

# 2015

## Séché Environnement



### Report of the Board of Directors **Annual report**

# Contents



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## 1.1 Highlights of the year

During fiscal 2015, Séché Environnement actively pursued its strategy of strengthening its position on the high value-added markets of waste treatment and materials and energy recovery from waste in France, and began to take up positions on promising markets outside France.

In financial terms, the Group took advantage of particularly attractive capital market conditions to perform an early refinancing of its residual bank debt on favorable terms.

Concerning its shareholders and corporate governance, Séché Environnement seized the opportunity of the sale by CDC of part of its holding in the Company to buy back and cancel a block of its own shares, which enabled it to improve its own governance.

### Strategy to develop technical activities on high value-added markets in France and abroad

In 2015, in its role as a specialist in the field of treatment of and recovery from hazardous waste, Séché Environnement strengthened its differentiation strategy on more technical types of waste.

At the beginning of the year, Séché Environnement confirmed its entry into the nuclear waste treatment market, by creating a new subsidiary, Séché Énergies, devoted to managing very-low-level radioactive waste (VLL), i.e. waste from nuclear facilities in the areas of power generation, research, industry, nuclear medicine and radiotherapy. Séché Énergies thus adds to Séché Environnement's existing skill set serving its industrial and hospital customers, while opening up opportunities to provide new customers with new services in France and abroad: upstream studies, engineering, innovative treatment and waste wrapping processes, or facilities management services for industrial plants dealing with this type of waste.

During the year, Séché Énergies obtained the necessary certifications and authorizations for it to intervene on these highly technical markets, such as Qualianor Radioprotection certification. This enabled Séché Énergies at the end of the year to begin to sign its first service contracts. Séché Énergies' contribution to consolidated revenue in 2015 remained marginal, but the Group has every confidence in the growth potential of this new subsidiary, whose activities form part of the sustainable development efforts of the customer companies concerned, and therefore constitute a high-potential new market for Séché Environnement.

In 2015 Séché Environnement also perfected a new recovery technology for hazardous waste, bromine regeneration. This offers industrial customers who produce bromine waste an opportunity to recover part of the bromine contained in their waste, hitherto destroyed, and to integrate recycled bromine into their manufacturing processes. This technology involves capturing bromine solutions by means of a thermal

purification process and concentrating it so as to recover more than 99% of the bromine in the solution. This makes the process a unique tool for the production of bromine in Europe, where supplies of this strategic resource were until now entirely dependent on producer countries outside Europe. Production of recycled bromine began successfully in the second half of 2015, and recycled bromine is now sold to industrial companies engaged in the transformation of bromine products, or which supply bromine to industries that use it (chemicals, pharmaceuticals, plastics, etc.), as part of the circular economy.

Séché Environnement also consolidated its position on the infectious medical waste (IMW) market, by means of an external acquisition. Already a significant operator on this market in France, where the company provides treatment solutions based on incineration to large customers such as hospitals, Séché Environnement acquired collection and treatment assets at Fleuré (Vienne) and Petit-Bourg (Guadeloupe). These assets were brought together to form a new subsidiary, Séché Healthcare. In the same area of activity, Séché Environnement also acquired 80% of Sodicode. Taking this majority stake, with an option to buy the remaining 20% which may be exercised within one year from January 1, 2018, strengthens the Group's presence in Brittany. Also, Séché Environnement acquired 100% of Moringa, a company operating in Martinique in IMW-related services. These acquisitions should enable the Group to increase its market share in the diffuse medical services market (medical laboratories, medical professionals, etc.) within a logic consisting in integrating flows and synergies with existing treatment facilities.

On the IMW market outside France, Séché Environnement took up a promising position in Peru, in the form of a minority (49%) stake in Kanay, a company founded in 2013. Peru is expected to adopt regulatory measures which will bring local standards for IMW treatment closer to those in force in Europe, and Kanay is the only Peruvian company holding authorizations to offer an integrated service of collection, transportation and incineration of IMW as an alternative to landfill, and enabling it to respond to future developments. This investment in a minority stake in Kanay includes a buy option to be exercised within 5 years from January 1, 2018, which would enable the Group to acquire a further 2% to 11% of the stock. Exercising the buy option would therefore take Séché Environnement's holding to between 51% and 60%.

In Morocco, Séché Environnement created a facility for the treatment and rehabilitation of electrical equipment contaminated with PCBs, in a national program in partnership with Morocco and the international organizations UNIDO, UNDP and GEF. The creation of this first operational

platform in Africa illustrates the extent to which the Group's know-how in decontamination and rehabilitation of PCB-contaminated equipment is recognized internationally, as well as its knowledge of management of chemical risks and sites classified for the protection of the environment.

On non-hazardous waste markets, Séché Environnement confirmed its strategy of developing its advanced know-how aimed at maximizing recovery from this type of waste, within a territorial ecology approach, and furthering the circular economy.

Thus, Séché Environnement has strengthened its position on materials recovery from waste from selective collection from households and waste from business activities, with the commissioning of a new sorting center at Changé (Mayenne), replacing, with notably improved performance, the earlier facility destroyed in 2014. This state-of-the-art plant endows the Group with a sorting facility which promises to be a reference for the industry in France, both by its quantitative (throughput per hour) and qualitative performance (fineness of sorting). As of now, the new plant is able to recycle 75% of packaging types, a national objective in France. This major project, planned to be implemented progressively, illustrates Séché Environnement's ability to adapt its offering in an innovative way and to make available to its local authority customers highly technical tools that help them to comply with regulatory requirements in the area of recovery, and more broadly, to manage local ecological challenges in their territories.

Elsewhere, Séché Environnement began the first investments necessary to implement the so-called "LEN" contract for the supply of energy for urban heating in the city of Laval and its surrounding area. Under this contract, Séché Environnement is to provide solid recovered fuel (SRF) energy produced from high-energy-potential urban waste collected by the municipality. Work on the infrastructures needed to produce the energy (boilers, pipes, etc.) will begin in the summer of 2016 with a view to commencing the contracted production in September 2017.

This contract was concluded in 2015 for EUR 40 million over 20 years. As a technical solution, it is emblematic, since it can be reproduced wherever there is calorific potential that can be recovered from sorted waste. It therefore constitutes a worldwide first in terms of the circular economy bringing value to local municipalities.

### Refinancing of bank debt

In the first half of 2015, Séché Environnement took advantage of particularly favorable conditions on the debt markets to accomplish early refinancing of its residual bank debt (EUR 130 million). In May, a new banking contract was put in place for a loan of EUR 140 million maturing in May 2020, amortizable in half-yearly tranches of 5% from June 2016, with the balance repayable on maturity. The contract enables the Group to benefit from increased financial flexibility,

with two draw-down lines in the form of a revolving credit of EUR 40 million and an amortizable term loan of EUR 60 million, with a maturity of 5 years from the date of the draw-down, and amortizable under the same terms as the senior debt. This latter facility was partly used to finance the share buyback program in May (see below).

