap metal processing market is around 15%-20% (source Derichebourg).

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

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

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

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



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

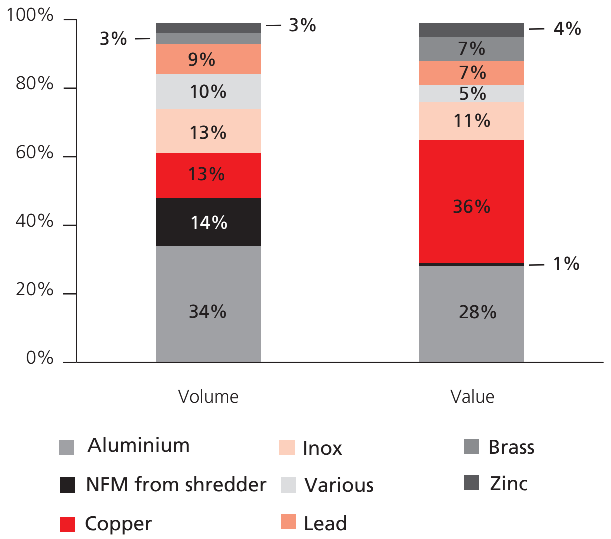
The Group is trying to keep its inventories low (about 15 days of activity) in order to limit its exposure to changes in ferrous scrap metal prices.

The Group does not operate any steel mills.

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

I.I.I.I.3.2 Non-ferrous metals (NFM)

The breakdown of revenue by metal is as follows:



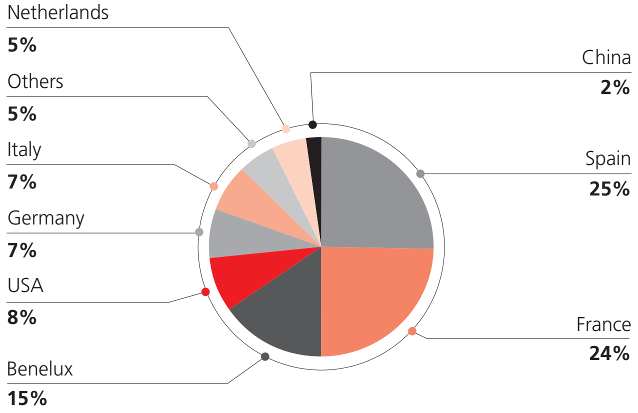
Compared to its competitors, the Group processes a larger relative volume of non-ferrous metals. Having a strong market share in non-ferrous metals is one of the Group's historic features. This is due to the diversity of processed flows:

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

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

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

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



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

I.I.I.I.3.3 Services provided

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

I.I.I.I.3.3.1 Treatment of Waste Electrical and Electronic Equipment (WEEE)

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

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

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

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

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

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

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 2019 fiscal year, the Revival subsidiary inaugurated a new facility in Noisy-le-Sec, in the Paris region, with a processing capacity of 88,000 t/year, which fits neatly into the urban landscape.

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

1.1.1.2 Public Sector Services business

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

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

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

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

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

This business employs about 1,700 employees.

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

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

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

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

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

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

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

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

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

1.1.1.4 Research and development business

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

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

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

1.1.2 Multiservices business

1.1.2.1 Multiservices markets

Multiservices includes many businesses that have two points in common:

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

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

1.1.2.2 Business portfolio

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

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

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

These solutions are deployed by 19 subsidiaries in six countries.

Businesses and subsidiaries

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

Contribution to revenue by solution

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

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

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

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

Intervention sectors:

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

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

Key figures 2020:

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

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 Aeronautics Services is involved in aircraft assembly and quality inspection.

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

Aeronautical industry support	Aerial operations support
▫ Industrial processes ▫ Assembly/manufacturing ▫ Delivery assistance ▫ Ground support services	▫ Navigability management ▫ Customer representation & delivery support ▫ Aircraft transitions ▫ Training & knowledge transfer

Key figures 2020:

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

1.1.2.2.3 HR & Temporary Sourcing Solutions

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

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

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

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

1.1.2.2.3.1 Derichebourg Intérim et Recrutement

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

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

Key figures 2020:

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

1.1.2.2.3.2 Derichebourg Aeronautics Recruitment

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

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

Key figures 2020:

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

1.1.2.2.3.3 Derichebourg Aeronautics Training

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

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

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

Key figures 2020:

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

1.1.2.2.4 Urban Area Solutions

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

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

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

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

1.1.2.2.4.1 Public lighting: Derichebourg Énergie E.P.

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

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

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

Key figures 2020:

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

1.1.2.2.4.2 Urban billboards: Derichebourg SNG

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

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

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

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

Key figures 2020:

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

1.1.2.3. Multiservices markets

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

The subsidiaries of the Multiservices division have variable market positions:

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

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

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

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

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

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

In response, Derichebourg Multiservices is deploying:

- **New service offerings**

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

  These offerings encourage greater energy efficiency and aim to contribute to the performance of our customers in these areas.
- **Facility Management.** Faced with the growing demand for multiple services by companies and local authorities, Derichebourg FM responds by offering them a single integrated contract, in which it entrusts the management and performance of each of the expected services to its own teams.

  In this way, it can guarantee the excellence of services and a level of quality that corresponds to the specific challenges of each of its customers.
- **Modernization of human resources strategy** to respond to technological and societal changes, support its employees and attract and retain talent.
- **Development of the national network**
  - In Cleaning, the largest business by revenue, the Group has an established structure within France, giving it a coherent territorial network. The Group seeks to increase its market share both organically and through targeted acquisitions to better amortize its structural costs.
  - The rationale is similar in the temporary employment businesses, in which the Group is competing with very large competitors. Increasing the density of the domestic network and revenue growth are two areas of focus for these activities.

RESOURCES

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

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

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

MISSION

TO SERVE people while protecting their environment

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

- EXPERTISE
- A SENSE OF SERVICE
- SUSTAINABLE DEVELOPMENT
- LOCAL SERVICES

CHALLENGES

- INCREASING ENVIRONMENTAL STANDARDS
- ADAPTING OUR BUSINESS MODEL TO THE ECONOMIC ENVIRONMENT
- DEVELOPMENT VIA DIGITAL
- ROWING OUTSOURCING DEMAND
- PERSONALIZATION OF SERVICES

ACTION

PROTECT
ENVIRONMENT AND ITS RESOURCES

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

CLEAN UP
PROFESSIONAL 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.

VALUE CREATION FOR OUR STAKEHOLDERS

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

8 DECENT WORK AND ECONOMIC GROWTH

MANUFACTURING
- Recycling of **3.16 million tons** of ferrous metals and **552,300 tons** of non-ferrous metals to avoid the emission of **5.3 million t CO_2 eq**.
- **77,100 tons** of aluminum ingots produced

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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

7 AFFORDABLE AND CLEAN ENERGY · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

HUMAN CAPITAL

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

RELATIONSHIP-BASED LOCAL ECOSYSTEM

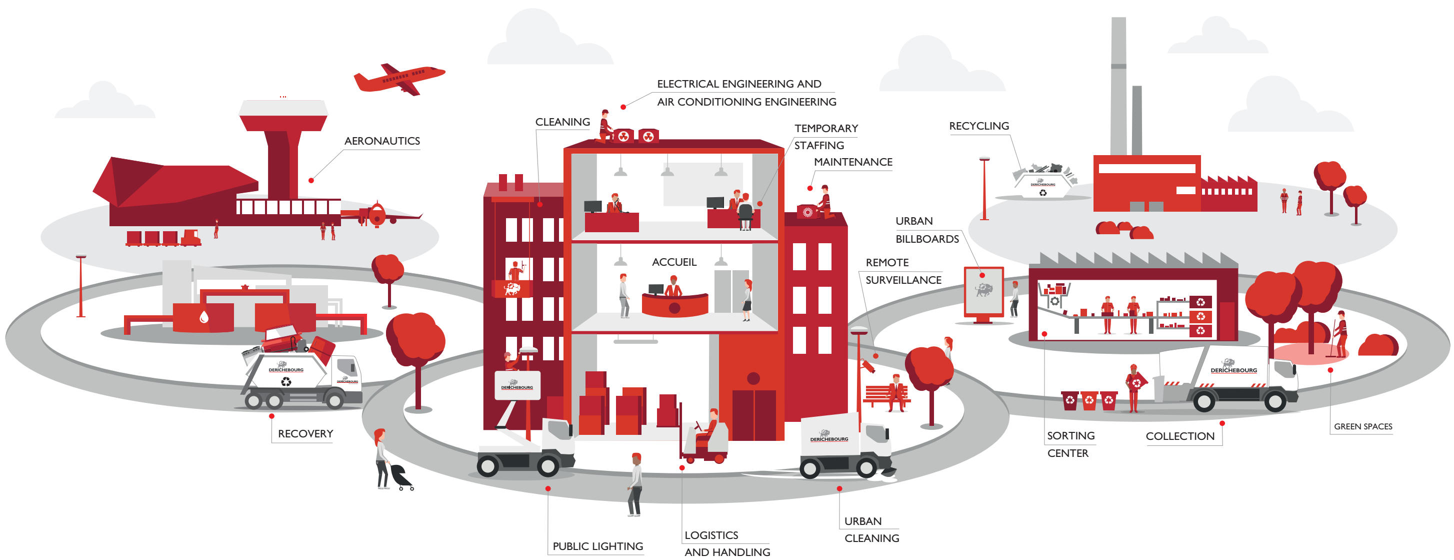
- Supplier Proximity: factories, professionals, individuals
- Diverse customers: industries, local authorities, services, Eco-organizations
- Institutional and associative partnerships

ENVIRONMENTAL CAPITAL

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

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

DERICHEBOURG



HUMAN

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

RELATIONSHIP-BASED ECOSYSTEM

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

ENVIRONMENTAL

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

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 2018-2022" program to be defined.

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

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

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

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

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

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

- priority;
- secondary;
- low.

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

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

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

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

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

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

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

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

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

1. Prior to the French Government's lockdown decision

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

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

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

2. During the spring 2020 lockdown

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

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

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

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

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

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

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

3. Post-lockdown period

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

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

1.2.2 CSR strategy

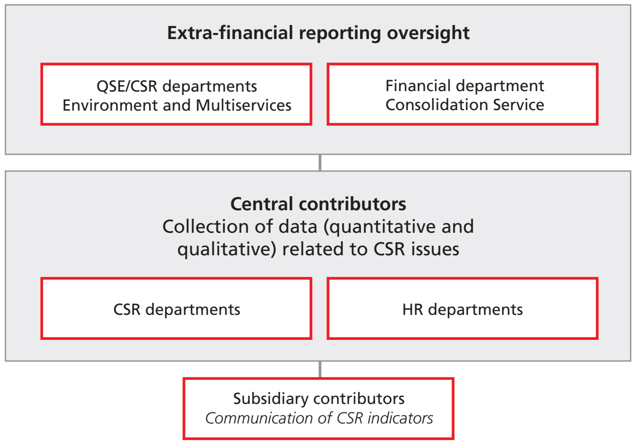
The CSR Committee, comprising permanent members (secretary general, financial directors, human resources and CSR directors) and temporary experts (insurance, legal, etc.) has the task of monitoring the action plans and the effectiveness of the systems implemented using management indicators.

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

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

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

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

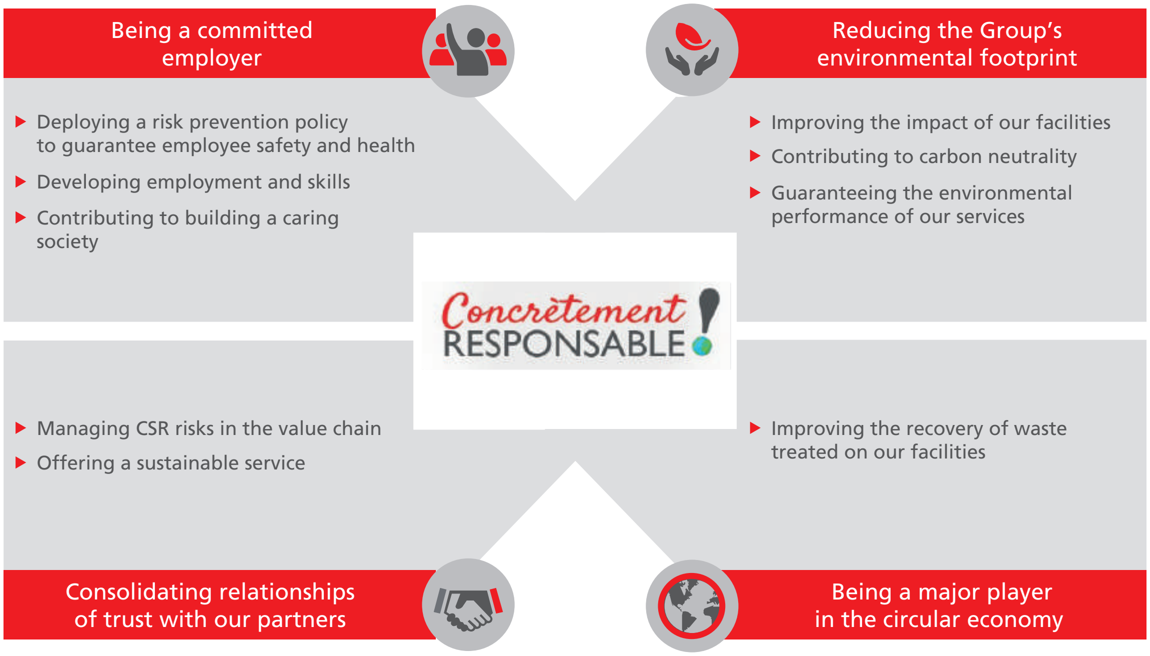


The subsidiary contributors collect, check and analyze the indicators that correspond to their businesses. The central contributors and consolidation department check the consistency of the data.

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

The 2018-2022 program

4 strategic axes → 9 main ambitions



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	2020	2019
Work accident frequency rate	28	27.6	34.6
Percentage of employees with disabilities	7%	6.7%	6.2%
Share of ISO 14001-certified industrial sites	100%	48%	25%
Recycling site energy consumption per metric ton treated*	30 kWh PCI**/t	32.5 kWh PCI/t	30.4 kWh PCI/t
Fuel consumption per 100 km traveled for the Recycling business***	42 l/100 km	43.1 l/100 km	42.8 l/100 km
CO_2 emissions per km traveled for the Recycling business***	1,200 g CO_2/km	1,324 g CO_2/km	1,313 g CO_2/km
Proportion of shredder residue sent for recycling*	40%	33.1%	27.6%
Average satisfaction score from Multiservices customers (/10)	8	8.3	7.8

* *Scope France.*
** *Lower calorific value: theoretical amount of energy contained in a fuel.*
*** *Scope Germany, Belgium and France.*

1.4 Being a committed employer

1.4.1 Deploy a risk prevention policy to guarantee employee safety and health

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

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

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

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

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

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

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

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

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

number of health
and safety training hours
78,500

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

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

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

The work-related accidents accounted for in the frequency rate are those that were notified by the competent administration during the period. Overall, we note a 20% improvement in the frequency rate and an 8% improvement in the severity rate. In terms of frequency rate and severity rate, the results of the two main activities in terms of headcount (Recycling and Cleaning) are better than those of their respective divisions.

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

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

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

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

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

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

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

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

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

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

1.4.2 Developing employment and skills

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

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

1.4.2.1 Recruitment

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

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

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

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

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

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

1.4.2.2 Supporting skills development

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

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

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

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

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

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

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

The Academy aims to be comprehensive through different components:

- the work-study scheme is an essential employment driver and constitutes a recruitment pool for tomorrow's employees. The work-study recruitment policy covers all diploma classifications from the CAP to the Master's. During the 2019-2020 fiscal year, Derichebourg Propreté had 134 professionalization contracts and 81 apprenticeship contracts underway. To expand our approach, we want to structure it through classes to improve professionalization and maximize integration within the Group;
- business training paths;
- the on-demand training offering *via* the "Derichebourg Passport" training program comprising all training available for all employees;
- the network of internal trainers;
- career management (mobility, individual career paths, coaching, etc.);
- Derichebourg Aeronautics Training France, a subsidiary dedicated to business training;
- conference cycles;
- integration paths.

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

These interviews enable employees to benefit from individual support.

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

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

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

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

number of training hours
248,100

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

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

1.4.2.3 Ensuring respect for employees' rights

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

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

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

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

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

Labor relations

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

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

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

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

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

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

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

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

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

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

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

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

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

Organization of working hours

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

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

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

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

Equal opportunity

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

1.4.3 Contributing to building a caring society

1.4.3.1 Promoting diversity

Working towards gender equality between women and men

employee breakdown

26,300 **15,900**

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

Environmental Services

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

Business Services

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

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

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

The Business Services division published its "gender equality index" for nine of its subsidiaries (Derichebourg Énergie, Derichebourg Énergie E.P., Derichebourg Aeronautics Recruitment France, Derichebourg Automobiles Services, Derichebourg Intérim et Recrutement, Derichebourg Accueil, Derichebourg Retail, Derichebourg SNG and Derichebourg Propreté). The overall average of 79.6 points out of 100 shows that the efforts already put into the subsidiaries can be maintained, and that they are steadily growing year on year. The subsiduaries have posted markedly positive results in terms of compensation and individual increases.

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

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

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

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

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

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

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

Breakdown of workforce, employment of young and older people

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

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

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

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

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

Operation “Jeunes Pousses” for young graduates

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

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

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

Remaining in and return to work

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

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

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

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

Disability

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

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

- increasing the percentage of employment of disabled workers;
- developing an active and proactive policy of integrating disabled employees;
- introducing measures aimed at fostering the retention of disabled employees as well as supporting employees who become disabled during their working life so they can remain in their post;
- allowing disabled employees to enjoy the same career opportunities as other employees;
- strengthening links with, and outsourcing more services to disability-friendly companies;
- pursuing an active training policy.

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

employees with disabilities

6.7%

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

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

1.4.3.2 Developing our regional focus

Breakdown by country and by business

Breakdown by business and by country is as follows:

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

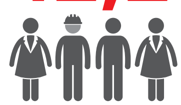
The 15% increase in the workforce is explained by the consolidation of new foreign subsidiaries, notably Grupo NET and Lyrsa (Derichebourg España) in Spain (with more than 5,600 employees) into the Group's reporting scope.

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

The Business Services headcount includes temporary employees placed with the customers of the temporary employment subsidiaries. As at September 30, 2020, 8% of the employees of Business Services companies were temporary workers.

employees

42,200



Recruitment and departures

It should be noted that Household Waste Collection/Cleaning (Environmental Services) and Cleaning (Business Services) are subject, both in France and abroad, to regulations which may require the transfer to successor companies of employees working on a given contract, in line with specific detailed procedures. These employees typically have permanent contracts. Changes in headcount are therefore directly related to business trends.

Recruitment

The table below details departures by business:

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

Departures

The table below details departures by business.

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

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

Multiculturalism

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

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

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

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

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

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

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

(1) Basic French language certificate.

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

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

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

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

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

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

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

Employee commitment

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

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

- The salary rounding system enables employees who wish to do so to support one of the four partner associations (Simplon, which offers free training in coding to young people with difficulties in finding work; Le Rire Médecin, which offers entertainment to children in hospital in France; Sport dans la Ville, which is the main association for integration through sport in France; APHP for research against Covid-19), by making a micro-donation on their salary (between €0.5 and €5). Derichebourg Multiservices doubles the amount of each donation. It is a joint employee-employer solidarity scheme. More than 300 employees participate in this scheme.
- A wellness and sports program. During the lockdown, Derichebourg Multiservices made United Heroes available to all of its employees. This is an application that allows them to stay motivated, boost their daily well-being and keep up to date with articles and tips on how to exercise more and eat well. This application helped employees to stay active and connected during this period.
- A sponsorship program with three associations:
  - Our Neighbourhoods Have Talent (Nos quartiers ont des talents – NQT). Since 2006, the association has been working to promote equal opportunity by supporting young people with three or more years of higher education, aged under 30, from priority neighbourhoods or from modest social backgrounds, in their search for employment, work-study program or entrepreneurship opportunities;
  - DUO for a JOB connects young people from diverse backgrounds and refugees with experienced people over 50 years old from the same professional sector, so that they can support them in their job search;
  - Sport dans la Ville is the main association for integration through sport in France. All of the programs help to promote the social and professional integration of the 5,000 young people registered with the association, by actively participating in their progress and personal development.

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

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

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

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

1.5 Reducing the Group's environmental footprint

1.5.1 Improving the impact of our facilities

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

1.5.1.1 Improving site energy efficiency

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

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

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

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

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

	Recycling business*		
In kWh LCV** per ton treated	2022 targets	2020	2019
Site energy consumption per ton treated	30	32.5	30.4

* *Scope France, excluding REFINAL INDUSTRIES.*
** *Lower calorific value: theoretical amount of energy contained in a fuel.*

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

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

electric consumption
121.8 GWh
+3.8% compared to 2019

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

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

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

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

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

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

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

1.5.1.2 Managing environmental risks

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

Investments in environmental protection for the 2019/2020 fiscal year amounted to nearly €15,8 million, plus environment-related expenses of €2.6 million (analysis of waste, environmental discharges, maintenance, etc.), ensuring that the Group's industrial plants comply with their regulatory requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

Site restorations – termination of ongoing activities

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

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

(1) Best Available Technology REFerence.

Provisions for environmental risks changed as follows:

In millions of euros	2020	2019
Environmental Services	6.7	3.8

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

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

Relations with neighbors

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

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.

This commitment is monitored *via* the following indicator:

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

(1) Worldwide.

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

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

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

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

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

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

1.5.2 Contributing to carbon neutrality

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

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

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

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

MEASUREMENT

Greenhouse gas emissions are calculated under Scope 1 (direct emissions) and Scope 2 (indirect emissions associated with energy), accounting for 169,221 metric tons of CO_2 equivalent for the fiscal year 2019-2020.

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

- electricity purchased: 18,787 metric tons CO_2 equivalent;
- consumption of fossil fuels related to the facilities: 88,593 metric tons CO_2 equivalent;
- fuel consumption related to travel: 61,841 metric tons CO_2 equivalent.

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

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

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

REDUCTION

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

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

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

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

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

Elimination or electrical flexibility is the ability of a site to reduce or even stop its consumption in the event of strong demand or a shortage of supply, at the request of Réseau de Transport Electricité (RTE), the French Electricity Transmission Network. Indeed, in the event of consumption peaks, in order to avoid having to restart old and polluting power plants (particularly coal-fired, which emit a lot of CO_2), RTE is asking volunteer companies to significantly reduce their consumption and mitigate the said peak.

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

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

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

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

CARBON OFFSETTING

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

More than 6,000 tons of CO_2 equivalent were offset by the purchase of carbon credits with the Mendefera Water project in Eritrea. This project rehabilitates broken boreholes to provide clean water to communities while providing a funding mechanism to ensure long-term maintenance. Families no longer have to boil water, saving firewood and the associated carbon emissions.

1.5.2.1 Improving the performance of transportation - Environmental Services

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

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

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

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

  AlertGasoil™ is a complete solution for measuring and controlling fuel consumption and greenhouse gas emissions to facilitate global management and reduce waste (TMAVA[1] monitoring, driving behaviour, etc.). The technology used by ADD AlertGasoil is certified "class 4" by ADEME, the French Environment and Energy Management Agency, which is the highest possible level of certification for the accuracy of fuel consumption and CO_2 emissions measurements.

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

  The roll-out of the on-board sensors began at the start of the 2018/2019 fiscal year, and was completed in June 2019 for the French, Belgian and German vehicle fleet. In 2021, the Group plans to roll out this technology in Spain for the Recycling business;
- ecodriving training for all drivers in France by 2022.

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

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

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

- route planning assistance

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

Similarly, Derichebourg entered into a partnership in 2016 with Michelin Group to manage its tire stock. Accordingly, the Group has chosen to place the emphasis on extending the life of tires by retreading and regrooving them, where this is possible, helping to reduce the amount of raw materials consumed compared with manufacturing a new tire. The introduction of tire pressure monitoring has also helped to reduce fuel consumption. The reduction in greenhouse gas emissions compared with a scenario without these measurements was 59 metric tons of CO_2 equivalent in 2019 (Michelin data).

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

- keep vehicle consumption below 42 liters/100 km;
- reduce the volume of diesel used;
- reduce 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 targets	2020	2019
Fuel consumption per 100 km traveled	42	43.1	42.8
In grams of CO_2 per kilometer traveled	2022 targets	2020	2019
CO_2 emissions per km traveled	1,200	1,324	1,313

* *Scope Europe, excluding Spain and Italy.*

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

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

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

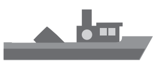
As a reminder, most of the Group's subsidiaries have access to river or maritime infrastructure, including: Marseille (Purfer), Rouen and Valenciennes (Revival), Houston (Derichebourg Recycling USA), Nantes (AFM Recyclage), Brussels and Liège (Derichebourg Belgium), Karlsruhe (Derichebourg Umwelt GmbH)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

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

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

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

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



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

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

* *Group scope excluding Spain.*

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

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

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

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

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

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

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

1.5.2.2 Improving the performance of the vehicle fleet - Business Services

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

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

A study of the vehicle fleet was conducted this year with the major challenges of reducing the fleet's average CO_2 level, ensuring continuity of service despite the tightening of environmental regulations and optimizing Total Cost of Ownership (TCO). Short-term actions include the implementation of a fleet management software, and the modernization of the car fleet together with a review of the car policy.

1.5.3 Guaranteeing the environmental performance of our services

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

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

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

1.6 Being a major player in the circular economy

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

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

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

A business serving the circular economy: recovery of metal waste

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

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

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

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

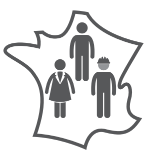
The Group also increased its aluminum production capacity through the acquisition of Lyrsa (renamed Derichebourg España), which has produced 8,640 tons of ingots in its refinery since January 1, 2020 (date of its consolidation).

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

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

Furthermore, the use of secondary raw materials to produce new steel or non-ferrous metals enables a significant reduction in greenhouse gas emissions compared to producing them using raw materials. Effectively, the production of one ton of steel from recycled materials enables a reduction of 58% of 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 LCA method – May 2017).

The Group estimates the volume of emissions avoided due to its activity to be 5.3 million metric tons of CO_2 equivalent, which is the annual emissions of more than 757,000 French inhabitants[2].



volume of emissions avoided
5.3 million tons of CO_2 eq

annual emissions of
= 757,000 french people

(1) *Life Cycle Analysis.*

(2) *EpE Zen 2050 study – emission of 7 tons of CO_2/inhabitant/year.*

1.6.1 Improving the recovery of waste treated in our facilities

1.6.1.1 Limiting the quantity of shredder residue produced

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

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

For a long time, shredding residues, plastic and even some undetected metallic residues were sent to landfill facilities. Historically, up to 25% of the volumes sent to shredder thus ended up in landfill. For many years, and particularly since the improvement in detection equipment (driven induction, infrared detection, x rays, optical sorting, etc.), the Group has been endeavoring to reduce the proportion of residues consigned to landfill facilities. During the year, the Group's shredding lines (excluding Spain) produced 292,000 metric tons of residual waste (down 14% compared to 2018/2019 largely due to the Covid-19 pandemic).

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

End-of-life vehicles (ELV) segment

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

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

average reuse and recycling rate for ELVs **86%***
** 2018 data*

average reuse and recovery rate for ELVs **93%***
** 2018 data*

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

(1) ADEME 2018 data.

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

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

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

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

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

The situation partially returned to normal in 2019.

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

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

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

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

(1) Non-refrigeration Large Household Appliances

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

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

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

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

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

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

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

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

* *Scope France.*

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

The Waste Electrical and Electronic Equipment (WEEE) segment

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

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

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

recycling and recovery rates,
large household appliances – cold

94%

recycling and recovery rates,
large household appliances
– excluding cold

90%

recycling and recovery rates,
small mixed household appliances

83%

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

* *Results from annual designation campaigns.*

New facilities

In 2019, a new refrigeration large household appliance unit with an annual capacity of 15,000 tons was opened in the Bordeaux area. This new processing line also allows the recovery of hot water tanks. Until now, there was no industrial solution in France for extracting the greenhouse gases present in hot water tank insulation foam, and the tanks present specific shredding difficulties (strong sheet-metal, cylindrical shape, presence of limescale).

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

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

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

Waste Management (WM) contracts

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

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

These so-called "missing" WEEE (as they are outside of the eco-organization process) are reintegrated into the official stream to be processed correctly in compliance with current regulations, and they are reported to eco-organizations.

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

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

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

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

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

1.6.1.2 Increasing research efforts into the processing of shredder residue

Measures implemented to address this include:

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

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

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

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

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

The Group is still working on an internal solution to recover shredding waste and has introduced a unit within the technical service department to develop recovery channels. Numerous tests with different equipment manufacturers and new potential outlets were conducted throughout the fiscal year. A shredder was modified and dedicated to the processing of shredder residue in order to reach a higher recovery level and obtain a high-quality SRF (solid recovered fuel).

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

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

1.7 Consolidating relationships of trust with our partners

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

1.7.1 Managing CSR risks in the value chain

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

Duty of vigilance

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

Fair trading practices

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

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

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

- a scoring on impact and frequency in order to obtain a mapping of inherent risks. The types of impacts selected are reputation, marketing, legal and financial and the seriousness is assessed from low to critical. Frequency is defined by time intervals from the possible (every 3 to 10 years) to the almost certain (several times per quarter);
- a scoring of the level of inherent risk management in order to prepare a mapping of residual risks. The level of risk management represents the level of internal control maturity in respect to a risk. It has been assessed as being exemplary when the risk is covered by a control mechanism that is appropriate, formalized and supervised.

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

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

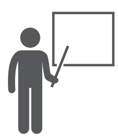
It sets out the Group's policy in terms of gifts received or offered, hospitality, contracts signed with intermediaries, facilitation payments, patronage and sponsoring.

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

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

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

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



rate of completed
anti-corruption training courses
98.8%

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

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

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

No alerts have been raised during this fiscal year.

1.7.2 Offering a sustainable service

1.7.2.1 Assisting customers with their green, corporate and societal transitions

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

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

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

Derichebourg Énergie E.P. is a significant player in the Île-de-France region in the public lighting renovation market, and to this end uses LED technology and develops contracts with a high energy performance component. This solution allows rapid reductions in energy bills and in the cost of contracts with energy suppliers and also a substantial reduction in maintenance cost. In addition, the upgrading to the highest colorimetry and light loss standards reduces light pollution directed towards the sky, reducing the impact of public lighting on biodiversity while again improving energy consumption.

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

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

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

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

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

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

(1) Indicator of the lifespan of the LEDs.

1.7.2.2 Delivering service excellence

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Prevention:

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

Protection:

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

Disinfection:

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

1.8 Duty of vigilance

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

Measures implemented:

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

1.9 Report by the independent third party organization on the consolidated statement of extra-financial performance

To the shareholders' meeting,

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

Responsibility of the entity

The Board of Directors is responsible for preparing a Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied in respect of these risks and the results of these policies, including key performance indicators.

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

Independence and Quality Control

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

Responsibility of the third party independent organization

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

- the Statement's compliance with the provisions stipulated in Article R. 225-105 of the French Commercial Code;
- the fair presentation of the information provided in application of 3° of I and II of Article R. 225-105 of the French Commercial Code, i.e. the results of the policies, including the key performance indicators, and the actions, with respect to the main risks, hereafter the "Information".

- However, it is not our responsibility to comment on:
- compliance by the entity with any other applicable legal and regulatory provisions, in particular in terms of any vigilance plan and the fight against corruption;
- nor on the compliance of products and services with applicable regulations.

Nature and scope of the work

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

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

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

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

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

Means and resources

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

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

Conclusion

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

Comments

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

Paris-La Défense, December 3, 2020

Independent third party organization
EY et Associés

Jean-François Bélorgey
Partner

Philippe Aubain
Managing Partner Sustainable Development

Appendix 1: information considered to be the most significant

Employee information

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Derichebourg employee work accident frequency rate (no./million hours worked) Frequency rate of workplace accidents affecting temporary workers Number of fatal workplace accidents Fulfillment rate of annual interviews (managers and employees/technicians/supervisors) Average recruitment time Number of employees meeting job requirements (managers and employees/technicians/supervisors)	The rollout of the health and safety policy and the digital accident reporting tools 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 for the recycling business (liters/100 km) Percentage of complaints from neighbors prior to processing (%) Percentage of shredder residue sent to sectors other than landfill (%)	Measures to limit the quantity of shredder residue and use of best available techniques Measures to reduce the energy consumption of handling and transport tools Soil and environmental protection measures

Societal information

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Proportion of alerts received and processed (%) Average satisfaction rate for Multiservices customers	Deployment of the Anti-Corruption Code and ethics charter, training actions for employees exposed to instances of corruption

02 BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

2.1	**The Board of Directors**	**63**
2.1.1	Governance Structure	63
2.1.2	Duties of the Board of Directors	63
2.1.3	Rules applicable to the appointment and replacement of Board members	63
2.1.4	Compo sition of the Board of Directors	64
2.1.5	Members of the Board of Directors	67
2.1.6	Conflicts of Interest	72
2.1.7	Functioning of the Board of Directors	73
2.1.8	Corporate Governance Code	74
2.1.9	Board rules of procedure	74
2.2	**Special committees of the Board of Directors**	**74**
2.2.1	Audit Committee	75
2.2.2	Appointments and Compensation Committee	75
2.3	**The Deputy Chief Executive Officer**	**76**
2.4	**Compensation of the members of the Board of Directors and executive officers**	**77**
2.4.1	Compensation policy for corporate officers	77
2.4.2	Summary tables of compensation of corporate officers	79
2.4.3	Equity Ratio	82
2.5	**Executive officers' declaration concerning transactions in the Company's shares**	**82**

02

2.6	**Related-party agreements**	**83**
2.6.1	Provisions concerning related-party agreements	83
2.6.2	Service Agreement	83
2.6.3	Trademark licensing agreement	83
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)**	**84**
2.8	**Factors likely to have an impact in the event of a public offering**	**84**
2.9	**Rules applicable to shareholder participation in shareholders' meetings**	**85**
2.10	**Independent auditors' special report on related-party agreements**	**86**
	DERICHEBOURG trademark licensing agreement with the company TBD Finances	86
	Service agreement with DBG Finances	87

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 presented to the Appointments and Compensation Committee by the Board of Directors on December 3, 2020.

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 CEO;
- 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 General Management.

The Board of Directors approves the strategy proposed by General 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 3 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. This allows for a staggered renewal of directors' terms of office, in accordance with the recommendations of the AFEP-MEDEF Code.

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 Compo sition 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. There were no changes during the year.

Overview of the composition of the Board of Directors and its committees

First and last name	Age	Sex	Nationality	Number of shares	Number of mandates in listed companies	Independence	Initial date of appointment	Term of office	Years on the Board	Audit Committee	Appointments and Compensation Committee
Daniel Derichebourg	68	M	French	117	1		06/29/2006	SM 2022	14		
Abderrahmane El Aoufir	59	M	French	25,000	2		08/01/2014	SM 2022	4		
Bernard Val	78	M	French	1	1	✓	06/24/2004	SM 2022	16	(Chairman) ✓	✓
Matthieu Pigasse	52	M	French	1	2	✓	10/25/2005	SM 2022	15		
Thomas Derichebourg	44	M	French	56	1		07/18/2007	SM 2023	13		✓
Boris Derichebourg	42	M	French	56	1		07/18/2007	SM 2023	13	✓	
CFER,				65,745,648	1		02/18/2013	SM 2023	7		
represented by Mrs. Ida Derichebourg	89	F	French	112	1						
Françoise Mahiou	57	F	French	662	1	✓	02/10/2016	SM 2022	4	✓	✓
Catherine Claverie	51	F	French	1,000	1	✓	01/30/2017	SM 2023	3	✓	(Chair) ✓

In accordance with their terms of office, all members of the Board have chosen their registered office as the address for service: 119, avenue du Général Michel Bizot, 75012 Paris.

Attendance of members on the Board of Directors and special committees

First and last name	Board of Directors	Audit Committee	Appointments and Compensation Committee
Daniel Derichebourg	100%		
Abderrahmane El Aoufir	100%		
Bernard Val	100%	100%	100%
Matthieu Pigasse	75%		
Thomas Derichebourg	100%		0%
Boris Derichebourg	75%	100%	
CFER, represented by Mrs. Ida Derichebourg	0%		
Françoise Mahiou	100%	100%	100%
Catherine Claverie	100%	100%	100%
Average rate	**83%**	**100%**	**75%**

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.

2.1.4.1 Chairman of the Board of Directors and CEO

Initial date of appointment: Board mtg 06/29/2004

Date of last reappointment: SM 02/10/2016

Term of office expires: SM 2022

Number of shares held: 117

Mr. Daniel Derichebourg, aged 68, 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, followed by 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, 2020

Chairman and CEO	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.	
Deputy director abroad	TBD FINANCES	
Director abroad	DERICHEBOURG ESPAÑA, S.A.U. DERICHEBOURG RECYCLING MEXICO	DERICHEBOURG RECYCLING USA, Inc.
General partner abroad	DBG FINANCES	

Other offices held during the last five years

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 DERICHEBOUG SIDI BENNOUR DERICHEBOURG SIDI ALLAL EL BAHRAOUI

2.1.5 Members of the Board of Directors

Mr. Bernard Val, independent director

Initial date of appointment: SM 06/24/2004

Date of last reappointment: SM 02/10/2016

Term of office expires: SM 2022

Number of shares held: 1

Mr. Bernard Val, aged 78, 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 Scetauroute Développement, Transroute International and Ginger.

Mr. Bernard Val is also Chairman of the Audit Committee and a member of the Appointments and Compensation Committee.

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, 2020

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

Initial date of appointment: Board mtg 10/25/2005

Date of last reappointment: SM 02/10/2016

Term of office expires: SM 2022

Number of shares held: 1

Mr. Matthieu Pigasse, aged 52, of French nationality, is a former student of the École nationale d'administration (ENA) and a graduate of Institut d'études politiques de Paris.

Matthieu Pigasse is a Partner at Centerview Partners, in charge of France and continental Europe.

Mr. Matthieu Pigasse is co-shareholder of the Le Monde Group, 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 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).