This operation, a year after the early refinancing of bond debt, enabled Séché Environnement to continue to reduce its financing costs and to extend the maturity of its debts, while achieving greater financial flexibility to finance its organic and external growth.

### Share buy-backs and changes in governance

In May 2015, Séché Environnement acquired from CDC a block of shares representing 9% of its share capital (777 138 shares) as part of its stock repurchase program, with a view to cancellation of the repurchased shares. The amount of the buyback was EUR 23.4 million, or EUR 30.14 per share, financed essentially by debt. At the same time, Amarosa, the family holding company of the Séché family, acquired from CDC an additional block of shares representing 2% of the share capital of Séché Environnement, at the same price of EUR 30.14 per share.

Following cancellation of the shares acquired by Séché Environnement, on June 17, the share capital of the Company became EUR 1 571 546.40, in the form of 7 857 732 shares of nominal value EUR 0.20 per share. As a result of these operations, CDC's holding in Séché Environnement is of the order of 9.89%, while the Séché family has strengthened its direct and indirect holdings in the Company, from 42.1% of the share capital before the operations to 48.5% of the share capital after the operations.

This operation has led to a significant overhaul of corporate governance. CDC, Joël Séché and Amarosa decided to terminate the shareholders' agreement in force since October 16, 2006, and consequently recognized that CDC on the one hand, and Joël Séché and Amarosa on the other, no longer act in concert.

Consistent with these changes, the Annual General Meeting of Shareholders of April 28, 2015 designated a considerably renewed and enlarged Board of Directors. At December 31, 2015, it consisted of 8 members, of whom 4 are independent.





## 1.2 Activity and results in 2015

### 1.2.1 Information on the activities and results of the Group

Except where expressly stated otherwise, percentages are calculated after restatement of revenue concerning investments in concessions (IFRIC 12 revenue) <sup>1</sup>

M€			
Extract from consolidated income statement	2013 restated	2014 restated	2015
Revenue	469.1	444.7	460.9
<i>Of which revenue outside the scope of IFRIC 12</i>	444.0	436.6	454.3
<i>Of which contributory revenue</i>	444.0	433.2	440.0
EBITDA	78.8	82.1	88.1
% of revenue <sup>1</sup>	17.7%	19.0%	20.0%
Current operating income	32.8	35.6	40.6
% of revenue <sup>1</sup>	7.4%	8.2%	9.2%
Operating income	31.9	32.8	38.5
Net financial income	(11.9)	(14.0)	(12.1)
Taxes	(6.8)	(7.1)	(8.5)
<b>NET INCOME FROM CONSOLIDATED COMPANIES</b>	<b>13.2</b>	<b>11.7</b>	<b>17.9</b>
Share of income of affiliates	(0.6)	(1.3)	(0.7)
Net result of discontinued operations	(3.9)	(0.6)	(0.4)
<b>TOTAL NET INCOME OF CONSOLIDATION SCOPE</b>	<b>8.8</b>	<b>9.8</b>	<b>16.9</b>
Minority interests	NS	NS	NS
<b>CONSOLIDATED NET INCOME (GROUP SHARE)</b>	<b>8.8</b>	<b>9.8</b>	<b>16.8</b>

1: Percentages are calculated on contributory revenue, except where expressly stated otherwise (see foot of page).

IFRIC 12 revenue corresponds to investments in assets under public service delegation contracts (concessions), booked as intangible fixed assets, and as revenue according to the recommendations of the IFRIC 12 standard.

#### 1.2.1.1 Revenue

At December 31, 2015, Séché Environnement posted revenue of EUR 460.9 million, an increase of 3.6% on the revenue published at December 31, 2014 (EUR 444.7 million).

Restated to exclude revenue under IFRIC 12 representing investments in assets under public service delegation contracts (concessions) granted by local authorities (EUR 6.6 million in 2015, versus EUR 8.1 million in 2014), consolidated revenue not including IFRIC 12 came out at December 31, 2015, at EUR 454.3 (against 436.6 million a year earlier), an improvement of 4.1% over the period.

Reported revenue also includes indemnities received from Eurométropole Strasbourg, which took responsibility for lost sales and increased operating costs suffered by Séché Environnement in connection with the removal of asbestos

from the Strasbourg incinerator. At December 31, 2015, the amount of non-contributory indemnities received amounted to EUR 14.3 million (versus EUR 3.4 million in 2014).

Net of these indemnities, contributory revenue for Séché Environnement at December 31, 2015 amounted to EUR 440.0 million (compared with EUR 433.2 million a year earlier), an increase of 1.6%, in line with expectations.

1: Contributory revenue corresponds to published revenue minus IFRIC12 revenue and minus indemnities received by Sénéral in respect of loss of business (net of variable costs saved on tonnages not incinerated), to cover the extra costs incurred to ensure continuity of contracted service to the public in Strasbourg.

### 1.2.1.1.1 Breakdown of revenue by division

en M€ and %						
	2013 restated		2014 restated		2015	
	M€	%	M€	%	M€	%
Hazardous waste (HW) treatment	274.9	58.6%	271.4	61.0%	265.7	57.7%
Non-hazardous waste (NHW) treatment (not including IFRIC 12)	169.1	36.1%	165.2	37.1%	188.6	40.9%
<b>TOTAL REVENUE NOT INCLUDING IFRIC 12</b>	<b>444.0</b>	<b>94.7%</b>	<b>436.6</b>	<b>98.1%</b>	<b>454.3</b>	<b>98.5%</b>
Revenue under IFRIC 12	25.1	5.3%	8.1	1.9%	6.6	1.4%
<b>CONSOLIDATED REVENUE</b>	<b>469.1</b>	<b>100.0%</b>	<b>444.7</b>	<b>100.0%</b>	<b>460.9</b>	<b>100.0%</b>
<i>Of which energy</i>	<i>25.5</i>	<i>5.4%</i>	<i>25.3</i>	<i>5.7%</i>	<i>29.9</i>	<i>6.4%</i>

In 2015, the divisions underwent different revenue changes which are not representative of the resilience of their main markets, and the sales gains of the year:

At December 31, 2015, the hazardous waste (HW) division achieved revenue of EUR 265.7 million, a decrease compared with 2014 of 2.1% (EUR 271.4 million). This change includes a consolidation scope effect of EUR 1 million, essentially reflecting the entry into scope at October 1, 2015, of IMW activities. On a constant consolidation scope basis, revenue for this division fell by 2.5%. Although the division enjoyed good levels of business in its treatment activities, especially incineration, it was penalized by delays in decontamination start-ups (EUR 7 million). These start-up delays resulted

from the extreme technical complexity of the work to be carried out, and should be rectified in 2016.