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, 2020

Chairman and CEO Deputy Chairman	LAZARD FRANCE LAZARD GROUP	
Chairman and CEO 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

Mr. Boris Derichebourg, director

Initial date of appointment: SM 07/18/2007

Date of last reappointment: SM 02/05/2019

Term of office expires: SM 2023

Number of shares held: 56

Mr. Boris Derichebourg, aged 42, 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 24 Heures du Mans). 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 CEO of the Multiservices division, and subsequently 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, 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, he promotes innovation with the backing of an ecosystem of innovative partners 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 118 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 37,000 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.

In September 2017, the Chairman of MEDEF entrusted him with the presidency of the Proscenium program. The network brings together the managers of 350 medium-sized companies with a turnover of more than €300 million.

Mr. Boris Derichebourg is also a member of the Company's Audit Committee.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended September 30, 2020

Chairman and CEO	DERICHEBOURG ÉNERGIE	DERICHEBOURG ÉNERGIE E.P.
Chairman	DERICHEBOURG ÉNERGIE E.P. DERICHEBOURG ESPACES VERTS DERICHEBOURG FM DERICHEBOURG INTÉRIM DERICHEBOURG MULTISERVICES HOLDING DERICHEBOURG PROPRETÉ	DERICHEBOURG RETAIL 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 SOPHORAS
Chairman abroad	DERICHEBOURG FACILITY SERVICES DERICHEBOURG TESIS YÖNETIMI	SELMAR SA
Liquidator abroad	DERICHEBOURG MC	
Director abroad	DERICHEBOURG FACILITY SERVICES DERICHEBOURG TESIS YÖNETIMI	SELMAR SA

Other offices held during the last five years

Chairman	DERICHEBOURG AUTOMOBILES SERVICES DERICHEBOURG LOGISTIQUE ET MANUTENTION DERICHEBOURG SHC	DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE DERICHEBOURG TRAVAUX & MAINTENANCE NUCLÉAIRE DERICHEBOURG AERONAUTICS RECRUITMENT FRANCE
Manager	CIVITAS SCI HAUTE-GARONNE	MIROIR 2000 SCI LES PEUPLIERS
Director abroad	DERICHEBOURG MARRAKECH	

Mr. Thomas Derichebourg, director

Initial date of appointment: SM 07/18/2007

Date of last reappointment: SM 02/05/2019

Term of office expires: SM 2023

Number of shares held: 56

Mr. Thomas Derichebourg, aged 44, is 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.

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.

Mr. Thomas Derichebourg is also a member of the Company's Appointments and Compensation Committee.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended September 30, 2020

Chairman and CEO	POLYURBAINE	
Director	DERICHEBOURG ÉNERGIE E.P.	POLYURBAINE
Chairman	DERICHEBOURG MAYOTTE DERICHEBOURG PROPRETÉ OCÉAN INDIEN POLY-ENVIRONNEMENT POLYAMON POLYANCE POLYBUIS POLYCEJA POLYCEO POLYCOROT POLY-MASSI	POLYREVA POLY-SENTI POLYSOTIS POLYTIANE POLYURBAINE NORMANDIE POLY-VALIS REVIVAL SAUR DERICHEBOURG AQUA SAUR DERICHEBOURG AQUA OCÉAN INDIEN
Manager	POLY-NEA SCI LES CHARMES SCI LES CHARMES DE BONAPARTE	SCI LES CHARMES DE SAINT BENOÎT SCI LES CYPRÈS DE MONTMORENCY
Permanent representative	AFM RECYCLAGE (REVIVAL) ALLO CASSE AUTO (REVIVAL)	DERICHEBOURG OCÉAN INDIEN (DERICHEBOURG) PARIS SUD HYDRAULIQUE (TBD FINANCES)
Chairman abroad	AEP MULTISERVIZI SPA DERICHEBOURG CANADA ENVIRONNEMENT Inc.	DERICHEBOURG CANADA MULTISERVICES Inc. DERICHEBOURG CANADA Inc.
Director abroad	AEP MULTISERVIZI SPA CRS	DERICHEBOURG MEDIO AMBIENTE ECOREC SRL
Permanent representative abroad	DERICHEBOURG BELGIUM (DERICHEBOURG ENVIRONNEMENT)	

Other offices held during the last five years

Chairman and CEO	SERAM SA	
Chairman	DERICHEBOURG INTÉRIM OCÉAN INDIEN ECO-PHU LIEN ENVIRONNEMENT POLYSEANE POLY-SELIA	POLY-VAL REVIVAL CHATILLON REVIVAL GELLAINVILLE REVIVAL ÎLE-DE-FRANCE REVIVAL NEMOURS

Director	SERAM SA	
Manager	LE BISON GOURMAND POLY-MILIA	POLYURBAINE 13
Permanent representative	DERICHEBOURG OCÉAN INDIEN (POLYURBAINE)	HYDROVIDE (WESTEVER)
Chairman and CEO 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	SAN GERMANO SRL	REI
Co-manager abroad	DERICHEBOURG UK ENVIRONMENT Ltd	DERICHEBOURG UK Ltd
Director abroad	REI CMT SPA DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG CASABLANCA DERICHEBOURG IFRANE DERICHBEOURG IMINTANOUT DERICHEBOURG INTÉRIM FORMATION ÉVOLUTION MAROC	SAN GERMANO SRL DERICHEBOURG KENITRA DERICHEBOURG MAROC DERICHEBOURG MARRAKECH DERICHEBOURG MAZAGAN DERICHEBOURG RABAT DERICHEBOURG SIDI BENNOUR DERICHEBOURG SIDI ALLAL EL BAHRAOUI
Permanent representative abroad	BAS LONGS PRÉS (DERICHEBOURG ENVIRONNEMENT) CPI (DERICHEBOURG ENVIRONNEMENT)	DERICHEBOURG RETAIL BELGIUM (DERICHEBOURG ENVIRONNEMENT)

Mrs. Françoise Mahiou, independent director

Initial date of appointment: SM 02/10/2016

Term of office expires: SM 2022

Number of shares held: 662

Mrs. Françoise Mahiou, aged 57, 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&B).

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 role enabled her to take over as CEO of the Segula Group's Services division, which she developed in the "Energy/Transport/Industries" Process Branch through external and internal growth, and also through the key accounts she won, which include Areva, EDF, Dassault, RATP and Essilor.

From 2007 to 2012, Mrs. Françoise Mahiou managed operations for the AREP Group, a subsidiary of the SNCF, as Deputy CEO. She led a complete restructure of the Group with a CSR focus, covering HR (opinion survey, barostress plan, senior citizens plan, incentives, company/authority travel plan etc.), project-oriented finance, workflow information systems (home working, fluidity of exchanges etc.), legal stabilization, the launch of internal communications, and acquisitions, to guarantee sustainable growth.

In 2012, she was promoted to CSR executive director in order to disseminate good governance and ethical practices. She then took over the management of ASCIUS, an assistance and consulting company for managers, shareholders, their companies and family offices. She also developed the Operating Partner business to respond to operational and strategic needs, creating value for the company and its stakeholders.

Mrs. Françoise Mahiou is ASC Sciences Po Paris/IFA-certified, and is a member of the Institut français des administrateurs (IFA).

Mrs. Françoise Mahiou is also a member of the Company's Audit Committee and the Appointments and Compensation Committee.

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, 2020

Chairman	ASCIUS

Other offices held during the last five years

None.

Mrs. Catherine Claverie, independent director

Initial date of appointment: SM 01/30/2017

Term of office expires: SM 2023

Number of shares held: 1,000

Mrs. Catherine Claverie, aged 51, 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 is also Chairwoman of the Appointments and Compensation Committee and a member of the Audit Committee.

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, 2020

None.

Other offices held during the last five years

None.

Mrs. Ida Derichebourg, permanent representative of CFER, director

Initial date of appointment: SM 02/18/2013

Date of last reappointment: SM 02/05/2019

Term of office expires: SM 2023

Number of shares held by CFER: 65,745,648

Number of shares held by Mrs. Ida Derichebourg: 112

Mrs. Ida Derichebourg, aged 89, 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, 2020

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 2, 2020, 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 3, 2020 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.

It is specified that the following directors cannot be considered as independent: Mr. Daniel Derichebourg, Mr. Boris Derichebourg, Mr. Thomas Derichebourg and CFER, represented by Mrs. Ida Derichebourg, because of family ties between them and their status as major shareholders.

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 shall ensure that it maintains balanced gender representation.

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.

Expertise

The Board ensures that it includes in its midst directors with a wide range of skills and expertise in different areas. In this way, it ensures that the profiles of the directors complement one another, and that they include international, financial, industrial and business expertise.

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 enterprise value of €2,600 thousand;
- for the commercial lease between SCI IDA I, a subsidiary of CFER, and Derichebourg Multiservices Holding, a wholly owned subsidiary of the Company, for a real estate complex ("ex-Pernod" Tower building) for office use located at 51 Chemin des Mèches in Créteil (94), France, for an annual rent of €600,000.

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 independent 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 related-party 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% of the capital and 57.80% of voting rights, might be exercised improperly.

2.1.7 Functioning of the Board of Directors

The Board of Directors met four times during the fiscal year, with an average attendance rate of 83%. In addition to reviewing and approving the parent company and consolidated financial statements as of September 30, 2019 and preparing documents to submit to the shareholders' combined general meeting on January 31, 2020, the Board discussed and decided the following matters:

Meeting of December 4, 2019

- Review and approval of the consolidated and parent company financial statements for the year ended September 30, 2019;
- Proposal for allocation of income;
- Press release;
- Review and approval of financial and forecast documents;
- Examination of the agreements referred to in Articles L. 225-38 *et seq*. of the French Commercial Code: Derichebourg trademark license agreement with TBD Finances; services and assistance agreement with DBG Finances; guarantees for Banque Postale Crédit Entreprises;
- Guarantee to be granted to a banking institution for the repayment of the €10 million loan to be paid to the subsidiary Derichebourg Immobilier;
- Guarantee to be given to a financial institution as security for a $7 million line of credit to be granted to Derichebourg Recycling USA;
- Review of the independent auditors' terms of office;
- Review of the CSR report as a statement of extra-financial performance and the corporate governance report;
- Update on director independence;
- Review of the principles and criteria for determining the distribution and allocation of the fixed, variable and exceptional items making up the total compensation and benefits of any kind attributable to each executive corporate officer (Article L. 225-37-2 of the French Commercial Code) and examination of the compensation of executive corporate officers;
- Proposed extension of the term of the Company;
- Proposal to delete the notion of directors' fees in the bylaws;
- Share buyback program;
- Authorization to be given to the Board of Directors to reduce the share capital by canceling shares;
- Meeting notice for the shareholders' combined general meeting on January 31, 2020.

Meeting of March 6, 2020

- Setting up of a new syndicated loan and repayment of the existing loan; Review and authorization of the draft credit agreement and related contracts and documents.

Meeting of May 26, 2020

- Review of the half-year consolidated financial statements ended March 31, 2020.
- Business report relating to the half-year financial statements; report on activity relating to the Group's two divisions during the half-year; changes in indebtedness; impact of lockdown; outlook;
- Press release;
- Financial and forecast documents at the end of the first half of the fiscal year;
- Chairman's authorization to provide endorsements, security interests and guarantees;
- Discussion on the leasing of the Pernod Tower in Créteil;
- Breakdown of compensation paid to directors;
- Setting up an Investment Committee.

Meeting of September 17, 2020

- Functioning of the Company;
- Authorization of an agreement subject to Article L. 225-38 of the French Commercial Code, namely the leasing of the "ex Pernod" Tower located at 51 Chemin des Mèches in Créteil (94000) by SCI IDA I to the company DERICHEBOURG MULTISERVICES HOLDING from October 1, 2020. This agreement was reclassified as a conflict of interest agreement by decision of the Board of directors on December 3, 2020, based on the recommendations of the Company's Independent Auditors.

2.1.8 Corporate Governance Code

The Company applies the AFEP-MEDEF Corporate Governance Code for listed companies as revised in January 2020. 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
9	The term of office of independent directors must not exceed 12 years	No. The Board of Directors' meeting of December 3, 2020 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.
10	Assessment of the work carried out by the Board of Directors	Formal assessment of the work could not be implemented in fiscal year 2019/2020 due to Covid-19. Nevertheless, Board members were able to share their observations on the functioning of the Board and its work at the Board of Directors' meeting of December 3, 2020.
24	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.
26	Equity ratio	Due to a range of different types of employment contract and the use of part-time work, this year the Company was only able to calculate this ratio for its own employees, and not for all French employees.

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.

2.2.1 Audit Committee

The Board is assisted by an Audit Committee composed of four directors, of whom three are independent directors. The Audit Committee consists of Mr. Bernard Val, (Chairman), Mrs. Françoise Mahiou, Mrs. Catherine Claverie and Mr. Boris Derichebourg.

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

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 independent 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 independent 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 independent 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 independent auditors;
- ensure the independence and objectivity of the independent auditors.

During the past fiscal year, it held two meetings, on December 3, 2019 and May 25, 2020 with a participation rate of 100%.

The main topics examined by the committee in 2019/2020 were the following:

- review of the consolidated financial statements as at September 30, 2019 and the independent auditors' supplementary report to the Audit Committee;
- review of the independent auditors' terms of office;
- advice and recommendations to the Board of Directors on the draft Universal Registration Document;
- update on IFRS 16;
- presentation of internal control/SAPIN 2 update;
- review of the half-year consolidated financial statements;
- measures taken by the Group with regard to Covid-19.

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, 2019 with a participation rate of 75%.

The main topics examined by the committee in 2019/2020 were the following:

- review of the compensation policy applicable to executive officers;
- review of the independence criteria applicable to directors;
- opinion and recommendations to the Board of Directors on the Board's Corporate Governance report.

2.3 The Deputy Chief Executive Officer

Initial date of appointment: Board mtg 01/08/2014

Date of last reappointment: Board mtg 02/10/2016

Term of office expires: 02/10/2022

Number of shares held: 25,000

Mr. Abderrahmane El Aoufir, aged 59, 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 turning Servisair around (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 (within and outside the Group) during the course of the fiscal year ended September 30, 2020

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

Other offices held during the last five years

Chairman	VALRECY	
Co-manager	REFINAL INDUSTRIES	
Member of the Management Committee	PLASTIC RECYCLING	
Director	HYDROVIDE	
Director abroad	REI DERICHEBOURG MAROC	SAN GERMANO SRL
Manager abroad	DBG HOLDING GmbH	

The Company also has Management Committees for both divisions as well as a Strategic Committee and an Investment Committee as described in paragraph 3.3.3.3.

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

2.4.1 Compensation policy for corporate officers

In accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, the Board of Directors, at the recommendation of the Appointments and Compensation Committee of December 2, 2020, submits the compensation policy for corporate officers for approval by the combined general meeting of February 10, 2021.

The Board of Directors sets out, reviews and implements the compensation policy for each of the corporate officers at the recommendation of the Appointments and Compensation Committee.

In accordance with the provisions of Articles L. 225-37-2 and R. 225-29-1 of the French Commercial Code, the Board sets a compensation policy in line with the Company's corporate interest, which contributes to its sustainability and is in line with its commercial strategy.

In order to avoid any conflict of interest, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer do not take part in discussions or votes on compensation and any commitments relating thereto.

The 2020 compensation policy for executive corporate officers is identical to that voted by the combined general meetings of February 7, 2018 and February 5, 2019.

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

Directors' fixed compensation

Each director receives a fixed compensation linked to his/her activity, the maximum total amount of which is voted by shareholders at the ordinary general meeting. The combined general meeting of February 5, 2019 set the compensation of the members of the Board at the annual sum of €160,000 valid for the current fiscal year until further decision of the general meeting.

Distribution of the directors' fixed compensation for the 2019/2020 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. The Board of Directors, at its meeting of May 26, 2020, decided, upon acceptance by the members of the Board in view of the economic context, to halve the amount allocated to them and set it at €80,000. This amount was distributed equally among the various directors. Compensation for the 2019/2020 fiscal year was paid in December 2020. Mr. Matthieu Pigasse indicated that he did not wish to receive any compensation.

Compensation other than directors' fixed compensation

Boris and Thomas Derichebourg perform operational functions within the Group and receive compensation paid to them by Derichebourg Environnement under an employment contract, and by DBG Finances in the amount of €13,000 (for each fiscal year).

In April 2020, Boris and Thomas Derichebourg chose to temporarily waive 30% of their fixed compensation for the period from April to September 2020 due to the health situation and its economic consequences.

Given the faster than expected recovery of the Group's business, Boris and Thomas Derichebourg will receive their full fixed compensation for the 2019/2020 fiscal year.

Benefits in kind

Boris and Thomas Derichebourg each have a company car.

Boris Derichebourg is provided with a Lexus or equivalent vehicle by the Group.

Thomas Derichebourg is provided with a Zoé or equivalent vehicle by the Group.

2.4.1.2 Compensation of executive corporate 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 CEO, and by the shareholders' combined general meeting of February 5, 2019 concerning the Deputy CEO, and have not been amended.

2.4.1.2.1 Compensation of Mr. Daniel Derichebourg, Chairman and CEO

Fixed compensation

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

Directors received fixed compensation paid to them by Derichebourg SA.

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

Benefits in kind

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

He does not benefit from any performance share awards, stock options or purchase options, supplementary pension plans, etc.

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, the shareholders' combined general meeting of February 10, 2021 will be called upon to approve the elements of compensation paid or granted to Mr. Daniel Derichebourg in respect of the fiscal year ended September 30, 2020, as presented in this report.

2.4.1.2.2 Compensation of Mr. Abderrahmane El Aoufir, Deputy CEO

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

Fixed compensation

The Deputy CEO receives a fixed annual compensation which is set based on his responsibilities.

It is paid to him by Coframétal under a pre-existing employment contract, while €19 thousand is paid by DBG Finances. This fixed compensation amounts to €300,000 per year, paid over 13 months.

In April 2020, Mr. El Aoufir chose to temporarily waive 30% of his fixed salary for the period from April to September 2020 due to the health situation and its economic consequences.

Given the Group's satisfactory results, Mr. El Aoufir will receive his full fixed compensation for the 2019/2020 fiscal year.

Variable compensation

Under his employment contract, Mr. El Aoufir may receive a variable compensation component.

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 million)*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 million) + (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 CEO 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.

It is specified that the payment of variable and exceptional compensation components is subject to approval by the ordinary general meeting under the conditions provided for in Article L. 225-100 of the French Commercial Code.

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 2019/2020 fiscal year amounts to €301,311 (€376,851 in 2018/2019).

Benefits in kind

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

He does not benefit from any performance share awards, stock options or purchase options, supplementary pension plans, etc.

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 February 10, 2021 will be called upon to approve the elements of compensation paid or granted to Mr. Abderrahmane El Aoufir in respect of the fiscal year ended September 30, 2020, as presented in this report.

2.4.2 Summary tables of compensation of corporate officers

In accordance with the provisions of Article L. 225-37-3 of the French Commercial Code, the total amount of compensation and social benefits paid during the past fiscal year or allocated in respect of the past fiscal year to each corporate officer of the Company.

2.4.2.1 Table on compensation received by non-executive corporate officers

In thousands of euros		09-30-20 Allocated amounts	09-30-20 Amount paid	09-30-19 Allocated amounts	09-30-19 Amount paid
Catherine Claverie	Compensation	10	20	20	15
	Other compensation	0	0	0	0
CFER, represented by Mrs. Ida Derichebourg	Compensation	10	20	20	15
	Other compensation	0	0	0	0
Boris Derichebourg	Compensation	611	666	666	685
	Other compensation	0	0	0	0
Thomas Derichebourg	Compensation	611	666	666	686
	Other compensation	0	0	0	0
Françoise Mahiou	Compensation	10	20	20	15
	Other compensation	0	0	0	0
Matthieu Pigasse	Compensation	0	0	0	0
	Other compensation	0	0	0	0
Bernard Val	Compensation	10	20	20	15
	Other compensation	0	0	0	0
Total		**1,262**	**1,412**	**1,412**	**1,430**

2.4.2.2. Table on compensation received by executive corporate officers

Summary table of compensation and options and shares granted to Daniel Derichebourg, Chairman and CEO

Table 1, AFEP-MEDEF Code

In thousands of euros	09-30-20	09-30-19
Compensation payable for the fiscal year	238	248
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	**238**	**248**

Summary table of compensation of Daniel Derichebourg, Chairman and CEO
Table 2, AFEP-MEDEF Code

	09-30-20		09-30-19	
In thousands of euros	Allocated amount	Amount paid	Allocated amounts	Amount paid
Fixed compensation	228	228	228	228
Annual variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Directors' fixed compensation	10	20	20	15
Total	**238**	**248**	**248**	**243**

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

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	09-30-20	09-30-19
Compensation payable for the fiscal year	601	674
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	**601**	**674**

Summary table of compensation of Mr. Abderrahmane El Aoufir, Deputy CEO
Table 2, AFEP-MEDEF Code

	09-30-20		09-30-19	
In thousands of euros	Allocated amounts	Amount paid	Amount owed	Amount paid
Fixed compensation	300	270	297	297
Annual variable compensation	301	377	377	400
Exceptional compensation	0	0	0	0
Directors' fixed compensation	0	0	0	0
Total	**601**	**647**	**674**	**697**

The "Amount paid" column includes the annual variable compensation paid during the fiscal year ended September 30, 2019 and approved by the combined general meeting of January 31, 2020. The "Amount" column 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 unchanged since that date, and submitted to the combined general meeting on January 31, 2020.

2.4.2.3 Other tables in the AFEP-MEDEF Code

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 multiyear variable compensation of each executive officer
Table 10, AFEP-MEDEF Code

Name and position of executive officer	Fiscal year
None	

Employment contract, specific pensions, severance payments and non-competition clause
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 CEO 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.

2.4.3 Equity Ratio

In accordance with Article L. 225-37-3 of the French Commercial Code, the ratios between the level of compensation of the Deputy CEO and, firstly, the average compensation on a full-time equivalent basis of employees other than corporate officers and, secondly, the median compensation on a full-time equivalent basis of employees other than corporate officers are presented below.

As Mr. Daniel Derichebourg, Chairman and Chief Executive Officer, does not receive any compensation other than the fixed compensation paid to directors, the table below only covers the compensation paid to Deputy CEO Mr. Abderrahmane El Aoufir.

This includes all compensation and benefits paid during the fiscal years ended (fixed and variable compensation, benefits in kind).

The scope of this information is based on the Company's employees.

Abderrhamane El Aoufir Ratio d'équité	09-30-2016	09-30-2017	09-30-2018	09-30-2019	09-30-2020
Ratio to average compensation	2.52	2.48	3.29	3.50	3.05
Ratio to median compensation	N/A	N/A	N/A	N/A	N/A

It was not possible to establish a ratio with the median compensation because the Company has only two employees.

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

- On March 2, 2020, the Company was informed of the acquisition of 3,000 shares by Mr. Abderrahmane El Aoufir.
- On April 25, 2020, the Company was informed of the acquisition of 5,000 shares by Mr. Abderrahmane El Aoufir.
- On December 7, 2020, the Company was informed of the acquisition of 5,000 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 CEO, one of its deputy CEOs, 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 CEO, one of the deputy CEOs 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 independent auditors of the list of agreements and their purposes."

Assessment procedure for routine agreements

Pursuant to Article L. 225-39 of the French Commercial Code, the Board of Directors, at its meeting of December 3, 2020, decided to set up a procedure to properly assess whether agreements relating to ordinary transactions concluded under normal terms and conditions meet these conditions. This procedure will be implemented by the General Secretariat, which will determine the criteria for a routine agreement (business activity, financial terms, etc.).

No new related-party agreements were entered into during the year.

The agreements described in paragraphs 2.6.2 and 2.6.3 were entered into in previous years and continued during this fiscal year.

2.6.2 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.

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 and 2020 calendar years. 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, 2019 to September 30, 2020, DBG Finances invoiced Derichebourg for an amount of €1,300 thousand 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 €2,061 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 preferential 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 within the limit of 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
January 31, 2020	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 July 30, 2021	None
January 31, 2020	Authorization to reduce the share capital by canceling shares	10% of the share capital per 24-month period	18 months from the meeting, i.e. until July 30, 2021.	None

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 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 Independent auditors' special report on related-party agreements

To the shareholders' meeting,

In our capacity as independent auditors of your Company, we hereby report on certain related-party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements 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. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements 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 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 submitted for approval by the shareholders' meeting

We hereby inform you that we have not been advised of any agreements authorized and concluded during the past fiscal year to be submitted to the approval of the shareholders' meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

Agreements already approved by the shareholders' meeting

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

1. DERICHEBOURG trademark licensing agreement with the company TBD Finances

Director involved: Mr. Daniel Derichebourg, Chairman of the Board of Directors and CEO of your Company and deputy director of TBD Finances.

The Board of Directors' meeting of December 4, 2018 approved the conclusion of a Derichebourg trademark licensing agreement with the company TBD Finances, the owner of this trademark, and set the amount of the license royalty for the Derichebourg trademark 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.

The amount of the royalty recorded as expenses by your Company for the fiscal year ended September 30, 2020 amounted to €2,060,764 excluding taxes.

2. Service agreement with DBG Finances

Director involved: Mr. Daniel Derichebourg, Chairman of the Board of Directors and CEO 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.

At its meeting on December 4, 2018, the Board of directors authorized an adjustment to the compensation amount for services invoiced by DBG Finances to reduce it to €1,300,000 excluding taxes for the 2019 and 2020 calendar years. An amendment to this agreement was signed on January 2, 2019.The amount of the expense recorded by your Company during the fiscal year ended September 30, 2020 is €1,300,000 excluding taxes.

Paris, Paris and Paris-La Défense, December 10, 2020

The independent auditors

DENJEAN & ASSOCIES AUDIT	**BM&A**	**ERNST & YOUNG Audit**
Clarence Vergote	Eric Seyvos	Pierre Abily

03

GROUP MANAGEMENT REPORT

3.1 Significant events during the fiscal year **91**

3.1.1 Acquisition of the Lyrsa Group (renamed Derichebourg España on September 1, 2020) 91
3.1.2 Covid-19 health crisis and economic consequences 91
3.1.3 First-time adoption of IFRS 16 93
3.1.4 Strategic partnership with Saur for services to local governments in the water and sanitation sector 93

3.2 Earnings from businesses and financial position **94**

3.2.1 Group results 94
3.2.2 Environmental Services activity 96
3.2.3 The Multiservices business 99
3.2.4 The Holding companies business 101
3.2.5 Outlook 102
3.2.6 Financing and changes in indebtedness 103
3.2.7 Investments 105

3.3 Risk factors **106**

3.3.1 Risk analysis and monitoring process 106
3.3.2 Overview of principal risks identified and the risk management system 107
3.3.3 The internal control system 109
3.3.4 Insurance 112

3.4 Shareholder structure and threshold crossing **113**

3.4.1 Shareholder structure 113
3.4.2 Threshold crossing 114
3.4.3 Analysis of the share capital by type of shareholder 114

03

3.5	**Financial results for the last five fiscal years**	**115**
3.6	**Group organization charts**	**115**
3.6.1	Group organization and Issuer's position in the Group	115
3.6.2	Organizational structure	116
3.7	**Statement of extra-financial performance**	**122**
3.8	**Agenda and draft resolutions for the shareholders' combined general meeting of February 10, 2021**	**122**
Agenda		122
Draft resolutions		122

3.1 Significant events during the fiscal year

3.1.1 Acquisition of the Lyrsa Group (renamed Derichebourg España on September 1, 2020)

On December 20, 2019, Derichebourg Environnement completed the acquisition of the Lyrsa Group, Spain's leading independent player in scrap metal recycling. The acquisition was completed following the signing of the acquisition agreement on September 19, 2019. Derichebourg Environnement acquired 100% of the investments held by Layro SA in Lajo y Rodriguez SA (Lyrsa), Aragonesa de Chatarras y Metales SA (Archamesa) and Recuperaciones Díaz SA (Redisa). Lyrsa also owned 50% of Reyfra (a company that operates a scrap metal shredder in Madrid), whose joint shareholder was Derichebourg Environnement.

In the calendar year 2019, the Lyrsa Group's operations covered by this acquisition generated revenue of €450 million (with the full consolidation of Reyfra) and an Ebitda of €17.3 million. Lyrsa 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 650 employees. Lyrsa was founded in 1939. It operates 18 recycling centers (17 in Spain and 1 in Portugal). It operates 3 shredders (including one from prior to the Lyrsa acquisition, jointly owned with the Derichebourg Group through Reyfra), a center for the sorting of the metals derived from the crushing process, an aluminum refinery and a lead refinery. The Derichebourg Group made this acquisition using its available cash and existing credit lines. A new syndicated loan was set up following this acquisition.

Lyrsa's activity is consolidated in the Group's financial statements as of January 1, 2020 (9 months of activity over the fiscal year).

The Derichebourg Group's strategy pursued through this acquisition is to duplicate the vertical integration strategy that it is already implementing in France. This covers general recycling of scrap metal, as well as the development of niche businesses (flotation, refining), with high added value, made possible by dense coverage. Derichebourg's objective is for Lyrsa's Ebitda (approximately 4% in 2019) to move closer towards (if not equal) over several years, the France Group's Ebitda (approximately 8%). This will be achieved through the following actions:

- Sales synergies: pooling of customer contacts to ensure that the Group benefits from the best sales opportunities at all times and cross-procurement of the the Group’s specialized tools;
- Some cost synergies;
- Developing Lyrsa's supplier base to improve unit margins, primarily by targeting smaller suppliers in addition to the existing network, and consolidation of the Spanish domestic market.

Spain is a dynamic market for the production of electrical steel. While steel production is at around the same level as in France (around 15 MT), the share of steel produced by the electrical industry is close to 70%, whereas it is only 40% in France. Spain has a ferrous metals deficit, and imports scrap metal from France in particular.

3.1.2 Covid-19 health crisis and economic consequences

Until mid-March 2020, the Group's activities saw very little disruption from the Coronavirus health crisis. The lockdown measures announced on March 16, 2020 with effect from March 17, 2020 had a sudden impact on the Group's business in France, its main country of operation.

Faced with this unprecedented health and economic shock, the Group took the following measures:

Measures to protect employees

- Equipment for employees (social distancing, gel, masks, ventilation) in accordance with the instructions of the public authorities and according to individual work situations.
- Use of home working for office staff wherever it was possible during the lockdown period.

Economic measures

- Use of the furlough scheme for staff whose job is no longer needed or whose hours have been reduced as a result of the Covid-19 crisis.
- Identifying savings opportunities: sponsorship, fees and travel (*de facto*).
- Postponing investments.

The impact on the Group's various businesses was as follows:

Environmental Services

The following changes occurred in the Recycling business:

- In France, business activity fell sharply and progressively from March 17, 2020 under the combined effect of the temporary closure of several scrap metal-consuming plants and a scarcity of scrap metal supply (shutdown of the automobile industry, lower overall consumption, ban on travel by private individuals), and as of April 10 had flattened to around 15% of the usual business volume. The Group was forced to close most of its small retail sites due to the lack of footfall. All industrial sites remained open and used the furlough scheme. As anticipated, there was a gradual upward trend in footfall after the Easter weekend. The increase continued and was more pronounced from May 11, 2020, when lockdown easing began. By September 2020, the Group had returned to a level of business activity comparable to that of last year.

- In Spain, the drop was also pronounced and happened a little later, falling to 20% of the usual volume before rapidly rising to 40% of its pre-health crisis level. By September 2020, it had returned to a normal level of business activity. It should be noted that the lead refinery had to shut down for one month during the summer due to a lack of battery supplies.
- Business volume was more resilient in Germany, where it never fell below 50%. In the United States and Mexico, it had almost returned to 100% by June.

In Public Sector Services, the volume of activity remained close to nominal volume throughout the fiscal year, as this is an essential service to the population. Thanks to the commitment of employees, a high level of service quality was maintained on all of the various contracts throughout the year.

Multiservices business

The following changes occurred in the Multiservices business:

- Cleaning business (approximately 60% of the revenue of the Multiservices division): this business operates on a very fragmented basis over thousands of customer sites. The business activity rate had fallen to about 55% of its nominal volume by around April 10, 2020, due to the closure of many customer sites. It gradually rose to 80% by the end of May and 100% in July. It should be pointed out that this business activity is not particularly exposed to the Hotel and Catering, Tourism and Airport markets. Derichebourg Propreté used the furlough scheme for closed sites and support services, which experienced lower levels of activity. The Company was able to meet additional customer requirements for masks, hand sanitizer gel, and disinfection of premises. There is pressure on the level of services required by some customers, where not all employees have returned to work face-to-face.
- Urban Area business: this business follows the same patterns as the advertising billboard business, which was almost at a standstill during lockdown. However, the customers of this business pay a contractual share of fixed costs, regardless of the level of activity, which has limited the impact on results.
- General Temporary Work business: agencies have operated using home working. Activity for the Retail sectors disappeared during the lockdown, while activity for low-volume customers and aeronautics also fell sharply. The supermarket, logistics and banking sectors held up better. The business activity rate was 30% in April, and 50% by the end of May. It gradually rose to 90% at the end of the fiscal year, with, however, a major effort to modify the customer base to move towards sectors such as logistics and health.
- Temporary Work business for aeronautics: this is the Group's activity that has suffered the most in terms of business volume, since the activity fell to 30% of the usual revenue from April, and to date has only recovered to 35%. Given the difficulties that most customers have in providing work for their own employees, this business sector will experience a low volume of activity in the coming year. A Business Safeguard Plan (BSP) has been implemented in this subsidiary in order to close branches that no longer had critical volumes, and to adapt costs to the new environment.
- Industry business (for the aeronautics sector): in France, the business activity rate fell to around 30% of nominal activity in April, before rising to 50% in June. This figure has changed little since then. Faced with a lack of workload for around 700 employees, the subsidiary had two options:

- Immediately implement a BSP for 700 people, or
- Give itself time, given the support provided by the State through the Long-Term Furlough scheme, and hope that business activity will recover within two years. It is worth noting the high level of qualification of the employees, which would be difficult to rebuild if business recovered and these employees had left the company en masse. This is the route that has been chosen. A Collective Performance Agreement was negotiated and signed by the representative trade union organizations. This agreement, which is offered individually to all employees, sets out:
  - A commitment to refrain from dismissal on economic grounds as long as the long-term furlough plan provided by the State continues on the same basis;
  - Part-time working of 40% for all employees, during which employees will carry out training;
  - An average reduction of around 15% in gross compensation, to offset the remainder to be paid by the Company for the long-term furlough scheme.

90% of employees have accepted this agreement, which has protected more than 500 threatened jobs in the aeronautics sector. 163 people refused this agreement and left the company under individual redundancy agreements. In the other countries where this business activity operates (Germany, Spain, United States, Canada and China), where it does not have the same critical size, the impact is even more significant. We have therefore closed the subsidiary in Canada, and adopted a BSP in Spain and a restructuring plan in Germany.

3.1.3 First-time adoption of IFRS 16

The comparability of the financial statements for the current year with those of the previous year is affected by the first-time adoption of IFRS 16, which replaces IAS 17, and which is applied by the Group using the simplified retrospective approach as proposed by the standard.

Certain provisions of the standard do not modify IAS 17. For example, finance leases and financial leases appear on the balance sheet, with a financial liability corresponding to the outstanding capital, and are amortized.

Other arrangements have led to changes compared with the previous framework. These include lease commitments with a term of more than one year, which did not meet the criteria for classification as finance leases under IAS 17, but which, under the provisions of IFRS 16, must be the subject of recognition of a right of use (classified as a non-current asset), with a corresponding financial liability. This asset is itself amortized. The entry into force of this standard mainly modifies the recurring Ebitda and net financial debt aggregates.

The table below details the impacts of the entry into force of this standard:

In millions of euros	30-09-20	Impact IAS 17-IFRS 16	Restated 09-30-20
Environmental services	142.2	8.8	133.4
Multiservices	44.0	12.0	3.0
Holding companies	(5.3)	0.1	(5.3)
Total recurring Ebitda	**180.9**	**20.8**	**160.1**

In millions of euros	30-09-20	Impact IAS 17-IFRS 16	Restated 30-09-20
Net financial debt	341.1	53.6	287.5
Recurring Ebitda(1)	185.9	20.8	165.1
Leverage ratio(1)	1.84	2.58	1.74

(1) Proforma of acquisitions, impact over 12 months on a rolling basis.

3.1.4 Strategic partnership with Saur for services to local governments in the water and sanitation sector

On August 6, 2020, Derichebourg and Saur announced the conclusion of a strategic partnership focusing on services to local authorities in the water and sanitation sector. This partnership aims for reciprocal development of the business activities of the two groups. Under the terms of this partnership, Saur acquired 51% of the capital of Derichebourg Aqua, which also owns the subsidiary Derichebourg Aqua Océan Indien.

3.2 Earnings from businesses and financial position

3.2.1 Group results

In millions of euros	2020	2019	Change %
Revenue	**2,464.1**	**2,705.0**	**(8.9%)**
Recurring Ebitda[(1)]	**180.9**	**191.2**	**(5.4%)**
in % of revenue	*7.3%*	*7.1%*	
Recurring operating profit (loss)[(2)]	**62.4**	**103.1**	**(39.5%)**
in % of revenue	*2.5%*	*3.8%*	
Nuclear engineering business contracts		(5.0)	
Change of consolidation method Reyfra	7.7		
Result on disposal AEP Multiservizi	(2.3)		
Loss of exclusive control of water treatment and distribution subsidiaries	(2.8)		
Veolia wins appeal against the decision of the Court of Appeal	3.7		
Lyrsa post-acquisition restructuring	(1.2)		
Restructuring Recycling France	(1.6)		
Revaluation monitoring costs CRS landfill	(2.3)		
Restructuring of the Aeronautics division	(5.6)		
Result on disposal Temporary aeronautics staffing UK	(0.2)		
Result on disposal Cleaning Turkey	(1.5)		
Restructuring	(0.2)		
Others		(0.6)	
Operating Profit (loss)	**56.2**	**97.5**	**(42.4%)**
Net financial expenses	(12.3)	(9.7)	
Foreign exchange and other gains and losses	(2.3)	(0.7)	
Pre-tax profit (loss)	**41.5**	**87.0**	**(52.3%)**
Income tax	(19.5)	(30.5)	
Income from associates	0.4	2.4	
Net profit (loss)	**22.4**	**58.9**	**(62.0%)**
Income net of tax from discontinued activities			
Consolidated net income (loss)	**22.4**	**58.9**	**(62.0%)**
Attributable to shareholders	21.3	55.6	
Attributable to non-controlling interests	1.1	3.3	

(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

Revenues for the 2019/2020 fiscal year totaled €2.5 billion, down 8.9% compared with the previous fiscal year due to a decline in the Environmental Services business (-11.9%), and a more moderate decline in revenue from the Multiservices business (-2.5%).

In millions of euros	2020	2019	Change
Environmental Services	1,627.4	1,846.7	(11.9%)
Multiservices	836.2	857.6	(2.5%)
Holding companies	0.4	0.8	(43.7%)
Total Group revenue	**2,464.1**	**2,705.0**	**(8.9%)**

Recurring Ebitda

Recurring Ebitda is €180.9 million, an apparent limited drop of €10.4 million compared to last year. Recurring Ebitda for this fiscal year is calculated by taking into account a cancellation of rental and leasing charges that were not considered as financial leases under IAS 17 and which give rise to the recognition of a right of use under IFRS 16, the amortization of which is shown under recurring Ebitda, i.e. a €20.9 million improvement in Ebitda compared to what it would have been without application of this standard.

The decline was driven by lower volumes in Environmental Services (particularly during the French 55-day lockdown period) and to a lesser extent unit margins on ferrous metals, despite an improvement in the profitability of the services business.

The *pro forma* recurring Ebitda including the annual Ebitda of the acquisitions made during the year is €185.9 million.

Recurring operating profit

After taking into account a depreciation of €118.9 million over the year (including €20.4 million related to the difference between IAS 17 and IFRS 16), compared with a depreciation of €88.5 million last year, recurring operating profit (loss) came to €62.4 million, down 39.5% compared with last year.

The items that explain the transition from recurring operating income to operating income are as follows:

In the Environmental Services business

- Positive result of €7.7 million from the change in consolidation method for the Spanish subsidiary Reyfra (from equity method to full consolidation) following the acquisition of the 50% not previously held as part of the Lyrsa acquisition
- Loss of €2.3 million following the sale of the Italian subsidiary AEP Multiservizi in December 2019
- Loss of €2.8 million following the sale of 51% of Derichebourg Aqua (and its subsidiary Derichebourg Aqua Océan Indien) in the context of the strategic partnership with Saur, entered into on August 6, 2020
- Profit of €3.7 million following the victory on appeal in the proceedings initiated by Veolia relating to the 2014 transfer of personnel on household waste collection contracts in Paris (11th, 18th and 19th districts)
- Cost of restructuring initiated at Lyrsa after the acquisition (€1.2 million)
- Cost of restructuring initiated in the various French recycling subsidiaries following the very sharp drop in volumes during the lockdown period (€1.6 million)
- Revaluation of monitoring costs for the next 30 years of the CRS discharge (Italy) (€2.3 million)

In the Multiservices business

- Major restructuring costs of €5.6 million in subsidiaries related to the aeronautics cycle, including:
  - €3.6 million in severance costs for the 163 employees who refused the Collective Performance Agreement (CPA);
  - €0.9 million for a redundancy plan at Derichebourg Aeronautics Recruitment France;
  - €0.9 million for a redundancy plan at Derichebourg Atis Iberica; and
  - €0.2 million of restructuring costs in the German subsidiary.
- Negative results for the disposal of subsidiaries:
  - loss of €0.2 million following the sale of the Temporary Aeronautical Work business in the United Kingdom;
  - loss of €1.5 million following the sale of the Turkish subsidiary.

In the Holding companies business

- Restructuring costs of €0.2 million incurred due to the lockdown

Operating profit

The Group's operating profit (loss) was down €41.3 million on the previous period, representing an unfavorable difference of 42.4%.

Pre-tax profit (loss)

After taking into account €12.3 million in financial expenses (an increase of €2.6 million compared to the previous fiscal year), and other financial expenses of €2.3 million, the Group's pre-tax profit came to €41.5 million, down by €45.5 million compared to the previous fiscal year.

Consolidated net income (loss)

After taking into account a corporate income tax charge of €19.5 million, resulting in an apparent tax rate of 47%, the consolidated net income is €22.4 million most of which goes to the shareholders of the consolidating entity (€21.3 million).

3.2.2 Environmental Services activity

In millions of euros	2020	2019	Change %
Revenue	**1,627.4**	**1,846.7**	**(11.9%)**
Recurring Ebitda	142.2	162.1	(12.3%)
in % of revenue	*8.7%*	*8.8%*	
Recurring operating profit (loss)	**52.5**	**88.2**	**(40.5%)**
in % of revenue	*3.2%*	*4.8%*	
Change of consolidation method Reyfra	7.7		
Result on disposal AEP Multiservizi	(2.3)		
Loss of exclusive control of water treatment and distribution subsidiaries	(2.8)		
Veolia wins appeal against the decision of the Court of Appeal	3.7		
Lyrsa post-acquisition restructuring	(1.2)		
Restructuring Recycling France	(1.6)		
Revaluation monitoring costs CRS landfill	(2.3)		
Others		(0.7)	
Operating Profit (loss)	**53.7**	**87.5**	**(38.6%)**

Revenues for the Environmental Services division came to €1,627.4 million, down 11.9% compared to last year.

Changes in the consolidation scope partly contributed to this decline:

Environmental Services Revenue 2019	1,846.7
Disposal of operations in Italy	(28.7)
Disposal of operations in Morocco	(47.5)
Loss of exclusive control of water treatment and distribution subsidiaries	(1.9)
9-month contribution Derichebourg España (ex-Lyrsa)	265.9
Change in constant scope	(407.1)
Environmental Services Revenue 2020	**1,627.4**

Tonnages sold changed as follows:

In thousand tons	2020	2019	Change
Ferrous metals	3,159.2	3,445.8	(8.3%)
Non-ferrous metals	552.3	535.1	3.2%
Total volumes	**3,711.5**	**3,980.9**	**(6.8%)**

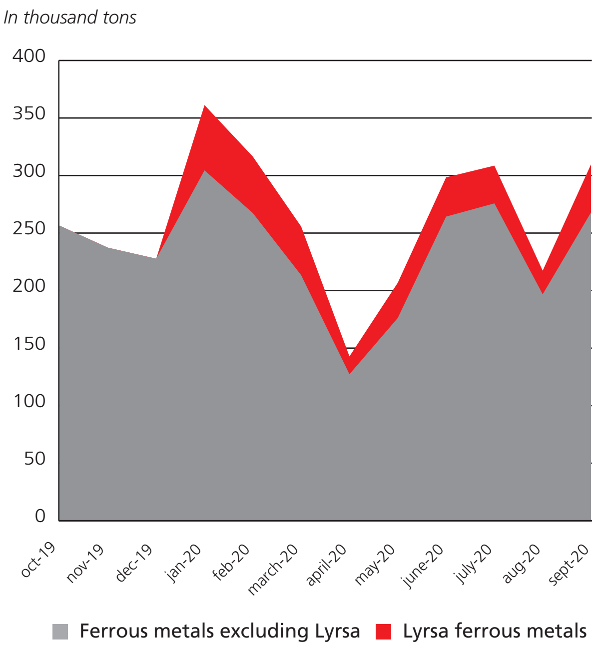
In millions of euros	2020	2019	Change
Ferrous metals	681.9	858.9	(20.6%)
Non-ferrous metals	692.7	674.7	2.7%
Services	252.8	313.1	(19.3%)
Total revenues Environmental Services	**1,627.4**	**1,846.7**	**(11.9)**

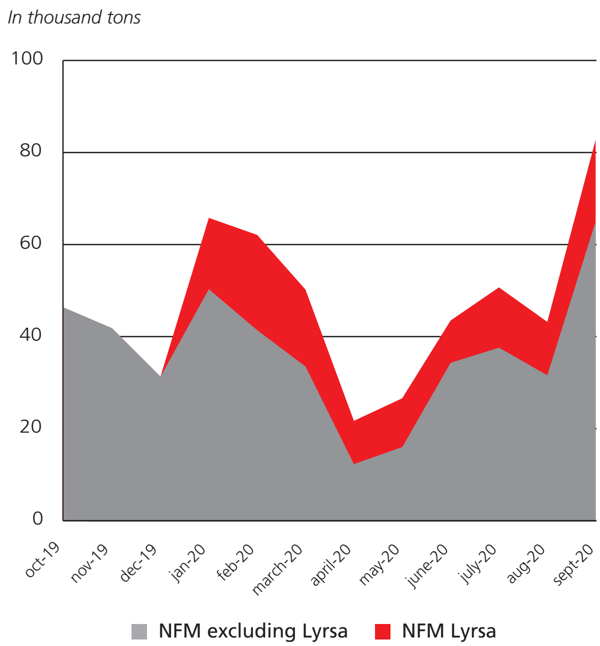
The Group's Recycling business had a start to the year marked by lower volumes and prices, both sequentially and compared to the previous year. At the end of February 2020, excluding the contribution of volumes contributed by Derichebourg España (formerly Lyrsa), the decline in volumes processed in the Ferrous Metals business was approximately 8%. This decline was consistent with the development of steel production in the countries to which the Group delivers its ferrous scrap metals.

For non-ferrous metals, activity was more or less flat, with a limited decline of 1% at the end of February.

Volumes processed for both ferrous scrap and non-ferrous metals were very low during the period March 2020 - May 2020. The March-May period was strongly affected by the strict lockdown in several countries, and particularly France and Spain, the two main countries in which the Group operates.

As soon as the lockdown was lifted, business picked up again, and by the end of the fiscal year, at comparable scope, output was comparable to input at the beginning of the fiscal year for ferrous scrap metal and non-ferrous metals, as illustrated in the two tables below:





Derichebourg España (formerly Lyrsa) contributed the following volumes for the 9-month period:

- ferrous scrap metal: 323 thousand metric tons;
- non-ferrous metals: 125 thousand metric tons.

It should be noted that Derichebourg España temporarily halted its low-margin scrap trading activity, which consisted in placing suppliers' metric tons with steelmakers, without passing through its own yards, because of a drop in the credit insurers' approvals for one customer in particular.

Services

Revenues from Services fell by 19%, mainly due to changes in the scope of consolidation (disposal of operations in Morocco and Italy during the previous year).

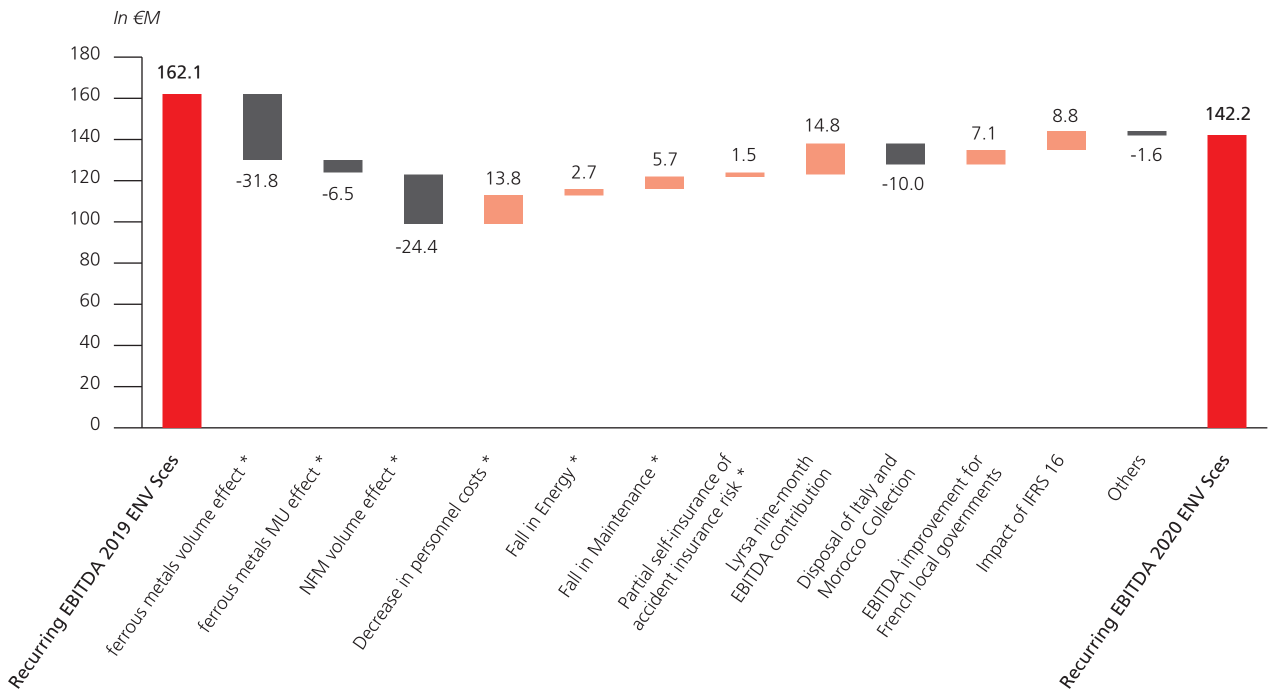
Conversely, revenue for Public Sector Services in France grew by 16%, thanks to the full-year contribution of contracts won last year (primarily household waste collections in the 10th and 18th districts of Paris), and to new contracts won during the fiscal year (Levallois-Perret, La Garenne Colombes and Coeur de Nacre in particular). Derichebourg Environnement's strategy of positioning itself only on contracts that do not only value price, but which also take into account service quality through local supervision and technological innovation, is paying off. A significant contract with annual revenue of €10 million is set to begin on April 1, 2021 (Caen-la Mer).

The net income (revenue for Services + sales margin) from WEEE services is increasing. The post-lockdown period has lent itself to the recovery of the large household appliances sector.

Derichebourg España's contribution to services revenue is €5 million.

Recurring Ebitda

For Environmental Services, recurring Ebitda amounted to €142.2 million, down 12.3% compared to the previous fiscal year. It includes €8.8 million of cancellation of rental and leasing expenses in application of IFRS 16.



** Scope prior to the acquisition of Derichebourg España (formerly Lyrsa).*

Negative impact on net income: Fall of approximately €60 million

Recycling sales margin was negatively impacted by:

- a volume effect on ferrous scrap metal (-€32 million) processed at recycling centers, at constant scope, with an 18% drop in volumes. Approximately 50% of this decrease is attributable to the period from mid-March to mid-May 2020, which coincided with the lockdown period;
- a unit margin effect on ferrous scrap metal (-€6.5 million), all of which was recorded in the first half of the year, as the sharp drop in prices at the beginning of the first half of the year made it impossible to pass on the full impact of the drop in sales prices to purchases;
- a volume effect on non-ferrous metals (-€24.4 million), mainly due to the lockdown. Volumes at constant scope are down 20%. It should be noted that the negative unit margin effect recorded in the first half (-€8 million) was fully recovered in the second half, and that over the full year, unit margins on non-ferrous metals taken as a whole were stable. The rise in copper and aluminum prices (Metal Bulletin index) at the very end of the year explains this recovery.

WEEE processing services increased over the fiscal year mainly due to an increase in volumes processed (improved collection by WEEE/collective schemes, and an increase in household appliance replacements).

Overall, the negative net income effect was around €60 million. Reduced fees have offset nearly half of this amount.

Cost reduction of over €20 million

A reduction in costs of over €20 million limited the impact of the decline in sales margin on results. The main areas of reduction include:

- personnel expenses (including travel expenses), down by €13.8 million. This €13.8 million decrease breaks down as follows:
  - furlough and equivalent schemes: €3.5 million,
  - variable compensation components: €4 million,
  - others: €6.3 million;
- the decrease in energy-related costs (-€2.7 million) and maintenance costs (-€5.7 million) is directly linked to the drop in volumes processed;
- the €1.5 million decrease in the insurance item is mainly due to a drop in the operating damages and losses premium, in return for the Company taking on a greater share of the risk, in a context in which insurers are withdrawing from the environmental sector due to the risk of fire. There were no significant losses during the year.

Positive contribution from Lyrsa of €15 million over 9 months

Lyrsa's contribution to recurring Ebitda over nine months was €14.5 million, despite three very difficult months (April to June). This positive performance can be explained by:

- reductions in inventory;
- good performance on non-ferrous metals (copper in particular);
- a reduction in operating costs.

The lead refining business experienced supply difficulties during the pandemic, which led to the shutdown of the refinery for almost a month last summer.

Improved contribution of Public Sector Services in France

In the previous fiscal year, the Italian and Moroccan subsidiaries, which have since been sold, contributed €10 million to recurring Ebitda.

This year again, the contribution of the French public sector services subsidiaries improved by €7.1 million. As explained above, the division is reaping the benefits of its selective approach to the market (contracts with high technical ratings) and its efficient operational organization.

Recurring operating profit (loss)

Depreciation and amortization charges on fixed assets increased by €15.7 million, including €8.5 million for amortization of rights of use (IFRS 16), and the balance due to the increase in investments during the previous fiscal year.

Recurring operating profit for the Environmental Services business amounted to €52.5 million, down €35.7 million, i.e. (-40.5%).

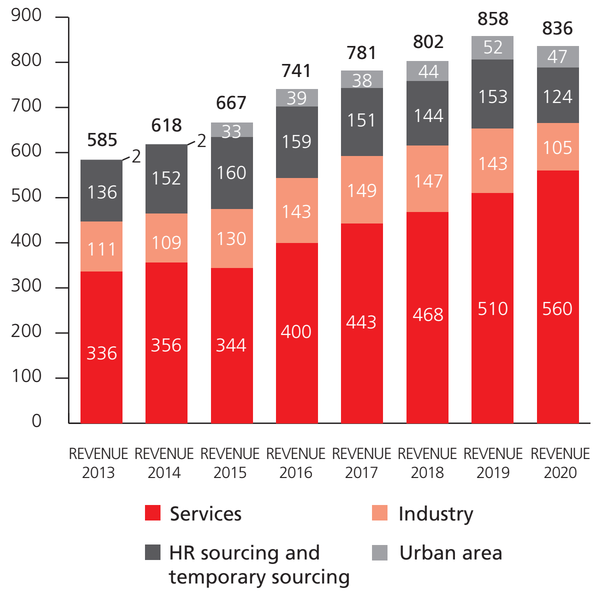
The reconciling items from recurring operating profit to operating income are explained in section 3.2.1.

3.2.3 The Multiservices business

In millions of euros	2020 12 months	2019 12 months	Change	Change %
Revenue	**836.2**	**857.6**	***(21.4)***	***(2.5%)***
Recurring Ebitda	**44.0**	**33.0**	***11.0***	***33.2%***
in % of revenue	*5.3%*	*3.8%*		
Recurring operating profit (loss)	**18.1**	**21.3**	***(3.2)***	***(15.1%)***
in % of revenue	*2.2%*	*2.5%*		
Nuclear engineering business contracts		(5.0)		
Restructuring of the Aeronautics division	(5.6)			
Result on disposal Temporary aeronautics staffing UK	(0.2)			
Result on disposal Cleaning Turkey	(1.5)			
Operating Profit (loss)	**10.9**	**16.4**	***(5.5)***	***(33.7%)***

Revenue for the Multiservices business totaled €836.2 million, down 2.5% compared with the previous period. After the lockdown period (from mid-March to mid-May), the aeronautics-related businesses (outsourced services and temporary work) did not return to their previous volume of activity, unlike most of the division's other activities. The extent of the decline is limited by the full-year effect of the consolidation of the Spanish cleaning businesses acquired at the end of last year (impact of around €20 million on revenue), and by the consolidation of the revenue generated by Immedia Services (temporary work) acquired in October 2019 (approximately €10 million).

In millions of euros



Revenue in the Services segment rose by 10%. It includes the effects of organic growth at Derichebourg Propreté, the full-year impact of last year's acquisitions in Spain (approximate impact of €20 million) and France (impact of €5 million). During preparations for the easing of the lockdown, Derichebourg Propreté generated approximately €15 million in revenue from additional work (disinfection, supply of equipment required for preventive measures), which is much higher than the usual amount. Sales in the Energy business were stable, with the delay in the spring being offset by revenue from an acquisition made last year. In the Cleaning business on the Iberian Peninsula, the two subsidiaries Derichebourg Facility Services (Portugal, +12%) and Silnet (60% held, Spain, + €20 million every year since the acquisition) have seen strong revenue growth.

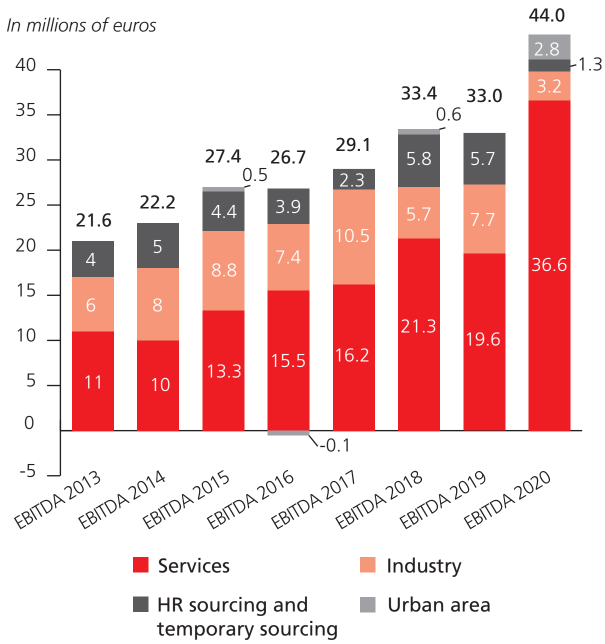
Revenue in the Industry segment were down by 26%, which corresponds roughly to a decrease of 50% in business activity during the second half of the year. After a virtual shutdown of plants in March 2020, business activity for Derichebourg Aeronautics Services only returned to a maximum of 50% of what it was before the very sharp drop in air traffic and in aircraft production rates from March 2020. The solutions put in place by the subsidiary in an attempt to adjust its cost base to its new business benchmark are described in section 3.1.2.

The revenue of the HR Sourcing segment is down 19%. Two opposite trends explain this change:

- a virtual collapse in the provision of temporary employment services to the aviation industry (down 40% compared to the previous year, with a drop only in the second half of the year);
- a good upturn in activity in general temporary work, where sales are up by 4% compared with last year, due to the acquisition of the company Immedia Services in October 2019, the opening of 6 new branches over the past fiscal year, and a change in the customer base. These positive effects more than compensate for the lack of activity from March to June.

Revenue in the Urban Area segment decreased by 9%. The advertising campaigns of the main customer in this segment were strongly affected by the health situation in the spring. The impact is partially offset by a fixed fee system. The other activities (Public Lighting, Green Spaces) are also down by about 10%.

In millions of euros



The Multiservices division generated a recurring Ebitda of €44 million over the fiscal year, representing 5.3% of revenue. The transition from IAS 17 to IFRS 16 brings an additional €12 million in recurring Ebitda, mainly in the Cleaning businesses. At the operational level, the improved performance of the Cleaning businesses partially offset the downturn in the aeronautics businesses.

€9 million of the €17 million improvement in recurring Ebitda in the Services business is explained by the transition from IAS 17 to IFRS 16, and:

- €7 million by improving the performance of Derichebourg Propreté's activities: termination of a loss-making contract last year, synergies from last year's acquisitions, volume effect on results of non-recurring disinfection and hygiene equipment supply services;

- €1 million by improving the performance of the Iberian subsidiaries.

The €4.5 million decline in Ebitda for the Industry segment can be explained as follows:

- disposal of the Nuclear activity at the end of 2019, which contributed negatively by €3.7 million;
- disappearance of the long-standing profitability of the aeronautical services business, whose Ebitda is down by €8.1 million (-€5.3 million in France, -€0.6 million in Germany, -€1.7 million in Spain, which is the country that suffers the most in relation to its relative size, -€0.6 million in North America).

Recurring Ebitda from temporary employment activities is down €4.4 million. As mentioned in the paragraph relating to revenue, the two subsidiaries showed contrasting trends:

- recurring Ebitda of the general temporary employment subsidiaries held up well, decreasing by €0.5 million, notably due to the change in the customer mix and the lack of medium-sized customers for 4 months;
- the Ebitda of the temporary employment subsidiaries in the aeronautics sector went into the red during the second half of the year. It dropped by €3.3 million compared to last year to -€1.7 million. The lack of volume explains this change.

Recurring Ebitda for the Urban Area business improved by €2.8 million, and stood at the same amount. The transition from IAS 17 to IFRS 16 accounts for half of the improvement, while the improved performance of operating activities (in particular signage) accounts for the other half.

Recurring operating profit (loss)

Depreciation and amortization on fixed assets increased by €14.2 million, including €11.9 million related to the implementation of IFRS 16, with the balance mainly due to the increase in investments last year.

Recurring operating profit (loss) stood at €18.1 million, down €3.2 million (i.e. 15.1%) compared to last year. On the whole, the improvement in the results of the Services and Urban Area businesses did not offset the decline in the contribution of the Aeronautics businesses.

The reconciling items from recurring operating profit to operating profit are described in section 3.2.1: they mainly concern restructuring costs and gains and losses on asset disposals.

3.2.4 The Holding companies business

In millions of euros	2020 12 months	2019 12 months	Change	Change %
Revenue	**0.4**	**0.8**	**(0.3)**	**(43.7%)**
Recurring Ebitda	**(5.3)**	**(3.9)**	***(1.4)***	***35.7%***
in % of revenue	*na*	*na*		
Recurring operating profit (loss)	**(8.2)**	**(6.4)**	**(1.9)**	**29.0%**
in % of revenue	*na*	*na*		
Restructuring	(0.2)			
Operating Profit (loss)	**(8.4)**	**(6.4)**	**(2.0)**	**32.1%**

The change in recurring Ebitdacan be explained by adjustments to the rebilling of costs covering all operating subsidiaries.

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	2020	2019
Revenue	2.3	3.2
Operating profit (loss)	(2.4)	(1.9)
Net financial income (loss)	45.9	27.1
Recurring profit (loss)	43.6	25.2
Non-recurring gain (loss)	0.1	3.9
Corporate income tax	(2.2)	(0.5)
Net profit (loss)	**41.5**	**28.6**

Revenue is down compared to the previous fiscal year, as the expenses re-invoiced to the subsidiaries (mainly strategic assistance and brand royalty agreements) decrease less than the operating expenses, so that the operating income (down €2.4 million) is €500 thousand lower than the previous fiscal year.

The net financial income was €18.8 million higher than last year. It is explained by the amount of dividends received from the subsidiaries: Derichebourg Environnement (€38 million, higher than the previous year), Derichebourg Multiservices Holding (€10.5 million), Derichebourg Immobilier SCI (€2.1 million), and by financial expenses being slightly higher than last year.

The non-recurring gain (loss) is negligible.

Corporate income tax, calculated as part of the tax consolidation system, represents an expense of €2.2 million.

Net profit (loss) was significantly positive at €41.5 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		0.1	0.1
Total	0.0	0.2	0.2
Outstanding invoices		1.5	1.5
Total suppliers and related accounts Derichebourg SA	**0.0**	**1.7**	**1.7**

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: Prosimetal (recognition of liquidation): 50% and 33.33% thresholds, Reyfra (intra-group reclassification): 50% and 33.33% thresholds.

3.2.5 Outlook

3.2.5.1 Events occurring after year-end

On October 31, 2020, a second lockdown (less strict than the first), started, for an initial duration of one month. As of the date of the Board of directors' meeting, the impact of the second lockdown on economic activity in general and on that of the Group is relatively small.

3.2.5.2 Significant changes in the trading position, information on trends

During this unprecedented year, the Group benefited from the diversity of its businesses and the different economic cycles to which they are exposed, which made it possible to diversify risks and to limit the impact of the extremely brutal economic crisis that occurred in the spring, with the help, of course, of the measures implemented by the public authorities.

Environmental Services business

While hopes of resolving the health crisis, particularly through vaccination, are being fulfilled in the fiscal year that has just begun, and provided that the geopolitical situation remains under control (Turkey, USA, etc.), the Group predicts a positive outlook for the coming fiscal year:

- reasonably sustained demand for scrap metal from European customers, with slightly stronger demand in Turkey;
- non-ferrous metal prices rising sharply, indicating rising demand or fears of shortages (e.g. call from the Chinese market from January 1, 2021 for copper shot);
- further consolidation of Derichebourg España (formerly Lyrsa).

Moreover, the current temporary situation does not call into question the long-term trends in the steel market in which steel from electric steel mills and non-ferrous metals from the recycling industry are set to become increasingly important:

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

Multiservices business

The Multiservices business is facing conflicting trends:

- firstly, the revaluation of the cleaning business in the context of the health crisis, and secondly a reduction in footfall to commercial premises in which not all occupants have returned to work in person;
- growth in the Cleaning business revenue in the Iberian Peninsula;
- decline in temporary work in some sectors (specialized distribution) with strong growth in others (logistics);
- Over the first six months of the fiscal year, the Aeronautics business (outsourced services and temporary work) should remain at least at a pace comparable to that experienced in the second half of the 2020 fiscal year.

Therefore there should not be any major fluctuations in the division's revenue.

3.2.5.3 Profit forecasts

After the first two months of activity, the Group expects the recurring EBITDA published for the 2020/2021 fiscal year to increase from 15% to 20% compared to the published recurring EBITDA for 2020, which should result in a 30%-45% increase in recurring operating profit. It also expects the amount of tangible investments to be less than 50% of published recurring EBITDA. This forecast is based on the following assumptions:

- no worsening of the health situation;
- absence of a major geopolitical crisis;
- no additional hindrance to trade flows of recycled raw materials.

The forecast has been developed and prepared on a comparable basis with the historical financial information, and in accordance with the Issuer's accounting methods.

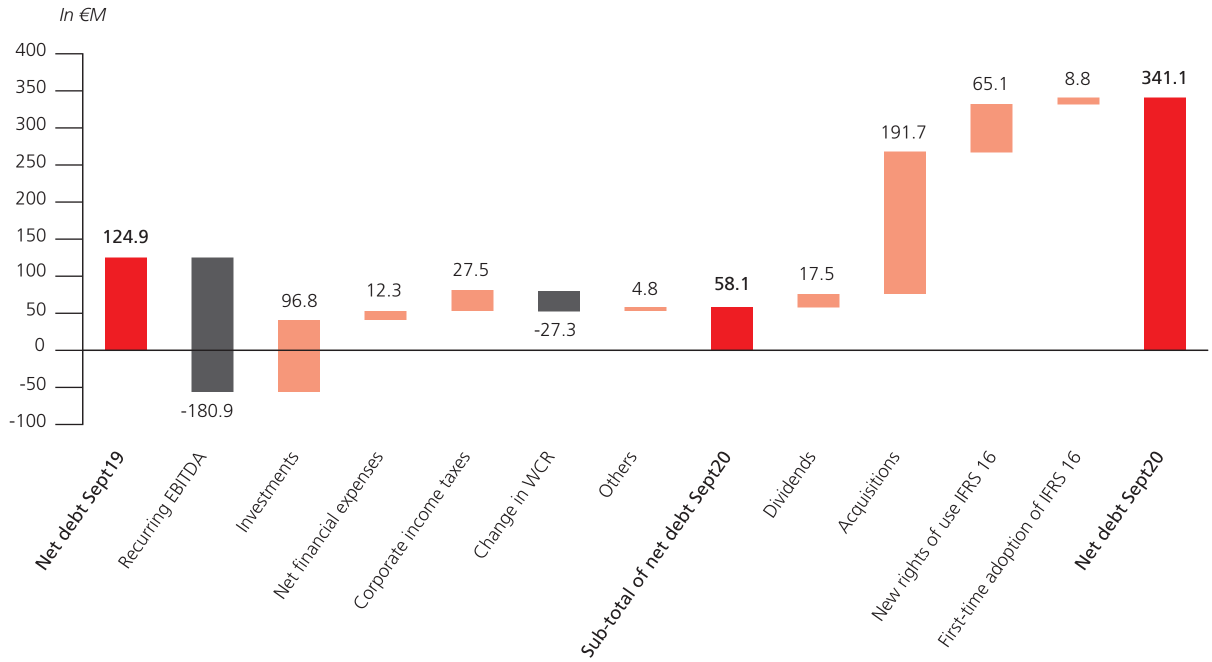
3.2.6 Financing and changes in indebtedness

On March 19, 2020, the Group signed a new syndicated loan to finance the Group's general needs, including the refinancing of the acquisition of the Lyrsa Group.

The loan was made available to Derichebourg SA, the borrower, on March 31, 2020. The balance of the previous syndicated loan was repaid on the same date (refinancing loan of €31.8 million and undrawn RCF of €100 million).

The new syndicated loan includes a €240 million Refinancing Loan (drawn) and a €100 million Revolving Credit Facility (currently undrawn). The term of the loan is 5 years, with an option to extend it twice a year, subject to the agreement of the lenders.

The Group's financial debt over the year changed as follows:



The recurring Ebitda achieved by the Group during the fiscal year has already been detailed in the previous sections.

Concerning investments, it should be noted that they include a “non-recurring” amount of €14 million related to the acquisition of two real estate complexes in the Paris region in which the Group operates shredders. Restated for this acquisition and the impact of IFRS 16 on Ebitda, the reinvestment rate is 54%, which is consistent with the Group's long-standing practices (50% to 60%). It should be noted that since the Covid-19 crisis, the Group has reduced its investments.

The main industrial investment made during the fiscal year concerned the copper cable shot-blasting line at the Saint-Marcel (71) site, amounting to €9.5 million. Production has reached cruising speed since September 2020.

The improvement in working capital requirements is mainly due to the decrease in Derichebourg España's inventories since the acquisition.

The dividend was paid on February 11, 2020, following the decision of the shareholders’ meeting of January 31, 2020.

External growth includes mainly the enterprise value linked to the acquisition of the Lyrsa Group and secondarily that of Immedia Services.

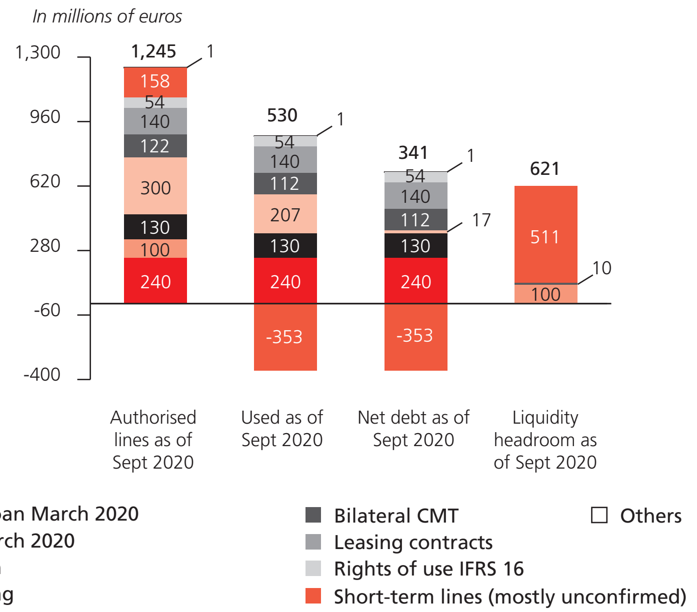
The impacts of the entry into force of IFRS 16 are detailed in section 3.1.3.

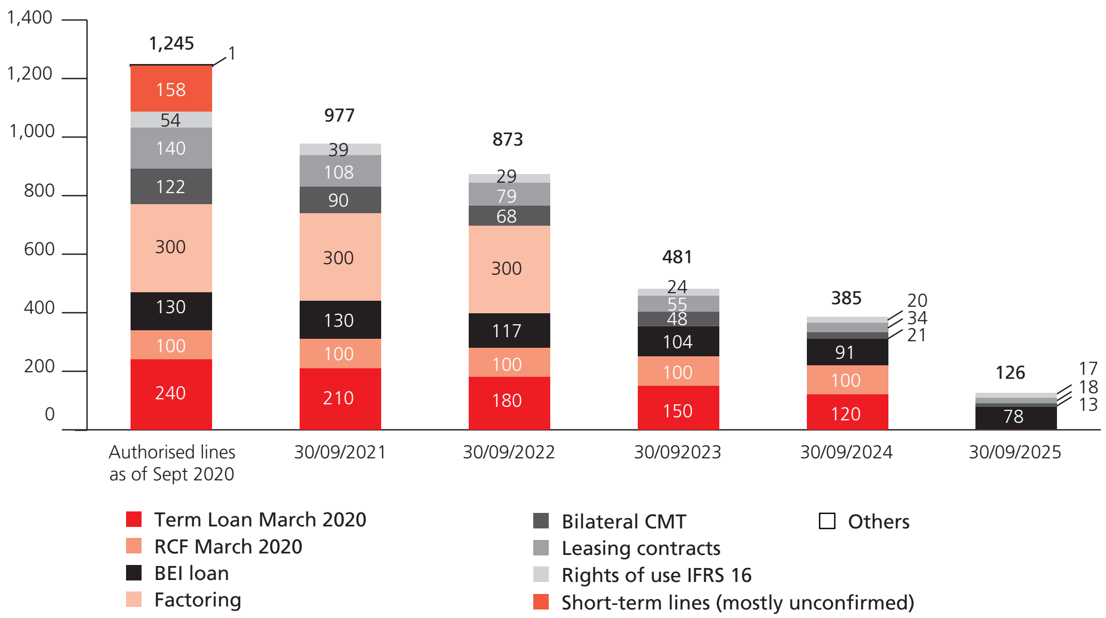
The Group has a healthy financial structure.

Its leverage ratio (net financial debt to *pro forma* recurring Ebitda for acquisitions) is 1.84 (contractual commitment: less than or equal to 3) and its gearing ratio (net debt to shareholders' equity) is 0.65.

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

Details of the Group's sources of financing, their use and maturity are shown in the graphs below.





The Group has a good long-term line base and has already reached an agreement in principle to extend its factoring contract for a further year, which was confirmed until December 31, 2021.

The *pro forma* leverage ratio for acquisitions made in the past fiscal year, calculated on a rolling 12-month basis, is 1.84.

3.2.6.1 Cash flow

In addition to the information presented above, the statement of cash flow is presented in section 4.1.3. Further information on the conditions of the Group's lines of financing can be found in section 4.11 of the notes to the consolidated financial statements.

3.2.6.2 Borrowing conditions and financing structure

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

At September 30, 2020, the Group was compliant with its various financial covenants and had almost €621 million in undrawn credit lines (excluding undrawn factoring lines, and including non-confirmed lines and the use of cash flow 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 section 4.11 of the notes to the consolidated financial statements.