Revenue recorded for the non-hazardous waste (NHW) division at December 31, 2015 amounted to EUR 195.2 million (versus EUR 173.3 million in 2014). Restated to exclude IFRIC 12 revenue (EUR 6.6 million in 2015 vs. EUR 8.1 million in 2014), the contributory revenue of this division amounted to EUR 174.3 million, a notable increase of 5.5% compared with the contributory revenue achieved in the previous year (EUR 161.8 million). All of the division's activities contributed to this improvement, and the division as a whole took advantage of the resiliency of its local authorities markets, especially in incineration, while landfill benefited from positive sales successes.

### 1.2.1.1.2 Breakdown of revenue by region

M€ and %						
	2013 restated		2014 restated		2015	
	M€	%	M€	%	M€	%
Subsidiaries in France	447.7	95.0%	423.2	95.0%	437.5	95.0%
International subsidiaries	21.4	5.0%	21.5	5.0%	23.4	5.0%
<b>TOTAL</b>	<b>469.1</b>	<b>100.0%</b>	<b>444.7</b>	<b>100.0%</b>	<b>460.9</b>	<b>100.0%</b>

The activities of the Group's international subsidiaries are, in Spain, solvent regeneration; in Germany, gas treatment and, in Latin America, pre-treatment activities which help generate business for PCB treatment facilities in France.

Revenue of the Group's international subsidiaries for 2015 showed sustained growth of 8.9%, to EUR 23.4 million at December 31, 2015 (vs. EUR 21.5 million the previous year), due in large part to the good performance of PCB activities in Latin America and positive variances in regeneration activities in Spain. There was no significant exchange rate effect.

### 1.2.1.2 EBITDA (earnings before interest, tax, depreciation and amortization)

The Group's EBITDA for the year 2015 came out at EUR 88.1 million, an increase of EUR + 6.0 million on EBITDA earned by the Group in 2014 (EUR 82.1 million in restated data). This growth in EBITDA is essentially explained by:

- EUR + 3.1 million from organic growth in contributory revenue (EUR + 1.3 million) and profitability improvements in treatment activities (EUR + 1.8 million);
- EUR + 2.9 million from various factors specific to the fiscal year 2015, including refinements in the evaluation of second-category expenses (EUR + 5.8 million), the impact of late start-ups and availability problems (EUR – 2.5 million) and



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various one-time effects (EUR 0.4 million). These include increases in insurance costs (EUR – 1.5 million) and structural costs resulting from scope increases (EUR – 1.9 million), as well as decreases in energy costs (with a favorable impact on EBITDA of EUR +1.7 million) and the positive effects of negotiations with the municipality of Nantes concerning the sale of energy (EUR + 1.3 million).

## 1.2.1.3 Current operating income

Operating profitability at the end of 2015 amounted to EUR 40.6 million (9.2% of revenue), versus EUR 35.6 million (8.2% of revenue) at the end of 2014, in restated data. This increase of EUR + 5.0 million mainly attributable to:

- EUR 6.0 million from the increase in EBITDA;
- EUR – 2.2 million from increases in allocations to amortization, of which EUR 2.7 million were attributable to second-category expenses concerning components recorded in the balance sheets as assets;
- EUR 1.2 million under the combined effects, for this fiscal year only, of a reduction in site rehabilitation costs and provisions for 30-year monitoring.

The French operations consolidation scope contributed some EUR 39 million to the Group's current operating income, or approximately 96% of the total. The international operations consolidation scope provided a positive contribution of EUR 1.6 million, representing 6.7% of its revenue, an increase of EUR + 0.1 million compared with 2014 (EUR 1.5 million).

## 1.2.1.4 Operating income

Group operating income for 2015 came out at EUR 38.5 million (8.5 % of revenue), compared with EUR 32.8 million the previous year in restated data. The increase of EUR 5.7 million is attributable to the rise in current operating income of EUR 5.0 million and changes in non-current charges of EUR 0.7 million:

- in 2014, the Group had to bear increased operating costs of EUR – 8.4 million incurred by Sénéval during the industrial action in the first half of the year, but gained EUR + 6.1 million in indemnities (partly the sums received from its insurers in connection with fire damage to the Changé sorting center, and partly the sums received from Covaldem 11 in respect of the losses incurred by the Séché Group following cancellation by the court of its public service delegation contract). The effect of this on the financial statements for 2014 was to penalize operating income by EUR – 2.3 million.
- in 2015, Séché Environnement bears costs consequent on its business combination (EUR 0.8 million) and costs associated with its contractual position regarding asbestos at the Sénéval plant (EUR 1.1 million).

## 1.2.1.5 Net financial income

Net financial income for 2015 amounted to EUR – 12.1 million, compared with EUR – 14.0 million in 2014, an improvement of EUR + 1.9 million. During the year the Group recognized the one-time impact of its refinancing of its senior debt, whereas in 2014 the one-time impact of its first-line refinancing was EUR – 2.4 million.

Aside from these one-time items, the improvement in financial income amounted to EUR 0.7 million, influenced by the reduction in the annualized interest rate of net debt, despite the increase in average net financial debt:

- the change in annualized interest rate of net debt (which changed from 4.84% in 2014 to 3.86% in 2015) produced a positive impact on financial income of EUR 2.4 million. This change reflects the effects of new conditions for bond financings, which were felt in full in 2015, and for bank debt;
- the increase in average net financial debt produced however a negative effect on financial income of EUR – 1.5 million.

## 1.2.1.6 Net income of consolidated companies

In consequence of the factors explained above, and of the corporation tax charge which stood for 2015 at EUR – 8.5 million (compared with EUR – 7.1 million in 2014), net income from consolidated companies amounted in 2015 to EUR 17.9 million, versus EUR 11.7 million in 2014 in restated data.

## 1.2.1.7 Share of income of affiliates

The Group's share in income from affiliates arises mainly from its holdings in Gerep, Sogad and LEN, and, since July 2015, Kanay.

In 2014, net income of affiliates (Group share) was affected by the Group's share of a provision of EUR 0.8 million for the suspension of incineration activities at Gerep.



M€	2013 restated			2014 restated			2015		
	Gerep	Sogad	Others	Gerep	Sogad	Others	Gerep	Sogad	Others
Current operating income	(1.3)	0.3	(0.1)	(2.9)	0.4	(0.1)	(0.3)	0.3	(1.2)
Financial income	NS	NS	(0.1)	NS	NS	0.1	NS	NS	(0.1)
Tax	NS	NS	(0.1)	NS	(0.1)	NS	NS	(0.1)	NS
<b>NET INCOME OF AFFILIATES (GROUP SHARE)</b>	<b>(1.3)</b>	<b>0.2</b>	<b>(0.2)</b>	<b>(2.7)</b>	<b>0.2</b>	<b>NS</b>	<b>(0.3)</b>	<b>0.2</b>	<b>(1.4)</b>
<b>SHARE OF NET INCOME OF AFFILIATES</b>	<b>(0.6)</b>	<b>0.1</b>	<b>(0.1)</b>	<b>(1.4)</b>	<b>0.1</b>	<b>NS</b>	<b>(0.2)</b>	<b>0.1</b>	<b>(0.6)</b>
<b>TOTAL SHARE OF NET INCOME OF AFFILIATES</b>		<b>(0.6)</b>			<b>(1.3)</b>			<b>(0.7)</b>	

### 1.2.1.8 Consolidated net income of the Séché Environnement Group

By reason of changes in the French simplified tax regime (RSI) on the one hand, and changes in the Group's share of net income of consolidated companies on the other, the Séché Group recorded net income from continuing operations for the year 2015 of EUR + 17.3 million. In 2014 (restated data), net income from continuing operations was EUR + 10.4 million.

As a consequence of the Group's discontinuing its operations in Hungary, the result of these activities is recorded on a separate line of the income statement. In 2015, the result was a loss of EUR – 0.4 million, compared with a net loss of EUR – 0.6 million in 2014.

Consequently, total net income of companies within the consolidation scope came out in 2015 at EUR 16.9 million, compared with EUR 9.8 million in 2014.

### 1.2.1.9 Financial flows

In 2015, the Group recorded a net cash flow of EUR – 7.9 million, compared with EUR + 11.0 million in 2014.

The consolidated cash flow table for the Séché Group can be summarized as follows:

M€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
Cash flow from operating activities	75.8	54.2	41.1
Cash flow from investment activities	(56.1)	(39.4)	(49.3)
Cash flow from financing activities	(13.8)	(3.6)	0.3
<b>CHANGE IN CASH FLOW, CONTINUING OPERATIONS</b>	<b>5.8</b>	<b>11.2</b>	<b>(7.9)</b>
Change in cash flow, discontinued operations	(0,2)	(0,2)	NS
<b>CHANGE IN CASH FLOW</b>	<b>5.6</b>	<b>11.0</b>	<b>(7.9)</b>

### 1.2.1.10 Net cash from operations

Over the period, cash flow generated by the Séché Group's operating activities amounted to EUR 41.1 million (versus EUR 54.2 million in 2013), a decrease of EUR – 13.1 million. This change was due to the combined effects of:

- a net tax outflow of EUR – 2.8 million in 2015, compared with a net tax outflow in 2014 of EUR – 0.2 million;
- an increase in cash flow generated by operations of EUR + 12.7 million, in line with variations in current operating income before non-cash charges and non-recurring charges;

- changes in WCR (a negative variation of EUR – 31.8 million over the year, representing an unfavorable variance of EUR – 23.3 million compared with the WCR change recorded in 2014). In 2015, changes in WCR were impacted by the accrual of indemnities to be received from Eurométropole Strasbourg concerning application of the "asbestos agreement", and from the Smictom (Guadeloupe) concerning services rendered in 2015 on the La Gabarre site.



### 1.2.1.11 Net cash paid out for investments

M€	2013	2014	2015
Capital expenditure	56.6	42.4	49.5
Financial investments	1.0	1.4	0.9
<b>INVESTMENTS BOOKED</b>	<b>57.6</b>	<b>43.8</b>	<b>50.4</b>
Capital expenditure	54.9	37.8	43.1
Financial investments	1.1	1.4	0.6
Acquisition of subsidiaries - net cash cost	0.1	0.2	5.6
<b>NET INVESTMENTS PAID OUT</b>	<b>56.1</b>	<b>39.4</b>	<b>49.3</b>

In 2015, capital expenditures booked by the Séché Group amounted to EUR 49.5 million. They concerned:

- investments in concessions within the framework of the Group's public service delegation contracts (EUR 6.7 million);
- development investments for a total of EUR 8.4 million, mainly for facilities for energy recovery (EUR 1.4 million) and materials recovery (EUR 2.0 million), and capacity development for thermal treatment facilities (EUR 3.2 million);
- reconstruction of the Changé sorting center (EUR 10.6 million);
- recurrent investments of EUR 23.9 million, of which EUR 5.8 million for second-category expenses; EUR 6.0 million for the acquisition of land reserves and the building of landfill cells; EUR 1.8 million for regulatory and safety investments; EUR 1.8 million for utility and other vehicles; and EUR 8.5 million for facilities maintenance investments.

Concerning future investments, the management of the Group did not enter into any firm commitment, except for investments in concessions under public service delegation contracts, which are almost entirely financed by bank borrowings. The total value of investments expected to be made in this way in the next two years is around EUR 13.3 million.

In 2014, capital expenditures booked by the Séché Group amounted to EUR 42.4 million. They concerned:

- investments in concessions within the framework of the Group's public service delegation contracts (EUR 8.4 million);

- development investments for a total of EUR 14.6 million, of which EUR 6.2 million for materials recovery equipment; EUR 3.4 million for dedicated facilities for contracts or specific customer projects; and EUR 4.4 million for capacity development and specific adaptations of thermal treatment equipment;

- recurrent investments of EUR 19.4 million, of which EUR 7.0 million for the acquisition of land reserves and the building of landfill cells; EUR 2.0 million for regulatory and safety investments; EUR 1.9 million for utility and other vehicles; and EUR 8.6 million for facilities maintenance investments.

In 2013, capital expenditures booked by the Séché Group amounted to EUR 56.6 million. They concerned:

- investments in concessions within the framework of the Group's public service delegation contracts (EUR 25.4 million);
- development investments for a total of EUR 10.4 million, of which EUR 5.6 million for materials recovery equipment; EUR 1.1 million for logistics and sorting platforms; and EUR 1.0 million for capacity development and specific adaptations of thermal treatment equipment;
- recurrent investments of EUR 20.8 million, including EUR 5.6 million for the acquisition of land and the building of landfill cells; EUR 1.6 million for regulatory and safety investments; EUR 2.6 million for utility and other vehicles; and EUR 10.9 million for maintenance investments (of which EUR 4.5 million for incineration facilities, EUR 3.0 million for landfill facilities, EUR 1.0 million for IT projects and EUR 2.4 million for other activities).