3.2.7 Investments

3.2.7.1 Objectives pursued

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

Environmental Services

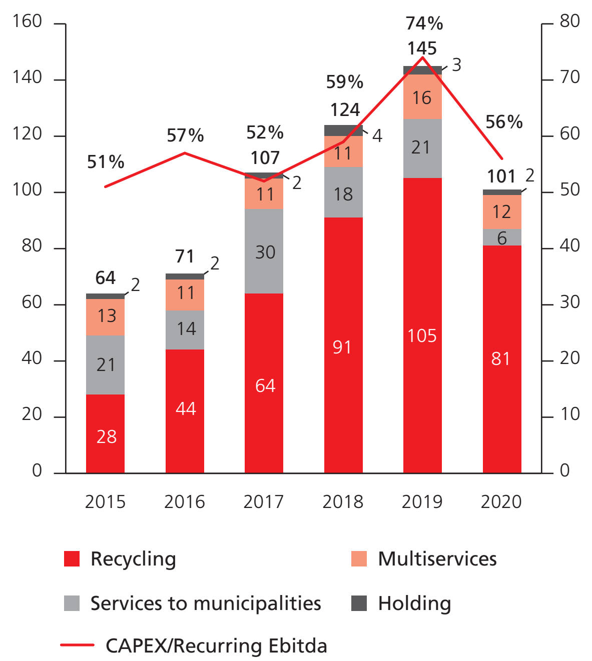
- continued expansion of regional coverage;
- better control of sourcing (material flow) by developing a fleet of collection vehicles and reception centers as well as the energy efficiency of this fleet;
- maintaining the high quality of production equipment and standardizing assets;
- development of 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.

Under the Environmental Services activity, investments can generally be spread over time, given the general condition and number of tools available to the Group. Therefore, the main determinant of the investment budget is the available Ebitda. The delay of several months between the commitment of investment orders and their actual completion, due to the delivery times of suppliers, should also be taken into account.

As a general rule, the Group strives to maintain its investment effort within a budget representing 45 to 60% of its recurring Ebitda.



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	2020	2019	2018
Investments in land or infrastructures	25	13	21
Production equipment	49	77	67
Handling and transportation equipment	12	36	20
Others	0	0	0
Environmental Services subtotal	**87**	**126**	**108**
Cleaning	7	10	6
Other Multiservices investments	5	6	5
Multiservices subtotal	**12**	**16**	**11**
Holding companies subtotal	**2**	**3**	**4**
Total property, plant and equipment and intangible investments	**101**	**145**	**123**

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

- property acquisition: €16 million;
- major maintenance work and repair of shredders: €3 million;
- acquisition of handling equipment and machinery: €15 million;
- acquisition of trucks: €5 million;
- acquisition and repair of shears: €7 million;
- WEEE lines: €4 million;
- post-shredding, flotation and refinery: €4 million
- buildings, site fittings: €6 million
- copper shot-blasting line: €6 million
- household refuse collection dumpsters and related equipment: €6 million;
- other: €15 million.

Environmental Services total: €87 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 €22 million.

3.3 Risk factors

3.3.1 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.

The selected risks are particular and significant risks for the Group. Each risk factor is assessed according to two criteria: the probability of occurrence and the net impact on the Group.

3.3.2 Overview of principal risks identified and the risk management system

Risks	Risk management systems
Pandemic risk	
The emergence of a pandemic in Europe is likely to significantly reduce the Group's activities and impact its profitability.	This exogenous risk cannot be controlled. There are however some shock absorbers, including: - the diversity of the business lines in which the Group operates; - State support of the economy. In the event of a serious health crisis the State can take measures to safeguard the survival of economic operators.
Geopolitical risks and economic cycle-related risks	
The introduction of customs barriers, financial sanctions or regulatory export bans against certain countries in which the Group delivers its products, 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 policy of low inventories and fixed costs, high unit margins, and customer diversification is likely to limit (but not cancel out) the impact should situations of this kind arise.
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, which reduces the demand for products sold by the Group's Recycling business from its geographically close customers.	
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 11% of its revenue, and the five largest represent around 28%. The financial failure, or a reduction in commercial relations with one of these customers, could affect the Group's profits.	The Group systematically seeks to insure its trade receivables, to include retention-of-title clauses in its contracts, and for major exports to obtain the bulk of payment before unloading the goods. 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 14% 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.
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. Finally, the Group has insurance programs designed to cover the insurable financial consequences in the event of such claims, in a context in which changes in the insurance market require the Group to take on a higher share of the risk.
The subsidiary Derichebourg Aeronautics Services 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 Aeronautics Services has worked, it could be deemed to be liable.	The aeronautical industry relies on several successive checks of operations. The implementation of Derichebourg Aeronautics Services' quality policy is verified by its customers. Furthermore, a specific insurance policy has been taken out.

Risks	Risk management systems
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 could be affected.	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 Group is seeking priority access to landfill sites because shredder residue is the final waste, and these sites accept less well sorted products. Regarding the financial considerations, the Group anticipates adding the TGAP increase to its purchase prices. In the longer term, eco-design is likely to enable better recycling of end-of-life 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 cover all European stakeholders in the business. There is a multiple-year timetable for implementing these measures. The Group has used financing lines to make these investments, with the investment budget currently being drawn up.
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, 2020, the amount of the provisions for rehabilitation and decontamination was €6.6 million.
In 2012, Derichebourg SA and its subsidiary AFM Recyclage (as the final operator) entered into an agreement with a public-private partnership representing the local authority, which was renewed in 2018 and 2019. Under this agreement, they would release land, transfer it to the public-private partnership and transfer their activity to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for industrial, non-sensitive use, on the basis of preliminary studies showing a low decontamination cost. On the basis of more in-depth surveys, an estimate was made of the cost of this decontamination, and its total cost calls into question whether or not the process is cost-effective. 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 called upon to offer services that are in addition to those already offered and this may present costing and performance risks.	The Group endeavors to ensure that each of its businesses is of 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.
Significant ongoing litigation	See section 4.27 to the consolidated financial statements.
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	
Image risk	
Because of its number of employees, or the visibility of its activities, the Group may find itself involuntarily represented on social networks or other media, in connection with transactions initiated by internal or external persons who do not share the decisions made.	These events can be of high intensity, but generally of fairly short duration. Having a long-term lead shareholder should help us navigate such periods more easily.

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.

Internal control 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 CEO of the Group and Deputy CEO, 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.

An Investment Committee was set up on February 14, 2020. It comprises the executive management, the Heads of the two operating divisions, the Group Finance Department and the General Secretariat. Its role is to give a prior ruling on any investment or restructuring plan, whatever its amount and form (sale/acquisition/company incorporations/purchases/sale of businesses, JVs, real estate sales and all non-standard contracts in terms of their amount, type or duration.

This committee decides on all investment applications/ restructuring in the light of the following objective assessment criteria:

- strategic objective;
- legal structure;
- planned investment amount;
- project profitability (business plan);
- working capital requirements.

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 Strategic Committee

The Strategic Committee, composed of the same members as the Investment Committee, meets once a month and its agenda is determined by the Deputy CEO. The Group's decisions and strategic guidelines are set out during this meeting.

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).
- 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 General Secretariat

It oversees the Legal Department, Group insurance, internal control and compliance. Therefore and by delegation, the Legal Department:

- 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.

Insurance, internal control and compliance are under the direct responsibility of the General Secretariat.

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 independent 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 significant resources and a considerable 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 "master" underwriters 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 could take an alternative form to traditional insurance in an insurance context that has become much stricter, particularly in the Recycling and waste management sectors, with ever-higher deductibles, lower cover and growing premiums.

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 to insured property of an accidental and sudden nature. It should be noted that the market's insurance capacity is drying up for the businesses in which the Group operates, particularly for this policy type, and that the Group must now take on a larger share of risk than before;
- 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 €10 million at September 30, 2020.

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, 2020, 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	57.80
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	1,787,215	1.12	1,787,215	0.79
Treasury shares	0	0	0	0
Public	91,798,732	57.59	94,139,879	41.38
Total	**159,397,489**	**100.00**	**227,484,284**	**100.00**

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

As at September 30, 2019, 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	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
Public	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
Public	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 ultimate3ly controlled by the family of Mr. Daniel Derichebourg.*

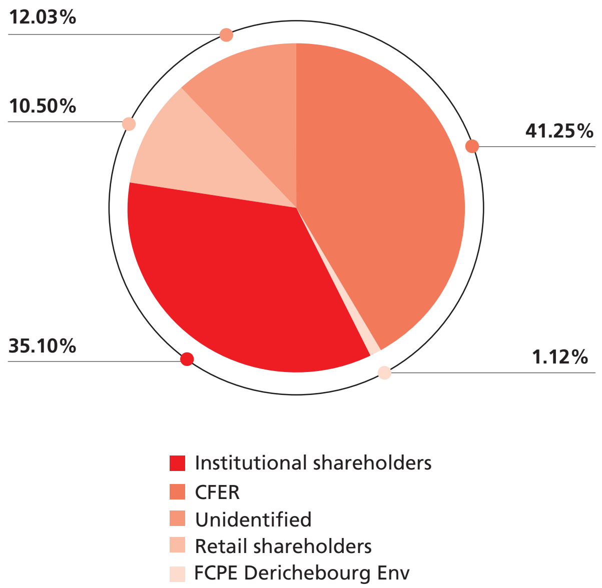
3.4.2 Threshold crossing

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

Date	Shareholder's name	Threshold crossed
07-14-20	Amundi	Above the 2% share capital threshold with 1.4% 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	09-30-16	09-30-17	09-30-18	09-30-19	09-30-20
SHARE CAPITAL AT YEAR-END					
Share capital	42,020,508	40,969,695	40,969,695	39,849,372	39,849,372
Total number of ordinary shares outstanding	168,082,030	163,878,780	163,878,780	159,397,489	159,397,489
OPERATIONS AND NET PROFIT OR LOSS FOR THE YEAR					
Gross revenue before sales tax	3,236,195	3,241,419	3,244,195	3,243,807	2,322,639
Earnings before tax, employee profit-sharing and provisions and depreciation(1)	1,065,415	39,352,849	42,268,502	39,529,594	41,030,778
Income tax	(10,064,953)	(11,857,430)	(17,347,138)	522,936	2,187,417
Earnings after tax, employee profit-sharing and provisions and depreciation	(1,619,845)	73,475,580	68,486,462	28,566,966	41,455,081
Earnings distributed	3,361,641	22,943,029	22,943,029	17,533,724	0
EARNINGS PER SHARE *(IN EUROS)*					
Earnings after tax and employee profit-sharing but before provisions and depreciation(1)	0.07	0.31	0.36	0.24	0.24
Earnings after tax, employee profit-sharing and provisions and depreciation	(0.01)	0.45	0.42	0.18	0.26
Net dividend per eligible share	0.02	0.14	0.14	0.11	
PERSONNEL					
Average number of salaried employees during the year	2	2	2	2	2
Total salaries and wages for the year	322,692	391,589	419,161	398,241	423,996
Amounts paid for social benefits for the fiscal year (social security contributions, other employee benefits, etc.)	163,840	198,585	216,271	207,627	199,280

(1) Subject to approval by the combined general meeting of February 10, 2021.

3.6 Group organization charts

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 19, 2020, with a residual amount of €340 million (see note 4.11.1.5 to the consolidated financial statements).

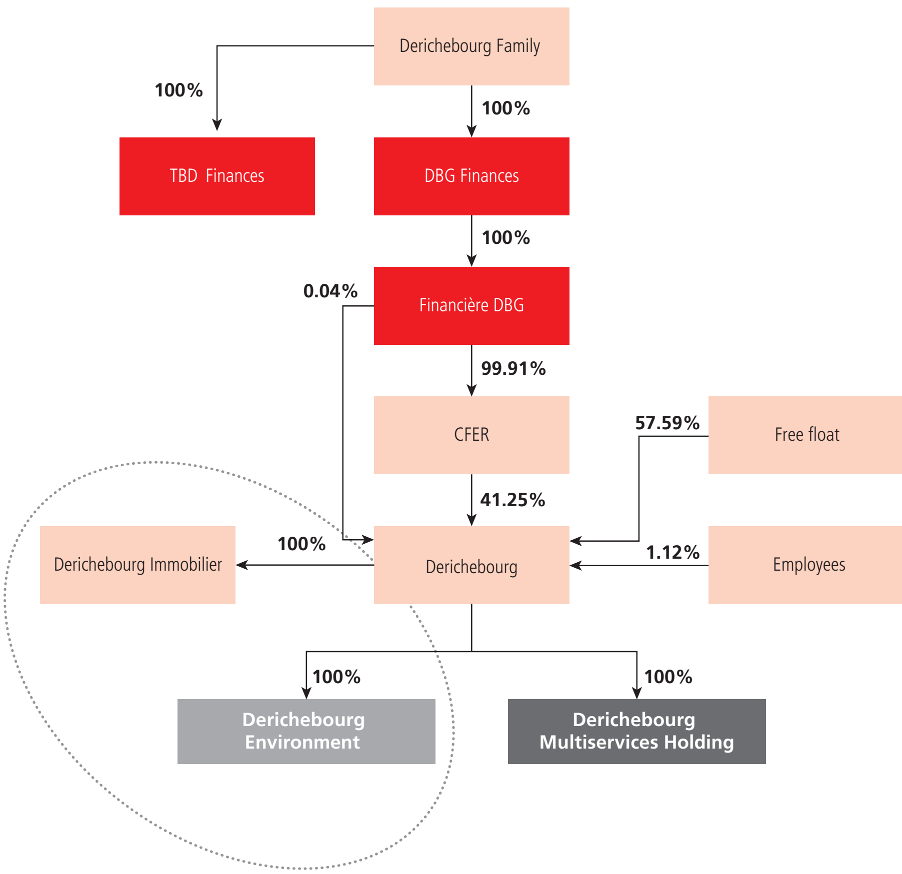
Derichebourg has signed cash agreements with its subsidiaries or sub-subsidiaries to enable current account advances or loans.

3.6.2 Organizational structure

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

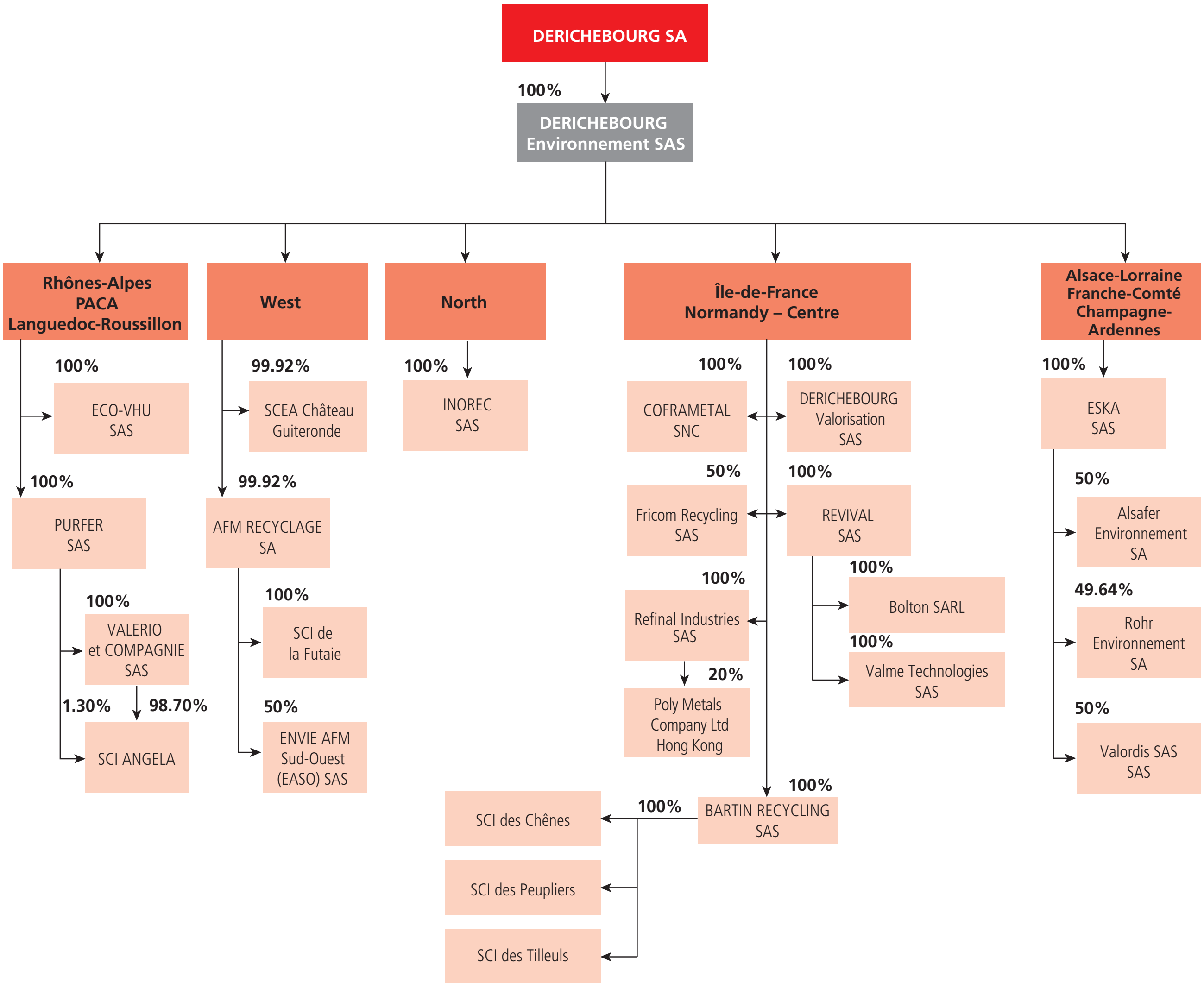
- summary organization chart of the Group and its shareholders (3.6.2.1);
- detailed organization chart of Environmental Services (3.6.2.2);
- detailed organization chart of Business Services (3.6.2.3).

3.6.2.1 Summary organization chart of the Group and its shareholders

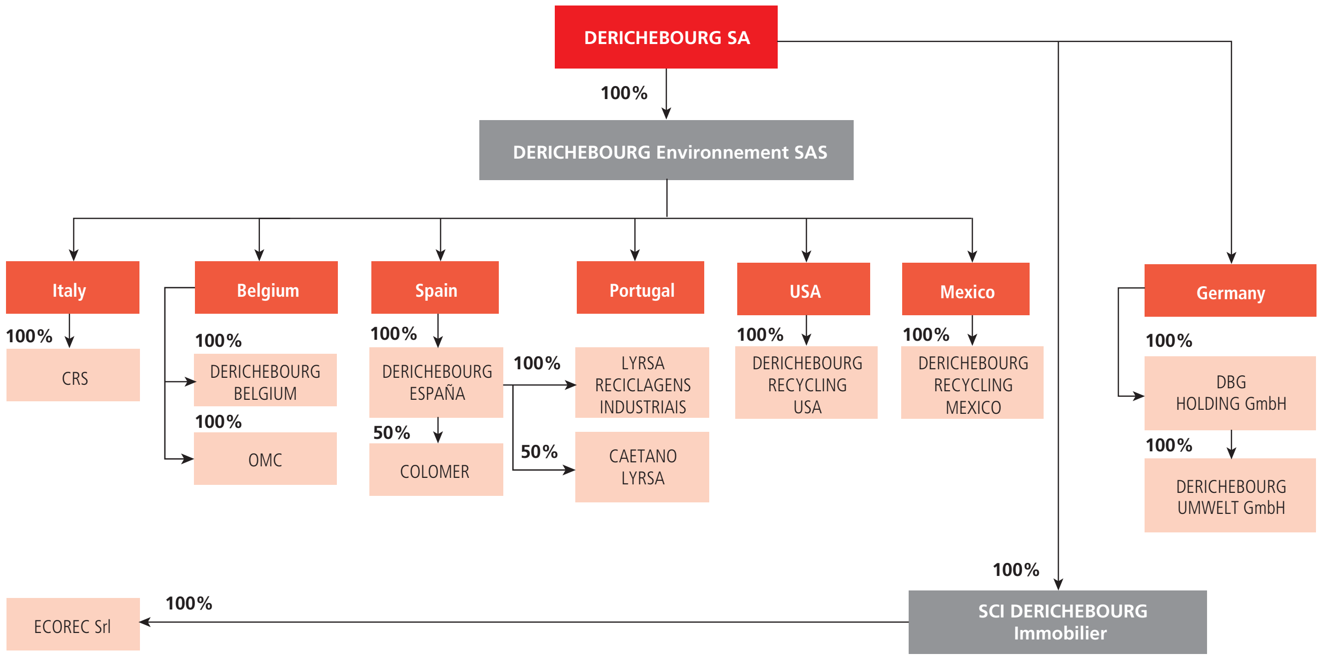


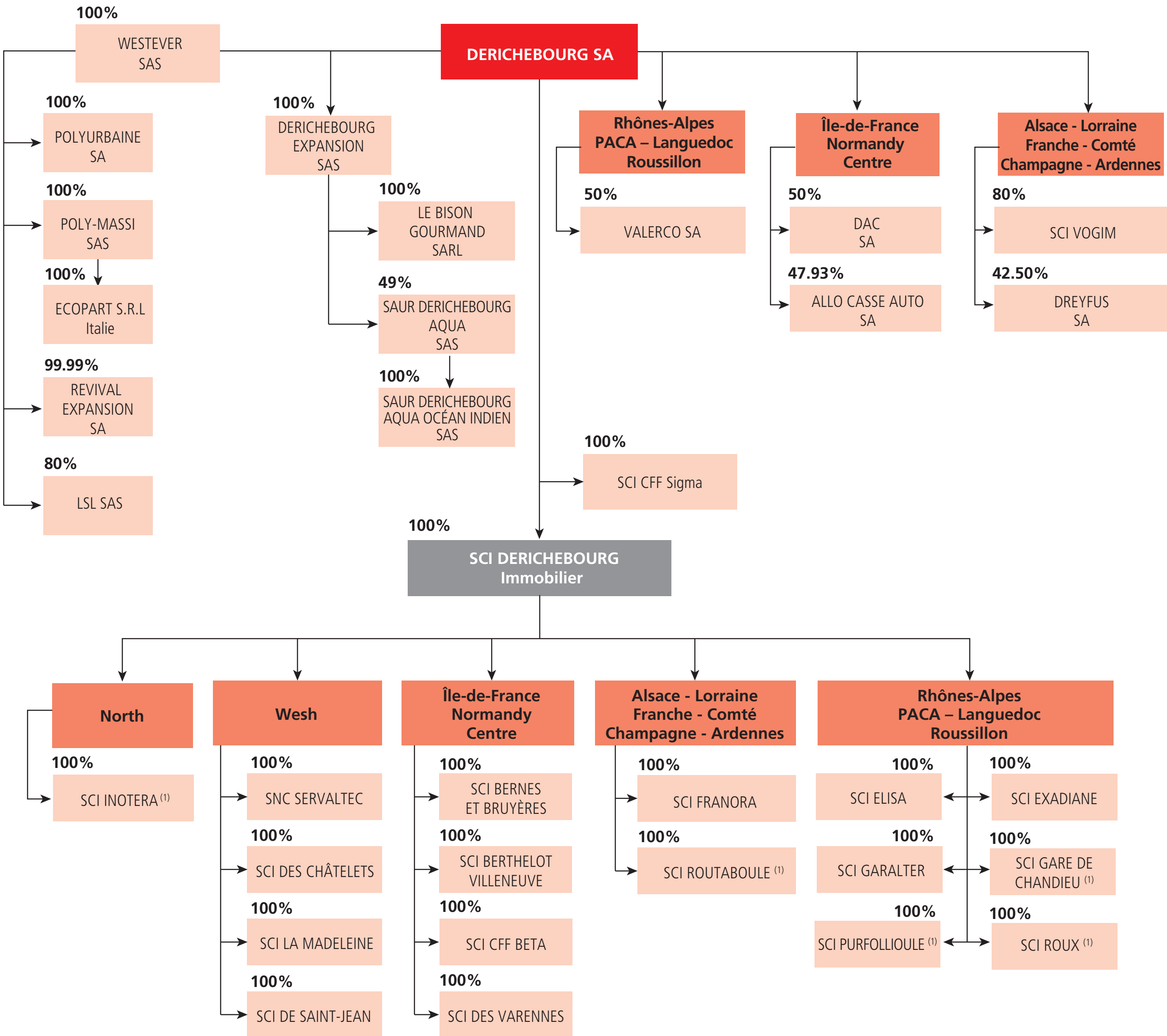
The chart above is presented in % holdings. CFER holds 57.80% of the voting rights.

3.6.2.2 Detailed organization chart of Environmental Services



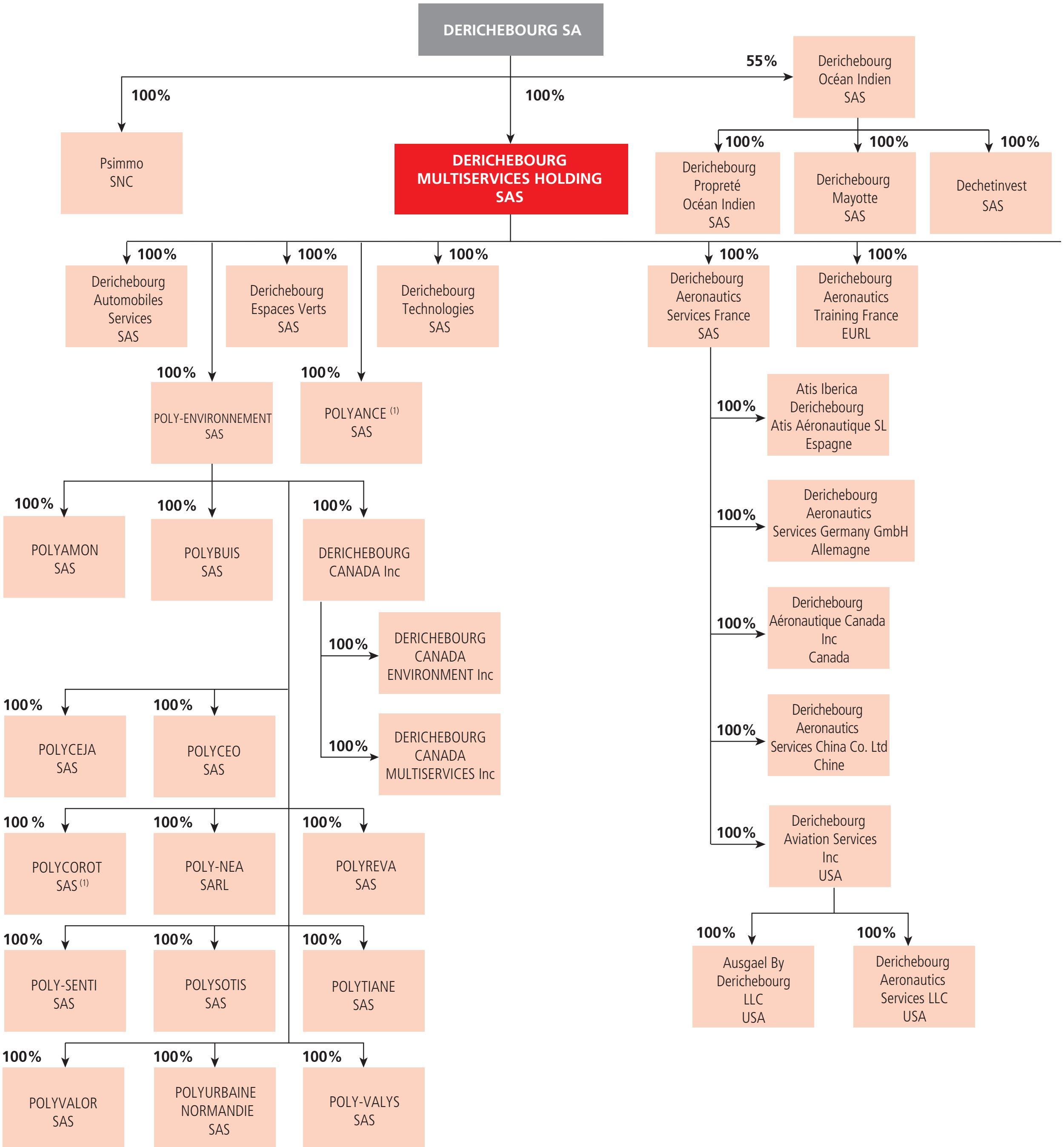
The Dohmen subsidiary is in liquidation and does not appear on the organization chart.


DERICHEBOURG SA
100%
DERICHEBOURG Environnement SAS
Italy
100%
CRS
Belgium
100%
DERICHEBOURG BELGIUM
100%
OMC
Spain
100%
DERICHEBOURG ESPAÑA
50%
COLOMER
100%
50%
Portugal
LYRSA RECICLAGENS INDUSTRIAIS
CAETANO LYRSA
USA
100%
DERICHEBOURG RECYCLING USA
Mexico
100%
DERICHEBOURG RECYCLING MEXICO
Germany
100%
DBG HOLDING GmbH
100%
DERICHEBOURG UMWELT GmbH
100%
SCI DERICHEBOURG Immobilier
100%
ECOREC Srl

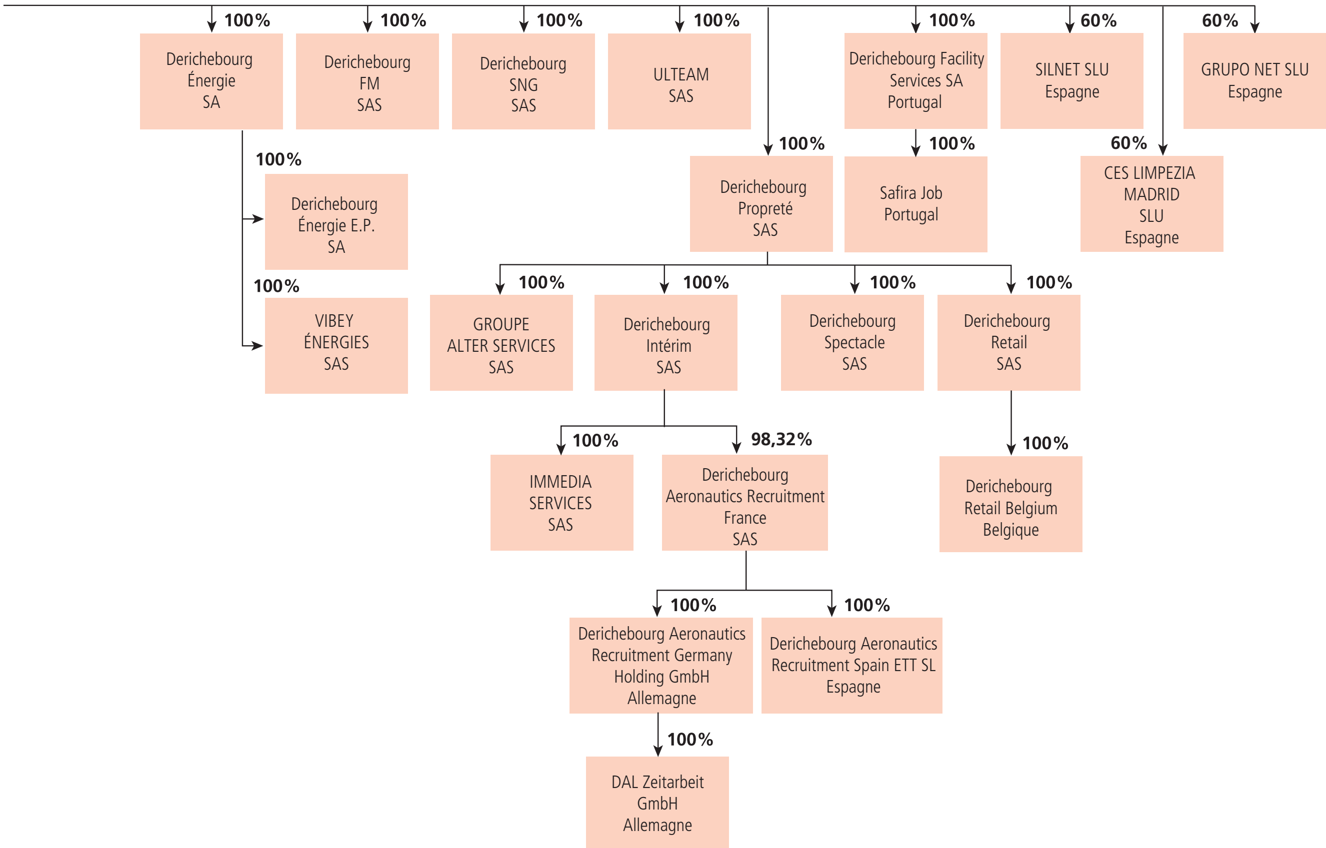


(1) Companies subject to a universal transfer of assets to the benefit of the sole partner as of October 1, 2020.

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, 2020.


100%
Derichebourg Énergie SA
100%
Derichebourg FM SAS
100%
Derichebourg SNG SAS
100%
ULTEAM SAS
100%
Derichebourg Facility Services SA Portugal
60%
SILNET SLU Espagne
60%
GRUPO NET SLU Espagne
100%
Derichebourg Énergie E.P. SA
100%
VIBEY ÉNERGIES SAS
100%
Derichebourg Propreté SAS
100%
Safira Job Portugal
60%
CES LIMPEZIA MADRID SLU Espagne
100%
GROUPE ALTER SERVICES SAS
100%
Derichebourg Intérim SAS
100%
Derichebourg Spectacle SAS
100%
Derichebourg Retail SAS
100%
IMMEDIA SERVICES SAS
98,32%
Derichebourg Aeronautics Recruitment France SAS
100%
Derichebourg Retail Belgium Belgique
100%
Derichebourg Aeronautics Recruitment Germany Holding GmbH Allemagne
100%
Derichebourg Aeronautics Recruitment Spain ETT SL Espagne
100%
DAL Zeitarbeit GmbH Allemagne

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 for the shareholders' combined general meeting of February 10, 2021

Agenda

Ordinary resolutions

- Approval of the parent company annual financial statements for the fiscal year ended September 30, 2020 and discharge to the directors.
- Approval of the consolidated financial statements for the fiscal year ended September 30, 2020.
- Appropriation of prior-year profit for the fiscal year ended September 30, 2020.
- Approval of the agreements and commitments referred to in Article L. 225-38 *et seq*. of the French Commercial Code.
- Approval of the compensation policy applicable to corporate officers.
- Approval of the information relating to the compensation of corporate officers mentioned in I of Article L. 225-37-3 of the French Commercial Code.
- Approval of the elements of compensation owed or granted to Mr. Daniel Derichebourg, Chairman and Chief Executive Officer, for the fiscal year ended September 30, 2020.
- Approval of the elements of compensation owed or granted to Mr. Abderrahmane El Aoufir, Deputy CEO, for the fiscal year ended September 30, 2020.
- 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.
- Delegation of authority to be granted to the Board of Directors, for a period of 26 months, to issue any securities giving immediate or future access to a portion of the Company's share capital, with preferential subscription rights for shareholders.
- Delegation of authority to be granted to the Board of Directors, for a period of 26 months, for the purpose of issuing any securities giving immediate or future access to a portion of the Company's share capital, with cancellation of shareholders' preferential subscription rights.
- Delegation of authority to be granted to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or other amounts that may be capitalized.
- 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 I of the French Monetary and Financial Code, while cancelling preferential subscription rights for shareholders.
- Delegation of authority to be granted to the Board of Directors to carry out a capital increase reserved for members of a company savings plan.
- Amendment of Article 17 of the bylaws to provide for written consultation with the directors.
- Textual references applicable in the event of a change of codification.
- Powers for formalities.

Draft resolutions

Ordinary resolutions

First resolution

Approval of the parent company annual financial statements for the fiscal year ended September 30, 2020

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 independent auditors' report, approves the parent company annual financial statements for the fiscal year ended September 30, 2020, as presented, which show a net profit of €41,455,080.60.

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, 2020.

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, 2020

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 independent auditors’ report, approves the consolidated financial statements for the fiscal year ended September 30, 2020, as presented, which show a profit of €21.3 million (attributable to shareholders) as well as the transactions reflected in these financial statements and summarized in these reports.

Third resolution

Appropriation of profit

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, 2020 in the amount of €41,455,080.60 as follows:

Origin	
Net profit for the year	€41,455,080.60
Retained surplus	€295,097,172.47
Distributable earnings	**€336,552,253.07**
Appropriation	
Retained earnings	€336,552,253.07
Total	**€336,552,253.07**

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
2016/2017	€22,943,029.20	€0.14
2017/2018	€22,943,029.20	€0.14
2018/2019	€17,533,723.79	€0.11

(1) Of which dividends on own 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 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 notes that no new agreements were signed during the fiscal year ended September 30, 2020.

Fifth resolution

Approval of the compensation policy applicable to corporate officers

The shareholders' meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' report on corporate governance, approves, in accordance with Article L. 225-37-2 of the French Commercial Code, the compensation policy for corporate officers as described in the corporate governance report included in the 2019/2020 Universal Registration Document.

Sixth resolution

Approval of the information relating to the compensation of corporate officers mentioned in I of Article L. 225-37-3 of the French Commercial Code

The shareholders' meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings, approves, pursuant to Article L. 225-100-II of the French Commercial Code, the information referred to in I of Article L. 225-37-3 of the French Commercial Code mentioned in the corporate governance report included in the 2019/2020 Universal Registration Document.

Seventh resolution

Approval of the elements of compensation owed or granted to Mr. Daniel Derichebourg, Chairman and Chief Executive Officer, for the fiscal year ended September 30, 2020

The shareholders' meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings, on the proposal of the Board of Directors, approves, in accordance with Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during the past fiscal year or granted in respect of the fiscal year ended September 30, 2020 to Mr. Daniel Derichebourg, Chairman and Chief Executive Officer, as presented in the corporate governance report included in the 2019/2020 Universal Registration Document.

Eighth resolution

Approval of the elements of compensation owed or granted to Mr. Abderrahmane El Aoufir, Deputy CEO, for the fiscal year ended September 30, 2020

The shareholders' meeting, voting in accordance with the quorum and majority conditions required for ordinary general meetings, on the proposal of the Board of Directors, approves, in accordance with Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during the past fiscal year or granted in respect of the fiscal year ended September 30, 2020 to Mr. Abderrahmane El Aoufir, Deputy CEO, as presented in the corporate governance report included in the 2019/2020 Universal Registration Document.

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, 2020;
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 ninth resolution of the combined shareholders' meeting of January 31, 2020.

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 independent 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 tenth resolution of the combined shareholders' meeting of January 31, 2020.