The Group's capacity to self-finance its investments (excluding investments in concessions under public service delegation contracts, which are entirely financed by bank borrowings) is presented below:

en M€	2013 restated	2014 restated	2015
<b>Cash flow and investments booked</b>			
<i>CASH FLOW (BEFORE TAXES AND FINANCIAL EXPENSES) (A)</i>	65.7	62.9	75.7
<i>CAPITAL EXPENDITURES (B)</i>	56.6	42.4	49.5
HW	24%	42%	45%
NHW (excluding investments in concessions)	31%	38%	41%
Investments in concessions	45%	20%	16%
<b>(A)/(B)</b>	<b>116%</b>	<b>148%</b>	<b>153%</b>
<i>FINANCIAL INVESTMENTS (C)</i>	1.0	1.4	0.9

Investments in concessions under public service delegation contracts are financed by specific matched credit lines.

### 1.2.1.12 **Financing flows**

The Group's financing flows are those arise from its debt (new borrowings, loan repayments, interest payments) and from shareholder remuneration in the form of dividends. During the year, the Group subscribed to new loans in the

amount of EUR 190.0 million, of which EUR 7.2 million for investments in concessions under public service delegation contracts.

The following table shows changes in the Group's net indebtedness over the last three years.

<b>M€</b>	<b>Dec. 31, 2013 restated</b>	<b>Dec. 31, 2014 restated</b>	<b>Dec. 31, 2015</b>
Bank loans (excluding non-recourse debts)	216.4	192.9	230.2
Non-recourse bank loans	-	21.8	30.9
Bonds	22.9	48.9	49.1
Finance lease debt	12.1	7.0	10.0
Miscellaneous financial debt	0.8	0.4	0.3
Short-term bank borrowings	0.5	0.1	0.2
Shareholdings	0.7	0.5	0.3
<b>TOTAL FINANCIAL DEBT (current and non-current)</b>	<b>253.4</b>	<b>271.7</b>	<b>321.0</b>
<i>Of which less than one year (current)</i>	<i>30.8</i>	<i>29.9</i>	<i>28.9</i>
<i>Of which more than one year (non-current)</i>	<i>222.6</i>	<i>241.8</i>	<i>292.1</i>
Cash and cash equivalents	(28.0)	(38.8)	(30.6)
<b>NET FINANCIAL DEBT</b>	<b>225.4</b>	<b>232.9</b>	<b>290.4</b>
<i>Of which less than one year<sup>1</sup></i>	<i>2.8</i>	<i>(8.9)</i>	<i>(1.7)</i>
<i>Of which more than one year</i>	<i>222.6</i>	<i>241.8</i>	<i>292.1</i>
<b>NET BANK INDEBTEDNESS<sup>2</sup></b>	<b>223.9</b>	<b>210.2</b>	<b>258.8</b>

1: Cash and cash equivalent liabilities are considered to be of maturity less than one year.

2: Calculated according to the conditions of the banking contracts, which exclude certain types of financial debt from the definition of indebtedness.

At December 31, 2015, 72% of gross financial debt, after hedging is taken into account, is covered at a fixed rate (compared with 83% in 2014 and 82% in 2013).

## 1.2.2 **Balance sheet structure**

<b>M€</b>	<b>2013 restated</b>	<b>2014 restated</b>	<b>2015 real</b>
<b>Extract from consolidated balance sheet</b>			
Non-current assets	504	504	556
Current assets (excluding cash and cash equivalents)	172	181	177
Cash and cash equivalents	28	39	31
Assets held for sale	1	NS	NS
Shareholders' equity (including minority interests)	258	259	244
Non-current liabilities	235	258	310
Current liabilities	211	207	210
Liabilities held for sale	1	NS	NS



# Presentation of the Company and its activities



## 1.2.2.1 Non-current assets

Non-current assets primarily consist of fixed assets (tangible and intangible - including goodwill - and financial) and deferred tax assets.

Total non-current assets increased by EUR + 52 million, the increase being primarily attributable to:

- other non-current assets: EUR + 35.0 million, mainly (EUR 32.1 million) indemnities due by Eurométropole Strasbourg in connection with the Sénerval incinerator;
- goodwill: EUR + 3.8 million, as a consequence of new subsidiaries entering the consolidation scope;
- tangible and intangible fixed assets (EUR + 14.7 million); investment flows over the period (EUR 49.5 million), were mainly compensated for by allocations to amortization;

- non-current tax credits: EUR – 3.9 million, as deferred tax assets were used up;
- non-current financial assets and holdings in affiliates: EUR + 2.2 million, of which EUR 2.6 million correspond to the acquisition of 49% of Kanay.

## 1.2.2.2 Current assets (excluding cash and cash equivalents)

Current assets excluding cash and cash equivalents fell over the period to EUR 177 million, a decrease of EUR – 4 million compared with December 31, 2014.

## 1.2.2.3 Shareholders' equity

Changes in shareholders' equity (Group share) over the period break down as follows:

M€	Group	Minority interests
<b>SHAREHOLDERS' EQUITY AT JANUARY 1, 2015 (RESTATED)</b>	<b>258.7</b>	<b>0.1</b>
Dividends paid	(7.4)	NS
Net earnings (Group share)	16.8	NS
Foreign currency differences	(0.3)	-
Hedging instruments	0.4	-
Actuarial differences	(0.6)	-
Fair value of assets available for sale	(0.2)	-
Treasury stock	(23.4)	-
Changes in scope	-	(0.4)
Other changes	-	-
<b>SHAREHOLDERS' EQUITY AT DECEMBER 31, 2015</b>	<b>244.0</b>	<b>(0.3)</b>

The changes in treasury stock are the result of the cancellation, in June 2015, of 777 138 shares, corresponding to 9% of the share capital of the Company, repurchased from Caisse des Dépôts et Consignations (CDC) on May 21, 2015 within the share buyback program authorized by the Annual General Meeting of April 28, 2015.

## 1.2.2.4 Current and non-current liabilities

Current liabilities represent all liabilities with a maturity of less than one year. Non-current liabilities represent all liabilities with a maturity of more than one year. They break down as follows:

M€	Dec. 31, 2013 restated			Dec. 31, 2013 restated			Dec. 31, 2015		
	NC	C	T	NC	C	T	NC	C	T
Financial debt	222.6	30.8	<b>253.4</b>	241.8	29.8	<b>271.6</b>	292.1	28.9	<b>321.0</b>
Hedging instruments	1.8	0.2	<b>2.0</b>	0.6	0.6	<b>1.2</b>	0.4	0.1	<b>0.5</b>
Provisions	7.9	8.8	<b>16.7</b>	10.9	1.9	<b>12.8</b>	13.2	1.8	<b>15.0</b>
Other liabilities	2.9	170.5	<b>173.4</b>	4.9	173.6	<b>178.5</b>	4.1	176.4	<b>180.5</b>
Tax due	-	0.3	<b>0.3</b>	-	0.6	<b>0.6</b>	-	2.4	<b>2.4</b>
<b>TOTAL</b>	<b>235.2</b>	<b>210.6</b>	<b>445.8</b>	<b>258.2</b>	<b>206.5</b>	<b>464.7</b>	<b>309.8</b>	<b>209.6</b>	<b>519.4</b>

NC: non-current - C: current - T: total

Current and non-current liabilities at year-end amounted to EUR 519.4 million, an increase of EUR + 54.7 million. This increase principally reflects an increase in financial debt (EUR + 49.4 million) as a result of the refinancing operation carried out in May 2015, an increase in provisions

(EUR + 2.2 million) related to end-of-career indemnities and 30-year monitoring, and an increase in tax debt (EUR + 1.8 million).