Eleventh resolution

Delegation of authority to be granted to the Board of Directors, for a period of 26 months, to issue any securities giving immediate or future access to a portion of the Company's share capital, with preferential subscription rights for shareholders

The shareholders' meeting, voting in accordance with the quorum and majority conditions required for extraordinary general meetings, having considered the report of the Board of Directors and the special report of the independent auditors drawn up in accordance with the law, making use of the option provided for in Article L. 225-129 of the French Commercial Code:

1. delegates to the Board of Directors its authority to issue, on one or more occasions, in the proportions and at the times it sees fit, both in France and abroad, in euros or in foreign currencies or units of account fixed by reference to several currencies, shares in the Company and any securities of any kind whatsoever, giving access, immediately and/or in the future, to shares in the Company or in a company in which it directly or indirectly owns more than half of the capital or giving entitlement to the allocation of debt securities, by subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, said shares conferring the same rights as existing shares, subject to their dividend entitlement date;

2. decides that the nominal amount of the capital increases that may be carried out immediately or in the future under this delegation may not exceed €50 million, to which may be added the nominal amount of additional shares to be issued to preserve the rights of holders of securities giving rights to shares in the Company, in accordance with the law;

3. decides furthermore that the nominal amount of the debt securities that may be issued pursuant to this delegation may not exceed €500 million, or the equivalent of this amount in the event of an issue in other currencies, on the issue date;

4. decides that shareholders may exercise, under the conditions provided for by law, their preferential subscription rights on an irreducible basis. In addition, the Board of Directors shall have the power to grant shareholders the right to subscribe to a number of securities on a reducible basis in excess of that which they could subscribe to on an irreducible basis, in proportion to the subscription rights they hold and, in any event, up to the limit of their requests. If irreducible and, where applicable, reducible subscriptions have not absorbed the entire issue of securities, the Board of Directors may use, in the order it shall determine, either and/or the other of the following options:

- limit, where applicable, the issue to the amount of the subscriptions on condition that this reaches at least three quarters of the issue decided,
- freely distribute all or part of the unsubscribed securities,
- offer all or part of the unsubscribed securities to the public;

5. acknowledges and decides, as necessary, that any issue of share subscription warrants for the Company's shares that may be carried out may take place either by a subscription offer under the conditions provided for above or by free allocation to the owners of existing shares;

6. acknowledges and decides, as necessary, that the aforementioned delegation automatically entails, in favor of the holders of securities giving future access to shares of the Company that may be issued, the waiver by the shareholders of their preferential subscription right to the shares to which such securities entitle them;

7. resolves, in the case of the issue of stand-alone warrants, to expressly waive the shareholders' preferential subscription rights to the shares to which these warrants entitle them;

8. resolves that the Board of Directors shall have full powers, with the possibility of sub-delegating such powers to its Chairman and/or to one of its members with the Chairman's consent, under the conditions set by law, to implement this delegation of authority, in particular to determine the dates and terms of the issues and the form and characteristics of the securities to be created, to set the prices and terms of the issues, to set the amounts to be issued, to set the dividend entitlement date, even with retroactive effect, of the securities to be issued, to determine the method of paying up the securities issued and, where applicable, to provide for the conditions of their repurchase on the stock market, to suspend, where applicable, the exercise of the share allotment rights attached to the securities to be issued for a period not exceeding three months, to take all measures intended to protect the rights of holders of securities giving future access to the Company's share capital in accordance with the legal and regulatory provisions, to proceed as necessary with any deductions of issue premium(s), and primarily of any costs incurred by the completion of the issues, and, generally, to do all that is necessary, and to carry out all acts and formalities for the purpose of completing the planned issues and recording the capital increases arising from any issue that may be carried out by virtue of this delegation and to amend the bylaws accordingly;

9. in the event of an issue of debt securities, the Board of Directors shall have full powers to decide whether or not they are subordinated, to set their interest rate, their term, the fixed or variable redemption price with or without premium, the terms of redemption depending on market conditions and the conditions under which these securities shall give entitlement to shares in the Company;

10. acknowledges that, should the Board of Directors use the delegation of authority granted to it in this resolution, it will report to the next ordinary general meeting, in accordance with the law and regulations, on the use made of the authorizations granted under this resolution.

The delegation thus granted to the Board of Directors is valid as from this meeting for a period of 26 months, in accordance with Article L. 225-129-2 of the French Commercial Code.

Twelfth resolution

Delegation of authority to be granted to the Board of Directors, for a period of 26 months, for the purpose of issuing any securities giving immediate or future access to a portion of the Company's share capital, with cancellation of shareholders' preferential subscription rights in the context of public offers other than those referred to in Article L. 411-2 of the French Monetary and Financial Code

The shareholders' meeting, voting in accordance with the quorum and majority conditions required for extraordinary general meetings, having considered the report of the Board of Directors and the special report of the independent auditors drawn up in accordance with the law, making use of the option provided for in Article L. 225-129 of the French Commercial Code:

1. delegates to the Board of Directors its authority to proceed by way of a public offer other than those referred to in Article L. 411-2 of the French Monetary and Financial Code, one or more occasions, in the proportions and at the times it deems appropriate, both in France and abroad, in euros or in foreign currencies or units of account fixed by reference to several currencies, with the issue of shares of the Company, as well as any securities of any kind whatsoever, giving access, immediately and/or in the future, to shares of the Company or of a company in which it owns directly or indirectly more than half of the share capital, or giving the right to the allocation of debt securities, by subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner. These securities may notably be issued as consideration for securities that would be contributed to the Company, in the context of a public offer including an exchange component (whether as principal or subsidiary) carried out in France or abroad in accordance with local rules, on securities meeting the conditions set forth in Article L. 225-148 of the French Commercial Code;

2. resolves that the nominal amount of the share capital increases that may be carried out immediately and/or in the future pursuant to the aforementioned delegation, may not exceed €50 million, to which shall be added, where applicable, the nominal amount of the additional shares to be issued to preserve, in accordance with the law, the rights of holders of securities giving entitlement to shares; it is further specified that this amount shall be deducted from the nominal amount of the shares issued, directly or indirectly, pursuant to the 11th resolution of this meeting;

3. resolves furthermore that the nominal amount of the debt securities that may be issued pursuant to this delegation may not exceed €500 million or the equivalent of this amount in the event of an issue in other currencies on the issue date; it being specified that this amount will be deducted from the nominal amount of the debt securities to be issued pursuant to the 11th resolution of this meeting;

4. resolves to cancel the shareholders' preferential subscription rights to the securities to be issued, it being understood that the Board of Directors may grant shareholders a priority subscription right to all or part of the issue, during the period and on the terms that it shall set in accordance with the provisions of Article L. 225-135 of the French Commercial Code. This subscription priority will not give rise to the creation of negotiable rights but may, if the Board of Directors deems it appropriate, be exercised on an irreducible or reducible basis, it being specified that following the priority period, the unsubscribed securities will be the subject of a public offering in France and/or abroad;

5. resolves that if the subscriptions of shareholders and the public have not absorbed all of an issue of shares or securities as defined above, the Board of Directors may use, in the order it deems appropriate, either of the following options:

- limit the issue to the amount of subscriptions, provided that this amount reaches at least three quarters of the amount of the issue decided upon,
- freely allocate all or part of the unsubscribed securities;

6. acknowledges and resolves, as necessary, that the aforementioned delegation automatically entails, in favor of the holders of securities giving future access to shares of the Company that may be issued, the waiver by the shareholders of their preferential subscription right to the shares to which such securities entitle them;

7. resolves, in the case of the issue of stand-alone warrants, to expressly waive the shareholders' preferential subscription rights to the shares to which these warrants entitle them;

8. resolves that the amount due or to be due to the Company for each of the shares issued under the aforementioned delegation will be at least equal to the weighted average price of the last three trading days prior to its setting, possibly reduced by a maximum discount of 10%;

9. resolves that the Board of Directors shall have full powers, with the option to sub-delegate such powers to its Chairman and/or to one of its members with the Chairman's consent, under the conditions set by law, to implement this delegation of authority, in particular to determine the form and characteristics of the securities to be created and the dates and terms of the issues, set the prices and terms of the issues (including the exchange ratio in the context of a public offer including an exchange component, whether principal or subsidiary, initiated by the Company), set the amounts to be issued, set the dividend entitlement date, even retroactively, of the securities to be issued, determine the method of paying for the securities issued and, where applicable, set the conditions for their repurchase on the stock market, suspend, where applicable, the exercise of the share allotment rights attached to the securities issued for a period not exceeding three months, to take all measures intended to protect the rights of holders of securities giving future access to the Company's share capital in accordance with the legal and regulatory provisions, to proceed as necessary with any deductions of issue premium(s), and primarily of any costs incurred by the completion of the issues, and, generally, to do all that is necessary, to carry out all acts and formalities for the purpose of completing the planned issues and recording the capital increases arising from any issue that may be carried out by virtue of this delegation and to amend the bylaws accordingly;

10. in the event of an issue of debt securities, the Board of Directors shall have full powers to decide whether or not they are subordinated, to set their interest rate, their term, the fixed or variable redemption price with or without premium, the terms of redemption depending on market conditions and the conditions under which these securities shall give entitlement to shares in the Company;

11. acknowledges that, should the Board of Directors use the delegation of authority granted to it under this resolution, it will report to the next ordinary general meeting, in accordance with the law and regulations, on the use made of the authorizations granted under this resolution.

The delegation thus granted to the Board of Directors is valid as from this meeting for a period of 26 months, in accordance with Article L. 225-129-2 of the French Commercial Code.

Thirteenth resolution

Delegation of authority to be granted to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or other amounts that may be capitalized

The shareholders' meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the report of the Board of Directors, and in accordance with the provisions of Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

1. delegates to the Board of Directors, with the option to sub-delegate such powers in accordance with the law and regulations, its authority to decide to increase the share capital, on one or more occasions, at the time or times it shall determine and in the proportion it shall deem appropriate, by capitalization of all or part of the reserves, profits, premiums or other amounts that may be capitalized, in the form of free share awards or an increase in the nominal value of existing shares, or a combination of both;

2. resolves that the nominal amount of the share capital increases that may be carried out under this delegation may not exceed €50 million, it being specified that this amount is set autonomously and distinctly from the overall nominal ceiling of all share capital increases that may result from the eleventh and twelfth resolutions submitted to this shareholders' meeting;

3. resolves that the Board of Directors shall have full powers, with the option to sub-delegate such powers in accordance with the law and regulations, to implement this delegation of authority, in particular for the following purposes:

- setting all of the terms and conditions of the authorized operations and in particular setting the amount and nature of the reserves and premiums to be incorporated into the capital, setting the number of new shares to be issued in euros, or the amount by which the nominal value of the existing shares making up the share capital will be increased, setting the date, even retroactively, as from which the new shares will carry dividend rights or the date on which the increase in nominal value will take effect, and proceed, where applicable, with any deductions from the issue premium(s) and in particular those for costs incurred in connection with the issues,
- deciding that the rights forming fractional shares will not be negotiable or transferable and that the corresponding equity securities will be sold, with the proceeds from the sale being allocated to the holders of the rights no later than 30 days after the date of registration in their account of the whole number of shares granted,
- taking all measures intended to protect the rights of holders of securities giving access to the Company's share capital in accordance with the legal and regulatory provisions and contractual stipulations, andtaking all necessary measures for the completion of the issues and, where applicable, to postpone them, to enter into any agreements to ensure the successful completion of the planned transaction(s) and, generally, to do all that is necessary, to carry out all acts and formalities for the purpose of completing the capital increases that may be carried out by virtue of this delegation and to amend the bylaws accordingly.

The delegation thus granted to the Board of Directors is valid as from this meeting for a period of 26 months, in accordance with Article L. 225-129-2 of the French Commercial Code.

Fourteenth resolution

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 canceling preferential subscription rights for shareholders.

The shareholders' meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the report of the Board of Directors and the special report of the independent auditors and in accordance with the provisions of the French Commercial Code, in particular articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 *et seq*:

1. delegates to the Board of Directors its authority to issue, on one or more occasions, in the proportions and at the times it deems appropriate, both in France and abroad, by means of an offer referred to in I of Article L. 411-2 of the French Monetary and Financial Code, either in euros, or in foreign currencies or in any other unit of account established by reference to a basket of currencies:

- ordinary shares, -and/or securities giving entitlement to the allocation of other ordinary shares,
- and/or securities giving entitlement to the allocation of debt securities;

2. resolves that the nominal amount of the capital increases that may be carried out immediately and/or in the future pursuant to this delegation may not exceed €50 million, it being specified that it will also be limited to 20% of the Company's share capital per year.

To this amount shall be added, where applicable, the nominal amount of the additional shares to be issued to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with the Law and any applicable contractual provisions.

This amount will be deducted from the €50 million ceiling for the capital increase set in the eleventh and twelfth resolutions.

The maximum aggregate nominal amount of issues of securities representing claims on the Company giving access to the share capital may not exceed €500 million or its equivalent value in the event of an issue in other currencies or units of account.

This amount is deducted from the €500 million ceiling for debt securities issues provided for in the eleventh and twelfth resolutions;

3. resolves to cancel shareholders' preferential subscription rights to ordinary shares and securities giving access to the capital and/or to debt securities covered by this resolution;

4. resolves that, pursuant to the provisions of Article L. 225-136-1° paragraph 2 of the French Commercial Code, the Board of Directors may decide that the issue price of the equivalent shares that may be issued pursuant to this delegation shall be at least equal to the weighted average share price of the last three trading days prior to its setting, possibly reduced by a maximum discount of 10%;

5. resolves that if the subscriptions, including, as the case may be, those of the shareholders, have not absorbed the entire issue, the Board of Directors may use, in accordance with Article L. 225-134 of the French Commercial Code, either and/or the other of the following options:

- limit, if applicable, the issue to the amount of subscriptions on condition that this reaches at least three quarters of the issue initially decided,
- freely distribute all or part of the unsubscribed securities,
- offer all or part of the unsubscribed securities to the public;

6. resolves that the Board of Directors shall have the necessary powers, within the limits set above, in particular to set the terms and conditions of the issue(s), where applicable, record the completion of the resulting capital increases, amend the bylaws accordingly, charge, at its sole initiative, the costs of the capital increases against the amount of the related premiums and deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new share capital after each increase, and more generally take the necessary steps in this respect;

7. resolves that the Board of Directors shall have full powers, with the possibility of sub-delegating such powers to its Chairman and/or to one of its members with the Chairman's consent, under the conditions set by law, to implement this delegation of authority, in particular to determine the dates and terms of the issues and the form and characteristics of the securities to be created, to set the prices and terms of the issues, to set the amounts to be issued, to set the dividend entitlement date, even with retroactive effect, of the securities to be issued, to determine the method of paying up the securities issued and, where applicable, to provide for the conditions of their repurchase on the stock market, to suspend, where applicable, the exercise of the share allotment rights attached to the securities to be issued for a period not exceeding three months, to set the terms and conditions according to which, where applicable, all measures will be taken to protect the rights of holders of securities giving future access to the Company's share capital in accordance with the legal and regulatory provisions, to proceed as necessary with any deductions of issue premium(s), and primarily of any costs incurred by the completion of the issues, and, generally, to do all that is necessary, to carry out all acts and formalities for the purpose of completing the planned issues and recording the capital increases arising from any issue that may be carried out by virtue of this delegation and to amend the bylaws accordingly;

8. in the event of an issue of debt securities, the Board of Directors shall have full powers to decide whether or not they are subordinated, to set their interest rate, their term, the fixed or variable redemption price with or without premium, the terms of redemption depending on market conditions and the conditions under which these securities shall give entitlement to shares in the Company;

9. acknowledges that, should the Board of Directors use the delegation of authority granted to it under this resolution, it will report to the next ordinary general meeting, in accordance with the law and regulations, on the use made of the authorizations granted under this resolution.

The delegation thus granted to the Board of Directors is valid as from this meeting for a period of 26 months, in accordance with Article L. 225-129-2 of the French Commercial Code.

Fifteenth resolution

Delegation of authority to be granted to the Board of Directors to carry out a capital increase reserved for members of a company savings plan

The shareholders' meeting, voting under the quorum and majority conditions required for extraordinary general meetings, having considered the report of the Board of Directors and the special report of the independent auditors, in accordance with the provisions of Articles L. 225-129-6 and L. 225-138 of the French Commercial Code and L. 3332-18 *et seq*. of the French Labor Code:

1. authorizes the Board of Directors, if it deems appropriate, at its sole discretion, to increase the share capital on one or more occasions by issuing shares for cash or other securities giving access to the capital, reserved for employees of the Company (and of related companies within the meaning of Article L. 225-180 of the French Commercial Code) who are members of a Company savings plan or a voluntary employee savings partnership plan of the Company;

2. cancels, in favor of these persons, the preferential subscription right to the shares and/or securities giving access to the capital that may be issued pursuant to this delegation;

3. decides that this delegation entails the express waiver by the shareholders of their preferential subscription rights to the shares to which these securities may entitle them;

4. sets the period of validity of this authorization at 26 months from the date of this meeting;

5. limits the maximum nominal amount of the increases that may be carried out using this authorization to 3% of the amount of share capital reached at the time of the Board of Directors' decision to carry out this increase, it being specified that this ceiling is set independently. Consequently, the nominal amount of the shares or securities that may be issued pursuant to this authorization shall not be deducted from the maximum limit for the issues that the Board of Directors is authorized to carry out pursuant to the delegations referred to in the twelfth and fourteenth resolutions above;

6. resolves that the price of the shares to be subscribed may not be higher than the average of the prices listed on the 20 stock market trading days preceding the date of the Board of Directors' decision setting the opening date of the subscription period, nor may it be more than 20% below this average. The Board has full powers to carry out the above valuations in order to determine the subscription price for each fiscal year under the supervision of the independent auditors;

7. grants full powers to the Board of Directors to implement this authorization, take all measures and carry out all necessary formalities.

Sixteenth resolution

Amendment of Article 17 of the bylaws to provide for written consultation with the directors

The shareholders' meeting, voting under the quorum and majority conditions required for extraordinary general meetings, after taking due note of the Board of Directors' report, resolves to allow certain decisions to be taken by written consultation of the members of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code as amended by Law no. 2019-744 of July 19, 2019, and to amend Article 17 of the bylaws by inserting a new paragraph after the second paragraph of Article 17 of the bylaws worded as follows, the rest of the Article remaining unchanged:

"Decisions falling within the scope of the Board's own powers as provided for by the regulations may be taken by written consultation with the directors".

Seventeenth resolution

Textual references applicable in the event of a change of codification

The shareholders' meeting records that the textual references mentioned in all of the resolutions of this meeting refer to the legal and regulatory provisions applicable on the date of their establishment, and that certain references will be modified as of January 1, 2021 pursuant to the provisions of Order no. 2020-1142 of September 16, 2020 creating, within the French Commercial Code, a chapter relating to companies whose securities are accepted for trading on a market or a multilateral trading facility. Consequently, the shareholders' meeting records that the textual references corresponding to the new codification will replace those referred to in the resolutions of this meeting as from January 1, 2021.

Eighteenth 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, 2020, in compliance with IFRS**	**132**
4.1.1	Derichebourg Group consolidated balance sheet as at September 30, 2020	132
4.1.2	Derichebourg Group consolidated income at September 30, 2020	134
4.1.3	Derichebourg Group consolidated statement of cash flows at September 30, 2020	136
4.1.4	Change in Derichebourg Group consolidated shareholders' equity at September 30, 2020	137
4.1.5	Notes to the consolidated financial statements	138
4.1.6	Independent auditors' report on the consolidated financial statements	183
4.2	**Parent company financial statements at September 30, 2020**	**186**
4.2.1	Balance sheet	186
4.2.2	Income statement	188
4.2.3	Notes to the parent company financial statements	190
4.2.4	Independent auditors' report on the financial statements	209
4.3	**Independent auditors' fees and fees paid to their network by the Group**	**212**

4.1 Consolidated financial statements for the year ended September 30, 2020, in compliance with IFRS

4.1.1 Derichebourg Group consolidated balance sheet as at September 30, 2020

Assets *(in millions of euros)*	Notes	09-30-20	09-30-19
Goodwill	4.1	261.1	227.7
Intangible assets	4.1	7.5	8.0
Property, plant and equipment	4.2	499.5	539.2
Rights of use	4.2	190.2	
Financial assets	4.3	10.0	8.8
Investments in associates and joint ventures	4.4	12.6	18.5
Deferred taxes	4.23	31.1	26.5
Other assets	4.5	0.0	0.0
Total non-current assets		**1,010.1**	**828.5**
Inventories	4.6	105.3	67.8
Trade receivables	4.7	309.9	284.1
Tax receivables	4.7	4.1	3.8
Other assets	4.7	68.3	62.5
Financial assets	4.7	15.4	20.2
Cash and cash equivalents	4.8	361.9	284.6
Financial instruments	4.12	0.0	0.0
Total current assets		**865.0**	**723.0**
Total non-current assets and groups of assets held for sale	**4.24**	**0.0**	**5.8**
Total assets		**1,875.1**	**1,557.4**

Liabilities *(in millions of euros)*	Notes	09-30-20	09-30-19
Share capital	4.9	39.9	39.9
Share premiums		0.8	0.8
Reserves		459.6	427.0
Net income for the year		21.3	55.6
Group shareholders' equity		**521.6**	**523.1**
Non-controlling interests	4.10	2.6	2.9
Total shareholders' equity		**524.2**	**526.0**
Financial borrowings and debts	4.11	572.2	324.8
Provision for pensions and similar benefits	4.13	50.8	49.6
Other provisions	4.13	33.4	23.7
Deferred taxes	4.23	23.2	17.1
Other liabilities	4.16	3.2	3.2
Total non-current liabilities		**682.6**	**418.4**
Financial borrowings and debts	4.11	130.9	84.8
Provisions	4.14	4.6	2.6
Trade payables	4.15	254.5	257.1
Tax payables	4.15	4.7	7.7
Other liabilities	4.15	271.2	252.7
Financial instruments	4.12	2.3	2.7
Total current liabilities		**668.2**	**607.6**
Total liabilities related to a group of assets held for sale	**4.24**	**0.0**	**5.4**
Total liabilities		**1,875.1**	**1,557.4**

4.1.2 Derichebourg Group consolidated income at September 30, 2020

In millions of euros	Notes	2020	2019
Revenue	4.17	2,464.1	2,705.0
Other revenues from operations		1.5	3.2
Cost of raw materials		(1,085.7)	(1,210.7)
External charges		(328.7)	(398.3)
Personnel expenses	4.29	(812.9)	(856.0)
Taxes and duties		(50.0)	(51.1)
Depreciation		(118.9)	(88.5)
Change in provisions	4.18	(11.0)	(6.5)
Change in inventory: work-in-progress and finished products		1.1	(2.0)
Other operating expenses	4.19	(12.5)	(17.6)
Other operating income	4.19	15.4	25.7
Recurring operating profit (loss)		**62.4**	**103.1**
Other non-recurring expenses	4.20	(10.9)	(5.0)
Other non-recurring income	4.20	3.7	0.1
Gain/loss on disposal of consolidated companies	4.21	1.0	(0.8)
Operating profit (loss)		**56.2**	**97.5**
Net financial expenses	4.22	(12.3)	(9.7)
Foreign exchange and other gains and losses	4.22	(2.3)	(0.7)
Profit (loss) before tax		**41.5**	**87.0**
Income tax	4.23	(19.5)	(30.5)
Group share of income from associates and joint ventures	4.4	0.4	2.4
Net profit (loss)		**22.4**	**58.9**
Income net of tax from discontinued activities			
Consolidated net profit (loss)		**22.4**	**58.9**
Attributable:			
▫ to shareholders		21.3	55.6
▫ to non-controlling interests		1.1	3.3
Earnings per share: earnings attributable to Company shareholders *(in euros/share)*	4.25		
▫ basic		0.13	0.35
▫ diluted		0.13	0.35
Earnings per share: attributable to shareholders after net income from discontinued or held-for-sale operations *(in euros/share)*			
▫ basic		0.13	0.35
▫ diluted		0.13	0.35

Derichebourg Group statement of consolidated comprehensive income

(in millions of euros)	2020	2019
Consolidated net profit (loss)	**22.4**	**58.9**
Exchange rate changes	(6.5)	3.8
Cash flow hedging	0.2	(0.1)
Restatement of liabilities linked to commitments from defined benefit plans	1.9	(6.8)
Taxes on other comprehensive income	(1.0)	2.2
Income and expenses for the period recognized directly in shareholders' equity	**(5.4)**	**(1.0)**
Comprehensive income for the period	**17.0**	**57.9**
Of which		
▫ attributable to Company shareholders	15.9	54.6
▫ attributable to non-controlling interests	1.1	3.3

4.1.3 Derichebourg Group consolidated statement of cash flows at September 30, 2020

In millions of euros	Notes	2020	2019
Total consolidated net profit (loss)		22.4	58.9
Consolidated net profit (loss) from held for sale or discontinued operations		0.0	0.0
Consolidated net profit (loss) from continuing operations		22.4	58.9
Adjustments for:			
Elimination of profit (loss) from associates and joint ventures		(0.4)	(2.4)
Provisions and depreciation		132.9	86.2
Fair value gains (losses)		(0.3)	1.5
Elimination of gains (loss) on asset disposals		(8.3)	0.6
Elimination of profit (loss) from dividends		(0.0)	(0.0)
Other non-cash income and expenses		(0.1)	(0.1)
Operating cash flow after financing costs and income tax		**144.7**	**144.6**
Net interest expense		12.3	9.8
Income tax		19.5	30.5
Operating cash flow before financing costs and income tax		**176.6**	**184.9**
Changes in working capital requirement related to operations		27.3	0.9
Income tax paid		(27.5)	(20.7)
Cash flows from operations generated by discontinued activities		0.0	0.0
Net cash flow from operating activities		**176.4**	**165.1**
Impact of changes in scope		(161.8)	(4.6)
Acquisition of property, plant and equipment and intangible assets		(70.1)	(89.5)
Acquisition of financial assets		(0.1)	(0.4)
Change in loans and advances granted		3.0	0.2
Disposal of tangible and intangible assets		8.3	16.9
Disposal of financial assets		0.0	0.0
Dividends received		0.4	1.1
Cash flow related to investment activities for discontinued operations		0.0	0.0
Net cash flow from investment activities		**(220.3)**	**(76.4)**
Capital increase		(0.1)	0.0
Proceeds from borrowings		270.7	167.2
Repayment of borrowings		(120.8)	(54.9)
Net financial interests paid		(11.2)	(9.1)
Dividends paid to Group shareholders		(17.5)	(22.4)
Dividends paid to non-controlling interests		(0.8)	(0.7)
Own shares		0.0	(16.9)
Factoring		1.3	(6.1)
Cash flow related to finance activities for discontinued operations		0.0	0.0
Net cash flow from finance activities		**121.6**	**57.1**
Impact of foreign exchange rate fluctuations		(2.1)	1.6
Change in cash and cash equivalents		**75.6**	**147.4**
Cash and cash equivalents at beginning of the period	4.8	277.8	131.6
Cash and cash equivalents at close of the period	4.8	353.5	277.8
Net cash and cash equivalents reclassified following the application of IFRS 5		0.0	1.2
Change in cash and cash equivalents		**75.6**	**147.4**

4.1.4 Change in Derichebourg Group consolidated shareholders' equity at September 30, 2020

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, 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 changes[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**
Appropriation of prior-year profit				55.6		(55.6)	0.0		0.0
Dividends payments				(17.5)			(17.5)	(0.8)	(18.3)
Own shares									
Net profit for the year attributable to the Group						21.3	21.3	1.1	22.4
Income and expenses recognized directly through equity				1.1	(6.5)		(5.4)	0.0	(5.4)
Other variation								(0.5)	(0.5)
Position at September 30, 2020	**39.9**	**0.8**	**0.0**	**457.9**	**1.8**	**21.3**	**521.6**	**2.6**	**524.2**

(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 139

1.1 Identity of the Issuer 139
1.2 Material events occurring over the fiscal year 139
1.3 Events occurring after year-end 141

2. Accounting policies, rules and methods 142

2.1 General policies 142
2.2 Accounting policies 144
2.3 Valuation rules and methods 145
3.1 New companies included in the consolidation scope 150
3.2 Companies excluded from the consolidation scope 151
3.3 Internal restructuring 151
3.4 Change in percentage of control 151

4. Notes 152

4.1 Intangible assets and goodwill 152
4.2 Property, plant and equipment and rights of use 154
4.3 Financial assets 155
4.4 Investments in associates and joint ventures 156
4.5 Other non-current assets 157
4.6 Inventories 157
4.7 Trade receivables, other receivables and current financial assets 158
4.8 Cash and cash equivalents 158
4.9 Consolidated shareholders' equity 159
4.10 Non-controlling interests 159
4.11 Indebtedness 160
4.12 Financial instruments 164
4.13 Non-current provisions and provisions for employee benefits 168
4.14 Current provisions 171
4.15 Other current liabilities 171
4.16 Other non-current liabilities 171
4.17 Segment reporting 172
4.18 Change in provisions 174
4.19 Other operating expenses and income 174
4.20 Other non-recurring expenses and income 174
4.21 Gain/loss on disposal of consolidated companies 175
4.22 Net financial expenses 175
4.23 Income tax 175
4.24 Discontinued or held-for-sale operations 177
4.25 Earnings per share 177
4.26 Commitments 178
4.27 Significant litigation 178
4.28 Related party transactions 179
4.29 Employee information 179
4.30 Executive compensation 180
4.31 Accounting options related to the first-time adoption of IFRS 180
4.32 Consolidation scope 180

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, 2019 to September 30, 2020 were approved by Derichebourg's Board of Directors on December 3, 2020.

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, 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

1.2.1 Acquisition of the Lyrsa Group (renamed Derichebourg España on September 1, 2020)

On December 20, 2019, Derichebourg Environnement completed the acquisition of the Lyrsa Group, Spain's leading independent player in scrap metal recycling. The acquisition was completed following the signing of the acquisition agreement on September 19, 2019.

Derichebourg Environnement acquired 100% of the investments held by Layro SA in Lajo y Rodriguez SA (Lyrsa), Aragonesa de Chatarras y Metales SA (Archamesa) and Recuperaciones Díaz SA (Redisa). Lyrsa also owned 50% of Reyfra (a company that operates a scrap metal shredder in Madrid), whose joint shareholder was Derichebourg Environnement.

In the calendar year 2019, the Lyrsa Group's operations covered by this acquisition generated revenue of €450 million (with the full consolidation of Reyfra) and an Ebitda of €17.3 million. Lyrsa processes approximately 1 million metric tons of metal waste per year, including around 160,000 metric tons of non-ferrous metals. The Group has around 650 employees.

Lyrsa was founded in 1939. It operates 18 recycling centers (17 in Spain and 1 in Portugal). It operates 3 shredders (including one from prior to the Lyrsa acquisition, jointly owned with the Derichebourg Group through Reyfra), a center for the sorting of the metals derived from the crushing process, an aluminum refinery and a lead refinery.

The Derichebourg Group made this acquisition using its available cash and existing credit lines. A new syndicated loan was set up following this acquisition.

Lyrsa's activity is consolidated in the Group's financial statements as of January 1, 2020 (nine months of activity over the fiscal year).

The Derichebourg Group's strategy pursued through this acquisition is to duplicate the vertical integration strategy it is already implementing in France. This covers general recycling of scrap metal, as well as the development of niche businesses (flotation, refining), with high added value, made possible by dense regional coverage.

Derichebourg's objective is for Lyrsa's Ebitda (approximately 4% in 2019) to move closer towards, over several years, the France Group's Ebitda (approximately 8%). This will be achieved through the following actions:

- sales synergies: pooling of customer contacts to ensure that the Group benefits from the best sales opportunities at all times and cross-procurement of the two subsidiaries' specialized tools;
- developing Lyrsa's supplier base to improve unit margins, in particular by targeting smaller suppliers in addition to the existing network;
- some cost synergies.

Spain is a dynamic market for the production of electrical steel. While steel production is at around the same level as in France (around 15 MT), the share of steel produced by the electrical industry is close to 70%, whereas it is only 40% in France. Spain has a ferrous metals deficit, and imports scrap metal from France in particular.

1.2.2 Covid-19 health crisis and the economic consequences

Until mid-March 2020, the Group's activities saw very little disruption from the Coronavirus health crisis.

The lockdown measures announced on March 16, 2020 with effect from March 17, 2020 had a sudden impact on the Group's business in France, its main country of operation.

Faced with this unprecedented health and economic shock, the Group took the following measures:

Measures to protect employees

- Equipment for employees (social distancing, gel, masks, ventilation) in accordance with the instructions of the public authorities and according to individual work situations.
- Use of home working for office staff wherever possible during the lockdown period.

Economic measures

- Use of the furlough scheme for staff whose job is no longer needed or whose hours have been reduced as a result of the Covid-19 crisis.
- Identifying savings opportunities: sponsorship, fees and travel (*de facto*).
- Postponing investments.

The impact on the Group's various businesses was as follows:

Environmental Services

The following changes occurred in the Recycling business:

- In France, business activity fell sharply and progressively from March 17, 2020 under the combined effect of the temporary closure of several scrap metal-consuming plants, and a scarcity of scrap metal supply (shutdown of the automotive industry, lower overall consumption, ban on travel by private individuals), and as of April 10 had flattened to around 15% of the usual business volume. The Group was forced to close most of its small retail sites due to the lack of footfall. All industrial sites remained open and used the furlough scheme. As anticipated, there was a gradual upward trend in footfall after the Easter weekend. The increase continued and was more pronounced from May 11, 2020, when lockdown easing began. By September 2020, the Group had returned to a level of business activity comparable to that of last year.
- In Spain, the drop was also pronounced and happened a little later, falling to 20% of the usual volume before rapidly rising to 40% of its pre-health crisis level. By September 2020, it had returned to a normal level of business activity. It should be noted that the lead refinery had to shut down for one month during the summer due to a lack of battery supplies.
- Business volume was more resilient in Germany, where it never fell below 50%. In the United States and Mexico, it had almost returned to 100% by June.

In Public Sector Services, the volume of activity remained close to nominal volume throughout the fiscal year, as this is an essential service to the population. Thanks to the commitment of employees, a high level of service quality was maintained on all of the various contracts throughout the year.

Multiservices business

The following changes occurred in the Multiservices business:

- Cleaning business (approximately 60% of the revenue of the Multiservices division). This business operates on a very fragmented basis over thousands of customer sites. The business activity rate had fallen to about 55% of its nominal volume by April 10, 2020, due to the closure of many customer sites. It gradually rose to 80% at the end of May and 100% in July. It should be pointed out that this business activity is not particularly exposed to the Hotel and Catering, Tourism and Airport markets. Derichebourg Propreté used the furlough scheme for closed sites and support services, which experienced lower levels of activity. The company was able to meet additional customer requirements for masks, hand sanitizer gel, and disinfection of premises. There is pressure on the level of services required by some customers, where not all employees have returned to work face-to-face.
- Urban Area business: This business follows the same patterns as the advertising billboard business, which was almost at a standstill during lockdown. However, the customers of this business pay a contractual share of fixed costs, regardless of the level of activity, which has limited the impact on results.
- General Temporary Work business: Agencies have operated using home working. Activity for the Retail sectors disappeared during the lockdown, while activity for low-volume customers and aeronautics also fell sharply. The distribution, logistics and banking sectors held up better. The business activity rate was 30% in April, and 50% by the end of May. It gradually rose to 90% at the end of the fiscal year, with, however, a major effort to modify the customer base to move towards sectors such as logistics and health.
- Temporary Work business for aeronautics: This is the Group's activity that has suffered the most in terms of business volume, since the activity fell to 30% of the usual revenue from April, and to date has only recovered to 35%. Given the difficulties that most customers have in providing work for their own employees, this business sector will experience a low volume of activity in the coming year. A Business Safeguard Plan (BSP) has been implemented in this subsidiary in order to close branches that no longer had critical volumes, and to adapt costs to the new environment.
- Industry business (for the aeronautics sector): In France, the business activity rate fell to around 30% of nominal activity in April, before rising to 50% in June. This figure has changed little since then. Faced with a lack of workload for around 700 employees, the subsidiary had two options:
  - immediately implement a BSP for 700 people;
  - give itself time, given the support provided by the State through the Long-Term Furlough scheme, and hope that business activity will recover within 2 years. It is worth noting the high level of qualification of the employees, which would be difficult to rebuild if business recovered and these employees had left the company *en masse*. This is the route that has been chosen. A Collective Performance Agreement was negotiated and signed by the representative trade union organizations. This agreement, which is offered individually to all employees, sets out:
    - a commitment to refrain from dismissal on economic grounds as long as the long-term furlough plan provided by the State continues on the same basis,
    - part-time working of 40% for all employees, during which employees will carry out training,
    - an average reduction of around 15% in gross remuneration, to offset the remainder to be paid by the Company for the long-term furlough scheme.

90% of employees have accepted this agreement, which has protected more than 500 threatened jobs in the aeronautics sector. 163 people refused this agreement and left the company under individual redundancy agreements. In the other countries where this business activity operates (Germany, Spain, United States, Canada and China), in which it does not have the same critical size, the impact is even more significant. We have therefore closed the subsidiary in Canada, adopted a BSP in Spain and adopted a restructuring plan in Germany.

1.2.3 First-time adoption of IFRS 16 (replacing IAS 17)

The comparability of the financial statements for the current year with those of the previous year is affected by the first-time adoption of IFRS 16, which replaces IAS 17, and which is applied by the Group using the simplified retrospective approach as proposed by the standard.

Certain provisions of the standard do not modify IAS 17. For example, finance leases and financial leases appear on the balance sheet, with a financial debt corresponding to the outstanding capital, and are amortized.

Other arrangements have led to changes compared with the previous framework. These include lease commitments with a term of more than one year, which did not meet the criteria for classification as financial leases under IAS 17, but which, under the provisions of IFRS 16, must be the subject of recognition of a right of use (classified as a non-current asset), with a corresponding financial debt. This asset is itself amortized.

The entry into force of this standard mainly modifies the recurring Ebitda and net financial debt aggregates.

The tables below detail the impacts of the entry into force of this standard:

In millions of euros	09-30-20	Impact of IAS 17-IFRS 16	Restated 09-30-20
Environmental Services	142.2	8.8	133.4
Multiservices	44.0	12.0	32.0
Holding companies	(5.3)	0.1	(5.3)
Total recurring Ebitda	**180.9**	**20.8**	**160.1**

In millions of euros	09-30-20	Impact of IAS 17-IFRS 16	Restated 09-30-20
Net financial debt	341.1	53.6	287.5
Recurring Ebitda[1]	185.9	20.8	165.1
Leverage ratio[1]	1.84	2.58	1.74

(1) Proforma of acquisitions, impact over 12 months on a rolling basis.

1.2.4 Strategic partnership with SAUR for services to local governments in the water and sanitation sector

On August 6, 2020, Derichebourg and Saur announced the conclusion of a strategic partnership focusing on services to local governments in the water and sanitation sector. This partnership aims at the reciprocal development of the business activities of both groups. Under the terms of this partnership, Saur acquired 51% of the capital of Derichebourg Aqua, which also owns the subsidiary Derichebourg Aqua Océan Indien.

1.3 Events occurring after year-end

On October 31, 2020, a second lockdown (less strict than the first), started, for an initial duration of one month. As of the date of the Board of directors' meeting, the impact of the second lockdown on economic activity in general and on that of the Group is relatively small.

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, 2020 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, except for the impact of the first-time adoption of IFRS 16.

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, 2020 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, 2019

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, 2019 are as follows:

- 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;
- amendments to IFRS 16 "Covid-19-related rent concessions";
- IFRIC 23 "Uncertainty over income tax treatments" applicable to fiscal years beginning on or after January 1, 2019;
- IFRS 16 "Leases".

IFRS 16 "Leases", applicable to fiscal years beginning on or after January 1, 2019

IFRS 16 "Leases" comes into force for the Group as of October 1, 2019. It replaces IAS 17 and the associated IFRIC and SIC interpretations. Under IFRS 16, the definition of a lease is based on the right of use. Henceforth, a lease is considered to be any lease, contract, or part of a contract, giving the right to use a specified asset for a given period of time in exchange for periodic payment.

The lessee must recognize:

- non-current assets which represent the right to use the leased asset;
- a financial debt representing the obligation to pay rent;
- depreciation of the right of use and interest on the rental liability.

For the first-time application of IFRS 16, the Derichebourg Group has decided to apply the simplified retrospective approach, as proposed by the standard. The restatement of leases falling within the scope of the standard consists of recognizing the right to use the leased asset and a lease liability, adjusted for the amount of rent paid in advance and benefits received from lessors. The Group has decided to apply the following exemptions, as provided for in the standard:

- leases of less than 12 months;
- leases of low-value assets.

Rents from contracts excluded from the IFRS 16 scope are recognized under non-recurring expenses.

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.

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, which are deemed reasonably certain to be exercised by the Group. With regard to the issue of French commercial leases under IFRS 16, the Group has taken into account recent changes and positions in standards, in particular those relating to enforceable lengths of contracts. The assumption used for the duration of type 3/6/9 French commercial leases is three years for the Multiservices division and nine years for the Environmental Services division. These useful lives correspond to the best estimate of the useful life of the lease. The discount rate used for the measurement of the right-of-use asset and the lease liability is determined according to the residual term:

- Residual maturity less than 10 years: 1.5%
- Residual maturity of 10 years or more: 3.0%

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 were leases for site vehicles, household waste dumpsters and cleaning equipment. The Group has made use of the exemptions permitted by the standard and thus excluded small construction equipment, parking spaces and short-term vehicle rentals from the scope.

The right of use of the asset and its liability must be discounted to take into account the following situations:

- the review of the rental period;
- any change related to the assessment of whether the exercise of an option is reasonably certain (or not);
- review of the rates or indices on which rents are based;
- rent adjustments.

The estimated impact of the application of IFRS 16 as of October 1, 2019:

In millions of euros	First application IFRS 16
Property, plant and equipment (formerly IAS 17)	(133.5)
Rights of use (ex-IAS 17)	133.5
Rights of use under operating leases	65.1
Total assets	**65.1**
Non-current financial debt	45.9
Current financial debt	19.2
Total liabilities	**65.1**

The reconciliation between the off-balance sheet commitments for future minimum lease payments under operating leases at September 30, 2019 and the lease liability recognized under IFRS 16 at October 1, 2019 is as follows:

In millions of euros	10-01-19
Off-balance sheet operating lease commitments as lessee at 09-30-19	**46.0**
Contracts not accounted for under IFRS 16 exemptions	(9.2)
Differences in the durations used and discounting effect	29.0
Contracts signed prior to closing for an asset available after October 1, 2019	(0.2)
Others	(0.5)
Rental liabilities under IFRS 16 at 10-01-19	**65.1**

The main impacts related to the application of IFRS 16 are as follows:

In millions of euros	09-30-20
Rights of use	54.3
Total assets	**54.3**
Non-current financial debt	38.9
Non-current liabilities	**38.9**
Current financial debt	14.7
Current liabilities	**14.7**
Total liabilities	**53.6**

At September 30, 2020, the impacts of the application of IFRS 16 on the income statement are as follows:

In millions of euros	09-30-20
External charges	20.9
Other operating expenses	(0.1)
Depreciation	(20.4)
Recurring operating profit (loss)	**0.4**
Operating profit (loss)	**0.4**
Net financial expenses	(1.1)
Profit (loss) before tax	**(0.7)**

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, 2019 (the application dates are those recognized by EFRAG):

- amendments to IFRS 3 "Business Combinations";
- amendments to IFRS 9, IAS 39 and IFRS 7 "Benchmark Interest Rate Reforms";
- amendments to IAS 1 and IAS 8 "Definitions of Material".
- amendments to references to the conceptual framework in IFRS.

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, 2020, 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).

With regard to the issue of French commercial leases under IFRS 16, the Group has taken into account recent changes and positions in standards, in particular those relating to enforceable lengths of contracts. The assumption used for the duration of type 3/6/9 French commercial leases is three years for the Multiservices division and nine years for the Environmental Services division. The useful lives selected correspond to the best estimate of the useful life of the lease.

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.

ICI MANQUE le vrai 2.3.9 contrats de location (vs DOC FR) - cela engenfdre un décalage de numérotation

2.3.9 Leases

The assumptions and estimates made to determine the value of lease rights of use and the related liabilities are primarily based on the calculation of discount rates and lease durations. The assumptions made and the methods used to determine them are described in note 2.1.1 IFRS 16 "Leases" applicable to fiscal years beginning on or after January 1, 2019.

2.3.10 Equity interests 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 0.6% 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 set up in March 2020 including a five-year refinancing loan;
- the non-recourse factoring agreement signed on January 1, 2015, renewed twice in April 2016 and November 2018;
- 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.

2.3.21 Other non-recurring expenses and income

Other non-recurring expenses and income" includes income items which, due to their nature, amount or frequency, cannot be considered as part of the Group's non-recurring activities and operational profit. This relates in particular to impairment of goodwill. It also includes, if material, the effects of certain unusual transactions such as restructuring costs, expenses related to litigation, or any other non-recurring income or expenses that may affect the comparability of recurring operating profit from one year to the next.

3. Changes in consolidation scope

3.1 New companies included in the consolidation scope

Environmental Services division

Derichebourg España (formerly Lyrsa Group)

The Group completed its acquisition of Lyrsa, the Spanish leader in scrap metal recycling, on December 20, 2019.

Through this acquisition, the two companies Colomer SL and Caetano Lyrsa are consolidated using the equity method. The amount of goodwill recognized in the accounts amounts to €27.1 million.

Fair value of net assets acquired breaks down as follows:

Derichebourg España

In millions of euros	
Non-current assets	137.8
Current assets	116.7
Total assets	**254.5**
Non-current liabilities	16.6
Current liabilities	78.7
Total liabilities	**95.3**

Derichebourg España's contribution to the Group's results at September 30, 2020 is as follows:

In millions of euros	9 months	*Pro forma* 12 months
Revenue	265.9	358
Recurring Ebitda	14.5	20
Operating profit (loss)	15.0	20
Net profit (loss)	**12.5**	**17**

Business Services

Immedia Services

The Group acquired the temporary employment agency Immedia Services on October 17, 2019.

The amount of goodwill recognized in the accounts amounts to €5.0 million.

Fair value of net assets acquired breaks down as follows:

Immedia Services

In millions of euros	
Non-current assets	0.1
Current assets	3.8
Total assets	**3.9**
Non-current liabilities	0.0
Current liabilities	1.8
Total liabilities	**1.8**

The contribution to the Group's results at September 30, 2020 is as follows:

In millions of euros	
Revenue	10.0
Recurring Ebitda	0.4
Operating profit (loss)	0.3
Net profit (loss)	**0.1**

- Ausgael by Derichebourg, Derichebourg Aviation Service Inc. and Derichebourg Aeronautics Services USA are now consolidated.

Holding Companies

- None.

3.2 Companies excluded from the consolidation scope

Business Services

- Disposal of Derichebourg Service Ingénierie Nucléaire on October 1, 2019. The financial consequences of this sale were recognized in the fiscal year ended September 30, 2019
- Sale of Derichebourg Aviation & Energy Resources on July 9, 2020
- Sale of Derichebourg Tesis Yonetimi (Turkey) on July 30, 2020
- Liquidation of SAM Derichebourg MC on March 31, 2020

Environmental Services division

- Disposal of AEP Multiservizi Spa on December 28, 2019

Holding Companies

None.

3.3 Internal restructuring

Business Services

- Universal transfer of assets of Aquitaine Nettoyage, ASP, ASP 85, DML and Net Services to Derichebourg Propreté on October 1, 2019
- Merger of Selmar SA and Derichebourg Multiservicios España into SILNET on January 1, 2020
- Universal transfer of assets from the Proverre company to the Derichebourg Propreté company on April 2, 2020

Environmental Services division

- Universal transfer of assets from Purfer Transport and Purmet Transport to Purfer on October 1, 2019

Holding Companies

- Universal transfer of Derichebourg Logistique et Maintenance assets to Derichebourg Multiservices Holding on April 2, 2020

3.4 Change in percentage of control

Environmental Services division

- The Group's investment in Reyfra reaches 100% through the acquisition of Derichebourg España (formerly Lyrsa Group) on December 20, 2019

Business Services

- Acquisition of 50% from LSL, increasing the Group's investment to 100%.

3.5 Change in consolidation method

Environmental Services division

- Sale to SAUR on August 6, 2020 of 51% of Derichebourg Aqua and 51% of Derichebourg Aqua Océan Indien *via* this transaction, respectively renamed SAUR Derichebourg Aqua and SAUR Derichebourg Aqua Océan Indien. As a result of the loss of exclusive control, an overall gain/loss on disposal was recognized. The residual investment in these subsidiaries has been accounted for at fair value using the equity method.

4. Notes

4.1 Intangible assets and goodwill

In millions of euros	09-30-19	Increases	Decreases	Change in consolidation scope[1]	Foreign exchange differences	Other variation	09-30-20
Goodwill	329.1	0.7		33.1	(0.3)	0.6	363.2
Concessions, patents, licenses	20.1	0.9	(0.2)	1.1		2.3	24.2
Other intangible assets	9.1	0.3		0.3		(2.0)	7.7
Advances and deposits				0.8		(0.8)	
Total gross value	**358.4**	**1.9**	**(0.2)**	**35.3**	**(0.3)**	**0.0**	**395.1**
Goodwill	(101.5)					(0.6)	(102.1)
Concessions, patents, licenses	(14.9)	(2.0)		(1.1)			(18.0)
Other intangible assets	(6.4)	(0.9)		0.3		0.6	(6.4)
Total amortization & depreciation	**(122.8)**	**(2.9)**		**(0.8)**		**(0.0)**	**(126.5)**
Total net value	**235.6**	**(1.0)**	**(0.2)**	**34.5**		**(0.0)**	**268.6**

(1) See note 3 – Changes in consolidation scope.

4.1.1 Change in the scope of goodwill

In millions of euros	09-30-20
Derichebourg España (formerly Lyrsa Group)	27.7
Immedia Services	5.0
LSL	1.0
AEP Multiservizi Spa	(0.6)
Total change	**33.1**

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, 2020.

No impairment indicators were identified on cash-generating units as at September 30, 2020.

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	09-30-20	09-30-19
CGU – Business Services	184	179
CGU – Environmental Services	76	49
Total	**260**	**228**

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 2019/2020[1]	Growth rate to infinity 2019/2020	Discount rate 2018/2019[1]	Growth rate to infinity 2018/2019	Valuation method
CGU – Environmental Services	9.50%	1.00%	9.00%	1.00%	Discounted cash flow and terminal value
CGU – Business Services	8.75%	1.00%	8.00%	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 9.5% for Environmental Services and 8.75% 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: to perform the impairment test on the Business Services CGU, the business plan used expects revenue growth of around 2% per year and 1% in the final year, driven by the Cleaning businesses. In addition, a recovery assumption of 10% in 2022-2023 and 20% in 2023-2024 in outsourced aeronautical services and temporary work for the aeronautics and aviation sector has been made, which does not, however, bring the level of activity back to pre-crisis levels. Modest growth in the ratio of Ebitda to revenue is also anticipated over the period, reaching 5% 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%	% Change in Ebitda	Discount rate +0.5%	Discount rate -0.5%	% Change in Ebitda
Impact on enterprise value	(61)	69		(18)	20	
Change in EBITDA for the final year where value in use = recoverable amount			(31%)			(28%)

	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	(43)	48	(13)	15

These stress tests did not result in the recognition of any impairment losses on goodwill.

4.2 Property, plant and equipment and rights of use

4.2.1 Property, plant and equipment

In millions of euros	09-30-19	Increases	Decreases	Change in consolidation scope[1]	Transfer IAS 17[2]	Other variation[3]	Foreign exchange differences	09-30-20
Land	188.8	11.7		45.7	(2.7)	0.1	(2.9)	240.7
Buildings	327.7	14.0	(1.1)	44.0	(18.0)	1.5	(1.4)	366.5
Machinery & equipment	809.7	16.9	(8.2)	135.5	(270.9)	(0.2)	(8.8)	674.0
Other tangible assets	258.2	7.5	(11.5)	20.2	(72.1)	0.6	(2.8)	200.1
Tangible assets under construction	11.5	18.5	(4.3)	2.8		(5.0)		23.5
Advances and deposits	3.9	0.1	(0.5)	0.1		(3.5)		0.1
Total gross value	**1,599.8**	**68.9**	**(25.6)**	**248.2**	**(363.8)**	**(6.5)**	**(15.9)**	**1,504.9**
Land	(41.6)	(3.5)					0.9	(44.2)
Buildings	(188.7)	(14.2)	0.4	(21.1)	10.7		0.6	(212.3)
Machinery & equipment	(642.2)	(31.6)	12.4	(112.1)	184.5	(0.1)	7.9	(581.2)
Other tangible assets	(188.1)	(11.8)	10.8	(17.4)	35.1	0.1	1.7	(169.6)
Total amortization & depreciation	**(1,060.6)**	**(61.1)**	**23.6**	**(150.7)**	**230.3**		**11.1**	**(1,007.3)**
Total net value	**539.2**	**7.7**	**(2.0)**	**97.5**	**(133.5)**	**(6.5)**	**(4.8)**	**497.7**

(1) See note 3 – Change in consolidation scope.
(2) See note 2.1.1 - Standards and interpretations applicable to the fiscal year beginning October 1, 2019.
(3) The Group refinanced technical installations acquired during the previous fiscal year through sale and leaseback contracts for an amount of €6.4 million, presented in other variation.

4.2.2 Rights of use

In millions of euros	Transfer IAS 17[2]	Increases	Decreases	Change in consolidation scope[1]	IFRS 16[3]	Other variation[4]	Foreign exchange differences	09-30-20
Land, buildings and real estate complexes	20.7	5.4		(0.3)	52.3			78.2
Machinery & equipment	270.9	24.0	(1.5)		11.3	6.4	(0.6)	310.5
Other tangible assets	72.1	9.9	(9.9)	1.1	1.5	0.1		74.7
Total gross value	**363.8**	**39.3**	**(11.5)**	**0.8**	**65.1**	**6.5**	**(0.6)**	**463.4**
Land, buildings and real estate complexes	(10.7)	(11.9)	(0.1)					(22.7)
Machinery & equipment	(184.5)	(26.6)	1.6			(0.1)		(209.5)
Other tangible assets	(35.1)	(16.0)	9.9	0.1				(41.0)
Total amortization & depreciation	**(230.2)**	**(54.5)**	**11.4**	**0.1**		**(0.1)**		**(273,2)**
Total net value	**133.5**	**(15.2)**	**(0.1)**	**0.9**	**65.1**	**6.4**	**(0.6)**	**190.2**

(1) See note 3 – Change in consolidation scope.
(2) See note 2.1.1 - Standards and interpretations applicable to the fiscal year beginning October 1, 2019.
(3) First-time adoption of IFRS 16.
(4) The Group refinanced technical installations acquired during the previous fiscal year through sale and leaseback contracts for an amount of €6.4 million, presented in other variation.

4.3 Financial assets

4.3.1 Change during the fiscal year

In millions of euros	09-30-19	Increases	Decreases	Change in consolidation scope[(1)]	Other variation	Foreign exchange differences	09-30-20
Equity interests	2.8	0.1		(0.3)			2.6
Loans, securities and other non-current financial assets	7.2	0.8	(1.4)	1.8			8.4
Total gross value	**10.0**	**0.9**	**(1.4)**	**1.5**			**11.0**
Impairment loss on equity interests	(1.1)			0.2			(0.9)
Impairment loss on loans, securities and other financial assets	(0.1)						(0.1)
Total impairment	**(1.2)**			**0.2**			**(1.0)**
Total net value	**8.8**	**0.9**	**(1.4)**	**1.7**			**10.0**

(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	09-30-20	More than 1 year	More than 5 years
Loans, securities and other non-current financial assets	8.4	4.4	4.0
Total net value	**8.4**	**4.4**	**4.0**

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
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			**2.6**	**(0.9)**	**1.7**	

4.4 Investments in associates and joint ventures

4.4.1 By type

In millions of euros	Country	% holding	Share of income	Share of shareholders' equity 09-30-20	Share of shareholders' equity 09-30-19
ASSOCIATES					
ALLO CASSE AUTO	France	48%	(0.1)	2.1	2.3
CAETANO LYRSA [(1)]	Portugal	50%			
DAC	France	50%	0.1	1.0	0.9
DREYFUS	France	43%	0.3	5.8	5.6
ROHR ENVIRONNEMENT	France	50%	0.2	1.8	1.8
JOINT-VENTURES					
ALSAFER ENVIRONNEMENT	France	50%		0.2	0.2
COLOMER[(1)]	Spain	50%		1.0	
SAUR DERICHEBOURG AQUA[(1)]	France	49%	(0.2)	(0.2)	
ENVIE AFM SUD OUEST	France	50%		0.7	0.7
REYFRA[(1)]	Spain	50%			6.8
VALERCO	France	50%		0.2	0.1
Total			**0.4**	**12.6**	**18.5**

(1) See note 3 – Changes in consolidation scope.

Condensed financial information for Environmental Services' joint ventures

		ALSAFER	COLOMER	ENVIE AFM SUD OUEST	SAUR DERICHEBOURG AQUA	VALERCO
	Balance sheet date	**09-30-20**	**09-30-20**	**09-30-20**	**09-30-20**	**09-30-20**
In millions of euros	Country	France	Spain	France	France	France
Financial position						
Non-current assets		0.0	1.9	0.3	5.7	0.0
Current assets		0.7	2.4	2.5	4.5	0.4
Total assets		**0.7**	**4.3**	**2.8**	**10.2**	**0.4**
Non-current liabilities		0.0	0.2	0.0	0.3	0.0
Current liabilities		0.2	0.9	1.4	10.1	0.1
Total liabilities		**0.2**	**1.1**	**1.4**	**10.4**	**0.1**
Net assets		**0.5**	**3.3**	**1.4**	**(0.2)**	**0.3**
Income statement						
Revenue		1.3	1.4	4.1	0.9	0.6
Net profit (loss)		**0.1**	**0.1**	**0.1**	**(0.2)**	**0.0**
Statement of cash flow						
Net cash flow from operating activities		0.1	0.1	(0.2)	1.3	0.0
Net cash flow from investment activities		0.0	0.0	(0.1)	(0.0)	0.0
Net cash flow from finance activities		(0.1)	0.1	0.0	0.0	0.0
Cash and cash equivalents at beginning of the period		0.4	(0.7)	1.1	0.0	0.3
Cash and cash equivalents at close of the period		0.3	(0.5)	0.8	1.3	0.3
Change in cash and cash equivalents		**(0.0)**	**0.2**	**(0.4)**	**1.2**	**0.0**

4.4.2 Change during the fiscal year

In millions of euros	09-30-19	Share of profit	Dividends	Change in consolidation scope(1)	09-30-20
Equity interests in associated companies	18.5	0.4	(0.4)	(5.8)	12.6

(1) See note 3 – Change in consolidation scope.

4.5 Other non-current assets

In millions of euros	Gross value on 09-30-20	Provisions	Net value on 09-30-20
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 09-30-20	Gross value on 09-30-19
Raw materials	5.5	3.8
Other consumables	13.4	10.8
Work-in-progress	0.8	1.7
Finished and semi-finished goods	7.0	1.5
Goods for resale	79.7	50.7
Total	**106.5**	**68.6**

4.6.2 Change during the fiscal year

In millions of euros	Net value at 09-30-19	Variation	Change in consolidation scope(1)	Foreign exchange differences	Change in impairment(2)	Net value at 09-30-20
Raw materials	3.8	0.5	1.3			5.6
Other consumables	10.4	0.9	1.8	(0.1)	(0.3)	12.7
Work-in-progress	1.7	(0.9)			(0.1)	0.7
Finished and semi-finished goods	1.5	2.0	3.5			7.0
Goods for resale	50.4	(5.2)	34.8	(0.6)	(0.1)	79.3
Total	**67.8**	**(2.7)**	**41.4**	**(0.7)**	**(0.5)**	**105.3**

(1) See note 3 – Changes in consolidation scope.
(2) Change in impairment of inventory.

In millions of euros	09-30-19	Provisions	Reversals	09-30-20
Impairment of inventory	(0.8)	(0.7)	0.2	(1.2)

4.7 Trade receivables, other receivables and current financial assets

	09-30-20			09-30-19		
In millions of euros	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Trade receivables	**318.8**	**(9.0)**	**309.9**	**293.9**	**(9.8)**	**284.1**
Tax receivables	**4.1**		**4.1**	**3.8**		**3.8**
Advances and deposits	13.9		13.9	8.3		8.3
Employee-related receivables	6.5		6.5	8.5		8.5
Tax receivables	29.3		29.3	26.0		26.0
Other receivables	17.8	(5.1)	12.7	13.3	(3.0)	10.3
Prepaid expenses	5.9		5.9	9.3		9.3
Other current assets	**73.4**	**(5.1)**	**68.3**	**65.4**	**(3.0)**	**62.5**
Dividends due						
Loans, deposits and securities	19.1	(3.7)	15.4	20.3	(0.1)	20.2
Current financial assets	**19.1**	**(3.7)**	**15.4**	**20.3**	**(0.1)**	**20.2**

Change in impairment of trade receivables

In millions of euros	09-30-19	Provisions	Reversals	Change in consolidation scope(1)	09-30-20
Change in impairment of trade receivables	(9.8)	(1.3)	1.1	1.0	(9.0)

(1) See note 3 – Change in consolidation scope.

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 09-30-20	Net value at 09-30-20	Net value at 09-30-19
Marketable securities	1.0	1.0	1.1
Cash	360.9	360.9	283.5
Total	**361.9**	**361.9**	**284.6**

In millions of euros	09-30-20	09-30-19
Cash and cash equivalents	361.9	284.6
Bank overdrafts	8.5	7.0
Net cash	**353.4**	**277.6**

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, 2020, 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	57.80
Financière DBG*	65,894	0.04	65,894	0.03
Employees	1,787,215	1.12	1,787,215	0.79
Treasury shares	0	0	0	0
Public	91,798,732	57.59	94,139,879	41.38
Total	**159,397,489**	**100.00**	**227,484,284**	**100.00**

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

Dividends

In millions of euros	For the fiscal year 2019/2020[(1)]	For the fiscal year 2018/2019	For the fiscal year 2017/2018
Net dividends in euros	0.0	0.11	0.14
Total net distribution	0.0	17.5	22.9

(1) Subject to approval by the shareholders' meeting.

4.10 Non-controlling interests

In millions of euros	09-30-20	09-30-19
Non-controlling interests at the beginning of the year	2.9	3.8
Change in consolidation scope[(1)]	(0.5)	(3.6)
Consolidated company earnings attributable to non-controlling interests	1.1	3.3
Share of dividends from consolidated companies	(0.8)	(0.7)
Impact of foreign exchange rate fluctuations on non-controlling interests	0.0	0.0
Other variation	0.0	0.1
Non-controlling interests at year-end	**2.6**	**2.9**

(1) Related to the acquisition of non-Group interests in LSL.

4.11 Indebtedness

4.11.1 Loans and financial debts

4.11.1.1 Changes in financial indebtedness

In millions of euros	09-30-19	Increases	Decreases	Change in consolidation scope[(2)]	IFRS 16[(3)]	Other variation	Foreign exchange differences	09-30-20
Loans from financial institutions[(1)]	229.7	235.6	(0.3)	0.9		(40.8)	(0.6)	424.5
Miscellaneous financial debt	1.4	0.2	0.1				(0.2)	1.4
Debts linked to finance leases	93.7	37.3		1.9		(25.4)	(0.1)	107.4
Operating lease liabilities		8.8		0.6	45.9	16.4		38.9
Non-current financial debt	**324.8**	**281.9**	**(0.2)**	**3.4**	**45.9**	**(82.6)**	**(0.9)**	**572.2**
Loans from financial institutions[(1)]	49.7	36.8	(77.6)	25.4		40.8	(0.3)	74.9
Miscellaneous financial debt	0.2	0.2	(0.2)	0.2				0.4
Debts linked to finance leases	27.8		(21.7)	0.9		25.4	(0.1)	32.3
Operating lease liabilities			(21.2)	0.4	19.2	16.4		14.8
Bank overdrafts	7.0		(15.2)	16.7				8.5
Current financial debt	**84.7**	**37.0**	**(135.9)**	**43.6**	**19.2**	**82.6**	**(0.4)**	**130.9**
Total financial debt	**409.5**	**318.9**	**(136.2)**	**46.9**	**65.1**		**(1.2)**	**703.1**

(1) See notes 4.11.1.4 to 4.11.1.7 inclusive for details on the main credit lines.
(2) See note 3 – Change in consolidation scope.
(3) First-time adoption of IFRS 16.

4.11.1.2 Maturity profile of loans and 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	09-30-20	09-30-21	09-30-22	09-30-23	09-30-24	09-30-25	09-30-26 and beyond
Syndicated loan	240.0	30.0	30.0	30.0	30.0	120.0	
EIB loan	130.0		13.0	13.0	13.0	13.0	78.0
Lease liabilities	193.3	47.0	38.6	30.5	24.3	18.6	34.3
Other medium- and long-term lines	115.1	27.7	24.0	21.0	18.8	9.0	14.6
Miscellaneous financial debt	1.8	0.4				1.2	0.2
Total financial debt excluding amortized cost, factoring, and bank overdrafts	**680.3**	**105.1**	**105.7**	**94.5**	**86.1**	**161.8**	**127.1**
Amortized cost of syndicated credit	(3.0)						
Factoring debt	17.3						
Bank overdrafts	8.5						
Total financial debt	**703.1**						

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	09-30-20	Euro	American dollar	Canadian dollar
Loans from financial institutions	424.5	418.7		5.8
Miscellaneous financial debt	1.4	1.3		0.1
Debts linked to finance leases	107.4	105.9	1.5	
Operating lease liabilities	38.9	38.9		
Non-current financial debt	**572.2**	**564.8**	**1.5**	**5.9**
Loans from financial institutions	74.9	71.1	1.9	1.9
Miscellaneous financial debt	0.5	0.5		
Debts linked to finance leases	32.3	31.7	0.6	
Operating lease liabilities	14.8	14.8		
Bank overdrafts	8.5	7.9	0.6	
Current financial debt	**130.9**	**125.9**	**3.1**	**1.9**
Total financial debt	**703.1**	**690.7**	**4.6**	**7.8**

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 09-30-20 *In millions of euros*	Book value at 09-30-19 *In millions of euros*
Syndicated loan(1)	EUR	240.0	Euribor 6M	03/31/2025	240.0	31.8
Revolving credit(1)	EUR	100.0	Euribor 6M	03/31/2025		
EIB loan	EUR	130.0	1.127%	08/02/2031	130.0	130.0
Canada Loan - 2018 - 1	CAD	5.2	4.080%	07/06/2025	2.4	3.0
Canada Loan - 2017 - 1	CAD	9.0	3.340%	04/01/2024	3.2	4.2
United States Loan - 2018 - 1	USD	3.0	Libor USD 3M	06/01/2021	0.6	1.6
France Loan - 2020 - 1	EUR	10.0	1.45%	08/25/2032	10.0	20.0
France Loan - 2020 - 2	EUR	3.0	0.48%	06/30/2027	2.9	20.0
France Loan - 2020 - 3	EUR	3.0	0.48%	06/30/2027	2.9	20.0
France Loan - 2020 - 4	EUR	5.0	0.63%	08/25/2025	5.0	20.0
France Loan - 2019 - 1	EUR	20.0	Euribor 3M	09/02/2024	16.0	20.0
France Loan - 2019 - 2	EUR	3.3	1.419%	12/30/2029	3.1	3.3
France Loan - 2019 - 3	EUR	3.0	0.980%	02/20/2026	2.4	2.8
France Loan - 2019 - 4	EUR	5.0	0.960%	05/31/2026	5.0	5.0
France Loan - 2019 - 5	EUR	4.0	1.250%	12/01/2025	3.5	3.8
France Loan - 2018 - 1	EUR	5.0	1.360%	04/30/2025	4.8	5.0
France Loan - 2018 - 2	EUR	5.5	1.650%	06/05/2030	4.5	5.0
France Loan - 2017 - 1	EUR	5.0	2.190%	10/30/2024	4.3	4.8
France Loan - 2017 - 2	EUR	3.0	1.250%	06/01/2022	1.4	1.7
France Loan - 2017 - 3	EUR	5.0	2.190%	10/30/2024	4.3	4.8
France Loan - 2017 - 4	EUR	6.0	1.200%	10/30/2022	2.7	3.3
France Loan - 2017 - 5	EUR	4.0	1.200%	10/30/2022	1.7	2.1
France Loan - 2017 - 6	EUR	10.0	0.850%	09/30/2024	5.8	7.2
France Loan - 2017 - 7	EUR	2.1	2.410%	09/08/2024	1.2	1.5
France Loan - 2016 - 1	EUR	5.0	0.610%	06/22/2024	2.7	3.1
France Loan - 2016 - 2	EUR	5.0	0.610%	06/22/2024	2.7	3.1
France Loan - 2016 - 3	EUR	8.0	1.250%	10/30/2021	2.0	2.9
France Loan - 2013 - 1	EUR	4.0	Euribor 3M	05/05/2023	1.3	1.5
Other borrowings - Outstandings < 1.5m EUR					20.0	12.5
Non-recurring lease liabilities					146.3	93.7
Recurring lease liabilities					47.0	27.8
Miscellaneous financial debt	EUR				1.8	1.6
Amortized cost of syndicated credit	EUR				(3.0)	(0.6)
Syndicated factoring(2)	EUR	300.0		12/31/2021	17.3	16.0
Confirmed and unconfirmed bilateral lines	EUR	158.2			8.5	7.0
Total financial debt					**703.1**	**409.5**

(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 €202 million from non-recourse factoring of receivables for €197.6 million in financing received as at September 30, 2020.

4.11.1.5 2020 loan agreement

On March 19, 2020, the Group entered into a loan agreement with 12 financial institutions, for the amount of €340 million and comprising a €100 million revolving loan and a €240 million repayment loan. The agreement was entered into for a five-year term, and the Group has the option of twice asking the banks to extend the final repayment date by one year.

Regarding the repayment loan, the outstanding balance at September 30, 2020 was €240 million. The annual amortization schedule is €30 million (and €120 million on the final repayment date if it occurs at the end of year 5, €90 million if it occurs at the end of year 6, €60 million if it occurs at the end of year 7).

The €100 million revolving loan had not been drawn as of September 30, 2020.

There are no securities guaranteeing the repayment of the loan.

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.

4.11.1.6 Factoring agreement

The Derichebourg Group entered into a non-recourse factoring agreement with effect from January 1, 2015 for a maximum financing amount of €300 million, covering the French, Belgian, German and Italian entities of the Environmental Services and Business Services divisions. This agreement has a confirmed term of three years expiring on December 31, 2021.

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 €191.9 million as at September 30, 2020.

The Group derecognizes 95% of receivables without recourse because of the 5% unguaranteed residual amount.

4.11.1.7 EIB loan

The amount of the loan is €130 million. It is backed by the Group's investment program for the period 2019-2022.

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.

4.11.2 Net financial position

In millions of euros	09-30-20	09-30-19
Financial debt	703.1	409.5
Cash and cash equivalents	361.9	284.6
Total net debt	**341.1**	**124.9**

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, 2020, the Group's main sources of funding were:

- a €340 million syndicated loan agreement signed in March 2020, with an authorized outstanding amount of €340 million. It includes a five-year loan for €240 million, repayable in equal annual installments (outstanding amount authorized and drawn of €240 million as at September 30, 2020), 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, 2021 and amounts to €30 million. At September 30, 2020, 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, 2020 is €197.6 million, for a contribution to net debt of €17.3 million;
- €125 million in medium-term borrowings, of which €115.1 million had been drawn down;
- a loan agreement with the European Investment Bank for €130 million;
- leasing agreements, for which the amount outstanding as at September 30, 2020 was €193.3 million;
- bilateral credit lines, whether confirmed or not, totaling €158.2 million, which are not used since the Group's net cash position is €353.4 million at September 30, 2020.

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, 2020, the leverage ratio was 1.84;

- 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, 2020, the coverage ratio stood at 15.08.

The Group was in compliance with its financial covenants on September 30, 2020.

Given the liquidity margin of €621 million at September 30, 2020, 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, 2020.

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, 2020, all of the Group's assets and liabilities measured at fair value are classified as level 2.

During the 2020 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	09-30-20	09-30-19
Assets at fair value through profit or loss		
Derivative instruments – assets	0.0	0.0
Assets at fair value through equity		
Derivative instruments – assets	0.0	0.0
Loans and receivables		
Non-current loans	0.0	0.0
Non-current deposits and securities	8.2	6.9
Other non-current financial assets	0.2	0.2
Current trade receivables	309.9	284.1
Current loans	0.0	0.0
Current deposits and securities	15.4	20.2
Cash and cash equivalents	361.9	284.6
Held-to-maturity investments		
None	0.0	0.0
Available-for-sale assets		
Equity interests	1.7	1.7
Liabilities at fair value through profit or loss		
Derivative instruments – liabilities	2.2	1.2
Liabilities at fair value through equity		
Derivative instruments – liabilities	0.1	1.6
Other liabilities		
Syndicated loan	237.0	31.2
Other non-current financial debt	365.2	304.3
Debts trade payables	256.1	258.7
Other current financial liabilities	0.4	0.4
Short-term loans and bank overdrafts	100.5	73.8

4.12.2 Market value of derivative instruments

		09-30-20		09-30-19	
In millions of euros		Assets	Liabilities	Assets	Liabilities
Derivatives for interest-rate risks	Cash flow hedge		2.2		2.5
Derivatives for exchange-rate risk	Cash flow hedge	0.0	0.1	0.0	0.2
Amount of derivatives in the consolidated balance sheet		**0.0**	**2.3**	**0.0**	**2.7**

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, 2020, 40% of the debt was under a variable 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

	09-30-20			09-30-19		
In millions of euros	**Fixed rate**	**Variable rate**	**Total**	Fixed rate	Variable rate	Total
Financial liabilities	421.2	273.4	694.6	326.6	75.9	402.5
Cash and cash equivalents		8.5	8.5		7.0	7.0
Total financial liabilities	**421.2**	**281.9**	**703.1**	**326.6**	**82.9**	**409.5**
%	60%	40%	100%	80%	20%	100%

Net financial position after hedging

	09-30-20			09-30-19		
In millions of euros	**Less than 1 year**	**From 1 to 5 years**	**Beyond that period**	Less than 1 year	From 1 to 5 years	Beyond that period
Non-current financial debt		445.1	127.1		207.7	117.0
Current financial debt	130.9			84.8		
Financial liabilities	**130.9**	**445.1**	**127.1**	**84.8**	**207.7**	**117.0**
Non-current financial assets (excluding investment securities)		(4.3)	(4.0)		(5.0)	(2.1)
Current financial assets	(15.4)			(20.2)		
Cash and cash equivalents	(361.9)			(7.0)		
Financial assets	**(377.3)**	**(4.3)**	**(4.0)**	**(27.2)**	**(5.0)**	**(2.1)**
Net position before hedging	**(246.4)**	**440.7**	**123.1**	**57.6**	**202.7**	**114.9**
Interest rate derivatives		(170.0)			(50.0)	
Net position after hedging	**(246.4)**	**270.7**	**123.1**	**57.6**	**152.7**	**114.9**

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
Variable rate -> fixed rate derivative instruments:					
SWAP ARKEA EUR	0.56%			50.0	
CAP BNP EUR	0.00%			40.0	
CAP CMUT EUR	0.00%			20.0	
CAP LCL EUR	0.00%			20.0	
CAP SGN EUR	0.00%			40.0	
Total derivative interest rate				**170.0**	

4.12.4 Foreign exchange risk

Exchange rates used

In euros	Foreign currencies	2020 Year-end	2020 Average	2019 Year-end	2019 Average
Canada	CAD	1.5676	1.5063	1.4426	1.4971
China	CNY	7.9720	7.8460	7.7784	7.7957
United States	USD	1.1708	1.1199	1.0889	1.1281
Mexico	MXN	26.1848	23.7171	21.4522	21.8837
United Kingdom	GBP	0.9124	0.8785	0.8857	0.8841
Turkey	TRY	9.0990	7.2972	6.1491	6.3239

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	19.5

Accounts receivable, tax receivables and other current assets by currency

	Receivables at 09-30-20			Receivables at 09-30-19		
In millions of currency	Local currency	Euro	%	Local currency	Euro	%
CAD	4.2	2.7	1%	6.3	4.4	1%
CNY	0.5	0.1	0%			0%
EUR	369.0	369.0	97%	329.9	329.9	95%
GBP			0%	0.2	0.3	0%
MXN	54.8	2.1	1%	85.0	4.0	1%
TRY			0%	4.8	0.8	0%
USD	9.9	8.4	2%	12.1	11.1	3%
Total		**382.3**	**100%**		**350.4**	**100%**

Trade payables, tax liabilities and other current liabilities

	Payables at 09-30-20			Payables at 09-30-19		
In millions of currency	Local currency	Euro	%	Local currency	Euro	%
CAD	1.8	1.1	0%	2.2	1.5	0%
CNY	0.2		0%			0%
EUR	523.0	523.0	99%	508.2	508.2	99%
GBP			0%	0.2	0.2	0%
MXN	33.5	1.3	0%	40.3	1.9	0%
TRY			0%	2.4	0.4	0%
USD	5.8	5.0	1%	5.8	5.4	1%
Total		**530.4**	**100%**		**517.5**	**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.