Changes in the Group's net financial indebtedness are shown in the following table.

M€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
Bank loans (excluding non-recourse debts)	216.4	192.9	230.2
Non-recourse bank loans	-	21.8	30.9
Bonds	22.9	48.9	49.1
Finance lease debt	12.1	7.0	10.0
Miscellaneous financial debt	0.8	0.4	0.3
Short-term bank borrowings	0.5	0.1	0.2
Shareholdings	0.7	0.5	0.3
<b>TOTAL FINANCIAL DEBT (current and non-current)</b>	<b>253.4</b>	<b>271.7</b>	<b>321.0</b>
Cash and cash equivalents	(28.0)	(38.8)	(30.6)
<b>NET FINANCIAL DEBT</b>	<b>225.4</b>	<b>232.9</b>	<b>290.4</b>
<i>Of which less than one year<sup>1</sup></i>	<i>2.8</i>	<i>(8.9)</i>	<i>(1.7)</i>
<i>Of which more than one year</i>	<i>222.6</i>	<i>241.8</i>	<i>292.1</i>

1: Cash and cash equivalent liabilities are considered to be of maturity less than one year.

The Group's net financial indebtedness at December 31, 2015 stood at EUR 290.4 million. It includes EUR 30.9 of non-recourse debt. Net financial indebtedness at the year end therefore showed an increase of EUR + 57.5 million compared with the position at December 31, 2014.

During the period, apart from drawing on specific credit lines relating to investments in concessions

(EUR + 7.3 million), and the setting up of new matched credit lines (EUR 20.3 million), the Group partially refinanced its debt (to a value of EUR 130.6 million) by putting in place senior debt of EUR 140 million, rolling credit lines of EUR 40 million (of which as of December 31, 2015, no part had been drawn down) and an amortizable loan of EUR 60 million, of which EUR 30 million had been drawn down as of December 31, 2015.

## 1.3 Group structure

### 1.3.1 The parent company Séché Environnement SA

K€	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Change
Revenue	13 578	12 792	13 433	641
Operating income	1 790	(1 949)	642	2 591
Financial income	(19 587)	(44 425)	21 573	65 998
Extraordinary items	(17 145)	(6 211)	(3 971)	2 240
Corporation tax (including tax consolidation)	10 741	9 969	9 055	(914)
<b>NET INCOME</b>	<b>(24 201)</b>	<b>(42 616)</b>	<b>27 300</b>	<b>69 916</b>

Net income of Séché Environnement for 2015 came out at EUR 27.3 million, an increase of EUR + 69.9 million in comparison with the net income recorded a year earlier (EUR – 42.6 million).

The net income result for 2015 was affected by the following factors:

- EUR 1.2 million: non-recurring costs recognized in 2014 linked to the refinancing of bank debt;
- EUR 1.3 million: non-recurrence of one-time development and restructuring costs recognized in 2014;

- EUR 54.7 million: non-recurrence of allocations to impairment in respect of shares held, recognized in 2014;
- EUR 9.3 million: increase in financial income of the Company;
- EUR 2.4 million: reduction in net cost of debt as a result of bond refinancing in 2014 and the bank debt refinancing in 2015.



# Presentation of the Company and its activities



In compliance with the measures prescribed in the French Economic Modernization Act, the following table provides information on payment terms for supplier accounts at December 31: (in % held)

K€	Accounts payable <sup>1</sup>	Due	30 days	60 days	> 60 days
Dec. 31, 2013	829.5	-	698.5	130.9	-
Dec. 31, 2014	1 336.6	110.6	1 060.1	166,0	-
Dec. 31, 2015	1 500.5	94.0	1 063.8	342.7	-

1: Excluding suppliers of financial fixed assets corresponding to non-paid-up capital on investment funds or mutual funds.

On average, in 2015, suppliers (excluding suppliers of financial fixed assets) were paid within 32 days, versus 30 days in 2014 and 19 days in 2013.

## 1.3.2 Subsidiaries and shareholdings

During fiscal 2015, Séché Environnement:

- set up Séché Développement, a subsidiary providing consultancy, assistance and sales development services;
- set up Séché Healthcare, a subsidiary offering collection and treatment of infectious medical waste (IMW);
- acquired 49% of Kanay, a company under Peruvian law situated in Lima, offering treatment of infectious medical waste (IMW) and ordinary industrial waste; this acquisition includes a buy option to be exercised within 5 years from January 1, 2018, which would enable the Group to acquire a further 2% to 11% of the stock;
- acquired 80% of Sodicome, based in the Ile-et-Vilaine département, a company offering services related to infectious medical waste (IMW) ; this acquisition includes an option to buy the remaining 20% (for which Séché Environnement has already paid an immobilization indemnity) which may be exercised within one year from January 1, 2018;
- acquired 100% of Moringa, a company operating in Martinique in services related to IMW and ordinary industrial waste.

## 1.3.3 Research and development expenses

The Group is heavily involved in the development of innovative ecological technologies to respond to large-scale environmental concerns, such as recycling, materials recovery, energy production, management of industrial impacts, and sustainable development.

The aim of the Group's multi-disciplinary approach to R&D and its practical applications is both continuous improvement of existing processes, and also the exploration of possible new lines of eco-development:

- bio-synthesis of plastics for packaging (the PHApack project);

- materials recovery from decorative wood products (the Vadéboam project);
- transformation of waste into workable new raw materials (the Matières project).

The Group regularly commits funds to its research and development efforts to improve its tools and processes.

For many of these development projects, which have not yet reached the maturity necessary for them to find industrial application in the short term, the Group has benefited from tax credits for research projects for a cumulative total since 2009 of EUR 2.4 million, which break down annually as follows:

Dec. 31, 2015:	EUR + 0.3 million
Dec. 31, 2014:	EUR + 0.3 million
Dec. 31, 2013:	EUR + 0.3 million
Dec. 31, 2012:	EUR + 0.5 million
Dec. 31, 2011:	EUR + 0.3 million
Dec. 31, 2010:	EUR + 0.5 million
Dec. 31, 2009:	EUR + 0.2 million

No research and development expenses have been recognized as assets in the Group's financial statements.