In millions of euros		09-30-20 Before hedging	09-30-20 After hedging	09-30-19 Before hedging	09-30-19 After hedging
CAD	+5%	(0.1)	(0.1)	(0.2)	(0.2)
	-5%	0.1	0.1	0.2	0.2
USD	+5%	(0.5)	0.3	(0.8)	(0.3)
	-5%	0.5	(0.4)	0.9	0.4
Total	**+5%**	**(0.6)**	**0.2**	**(1.0)**	**(0.6)**
	-5%	**0.6**	**(0.2)**	**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 09-30-20	Not due	<1 month	<4 months	>4 months
Environmental Services	159.4	124.6	15.3	6.4	13.1
Business Services	148.0	84.6	20.9	24.3	18.2
Holding companies	2.6	2.3			0.3
Total	**310.0**	**211.5**	**36.2**	**30.7**	**31.6**

Despite the turbulent environment, the Group has not yet observed any significant increase in payment delays and customer credit risk is €1.4 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 non-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 employee benefits

4.13.1 Change in non-current provisions

In millions of euros	09-30-19	Provisions	Reversals used	Write backs not used	Change in consolidation scope[(1)]	Other variation	Foreign exchange differences	09-30-20
Provisions for labor disputes	5.0	1.9	(1.2)	(0.6)		0.0		5.1
Provisions for other disputes	2.8	3.3	(0.4)	(0.1)	3.8	0.3	0.0	9.6
Provisions for Urssaf disputes	8.9	0.5				(0.3)		9.1
Provisions for guarantees	0.6	0.0	(0.5)					0.1
Provisions for service awards	2.6	0.3	(0.1)	(0.2)	0.0			2.6
Provisions for tax audit					0.1			0.1
Provisions for restructuring	0.3	0.2	(0.3)					0.2
Environmental provisions[(2)]	3.7	3.7	(0.7)				(0.1)	6.6
Other non-current provisions	0.0					0.0	0.0	0.0
Total	**23.7**	**10.0**	**(3.2)**	**(0.9)**	**3.9**	**0.0**	**(0.1)**	**33.4**

(1) See note 3 – Change in consolidation scope.
(2) Provisions for the year include an additional provision of €2.3 million for the monitoring of a former landfill site in Italy.

4.13.2 Provisions for employee benefit obligations

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 2019/2020	Euro zone 2018/2019
Discount rate	0.60%	0.50%
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 2019-2020	Euro zone 2018-2019
Discount rate	0.60% to 1.20%	0.50% to 0.70%
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 non-executives
	Voluntary departure at 62 years of age for 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 0.60%.

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 0.47% according to the IBOXX benchmark

The discount rate actually used in this valuation complies with IAS 19.

In millions of euros	09-30-19	Provisions	Reversals used	Write backs not used	Changes in consolidation scope	Other variation	09-30-20
Employee benefits	49.6	4.0	(0.8)		(0.1)	(1.9)	50.8

In millions of euros	2020	2019	2018
Actuarial value of commitments at opening	**49.6**	**42.6**	**43.2**
Current service cost	3.7	3.4	3.2
Interest expense	0.3	0.7	0.7
Actuarial gains and losses related to experience	(1.3)	1.6	1.5
Actuarial gains and losses related to changes to the actuarial assumptions	(0.6)	5.3	0.1
Employee contributions			
Benefits paid	(0.8)	(3.8)	(3.6)
Acquisitions, disposals, liquidations			
Change in scope	(0.1)		
Impact of IFRS 5		(0.1)	(2.4)
Foreign exchange differences			
Actuarial value of commitments at closing	**50.8**	**49.6**	**42.6**
Fair value of plan assets at opening	**0.0**	**0.0**	**0.0**
Interest income			
Expected return on assets other than interest			
Administrative costs			
Contributions by employer	0.8	3.8	3.6
Employee contributions			
Benefits paid	(0.8)	(3.8)	(3.6)
Assets distributed on settlement			
Changes in scope			
Impact of IFRS 5			
Foreign exchange differences			
Fair value of plan assets at closing	**0.0**	**0.0**	**0.0**
Provisions recognized on the balance sheet			
Actuarial value of commitments	50.8	49.6	42.6
Fair value of assets	0.0	0.0	0.0
Net value of commitments	**50.8**	**49.6**	**42.6**
Amounts recognized in profit or loss			
Current service cost	3.7	3.4	3.1
Financial cost	0.3	0.7	0.7
Administrative costs			
Gains/Losses on settlements			
Total	**4.0**	**4.1**	**3.8**
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	1.3	(1.6)	(1.5)
Actuarial gains and losses related to changes to the actuarial assumptions	0.6	(5.3)	(0.1)
Total gains/(losses) recognized in other comprehensive income	**1.9**	**(6.8)**	**(1.6)**
Provisions at the beginning of the year	**49.6**	**42.6**	**43.2**
Net expense for the year	4.0	4.1	3.9
Impact on comprehensive income	(1.9)	6.8	1.6
Benefits paid	(0.8)	(3.8)	(3.6)
Others	(0.1)		
Impact of IFRS 5		(0.1)	(2.4)
Foreign exchange differences			
Provisions at year-end	**50.8**	**49.6**	**42.6**

4.14 Current provisions

In millions of euros	09-30-19	Provisions	Reversals used	Write backs not used	Change in consolidation scope[(1)]	Other variation	Foreign exchange differences	09-30-20
Provisions for disputes	2.3	1.9	(0.4)	(0.2)	(0.1)	(0.1)		3.4
Current account provisions and liability guarantee	0.0	0.1						0.1
Provisions for restructuring	0.0	0.9						0.9
Provisions for taxes	0.0							0.0
Environmental provisions	0.1							0.1
Other provisions	0.2		(0.2)			0.1		0.1
Total	**2.6**	**2.9**	**(0.6)**	**(0.2)**	**(0.1)**	**0.0**	**0.0**	**4.6**

(1) See note 3 – Change in consolidation scope.

4.15 Other current liabilities

In millions of euros	09-30-20	09-30-19
Trade payables	**254.5**	**257.1**
Tax payables	**4.7**	**7.7**
State and payroll taxes	224.1	218.0
Advances and payments on account received on orders	14.8	10.9
Current account credit balances	0.6	0.6
Miscellaneous liabilities	14.2	9.6
Deferred income	17.5	13.6
Other current liabilities	**271.2**	**252.7**

4.16 Other non-current liabilities

In millions of euros	09-30-20	09-30-19
Trade payables	1.7	2.3
Deferred income	1.5	0.9
Other non-current liabilities	**3.2**	**3.2**

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	2020	2019	Change in %
Environmental Services	1,627.4	1,846.7	(11.9%)
Business Services	836.2	857.6	(2.5%)
Holding companies	0.4	0.8	(43.7%)
Total	**2,464.1**	**2,705.0**	**(8.9%)**

4.17.1.2 Consolidated income statement items

In millions of euros	Environmental Services	Business Services	Holding companies	Inter-segment eliminations	Total at September 30,
2020					
External revenue	1,631.5	850.9	31.9	(50.2)	2,464.1
Inter-segment revenue	(4.1)	(14.7)	(31.4)	50.2	0.0
Revenue	**1,627.4**	**836.2**	**0.4**	**0.0**	**2,464.1**
Recurring operating profit (loss)	52.5	18.1	(8.2)		62.4
Operating profit (loss)	53.7	10.9	(8.4)		56.2
Net income from associates	0.4				0.4
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

4.17.1.3 Other segment reporting

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at September 30,
2020					
Total assets (current and non-current)	1,246.8	570.1	562.3	(504.0)	1,875.1
Assets associated with held-for-sale assets					
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	800.5	405.7	648.7	(504.0)	1,350.9
Liabilities associated with held-for-sale assets					
Total liabilities (current and non-current excluding shareholders' equity)	**800.5**	**405.7**	**648.7**	**(504.0)**	**1,350.9**
Flows at September 30, 2020					
Tangible and intangible capital investments	58.6	9.7	1.7		70.0
Rights of use	31.7	7.5	0.1		39.3
Tangible and intangible amortization	(51.1)	(11.0)	(2.3)		(64.4)
Amortization of rights of use	(38.9)	(14.9)	(0.6)		(54.5)
Impairment					
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[1]	125.9	15.9	2.8		144.6
Tangible and intangible amortization[1]	(74.1)	(11.7)	(2.5)		(88.3)
Impairment	(0.2)				(0.2)

(1) These amounts include restatements required under IAS 17.

4.17.2 Information by geographic location

In millions of euros	Continental Europe	France	North and South America	Africa	Middle East	Asia	Total at September 30
2020							
Revenues (origin of sales)	542.5	1,779.4	140.3		1.7	0.3	2,464.1
Tangible and intangible capital investments	10.4	86.1	4.1				100.6
Tangible and intangible amortization	(13.1)	(74.5)	(10.9)				(98.5)
Total net tangible assets	144.8	310.5	44.2				499.5
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

4.18 Change in provisions

In millions of euros	2020	2019
Provisions on current assets	(2.0)	(1.5)
Provisions for liabilities and charges	(9.1)	(5.0)
Total	**(11.0)**	**(6.5)**

4.19 Other operating expenses and income

In millions of euros	2020	2019
Proceeds from sale of property, plant and equipment	1.8	1.3
Production of assets for own use	0.5	2.0
Write backs of provisions on property, plant and equipment	0.3	0.4
Write backs of provisions on current assets(1)	1.4	6.8
Write backs of provisions for liabilities and charges	4.9	8.7
Transfers of operating expenses	2.7	3.9
Operating and investment subsidies	1.5	1.2
Others	2.1	1.4
Total other operating income	**15.4**	**25.7**
Carrying amount of non-current assets sold	(1.8)	(0.2)
Losses from irrecoverable and written-off receivables(2)	(1.2)	(7.0)
Duties and licenses	(5.7)	(6.8)
Board members/attendance fees paid	(0.2)	(0.2)
Others	(3.6)	(3.5)
Total other operating expenses	**(12.5)**	**(17.6)**

(1) Of which €4.5 million in write backs for impairment of trade receivables of Vigimark Sûreté in 2019 (see note 4.26 to the 2013 financial statements).
(2) Of which €4.5 million in losses for irrecoverable trade receivables of Vigimark Sûreté in 2019 (see note 4.26 to the 2013 financial statements).

4.20 Other non-recurring expenses and income

	2020	2019	
Italy – Increase in monitoring costs for former landfill	(2.3)	(5.0)	Nuclear engineering company contracts
Recycling Spain – Post-acquisition restructuring	(1.2)		
Recycling France – Restructuring	(1.6)		
Aeronautics division – Restructuring	(5.6)		
Holding companies – Restructuring	(0.2)		
Total other non-recurring expenses	**(10.9)**	**(5.0)**	
Collection – win on appeal in Veolia litigation	3.7	0.1	Others
Other non-recurring income	**3.7**	**0.1**	

In the Environmental Services business

- Profit of €3.7 million following the victory on appeal in the proceedings initiated by Veolia relating to the 2014 transfer of personnel on household waste collection contracts in Paris (11th, 18th and 19th arrondissements);
- Cost of restructuring initiated at Lyrsa after the acquisition (€1.2 million);
- Cost of restructuring initiated in the various French recycling subsidiaries following the very sharp drop in volumes during the lockdown period (€1.6 million);
- Revaluation of monitoring costs for the next 30 years of the CRS landfill (Italy) (€2.3 million).

In the Multiservices business

- Major restructuring costs of €5.6 million in subsidiaries related to the aeronautics cycle, including:
  - €3.6 million in severance costs for the 163 employees of Derichebourg Aeronautics Services France who refused the Collective Performance Agreement;
  - €0.9 million for a redundancy plan at Derichebourg Aeronautics Recruitment France;
  - €0.9 million for a redundancy plan at Derichebourg Atis Iberica;
  - €0.2 million of restructuring costs in the German subsidiary.

In the Holding companies business

- Restructuring costs of €0.2 million incurred due to the lockdown.

4.21 Gain/loss on disposal of consolidated companies

	2020	2019	
Italy – disposal AEP Multiservizi	(2.3)	(0.8)	France – Derichebourg Services & Ingénierie nucléaire
France – loss of exclusive control of water treatment and distribution subsidiaries	(2.8)	(0.7)	Belgium – liquidation of CPI & Bas Long Prés
England – disposal of Derichebourg Aviation & Energy Resources	(0.2)	0.6	Morocco – disposal of household waste collection and waste treatment business
Turkey – disposal of Derichebourg Tesis Yonetimi	(1.4)	0.1	Italy – disposal of household waste collection and waste treatment businesses
Spain – Reyfra, change of consolidation method	7.7		
Gain/loss on disposal of consolidated companies	**(1.0)**	**(0.8)**	

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	2020	2019
Interest on loans, bank overdrafts and factoring	(9.3)	(7.9)
Interest on current accounts		
Leasing interests	(2.3)	(1.4)
Dividends		
Income from investment securities and cash equivalents	(0.2)	
Interest-rate hedges and other financial income and expenses	(0.5)	(0.5)
Net financial expenses	**(12.3)**	**(9.7)**
Foreign exchange gains and losses	1.3	0.3
Interest expense on retirement and pension plans	(0.3)	(0.7)
Others	(3.3)	(0.4)
Foreign exchange and other gains and losses	**(2.3)**	**(0.8)**

4.23 Income tax

4.23.1 By type

In millions of euros	2020	2019
Income before tax from consolidated companies	41.5	87.0
Current income tax	(21.8)	(34.6)
Deferred tax	2.3	4.1
Total income tax expense	**(19.5)**	**(30.5)**
Effective tax rate	**(47.0%)**	**(35.1%)**

The French Finance Law for 2019 maintained the standard corporate tax rate of 34.43% for fiscal years beginning in 2019.

4.23.2 Actual income tax expense

	2020	2019
Theoretical tax income or expense	(14.3)	(30.0)
Impact of tax rate changes	(0.4)	(0.1)
Recognition/Limitation of deferred tax assets	(3.3)	1.9
Permanent tax differences	(1.3)	0.8
Permanent differences linked to consolidation adjustments	(0.3)	(3.5)
Differences in tax rates applicable to foreign companies	(0.0)	0.4
Actual tax income	**(19.5)**	**(30.5)**

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 2020, the Group's actual income tax expense was reconciled on the basis of a tax rate of 34.43%, as for 2019.

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	ESKA	REFINAL INDUSTRIES
AFM RECYCLAGE	EXADIANE SCI	REVIVAL
BERNES ET BRUYÈRES SCI	FRANORA SCI	SCI ROUTABOULE
BERTHELOT VILLENEUVE SCI	GROUPE ALTER SERVICES	SCI ROUX
BOLTON	GARE DE CHANDIEU SCI	ULTEAM
CFF BETA SCI	INOREC	VALME TECHNOLOGIES
CFF SIGMA SCI	INOTERA SCI	WESTEVER
COFRAMETAL	LE BISON GOURMAND	
DERICHEBOURG AERONAUTICS RECRUITMENT FRANCE	POLY-ENVIRONNEMENT	
DERICHEBOURG AERONAUTICS SERVICES FRANCE	POLYAMON	
DERICHEBOURG AERONAUTICS TRAINING FRANCE	POLYANCE	
DERICHEBOURG AUTOMOBILE SERVICES	POLYBUIS	
DERICHEBOURG ÉNERGIE	POLYCEJA	
DERICHEBOURG ÉNERGIE E.P.	POLYCEO	
DERICHEBOURG ENVIRONNEMENT	POLYCOROT	
DERICHEBOURG ESPACES VERTS	POLY-MASSI	
DERICHEBOURG EXPANSION	POLY-NEA	
DERICHEBOURG FM	POLYREVA	
DERICHEBOURG IMMOBILIER SCI	POLY-SENTI	
DERICHEBOURG INTÉRIM	POLYSOTIS	
DERICHEBOURG MULTISERVICES HOLDING	POLYTIANE	
DERICHEBOURG PROPRETÉ	POLYURBAINE	
DERICHEBOURG RETAIL	POLYURBAINE NORMANDIE	
DERICHEBOURG SNG	POLY-VALIS	
DERICHEBOURG SPECTACLE	PSIMMO	
DERICHEBOURG TECHNOLOGIES	PURFER	
ÉCO-VHU SAS	PURFOLLIOULE SCI	

4.23.4 Analysis of deferred tax assets and liabilities

In millions of euros	09-30-20	09-30-19
Tax losses carried forward	11.3	7.1
Temporary differences	4.3	5.6
Restatement of regulated provisions	(5.6)	(5.8)
Social benefits	12.0	11.8
Finance leases	(1.4)	(1.3)
Elimination of intra-Group profits	1.7	1.4
Valuation differences	(16.0)	(8.0)
IFRS restatements	0.6	0.6
Other types	0.9	(2.0)
Net deferred taxes	**7.9**	**9.4**
Of which		
Deferred tax assets	31.1	26.5
Deferred tax liabilities	23.2	17.1
Net deferred taxes	**7.9**	**9.4**

In France, the Group recognizes €2.6 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 €12.3 million in France and €47 million abroad.

4.24 Discontinued or held-for-sale operations

None.

4.25 Earnings per share

		2020	2019
Net profit (loss) attributable to Company shareholders *(in millions of euros)*	(A)	21.3	55.6
Net profit (loss) attributable to the Group from discontinued operations *(in millions of euros)*	(B)		
Net profit (loss) attributable to the Group share after elimination of discontinued operations *(in millions of euros)*	(C)=(A-B)	21.3	55.6
Impact of dilution on net income	(D)		
Profit after dilution	(E)	21.3	55.6
Number of ordinary shares at year-end		159,397,489	159,397,489
Own shares			
Number of ordinary shares at year-end, excluding own shares		159,397,489	159,397,489
Weighted average number of ordinary shares during the year, excluding own shares	(F)	159,397,489	160,518,131
Number of ordinary shares at year-end after dilution, excluding own shares	(G)	159,397,489	159,397,489
Basic earnings per share (excluding discontinued operations) *(in euros)*	**(C)/(F)**	**0.13**	**0.35**
Basic earnings per share after dilution *(in euros)*	**(E)/(G)**	**0.13**	**0.35**
Earnings per share after income from discontinued operations *(in euros)*	**(A)/(F)**	**0.13**	**0.35**
Earnings per share after earnings from discontinued operations after dilution *(in euros)*	**(A+D)/(G)**	**0.13**	**0.35**

4.26 Commitments

4.26.1 Details of commitments given

Breakdown of off-balance sheet commitments

In millions of euros	Bonds	Guarantees	09-30-20	09-30-19
Rent	0.7	0.1	0.8	0.9
Financial Institutions - Market(1)	25.7	27.7	53.5	44.6
Environmental commitments	1.4	8.7	10.1	4.2
Temporary work(2)	14.2		14.2	12.9
Tax commitments	0.6	0.5	1.1	1.1
Others		4.1	4.1	0.4
Total	**42.6**	**41.2**	**83.8**	**64.1**

(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, 2020:
  - bilateral line – Germany: €7.4 million;
  - bilateral line – Belgium: €12.5 million;
  - bilateral line – United States: $7 million;
  - bilateral line – Portugal: €4 million;
  - revolving loan (syndicated loan): €100 million.
- Retention bonds: €1.8 million

4.27 Significant litigation

4.27.1 Italy

In November 2013, the director (deputy 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 deputy 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. This subsidiary was sold during the past fiscal year, without any particular guarantee given by the Group.

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 Mons 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 to the Court of Cassation. On September 17, 2020, the Belgian Court of Cassation overturned the grounds of the decision of the Mons Appeal Court and referred the case back to the Liège Appeal Court. No conclusions have been drawn in the financial statements, pending the decision of the Liège Appeal Court.

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 districts of Paris from the subsidiary Polyurbaine. The Group had appealed against this judgment. The appeal judgment of March 2020 was favorable to the Group. The amount of €3.7 million paid to Veolia in 2018 was repaid during the year, recorded in non-recurring profit. Veolia has appealed to the Court of Cassation.
- 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.
- Derichebourg SA and the subsidiary AFM Recyclage (as the final operator) entered into an agreement with a public-private partnership representing the local authority in 2012, which was renewed in 2018 and 2019. Under this agreement, they would release land, transfer it to the public-private partnership and transfer their business to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for industrial, non-sensitive use, on the basis of preliminary studies showing a low decontamination cost. On the basis of more in-depth surveys, an estimate was made of the cost of this decontamination, and its total cost calls into question whether or not the process is cost-effective. 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	30-09-20	09-30-19
DBG FINANCES	0.0	0.0
Related party receivables	**0.0**	**0.0**
DBG FINANCES	0.0	0.6
TBD FINANCES	0.9	1.1
Mrs. IDA DERICHEBOURG	0.1	NS
Related party payables	**1.0**	**1.7**
TBD FINANCES	(2.1)	(2.3)
Non-recurring expenses	**(2.1)**	**(2.3)**
DBG FINANCES	(1.3)	(1.4)
SCI FONDEYRE	NS	NS
SCI DEMUEYES	NS	NS
Mrs. IDA DERICHEBOURG	NS	NS
Operating expenses	**(1.3)**	**(1.4)**
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

09-30-20 *In millions of euros*	Trade receivables	Debts Trade payables	Loans and financial debts	Revenue	Cost of raw materials	External charges
ALSAFER		0.1			(0.7)	
DERICHEBOURG AQUA	0.1					
DERICHEBOURG AQUA OCÉAN INDIEN	0.1					
EASO		0.1		0.1	(0.5)	
VALERCO		0.1		0.1		(0.6)
Total	**0.1**	**0.3**		**0.2**	**(1.3)**	**(0.6)**

4.29 Employee information

4.29.1 Headcount by business segment

	09-30-20	09-30-19
Business Services	37,332	32,189
Environmental Services	4,759	4,499
Holding companies	150	145
Total headcount*	**42,241**	**36,833**

* *Headcount by number of employees at year-end.*

4.29.2 Personnel expenses by type

In millions of euros	09-30-20	09-30-19
Wages and salaries	650.4	656.7
Social charges	169.9	192.6
Employee profit sharing	5.4	9.0
Furlough payments	(18,2)	
Income from Employment Competitiveness Tax Credit (CICE)		(5.2)
Other personnel expenses	5.4	2.8
Total	**812.9**	**856.0**

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, 2020 was €1.9 million. At September 30, 2019, this amount was €2.3 million.

Members of the executive 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 ESPAÑA	100.00%	FC
RECUPERACIONES COLOMER SL	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 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
POLYANCE	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
PURFOLLIOULES SCI	100.00%	FC
REFINAL INDUSTRIES	100.00%	FC
REVIVAL	100.00%	FC
REVIVAL EXPANSION	99.99%	FC
ROHR ENVIRONNEMENT	49.63%	EA
SAUR DERICHEBOURG AQUA	49.00%	EA
SAUR DERICHEBOURG AQUA OCÉAN INDIEN	49.00%	EA
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
SCI ROUTABOULE	100.00%	FC
SCI ROUX	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		
CRS	100.00%	FC
ECOPART SRL	100.00%	FC
ECOREC	100.00%	FC
Mexico		
DERICHEBOURG RECYCLING MEXICO	99.99%	FC
Portugal		
CAETANO LYRSA SA	50.00%	EA
LYRSA RECICLAGENS INDUSTRIAIS SA	100.00%	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 AERONAUTICS RECRUITMENT SPAIN ETT	100.00%	FC
DERICHEBOURG ATIS IBERICA	100.00%	FC
GRUPO NET	100.00%	FC
SERVICIOS INTEGRALES DE LIMPIEZA NET	100.00%	FC
United States		
AUSGAEL BY DERICHEBOURG LLC	100.00%	FC
DERICHEBOURG AERONAUTICS SERVICES USA	100.00%	FC
DERICHEBOURG AVIATION SERVICE INC	100.00%	FC
France		
CFF BETA SCI	100.00%	FC

Legal name	% Interest	Consolidation method
DERICHEBOURG AERONAUTICS RECRUITMENT FRANCE	100.00%	FC
DERICHEBOURG AERONAUTICS SERVICES FRANCE	100.00%	FC
DERICHEBOURG AERONAUTICS TRAINING FRANCE	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
DERICHEBOURG FM	100.00%	FC
DERICHEBOURG INTÉRIM	100.00%	FC
DERICHEBOURG PROPRETÉ	100.00%	FC
DERICHEBOURG RETAIL	100.00%	FC
DERICHEBOURG SPECTACLE	100.00%	FC
DERICHEBOURG SNG	100.00%	FC
DERICHEBOURG TECHNOLOGIES	100.00%	FC
GARALTER SCI	100.00%	FC
GROUPE ALTER SERVICES	100.00%	FC
IMMEDIA SERVICES	100.00%	FC
LSL	100.00%	FC
PSIMMO	100.00%	FC
ULTEAM	100.00%	FC
VIBEY ÉNERGIES	100.00%	FC
Portugal		
DERICHEBOURG FACILITY SERVICES	100.00%	FC
SAFIRA JOB	100.00%	FC

4.1.6 Independent 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, 2020, as attached to this report. These financial statements were approved by the Board of directors on December 3, 2020, on the basis of the information available on that date in the evolving context of the COVID-19 crisis and difficulties in understanding its impact and future outlook.

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 independent auditors related to the audit 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, 2019 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 independent auditor profession.

Observation

Without qualifying the opinion expressed above, we draw your attention to note 2.1.1 "Standards and interpretations applicable as of the fiscal year beginning October 1, 2019" to the consolidated financial statements, which presents the effects of the first-time adoption of IFRS 16 "Leases".

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 which were drawn up under the conditions set out previously, 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

Audit risk

As of September 30, 2020, the Group's goodwill totaled €261.1 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 "Impairment of non-current assets other than financial non-current assets" and 4.1.2 "Impairment tests" to the consolidated financial statements. 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 over a five-year period, 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 by management, as indicated in note 2.2.2 to the consolidated financial statements "Use of estimates", as indicated in note 2.2.2 to the consolidated financial statements.

Audit procedures in response to this risk

We examined the procedures that the Group put in place to impairment tests on goodwill. Our audit team included specialists to 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, including any potential impacts of the Covid-19 crisis. Lastly, we conducted sensitivity analyses on the following assumptions: discount rate, growth rate to infinity and recurring operating profit (loss) of each CGU.

Specific verifications

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 drawn up on December 3, 2020. With regard to the events that have occurred and information which comes to light on the effects of the COVID-19 crisis after the closing date for the financial statements, management has informed us that a communication on this subject will be made to the shareholders' meeting called to approve the financial statements.

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. The information should therefore be covered by an independent third party report.

Information resulting from other legal and regulatory requirements

- Appointment of independent auditors

We were appointed independent 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, 2020, the firm BM&A was in the third uninterrupted year of its mission, the firm DENJEAN ET ASSOCIÉS AUDIT was in the seventh uninterrupted year of its mission and the firm ERNST & YOUNG Audit in the fourteenth uninterrupted year of its mission.

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 independent 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, an independent auditor shall exercise his or her professional judgment throughout this audit. Moreover:

- he or she 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;
- he or she 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;
- he or she 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;
- he or she 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 he or she concludes that there is a significant uncertainty, he or she shall draw the attention of his or her 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, he or she formulates a qualified certification or a refusal to certify;
- he or she 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, he or she shall collect information that he or she deems sufficient and appropriate to express an opinion on the consolidated financial statements. He or she 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 independent auditor profession. As needed, we discuss with the Audit Committee the risks that may affect our independence and the safeguarding measures applied.

Paris, Paris and Paris-La Défense, December 10, 2020

The independent auditors

BM&A	**DENJEAN ET ASSOCIES AUDIT**	**ERNST & YOUNG Audit**
Eric Seyvos	Clarence Vergote	Pierre Abily

4.2 Parent company financial statements at September 30, 2020

4.2.1 Balance sheet

Assets *In thousands of euros*	09-30-20 Gross	09-30-20 Provisions and depreciation	09-30-20 Net	09-30-19 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	1,419	90	1,329	1,289
Buildings	5,866	4,867	999	653
Industrial plants, machinery and equipment	320	320	0	0
Other tangible assets	152	152	0	0
Assets under construction			0	488
Advances and deposits			0	0
Financial assets(1)				
Equity interests	623,613	317,416	306,197	312,929
Receivables related to equity participations			0	0
Other long-term investments			0	0
Loans			0	0
Other financial assets	1,052		1,052	1,160
Total (I)	**632,506**	**322,883**	**309,623**	**316,565**
Current assets				
Inventory			0	0
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**	**1**
Receivables				
Trade receivables and related accounts	4,445	22	4,423	6,339
Other receivables	523,283	9,255	514,028	340,431
Marketable securities			0	0
Cash	178,163		178,163	130,770
Accruals				
Prepaid expenses	3,023		3,023	81
Total (II)	**708,915**	**9,277**	**699,638**	**477,622**
Charges to be spread over several periods (III)			**0**	**0**
Premiums on the redemption of bonds (IV)			**0**	**0**
Unrealized foreign exchange losses (V)	**7**		**7**	**38**
Grand total (I to V)	**1,341,428**	**332,160**	**1,009,268**	**794,225**
(1) Share of net financial assets – less than one year			*3*	*110*

Liabilities *In thousands of euros*	09-30-20	09-30-19
Shareholders' equity		
Share capital or individual (of which 39,849 paid)	39,849	39,849
Issue, merger and capital contribution premiums	764	764
Reevaluation adjustments(1)	0	0
Legal reserve	4,260	4,260
Regulated reserves(2)	0	0
Other reserves	0	0
Retained earnings	295,097	284,064
Net profit for the year	41,455	28,567
Regulated provisions	8	8
Total (I)	**381,433**	**357,512**
Provisions for liabilities and charges		
Provisions for liabilities	0	11
Provisions for charges	2	1
Total (II)	**2**	**12**
Debts(3)		
Convertible bonds	0	0
Other bonds	0	0
Loans from financial institutions(4)	429,880	226,267
Loans and miscellaneous financial debt	5	113
Advances and payments on account received on orders	0	0
Trade payables and related accounts	1,717	2,858
Tax and social security liabilities	13,103	11,918
Liabilities on fixed assets and related accounts	0	585
Other liabilities	180,252	190,937
Accruals		
Deferred income	0	0
Total (III)	**624,957**	**432,678**
Unrealized foreign exchange gains (IV)	**2,876**	**4,023**
Grand total (I to IV)	**1,009,268**	**794,225**
(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	*240,806*	*230,497*
(4) Including bank overdrafts and bank credit accounts	*55*	*110*

4.2.2 Income statement

In thousands of euros	2020 France	2020 Export	2020 Total	2019
Operating income				
Sale of goods				
Production sold				
goods				
services	2,323		2,323	3,244
Net revenue	**2,323**	**0**	**2,323**	**3,244**
Production held in inventory				
Production of assets for own use				
Operating grants				
Write back of depreciation, provisions and transfers of charges			17	4,739
Other income			1,829	2,178
Total operating income (I)			**4,169**	**10,161**
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]			3,460	3,966
Taxes, duties and similar payments			64	63
Salaries			424	398
Social charges			199	208
Operating allowances				
- on fixed assets: depreciation			102	101
- on fixed assets: provisions				
- on current assets: provisions				15
- for liabilities and charges: provisions				
Other charges			2,304	7,263
Total operating expenses (II)			**6,553**	**12,014**
Operating income (I-II)			**(2,384)**	**(1,853)**
Profit allocated or loss transferred (III)				
Loss incurred or profit transferred (IV)				
Financial income				
Financial income from equity interests[2]			51,474	42,707
Income from other securities and receivables from non-current assets				
Other interest income[2]			7,055	4,924
Releases of provisions and expense transfers			11,403	8,353
Foreign exchange gains			36	9
Net income on disposal of marketable securities				
Total financial income (V)			**69,968**	**55,993**
Financial expenses				
Provisions and depreciation			8,704	23,413
Interest and similar expenses[3]			15,161	5,488
Foreign exchange losses			164	4
Total financial expenses (VI)			**24,029**	**28,905**
Net financial income (loss) (V-VI)			**45,939**	**27,088**
Recurring profit (loss) before tax (I-II+III-IV+V-VI)			**43,555**	**25,235**

In thousands of euros	2020	2019
Exceptional income		
Exceptional income on management operations	3,600	3,500
Exceptional income on capital transactions		500
Releases of provisions and expense transfers		
Total exceptional income (VII)	**3,600**	**4,000**
Exceptional expenses		
Exceptional expenses on management operations		
Exceptional expenses on capital transactions	3,513	145
Exceptional provisions for amortization and depreciation		
Total exceptional expenses (VIII)	**3,513**	**145**
Non-recurring gain (loss) (VII-VIII)	**87**	**3,855**
Employee profit sharing (IX)		
Income tax (X)	87	523
Total income (I+III+V+VII)	**77,737**	**70,154**
Total expenses (II+IV+VI+VIII+IX+X)	**36,282**	**41,587**
Profit or loss (total income - total expenses)	**41,455**	**28,567**
(1) Equipment finance leases	*12*	*12*
(2) Financial income relating to associated companies	*57,210*	*43,708*
(3) Interest relating to associated companies	*158*	*206*

4.2.3 Notes to the parent company financial statements

Contents

1.	**Highlights of the fiscal year**	**191**
1.1	Material events during the fiscal year	191
1.2	Events between the closing date and approval of the financial statements	192
2.	**Accounting policies and methods**	**193**
2.1	Accounting rules and methods	193
2.2	Intangible assets	193
2.3	Property, plant and equipment	193
2.4	Financial assets	193
2.5	Inventory	193
2.6	Receivables	193
2.7	Receivables and payables denominated in foreign currencies	193
2.8	Loan issue costs	194
2.9	Marketable securities	194
2.10	Provisions for liabilities and charges	194
2.11	Regulated provisions	194
2.12	Pension and other post-employment benefits	194
2.13	Employee profit-sharing	194
2.14	Tax consolidation	194
2.15	Financial instruments	194
2.16	Identity of the parent company	194
3.	**Explanatory notes to the financial statements**	**195**
3.1	Fixed assets	195
3.2	Depreciation and amortization	196
3.3	Provisions recognized on the balance sheet	197
3.4	Maturity of receivables and payables	198
3.5	Marketable securities	199
3.6	Prepaid expenses and deferred income	199
3.7	Share capital	199
3.8	Characteristics of main credit lines	200
3.9	Breakdown of net revenue	201
3.10	Non-recurring gain (loss)	202
3.11	Breakdown of income tax	202
3.12	Increases, decreases in future tax payables	203
3.13	Financial commitments	204
3.14	Average headcount	205
3.15	Global compensation for directors	205
3.16	Subsidiaries and equity interests: crossing of legal thresholds	206
3.17	Litigation	208
3.18	Related party transactions	208

1. Highlights of the fiscal year

1.1 Material events during the fiscal year

1.1.1 Acquisition of the Lyrsa Group (renamed Derichebourg España on September 1, 2020)

On December 20, 2019, Derichebourg Environnement completed the acquisition of the Lyrsa Group, Spain's leading independent player in scrap metal recycling. The acquisition was completed following the signing of the acquisition agreement on September 19, 2019.

Derichebourg Environnement acquired 100% of the investments held by Layro SA in Lajo y Rodriguez SA (Lyrsa), Aragonesa de Chatarras y Metales SA (Archamesa) and Recuperaciones Díaz SA (Redisa). Lyrsa also owned 50% of Reyfra (a company that operates a scrap metal shredder in Madrid), whose joint shareholder was Derichebourg Environnement.

In the calendar year 2019, the Lyrsa Group's operations covered by this acquisition generated revenue of €450 million (with the full consolidation of Reyfra) and an Ebitda of €17.3 million. Lyrsa processes approximately 1 million metric tons of metal waste per year, including around 160,000 metric tons of non-ferrous metals. The Group has around 650 employees.

Lyrsa was founded in 1939. It operates 18 recycling centers (17 in Spain and 1 in Portugal). It operates three shredders (including one prior to the Lyrsa acquisition, jointly owned with the Derichebourg Group through Reyfra), a center for the sorting of metals derived from the crushing process, an aluminum refinery and a lead refinery.

The Derichebourg Group made this acquisition using its available cash and existing credit lines. A new syndicated loan was set up following this acquisition.

Lyrsa's activity is consolidated in the Group's financial statements as of January 1, 2020 (9 months of activity over the fiscal year).

The Derichebourg Group's strategy pursued through this acquisition is to duplicate the vertical integration strategy that it is already implementing in France. This covers general recycling of scrap metal, as well as the development of niche businesses (flotation, refining), with high added value, made possible by dense regional coverage.

Derichebourg's objective is for Lyrsa's Ebitda (approximately 4% in 2019) to move closer towards, over several years, the France Group's Ebitda (approximately 8%). This will be achieved through the following actions:

- sales synergies: Pooling of customer contacts to ensure that the Group benefits from the best sales opportunities at all times and cross-procurement of the two subsidiaries' specialized tools;
- developing Lyrsa's supplier base to improve unit margins, in particular by targeting smaller suppliers in addition to the existing network;
- some cost synergies.

Spain is a dynamic market for the production of electrical steel. While steel production is at around the same level as in France (around 15 MT), the share of steel produced by the electrical industry is close to 70%, whereas it is only 40% in France. Spain has a ferrous metals deficit, and imports scrap metal from France in particular.

1.1.2 Covid-19 health crisis and the economic consequences

Until mid-March 2020, the Group's activities saw very little disruption from the Coronavirus health crisis.

The lockdown measures announced on March 16, 2020 with effect from March 17, 2020 had a sudden impact on the Group's business in France, its main country of operation.

Faced with this unprecedented health and economic shock, the Group took the following measures:

Measures to protect employees

- Equipment for employees (social distancing, gel, masks, ventilation) in accordance with the instructions of the public authorities and according to individual work situations;
- Use of home working for office staff wherever possible during the lockdown period.

Economic measures

- Use of the furlough scheme for staff whose job is no longer needed or whose hours have been reduced as a result of the Covid-19 crisis;
- Identifying savings opportunities: sponsorship, fees and travel (*de facto*);
- Postponing investments.