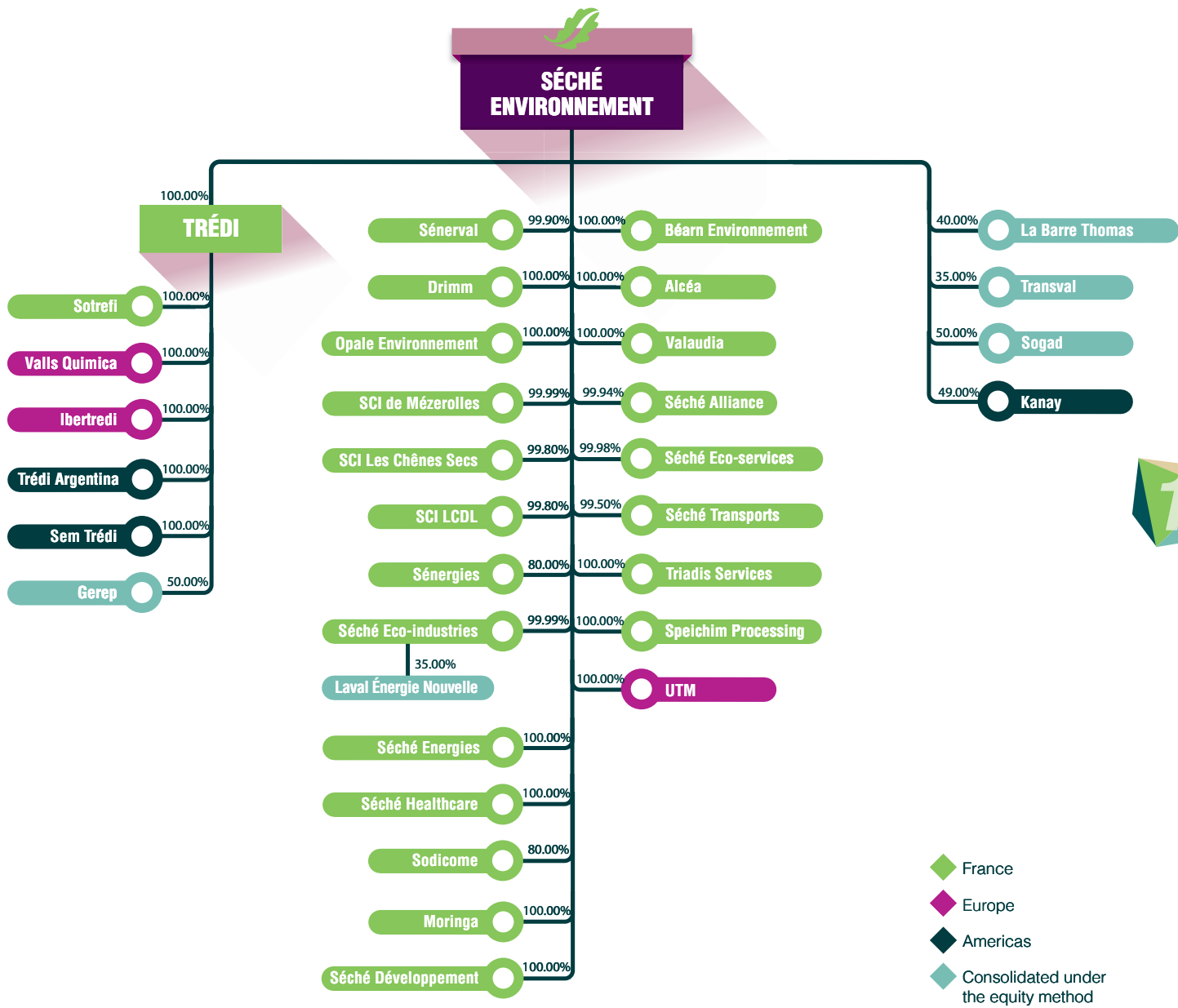
## 1.3.4 Subsidiaries

In connection with the expansion of its waste treatment activities, the Group may receive investment or operating subsidies. The total of such subsidies attributed to the Group was:

- in 2015: EUR 4.2 million;
- in 2014: EUR 1.6 million;
- in 2013: EUR 3.1 million.

### 1.3.5 Organization chart

Organization of consolidated subsidiaries and affiliates (in % held).





## 1.4 Financial risk management

The risks to which the Group is exposed by its activities are managed centrally at the level of the Group Finance Department. The management reporting and consolidation process enables any variances to be identified, and corrective actions to be undertaken as necessary.

Information concerning the evaluation and management of these risks, and more generally the information required by IFRS 7, is presented in Note 18 et seq. to the notes to the consolidated financial statements.

## 1.5 Key events since the closing of accounts

We are aware of no significant event occurring after the closing of accounts likely to have a significant impact on the Group's assets, financial position or operating results.

As far as the Company is aware, there was no litigation, arbitration or exceptional event occurring after the closing likely to have, or to have had in the recent past, a significant effect on the financial position, earnings, business or assets of the Company or the Group.

## 1.6 Recent events and outlook for 2016

### 1.6.1 Recent events

#### External growth on the radioactive waste market

At the beginning of March 2016, Séché Environnement consolidated its position on the radioactive waste market with the acquisition of HPS Nuclear Services. This new subsidiary's research office, (design-build, modeling, earthquake resistance, etc.) and its production and smelting facility (particularly in lead), enable HPS Nuclear Services to serve a client base in the energy and industrial sectors in the fields of nuclear maintenance and logistics, biological protection, decontamination, decommissioning, waste treatment, asbestos removal and nuclear training.

A specialist in radiation protection (mitigation and shielding calculations related to radiation issues), HPS Nuclear Services designs, manufactures and installs biological protection solutions suitable for the structures and equipment located at nuclear facilities. The company is growing on a high value-added niche market with strong potential because of its essential role among nuclear stakeholders.

HPS Nuclear Services has been certified by numerous bodies including Areva (Domains 3 and 4), CEA (Domains D3-1, D3-2, D4.2-E), EDF, and Confidential Defense clearance certificate no. 9002487, complementing the certifications already obtained by Séché Énergies for activities in ionized radiation environments.

With two sites, HPS Nuclear Services has approximately

40 employees and earned revenue of around EUR 4 million in 2015. This acquisition strengthens Séché Environnement's positioning on the French and international radioactive waste markets, and consolidates the Group's development strategy in high-potential, high-expertise niche markets.