The impact on the Group's various businesses was as follows:

Environmental Services

The following changes occurred in the Recycling business:

- In France, business activity fell sharply and progressively from March 17, 2020 under the combined effect of the temporary closure of several scrap metal-consuming plants, and a scarcity of scrap metal supply (shutdown of the automotive industry, lower overall consumption, ban on travel by private individuals), and as of April 10 had flattened to around 15% of the usual business volume. The Group was forced to close most of its small retail sites due to the lack of footfall. All industrial sites remained open and used the furlough scheme. As anticipated, there was a gradual upward trend in footfall after the Easter weekend. The increase continued and was more pronounced from May 11, 2020, when lockdown easing began. By September 2020, the Group had returned to a level of business activity comparable to that of last year.

- In Spain, the drop was also pronounced and happened a little later, falling to 20% of the usual volume before rapidly rising to 40% of its pre-health crisis level. By September 2020, it had returned to a normal level of business activity. It should be noted that the lead refinery had to shut down for one month during the summer due to a lack of battery supplies.
- Business volume was more resilient in Germany, where it never fell below 50%. In the United States and Mexico, it had almost returned to 100% by June.

In Public Sector Services, the volume of activity remained close to nominal volume throughout the fiscal year, as this is an essential service to the population. Thanks to the commitment of employees, a high level of service quality was maintained on all of the various contracts throughout the year.

Multiservices business

The following changes occurred in the Multiservices business:

- Cleaning business (approximately 60% of the revenue of the Multiservices division): this business operates on a very fragmented basis over thousands of customer sites. The business activity rate had fallen to about 55% of its nominal volume by April 10, 2020, due to the closure of many customer sites. It gradually rose to 80% at the end of May and 100% in July. It should be pointed out that this business activity is not particularly exposed to the Hotel and Catering, Tourism and Airport markets. Derichebourg Propreté used the furlough scheme for closed sites and support services, which experienced lower levels of activity. The Company was able to meet additional customer requirements for masks, hand sanitizer gel, and disinfection of premises. There is pressure on the level of services required by some customers, where not all employees have returned to work face-to-face.
- Urban Area business: this business follows the same patterns as the advertising billboard business, which was almost at a standstill during lockdown. However, the customers of this business pay a contractual share of fixed costs, regardless of the level of activity, which has limited the impact on results.
- General Temporary Work business: agencies have operated using home working. Activity for the Retail sectors disappeared during the lockdown, while activity for low-volume customers and aeronautics also fell sharply. The distribution, logistics and banking sectors held up better. The business activity rate was 30% in April, and 50% by the end of May. It gradually rose to 90% at the end of the fiscal year, with, however, a major effort to modify the customer base to move towards sectors such as logistics and health.
- Temporary Work business for aeronautics: this is the Group's activity that has suffered the most in terms of business volume, since the activity fell to 30% of the usual revenue from April, and to date has only recovered to 35%. Given the difficulties that most customers have in providing work for their own employees, this business sector will experience a low volume of activity in the coming year. A Business Safeguard Plan (BSP) has been implemented in this subsidiary in order to close branches that no longer had critical volumes, and to adapt costs to the new environment.
- Industry business (for the aeronautics sector): in France, the business activity rate fell to around 30% of nominal activity in April, before rising to 50% in June. This figure has changed little since then. Faced with a lack of workload for around 700 employees, the subsidiary had two options:

- Immediately implement a BSP for 700 people
- Give itself time, given the support provided by the State through the long-term furlough scheme, and hope that business activity will recover within 2 years. It is worth noting the high level of qualification of the employees, which would be difficult to rebuild if business recovered and these employees had left the company *en masse*. This is the route that has been chosen. A Collective Performance Agreement was negotiated and signed by the representative trade union organizations. This agreement, which is offered individually to all employees, sets out:
  - a commitment to refrain from dismissal on economic grounds as long as the long-term furlough plan provided by the State continues on the same basis,
  - part-time working of 40% for all employees, during which employees will carry out traininga,
  - an average reduction of around 15% in gross remuneration, to offset the remainder to be paid by the Company for the long-term furlough scheme.

90% of employees have accepted this agreement, which has protected more than 500 threatened jobs in the aeronautics sector. 163 people refused this agreement and left the company under individual redundancy agreements. In the other countries where this business activity operates (Germany, Spain, United States, Canada and China), in which it does not have the same critical size, the impact is even more significant. We have therefore closed the subsidiary in Canada, adopted a BSP in Spain and adopted a restructuring plan in Germany.

1.2 Events between the closing date and approval of the financial statements

On October 31, 2020, a second lockdown (less strict than the first), started, for an initial duration of one month. As of the date of the Board of directors' meeting, the impact of the second lockdown on economic activity in general and on that of the Group is relatively small.

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 3, 2020.

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, 2020.

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 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)];
- 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 Loan issue costs

Loan issue costs are spread over the term of the loan. The remaining balance at the end of the year is presented under prepaid expenses.

2.9 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.

2.10 Provisions for liabilities and charges

Provisions are recognized when:

- the Company is bound by a legal or implicit obligation arising from past events;
- it is probable that an outflow of resources, without at least equivalent consideration, will be required to settle the obligation;
- and the amount of the provision can be reliably estimated.

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.

2.10.1 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 0.6% discount rate (inflation included). The provision for service awards totals €2 thousand.

2.10.2 Environmental aspects

N/A.

2.11 Regulated provisions

The regulated provisions included in the balance sheet are:

- accelerated depreciation corresponding to 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.

2.12 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): 0.6%;
- career profile: 2%;
- social charge rates: 45%.

The estimated discounted commitment for retirement payments to Company employees totals €136 thousand. No provision has been made for retirement payments; this is an off-balance sheet commitment.

2.13 Employee profit-sharing

N/A.

2.14 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 €2.4 million.

2.15 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: 170,000 (0 of which is deferred);
- debt in thousands of dollars: 0.

2.16 Identity of the parent company

CFER is the parent company. It held 41.25% of Derichebourg SA as at September 30, 2020.

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)		**84**			**84**
Land		1,379	40		1,419
Buildings	On own land	3,199	447		3,646
	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		487		487	
Advances and deposits					
Total II		**7,757**	**487**	**487**	**7,757**
Equity-accounted investments					
Other investments		627,126		3,513	623,613
Other long-term investments					
Loans and other long-term financial assets		1,161		108	1,052
Total III		**628,287**	**0**	**3,621**	**624,665**
Grand total (I+II+III)		**636,128**	**487**	**4,108**	**632,506**

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	2,570	88		2,658
	On third-party land	1,510			1,510
	General installations and fittings	686	14		700
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)		**5,328**	**102**		**5,430**
Grand total (I+II)		**5,366**	**102**		**5,468**

3.3 Provisions recognized on the balance sheet

Type of provision *In thousands of euros*	Net amount at the beginning of the fiscal year	Increase provisions	Write backs 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	10			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				2
Total provisions for liabilities and charges	**12**			**10**	**2**
Provisions on intangible assets					
Provisions on property, plant and equipment					
Provisions for investments in associates					
Provisions for investment securities	314,197	3,372	152		317,417
Provisions for other financial assets					
Provisions for inventory					
Provisions for trade receivables	36		14		22
Other provisions for impairment	15,164	5,332	7,955	3,287	9,254
Total provisions for impairment	**329,397**	**8,704**	**8,121**	**3,287**	**326,693**
Grand total	**329,417**	**8,704**	**8,121**	**3,297**	**326,703**

3.4 Maturity of receivables and payables

Statement of receivables *In thousands of euros*		Gross amount	Less than one year	More than one year
Receivables related to equity participations				
Loans				
Other financial assets		1,052	2	1,050
Total receivables linked to non-current assets		**1,052**	**2**	**1,050**
Doubtful accounts receivable		22		22
Other trade receivables		4,423	3,257	1,166
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	8	8	
	Other taxes			
	State – miscellaneous			
Groups and associated companies		523,242	523,242	
Miscellaneous debtors		33	33	
Total receivables linked to current assets		**527,728**	**526,540**	**1,188**
Prepaid expenses		3,023	750	2,273
Total receivables		**531,803**	**527,292**	**4,511**
Loans granted during the fiscal year				
Repayments obtained during the fiscal year				
Loans and advances granted to associates				

Statement of payables *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		55	55		
Loans from financial institutions repayable at more than one year from date of advance		429,825	45,674	305,020	79,131
Loans and miscellaneous financial debt		4	4		
Trade payables and related accounts		1,717	1,717		
Personnel and related accounts		164	164		
Social security and other social bodies		94	94		
State and other local authorities	Income tax	2,880	2,880		
	Value added tax	9,941	9,941		
	Guaranteed bonds				
	Other taxes	25	25		
Liabilities on fixed assets and related accounts					
Groups and associated companies		180,063	180,063		
Other liabilities		189	189		
Liabilities linked to loaned securities					
Deferred income					
Total debts		**624,957**	**240,806**	**305,020**	**79,131**
Loans subscribed during the fiscal year		275,420		Loans from associates who are physical persons	
Loans redeemed during the fiscal year		71,752			

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	13	3,010[(1)]		3,023
Total	**13**	**3,010**		**3,023**

(1) Of which €2,925 thousand for the spreading of subscribed loan costs over the fiscal year.

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	**159,397,489**	**0.25**
Change in capital		
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)*	41,455	
Earnings per share *(in euros)*	**0.26**	

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 profit (loss) for the year	Allocations	Value at year-end
Share capital or individual share	39,849			39,849
Issue, merger and capital contribution premiums, etc.	764			764
Reevaluation adjustments				
Legal reserve	4,260			4,260
Statutory or contractual reserves				
Regulated reserves				
Other reserves				
Retained earnings	284,064		11,033	295,097
Net profit for the year (profit or loss)	**28,567**	**41,455**	**(28,567)**	**41,455**
Investment grants				
Regulated provisions	8			8
Total shareholders' equity	**357,512**	**41,455**	**(17,534)[(1)]**	**381,433**

(1) In accordance with the decision taken by the shareholders' meeting of January 31, 2020, €17,534 in dividends were paid out.

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.

2020 loan agreement

On March 19, 2020, the Group entered into a loan agreement with 12 financial institutions, for the amount of €340 million and comprising a €100 million revolving loan and a €240 million repayment loan. The agreement was entered into for a five-year term, and the Group has the option of twice asking the banks to extend the final repayment date by one year.

Regarding the repayment loan, the outstanding balance at September 30, 2020 was €240 million. The annual amortization schedule is €30 million (and €120 million on the final repayment date if it occurs at the end of year 5, €90 million if it occurs at the end of year 6, €60 million if it occurs at the end of year 7).

The €100 million revolving credit had not been drawn as of September 30, 2020.

There are no securities guaranteeing the repayment of the loan.

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.

Factoring agreement

The Derichebourg Group entered into a non-recourse factoring agreement with effect from January 1, 2015 for a maximum financing amount of €300 million, covering the French, Belgian, German and Italian entities of the Environmental Services and Business Services divisions. This agreement has a confirmed term of three years expiring on December 31, 2021.

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 €191.9 million as at September 30, 2020.

The Group derecognizes 95% of receivables without recourse because of the 5% unguaranteed residual amount.

EIB loan

The amount of the loan is €130 million. It is backed by the Group's investment program for the period 2019-2022.

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, 2020, the Group's main sources of funding were:

- a €340 million syndicated loan agreement signed in March 2020, with an authorized outstanding amount of €340 million. It includes a five-year loan for €240 million, repayable in equal annual installments (outstanding amount authorized and drawn of €240 million as at September 30, 2020), and a five-year usable revolving loan in the amount of €100 million, repayable at maturity. The next installment for the repayment loan is due on March 31, 2021 and amounts to €30 million. At September 30, 2020, 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, 2020 is €197.6 million, for a contribution to net debt of €17.3 million;
- €125 million in medium-term borrowings, of which €115.1 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, 2020 was €193.3 million;
- bilateral credit lines, whether confirmed or not, totaling €158.2 million, which are not used since the Group's net cash position is €353.4 million at September 30, 2020.

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, 2020, the leverage ratio was 1.84;

- 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, 2020, the coverage ratio stood at 15.08.

The Group was in compliance with its financial covenants on September 30, 2020.

Given the liquidity margin of €621 million at September 30, 2020, 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, 2020.

3.9 Breakdown of net revenue

Breakdown by business segment *In thousands of euros*	France	Export	Total
Duties and licenses	1,710		1,710
Leasing	564		564
Costs invoiced	49		49
Ferrous metals			
Metals			
Other operations			
Total	**2,323**		**2,323**

3.10 Non-recurring gain (loss)

Breakdown by type *In thousands of euros*	Amount
Income	
Exceptional income on management operations	
Exceptional income on capital transactions[(1)]	3,600
Releases of provisions and expense transfers	
- Releases of provisions	
Expenses	
Exceptional expenses on management operations	
Exceptional expenses on capital transactions[(1)]	3,513
Exceptional provisions for amortization and depreciation	
Total	**87**

(1) Disposal of equity interests

3.11 Breakdown of income tax

In thousands of euros	Pre-tax profit (loss)	Tax due	Net profit (loss)
Operating income (loss)	(2,384)	(1,120)	(1,264)
Net financial income (loss)	45,939	915	45,024
Non-recurring gain (loss)	87	9	78
Effect of tax consolidation		2,383	(2,383)
Total	**43,642**	**2,187**	**41,455**

3.12 Increases, decreases in future tax payables

Type of temporary differences *In thousands of euros*	Base	Income tax amount
Increases		
Regulated provisions		
Releases of provision for investments		
Accelerated depreciation		
Translation differences, assets	8	3
Total increases		**3**
Decreases		
Social security contribution		
Tax loss carry forwards[1]	260,631	83,454
Investment		
Translation differences, liabilities	2,876	921
Total decreases		**84,375**

(1) Company deficit as if it were taxed separately. Tax consolidation losses: €0 million.

The income tax rate used to increase and reduce the future tax liability is as follows: 31% + social contribution of 3.30%, i.e. 32.02%, which is the income tax rate applicable for fiscal years beginning in 2020.

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	58,432
Commitments in respect of the liability of partners in SCIs	
Total	**58,432**

3.13.2 Off-balance sheet commitments in respect of subsidiaries

Commitments given *In thousands of euros*	Amount
Guarantees given for subsidiaries[(1)]	70,269
Other commitments given	
Total	**70,269**

(1) Companies for which guarantees have been given.

		In thousands of euros
French subsidiaries	AFM RECYCLAGE	13,902
	CFF BETA SCI	2,207
	DERICHEBOURG AQUA OCÉAN INDIEN	130
	DERICHEBOURG ÉNERGIE	14,405
	DERICHEBOURG ÉNERGIE E.P.	2,734
	DERICHEBOURG ESPACES VERTS	783
	DERICHEBOURG ÉVOLUTION FORMATION	3
	DERICHEBOURG IMMOBILIER SCI	10,883
	DERICHEBOURG INTÉRIM	7,332
	DERICHEBOURG SNG	889
	DERICHEBOURG MULTISERVICES HOLDING	3
	DERICHEBOURG PROPRETÉ	3
	ESKA	3,137
	FRICOM	676
	LSL	19
	POLY-NEA; POLYVALYS	902
	PURFER	124
	REVIVAL	3,005
	VIBEY ÉNERGIES	724
	WESTEVER	3,112
Canadian subsidiaries	DERICHEBOURG CANADA ENVT. INC	5,296

3.14 Average headcount

	Salaried employees	
Headcount	2019 fiscal year	2020 fiscal year
Managers	2	2
Skilled employees		
Employees and technicians		
Workers		
Others		
Total	**2**	**2**

3.15 Global compensation for directors

In thousands of euros	Amount
Directors' fixed compensation	80

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
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	800	100	52,663	52,663
CFF SIGMA SCI	6,510	47	99.85	6,500	6,500
DERICHEBOURG ENVIRONNEMENT	127,753	26,305	100	128,643	128,643
DERICHEBOURG MULTISERVICES HOLDING	30,000	25,592	100	83,010	83,010
DBG HOLDING GmbH	41,738	(14,412)	100	338,866	27,192
PSIMMO	2,027	50	100	5,627	4,066
DERICHEBOURG EXPANSION	50	(1,442)	100	1,133	0
VOGIM	139	760	80.00	194	194
WESTEVER	500	(7,443)	100	500	0
B - Equity interests (10 to 50% of share capital held by Derichebourg)					
ALLO CASSE AUTO	110	4,622	47.93	2,212	2,212
DAC	40	1,630	49.80	516	516
DREYFUS	40	12,933	42.50	816	816
VALERCO	76	156	50.00	107	107
2 - General information on the subsidiaries and equity interests not covered in item 1					
A - a - French subsidiaries				**2,820**	**275**
A - b - Foreign subsidiaries					
B - a - French equity interests				**3**	**0**
B - b - Foreign equity interests					

Outstanding loans 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
53,499	10,883	16,019	4,121	2,107
		744	224	260
168,901		23,947	28,017	38,326
31,349	3	8,145	8,018	10,500
			34	
		433	63	68
3,112			421	
		65	33	
17,035	3,112		(384)	
			(304)	
			217	
			620	131
		609	32	

3.17 Litigation

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 districts of Paris from the subsidiary Polyurbaine. The Group had appealed against this judgment. The appeal judgment of March 2020 was favorable to the Group. The amount of €3.7 million paid to Veolia in 2018 was repaid during the year, recorded in non-recurring profit. Veolia has appealed to the Court of Cassation.
- The Group is often subject to Urssaf (French social security body) audits on its services activities. The subsidiary Derichebourg Aeronautics Service France 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.
- Derichebourg SA and the subsidiary AFM Recyclage (as the final operator) entered into an agreement with a public-private partnership representing the local authority in 2012, which was renewed in 2018 and 2019. Under this agreement, they would release land, transfer it to the public-private partnership and transfer their business to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for industrial, non-sensitive use, on the basis of preliminary studies showing a low decontamination cost. On the basis of more in-depth surveys, an estimate was made of the cost of this decontamination, and its total cost calls into question whether or not the process is cost-effective. 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 (deputy 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 deputy 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. This subsidiary was sold during the past fiscal year, without any particular guarantee given by the Group.

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 Mons 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 to the Court of Cassation. On September 17, 2020, the Belgian Court of Cassation overturned the grounds of the decision of the Mons Appeal Court and referred the case back to the Liège Appeal Court. No conclusions have been drawn in the financial statements, pending the decision of the Liège Appeal Court.

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 agreement for the fiscal year was €2 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.

On December 3, 2020, the Board of Directors authorized the renewal of this agreement for a period of 3 years. An amendment to this agreement was signed on January 2, 2019 to amend the amount of compensation to €1,300 thousand, exclusive of taxes, 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, 2019 to September 30, 2020, DBG Finances invoiced Derichebourg SA €1.3 million under this agreement.

4.2.4 Independent auditors' report on the 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 annual financial statements for the fiscal year ended September 30, 2020, as attached to this report. These financial statements were approved by the Board of directors on December 3, 2020, on the basis of the information available on that date in the evolving context of the COVID-19 crisis and difficulties in understanding its impact and future outlook.

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 independent auditors related to the audit 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, 2019 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 independent 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, which were drawn up under the conditions set out previously, and the formation 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, 2020, the gross value of investment securities totaled €624 million and the net value €306 million, compared with a total balance sheet of €1,009 million. The Company performs impairment tests on these financial assets, the terms of which are described in note 2.4 to the financial statements "Financial assets". When the value in use is lower than the net book value, a provision for depreciation is recognized. Value in use is determined primarily by applying the discounted futured forecast cashflow method net of net financial debt. The implementation of this method requires the use of assumptions by management. We therefore considered that the valuation of investment 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 testing of equity interests. Our audit team included specialists to assess the discount rate, as well as the growth rate to infinity used. We also analyzed the consistency of cash flow forecasts with past performance and market outlooks, including any potential impacts of the Covid-19 crisis.

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 drawn up on December 3, 2020 and in the other documents addressed to shareholders giving details of the financial position and the annual financial statements. With regard to the events that have occurred and information which comes to light on the effects of the COVID-19 crisis after the closing date for the financial statements, management has informed us that a communication on this subject will be made to the shareholders' meeting called to approve the 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.

Information on corporate governance

We hereby certify that the corporate governance section of the Board of Directors' management 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 owed or 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 and which are included in the consolidation scope. 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 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 independent auditors

We were appointed independent 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, 2020, the firm BM&A was in the third uninterrupted year of its mission, DENJEAN ET ASSOCIÉS AUDIT in the seventh uninterrupted year, and ERNST & YOUNG Audit in the fourteenth uninterrupted year.

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 independent 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, an independent auditor shall exercise his or her professional judgment throughout this audit. Moreover:

- he or she 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;
- he or she 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;
- he or she 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;
- he or she 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 he or she concludes that there is a significant uncertainty, he or she shall draw the attention of his or her 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, he or she formulates a qualified certification or a refusal to certify;
- he or she 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 independent auditor profession. As needed, we discuss with the Audit Committee the risks that may affect our independence and the safeguarding measures applied.

Paris, Paris and Paris-La Défense, December 10, 2020

The independent auditors

BM&A	**DENJEAN ET ASSOCIÉS AUDIT**	**ERNST & YOUNG Audit**
Eric Seyvos	Clarence Vergote	Pierre Abily

4.3 Independent auditors' fees and fees paid to their network by the Group

	EY				Denjean & Associés Audit				Bm&A			
	Amount		%		Amount		%		Amount		%	
In thousands of euros	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Audit												
Independent Auditors, certification, review of separate and consolidated financial statements												
▫ Issuer	108	112	19%	19%	108	112	34%	45%	108	112	55%	53%
▫ Fully consolidated subsidiaries	412	427	74%	73%	204	139	66%	55%	90	100	45%	47%
Services other than certification of the financial statements												
▫ Issuer	35	40	6%	7%								
▫ Fully consolidated subsidiaries	0	5	0%	1%								
Subtotal	**555**	**584**	**100%**	**100%**	**312**	**251**	**100%**	**100%**	**198**	**212**	**100%**	**100%**
Services other than certification of the financial statements rendered by member firms to fully consolidated subsidiaries worldwide												
▫ Legal, tax, social												
▫ Others												
Subtotal												
Total	**555**	**584**	**100%**	**100%**	**312**	**251**	**100%**	**100%**	**198**	**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 Independent 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 €485 thousand in fiscal year 2020 and €390 thousand in fiscal year 2019.

05

INFORMATION ON THE COMPANY AND SHARE CAPITAL

5.1	Share capital: amount of subscribed capital	215
5.2	Authorized capital not issued	215
5.3	Non-equity securities	215
5.4	Securities giving access to the Company's share capital	215
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	216
5.6	Table showing changes in share capital during the last three fiscal years	216
5.7	Shares held by the issuer or by its subsidiaries	216
5.8	Voting Rights	217
5.9	2% threshold set in bylaws	217
5.10	Restrictions on voting rights and share transfers provided for in the Company bylaws	217
5.11	List of owners of any securities containing any special rights of control	218

05

5.12 Employee shareholdings 218

5.13 Shareholder agreements 218

5.14 Amendment of Company bylaws 218

5.15 Rules on convening shareholders' meetings 219

5.16 Powers of the Board of Directors, in particular, for the issue or buyback of shares 221

5.17 Agreements entered into by the Company which are amended or end in the event of a change of control 221

5.18 Dividends 222

5.1 Share capital: amount of subscribed capital

As of September 30, 2020, 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, 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
September 30, 2020				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 January 31, 2020 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:

- stimulating 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;
- granting shares to employees, in accordance with legal requirements and generally within the framework of a profit sharing or company savings plan;
- purchasing shares for subsequent use in exchange or as payment for acquisitions;
- delivering 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.

As of September 30, 2020, 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, 2020, the share capital comprised 159,397,489 shares with a nominal value of €0.25 each, including 68,086,795 shares with double voting rights. The number of voting rights at September 30, 2020 amounted to 227,484,284.

At September 30, 2020. Mr. Daniel Derichebourg's family held, through CFER and Financière DBG, 41.29% of the share capital of Derichebourg and 57.83% 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
07-14-20	Amundi	Above the 2% share capital threshold with 1.4% 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, 2020, 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, 2020 amounted to 227,484,731.

5.12 Employee shareholdings

At September 30, 2020, Derichebourg employees held 1.12% of the share capital and 0.79% 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 independent 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)

"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 independent 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:

- syndicated loan agreement of March 2020;
- 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.

Exceptionally, and in accordance with the government's recommendations of March 2020, no dividend will be distributed in respect of the results of the 2019/2020 fiscal year.

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	2017/2018	2018/2019
Dividend per share	0.14	0.14	0.11
Total dividends *(in millions of euros)*	22.9	22.9	17.3

On December 3, 2020, the Board of Directors proposed to the shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2020 that the profit should be allocated to the retained earnings and that no dividend should be distributed, in accordance with government recommendations of March 2020.

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 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
August 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
August 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
December 2019	3.12	3.78	3.03	3.65	9,583,829
January 2020	3.67	3.78	3.27	3.29	5,199,050
February 2020	3.31	3.65	2.96	3.03	5,712,499
March 2020	2.99	3.21	2.07	2.48	12,867,350
April 2020	2.69	2.70	2.27	2.57	4,633,092
May 2020	2.50	2.92	2.41	2.76	4,352,881
June 2020	2.79	3.05	2.50	2.55	6,861,891
July 2020	2.57	2.57	2.38	2.45	3,598,861
August 2020	2.47	2.59	2.35	2.42	3,135,739
September 2020	2.40	2.75	2.36	2.53	3,449,559
October 2020	2.52	2.70	2.46	2.52	2,478,600
November 2020	2.52	3.42	2.46	3.31	5,938,948

The data on volumes represent trading on Euronext.

06

FURTHER INFORMATION

6.1 Person responsible for the Universal Registration Document 227

6.1.1 Name and position of the person responsible 227
6.1.2 Certification of the person responsible for the Universal Registration Document 227

6.2 Name of the person responsible for financial information 227

6.3 Statutory Auditors 228

6.3.1 Principal independent auditors 228
6.3.2 Alternate independent auditors 228

6.4 General information about Derichebourg 229

6.4.1 Legal name and trading name 229
6.4.2 Issuer's registration number 229
6.4.3 Date of incorporation and term of the Issuer 229
6.4.4 Details of the registered office and legal form 229
6.4.5 Fiscal year 229
6.4.6 Corporate purpose of the Issuer 229

6.5 Assessment of the 2019/2020 share buyback program 230

06

6.6 Presentation of the 2020/2021 share buyback program 231

6.6.1 Legal framework 231
6.6.2 Number of shares and portion of share capital held by the Company 231
6.6.3 Breakdown of the Company's own shares, by purpose 231
6.6.4 Purpose of the new buyback program 231
6.6.5 Maximum portion of share capital, maximum number and characteristics of capital securities and maximum purchase price 231
6.6.6 Buyback terms 231
6.6.7 Duration of the buyback program 231
6.6.8 Results of the Company's previous share buyback program from January 31, 2020 to December 3, 2020 232
6.6.9 Results of the program's execution between January 31, 2020 and December 3, 2020 232

6.7 Communication with institutional investors and individual shareholders 233

6.7.1 Communications methodology 233
6.7.2 Calendar: Key dates 233
6.7.3 Periodic and occasional information: annual information document 233
6.7.4 Update on quarterly financial information 234

6.8 Information provided by third parties, statements made by experts and declarations of interests 235

6.8.1 Statements/Reports of experts 235
6.8.2 Information provided by third parties 235

6.9 Significant contracts 235

6.10 Concordance table between the Derichebourg Universal Registration Document and the annual financial report 236

6.11 Concordance table between the Derichebourg Universal Registration Document and Annex 1 and 2 of Delegatted Regulation (EU) 2019/980 of March 14, 2019 237

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 91 to 129 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.

Issued in Paris, on December 14, 2020

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

Tel.: + 33 1 44 75 40 40

E-mail: communication@derichebourg.com

6.3 Statutory Auditors

6.3.1 Principal independent 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 Mrs. Clarence Vergote.

Date of appointment: February 19, 2014.

Date of reappointment: January 31, 2020.

Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2025.

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 independent auditors

Mr. Pascal de Rocquigny du Fayel

11, rue Laborde, 75008 Paris

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.

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 TRADABLE, CAC ALL SHARES, CAC MID&SMALL, CAC SMALL, CAC INDUSTRIALS, EN FAMILY BUSINESS, NEXT 150.

LEI Number: 969500QOO4C4IPGID263.

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. The combined general meeting of January 31, 2020 decided to extend the term of the Company by 99 years from the same date, i.e. until January 30, 2119.

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.

6.4.5 Fiscal year

Its fiscal year begins on October 1 and ends 12 months later on September 30.

6.4.6 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 2019/2020 share buyback program

The shareholders' combined general meeting of January 31, 2020 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 July 30, 2021, 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 did not use this authorization during the year.

The Company does not hold any treasury shares as at September 30, 2020 and the market value of the portfolio at September 30, 2020 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, 2019	159,397,489			0		0	0
As % of capital				0%		0%	0%
Allocation to stock-options							
granted							
other							
Stock options exercised							
Purchases				0	0	0	0
Sales				0	0	0	0
Cancellations						0	0
Position at September 30, 2020	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 February 11, 2021.

6.6.2 Number of shares and portion of share capital held by the Company

The Company does not hold any treasury shares.

6.6.3 Breakdown of the Company's own shares, by purpose

None.

6.6.4 Purpose of the new 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 buyback 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, 2020, i.e. until August 10, 2022.

6.6.8 Results of the Company's previous share buyback program from January 31, 2020 to December 3, 2020

The details of this program at December 3, 2020 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 January 31, 2020 and December 3, 2020

	Total sales and purchases		Opening positions at 03-12-20	
	Purchases	Sales/ transfers	Open buy positions	Open sell positions
Number of shares	0	0		
Average transaction price *(in euros)*	0	0		
Amounts *(in euros)*	0	0		

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, www.globenewswire.Com or www.info-financiere.fr

Date	Document
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
November 29, 2019	Monthly information on total number of voting rights and shares comprising share capital as of October 31, 2019
December 4, 2019	Results for fiscal year 2018/2019
December 4, 2019	Presentation to financial analysts on December 5, 2019
December 5, 2019	Audio-Meeting of financial analysts of December 5, 2019
December 13, 2019	Universal Registration Document 2018/2019
December 16, 2019	New sorting center in Angers: Derichebourg Environnement selected for construction and operation Weekly statement of transactions on own shares made from October 29 to November 2, 2018
December 20, 2019	Derichebourg Environnement has completed the acquisition of Lyrsa, the Spanish leader in scrap metal recycling
January 7, 2019	Monthly information on total number of voting rights and shares comprising share capital as of November 30, 2019
January 18, 2020	Terms for the preparation of preparatory documents for the shareholders' combined general meeting of January 31, 2020
January 30, 2020	Investor relations calendar 2019/2020
January 31, 2020	Approval of the annual and consolidated financial statements, allocation of profit
February 3, 2020	Shareholders' combined general meeting of January 31, 2020 – Result of resolution votes
February 12, 2020	Monthly information on total number of voting rights and shares comprising share capital as of December 31, 2019
February 13, 2020	Monthly information on total number of voting rights and shares comprising share capital as of January 31, 2020
April 1, 2020	Monthly information on total number of voting rights and shares comprising share capital as of February 29, 2020

Date	Document
April 10, 2020	Update on the impacts of the Covid-19 crisis on the Derichebourg Group's business activity
April 23, 2020	Monthly information on total number of voting rights and shares comprising share capital as of March 31, 2020
May 25, 2020	Monthly information on total number of voting rights and shares comprising share capital as of April 30, 2020
May 26, 2020	Results of the first half of 2019-2020
May 26, 2020	Half-year financial report as at March 31, 2020
May 26, 2020	Presentation to financial analysts on May 26, 2020
July 22, 2020	Monthly information on total number of voting rights and shares comprising share capital as of May 31, 2020
July 24, 2020	Monthly information on total number of voting rights and shares comprising share capital as of June 30, 2020
August 6, 2020	Saur and Derichebourg announce a strategic partnership focusing on services to local authorities in the water and sanitation sector
September 8, 2020	Autumn 2020 Investor Presentation
September 9, 2020	Derichebourg Canada Environment wins 5 contracts in Quebec for more responsible collection
September 24, 2020	Monthly information on total number of voting rights and shares comprising share capital as of January 31, 2020
September 30, 2020	Interview with Mr. El Aoufir: market situation and post-COVID recovery
September 30, 2020	Monthly information on total number of voting rights and shares comprising share capital as of August 31, 2020
October 1, 2020	Information notice relating to the conclusion of a related-party agreement pursuant to Article L. 225-40-2 of the French Commercial Code
November 2, 2020	Derichebourg Environnement wins a collection contract for the Caen-la-Mer urban Community

Information published in the Mandatory Legal Announcements Bulletin (“BALO”)

Date of publication	Document
December 27, 2019	Notice of meeting/Notice of convening of shareholders’ combined general meeting on January 31, 2020
January 15, 2020	Notice of meeting/Notice of convening of shareholders’ combined general meeting on January 31, 2020
February 14, 2020	Notice of approval of the consolidated and parent company financial statements for the year ended September 30, 2019

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 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 entered into on March 19, 2020;
- 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

	Universal Registration Document	
Annual financial report	§	Pages
Annual financial statements	4.2	186-208
Consolidated financial statements	4.1	132-182
Independent auditors' report on the Company's financial statements	4.2.4	209-211
Statutory Auditors' report on the consolidated financial statements	4.1.6	183-185
Management report	3	91-129
Declaration by persons responsible for the management report	6.1	227
Fees paid to the independent auditors	4.3	212
Corporate governance report	2	63-85
Independent auditors' report on related-party agreements and commitments	2.10	86-87
List of all of the information published by the Company or made public over the last 12 months	6.7.3	233-234
CSR report (serving as statement of extra-financial performance)	1	13-56

6.11 Concordance table between the Derichebourg Universal Registration Document and Annex I and 2 of Delegatted Regulation (EU) 2019/980 of March 14, 2019

Annex 1 and 2 of Delegated Regulation (EU) 2019/980		Universal Registration Document §	Pages
1.	**Responsible persons, information from third parties, expert reports and approval by the competent authority**		
1.1	Responsible persons	6.1.1	227
1.2	Declaration of the responsible persons,	6.1.2	227
1.3	Expert statement	6.8	235
1.4	Certification of Third Party Information	6.8	235
1.5	Declaration of filing	-	1
2.	**Statutory Auditors**	**6.3**	**228**
3.	**Risk factors**	**3.3**	**106-109**
4.	**Information concerning the Issuer**		
4.1	History and evolution of the Company		4-5
4.1.1	Legal name and trading name of the Issuer	6.4.1	229
4.2	Issuer’s place of registration and registration number	6.4.2	229
4.3	Date of incorporation and term of the Issuer	6.4.3	229
4.4	Registered office and legal form, law, country of origin, address and telephone number of its registered office	6.4.4	229
5	**Overview of activities**		
5.1	Main activities	1.1	13-29
5.1.1	Type of transactions, categories of products sold	1.1	13-29
5.1.2	New products	1.1	13-29
5.2	Main markets, including competitive position	1.1	13-29
5.3	Exceptional events	3.1	91-93
5.4	Strategies and objectives	1.1	13-29
5.5	Dependency	N/A	N/A
5.6	Sources of information on competitive position	1.1	13-29
5.7	**Investments**	**3.2.7**	**105-106**
5.7.1	Investments made	3.2.7	105-106
5.7.2	Investments in progress	3.2.7	105-106
5.7.3	Joint ventures and significant equity interests	4.1.5 note 4.4	156-157
5.7.4	Environmental questions that may affect the use of tangible fixed assets	1.5	43-48
6.	**Organizational structure**		
6.1	Summary description of the Group	3.6	115-121
6.2	List of the Issuer's material subsidiaries	4.1.5 note 4.32	180-182
7.	**Examination of financial position and earnings**		
7.1	Financial position	3.2	94-106
7.2	Operating income (loss)	3.2	94-106

Annex 1 and 2 of Delegated Regulation (EU) 2019/980		Universal Registration Document §	Pages
8.	**Cash and capital**		
8.1	Capital of the Issuer	4.1.4,4.1.4	132-133,137
8.2	Cash flows	4.1.3	136
8.3	Financing structure and borrowing conditions	4.1.5 note 4.11	160-163
8.4	Restrictions on the use of capital	4.1.5 note 4.11	160-163
8.5	Expected sources of financing	4.1.5 note 4.11	160-163
9.	**Regulatory environment**	**3.3**	**106-109**
10.	**Information on trends**	**3.2.5**	**102-103**
11.	**Profit forecasts or estimates**	**3.2.5**	**102-103**
12.	**Administrative and management bodies**		
12.1	Information concerning the members of the Board of directors and the General Management	2.1, 2.3	63-74, 76
12.2	Possible conflicts of interest	2.1.6	72-73
13.	**Compensation and benefits**		
13.1	Compensation paid	2.4.2	79-82
13.2	Amounts provisioned elsewhere	2.4.2	79-82
14.	**Functioning of administrative and management bodies**		
14.1	Date of expiration of terms	2.1.4	64
14.2	Service contracts	N/A	N/A
14.3	Information on the Audit Committee and the Appointments and Compensation Committee	2.2	74-75
14.4	Statement of compliance with a Corporate Governance Code	2.1.8	74
14.5	Potential significant impacts on corporate governance	N/A	N/A
15.	**Employees**		
15.1	Number of employees	1.4.3.2	40
15.2	Equity interests and stock options	2.1	63-74
15.3	Employee profit-sharing in the Issuer's capital	5.12	218
16.	**Main shareholders**		
16.1	Information on the capital	3.4	113-114
16.2	Voting rights of the main shareholders	3.4	113-114
16.3	Information on control	3.4	113-114
16.4	Agreements that could lead to a change of control	5.17	221
17.	**Related-party transactions**	**2.6**	**83**
18.	**Financial information**		
18.1	Historical financial information	4.1	132-182
18.2	Intermediate and other financial information	N/A	N/A
18.3	Audit of historical annual financial information	N/A	N/A
18.4	Pro forma financial information	N/A	N/A
18.5	Dividend distribution policy	5.18.1	222
18.6	Legal proceedings and arbitration	4.1.5 note 4.27	178
18.7	Significant change in the financial position	3.2.5.2	102
19.	**Additional information**		
19.1	Share capital (number and class of shares, own shares, etc.)	5.1-5.13	215-218
19.2	Incorporation documents and bylaws	5.9, 5.14 - 5.15,6.4.6	217,218-221,229
20.	**Significant contracts**	**6.9**	**235**
21.	**Available documents**	**6.7**	**233-234**

Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80

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