#### Recognition of the pertinence of industrial and environmental initiatives

In January 2016, Séché Environnement's innovative bromine regeneration technique was awarded the Responsible Care® Environment Trophy of the Union des Industries Chimiques (French chemical industries trade body) by the Rhône-Alpes region of France. This award confirms Séché Environnement's position as a reference actor in the recovery of rare resources and industrial ecology.

Séché Environnement was also awarded a double certification in recognition of its management systems in support of its commitments to preserving the climate and biodiversity. This distinction is a worldwide first, and recognizes Séché Environnement's pertinent, innovative and mature approach to industrial ecology, in the face of the imperatives posed by climate change and the need to preserve biodiversity. This double certification provides Séché Environnement with a new competitive advantage on sustainable development markets, which benefits industrial and local authority customers confronted by new regulatory constraints such as, for example, the French law on energy transition for greener growth (promulgated August 7, 2015) concerning the management of climate change and the preservation of biodiversity.

### 1.6.2 Outlook for 2016

In 2016, Séché Environnement will rely on the solid nature of its industrial markets and the recurrence of activities for local authority customers, as it continues to develop its business on high-expertise technical waste recovery and treatment markets in France and abroad, where the Group targets high-value-added niche markets in particular.

In this context, the Group anticipates a slight increase in its contributory revenue, on a like-for-like basis, and expects to maintain, or improve on, the level of operating profitability (current operating income on revenue) achieved in 2015.

Séché Environnement intends to make capital investments of around EUR 50 million (excluding IFRIC 12 investments in concessions) in 2016. This amount, higher than in 2015, reflects in particular the investments necessary to create the infrastructures needed to implement the LEN project (provision of energy using SRFs to the urban heating network of Laval) of approximately EUR 11 million in 2016.

In the period 2016-2018, Séché Environnement envisions average annual growth in contributory revenue of around 3%, of which 2% through organic growth. This being the case, the Group anticipates a level of current operating profitability (current operating income on contributory revenue) of 10% or more in fiscal 2018. After a peak of capital expenditure in 2016, the level of CAPEX should progressively decrease over the rest of the period, to return to around EUR 35 million in 2018. These elements should make it possible to aim at a financial leverage (net financial debt/EBITDA) of around 2.3 at the end of 2018.



# 2 Share ownership and corporate governance



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## 2.1 Shareholders and changes in share capital

### 2.1.1 Composition of share capital

The share capital of the Company amounted at December 31, 2015 (and at the date of writing the present management report) to EUR 1 571 546.40, divided into 7 857 732 shares of nominal value EUR 0.20 each, entirely paid up and freely negotiable.

Date of operation	Number of new shares	Cumulative total number of Company shares	Nominal value per share	Nominal amount of capital increase		Nominal amount of capital decrease	Additional paid-in capital	Resulting amount of capital
				By contributions in cash	By incorporation of reserves			
February 17, 1997 Share split	-	50 000	FF 100	-	-	-	-	FF 5 000 000
October 8, 1997 Share split	-	5 000 000	FF 1	-	-	-	-	FF 5 000 000
November 27, 1997 Capital increase	400 000	5 400 000	FF 1	FF 400 000	-	-	FF 73 600 000	FF 5 400 000
December 19, 1997 Capital increase	5 000	5 405 000	FF 1	FF 5 000	-	-	FF 735 000	FF 5 405 000
April 24, 2001 Conversion of capital into EUR	-	5 405 000	EUR 0.20	-	EUR 257 013,06	-	-	EUR 1 081 000
October 1, 2001 Capital increase <sup>1</sup>	160 405	5 565 405	EUR 0.20	EUR 32 081	-	-	EUR 10 795 257	EUR 1 113 081
July 5, 2002 Capital increase <sup>2</sup>	2 473 057	8 038 462	EUR 0.20	EUR 494 611	-	-	EUR 19 902 780	EUR 1 607 692
December 12, 2006 Issuance of 596 408 share subscription warrants	-	-	-	-	-	-	EUR 10 908 302	EUR 1 607 692
April 24, 2007 Capital increase <sup>3</sup>	596 408	8 634 870	EUR 0.20	EUR 119 282	-	-	EUR 74 717 994	EUR 1 726 974
June 17, 2015 Capital decrease	(777 138)	7 857 732	EUR 0.20	-	-	EUR (155 427,6)	-	EUR 1 571 546,4

1: In consideration of the contribution of Alcor shares.

2: In consideration of the contribution of Trédi shares.

3: Exercise of 596 408 share subscription warrants by Caisse des Dépôts et Consignations.

## 2.1.2 Share ownership and voting rights

Share ownership at Dec. 31, 2015	Number of shares	%	Voting rights <sup>3</sup>	%
Joël Séché	1 702 400	21.67%	3 404 800	34.89%
Groupe Séché (formerly Amarosa family trust <sup>1</sup> )	2 133 833	27.16%	2 249 869	23.05%
<b><i>SUB-TOTAL, JOËL SÉCHÉ FAMILY</i></b>	<b><i>3 836 233</i></b>	<b><i>48.82%</i></b>	<b><i>5 654 669</i></b>	<b><i>57.94%</i></b>
CDC Groupe	777 139	9.89%	777 139	7.96%
Treasury stock <sup>2</sup>	59 064	0.75%	59 064	0.61%
Employees' stock	35 850	0.46%	35 850	0.37%
Free float	3 149 446	40.08%	3 233 013	33.13%
<b>TOTAL</b>	<b>7 857 732</b>	<b>100.00 %</b>	<b>9 759 735</b>	<b>100.00%</b>

1: The Groupe Séché family trust is majority controlled by Joël Séché.

2: Treasury stock is stripped of voting rights. However, the table here presents the calculation of voting rights as recommended by the AMF for the disclosure of ownership threshold crossings.

3: By virtue of a Resolution of the Extraordinary General Meeting of Shareholders held on October 8, 1997, double voting rights attach to all fully paid up shares for which a named shareholder has been registered in the same name for at least 4 years.

The Company is controlled as described above. However, the Company considers that there exists no risk that control may be exercised improperly.

Since January 1, 2015 and until the date of the present Board Meeting, Séché Environnement has not been informed of any threshold crossings, in either direction, except for the following:

### Threshold crossing of May 21, 2015

On May 21, 2015, in a block transaction conducted privately outside the stock market, Société Civile Amarosa acquired from Caisse des Dépôts et Consignations (CDC) a block of 172 697 Séché Environnement shares representing 2% of the Company's share capital. At the same time, in a block transaction conducted privately outside the stock market, Séché Environnement acquired from CDC a block of 777 138 Séché Environnement shares representing 9% of its share capital. Concomitantly, on May 22, 2015, CDC, Joël Séché and Amarosa terminated the shareholders' agreement concerning Séché Environnement which they had entered into on October 16, 2006. This ended the acting in concert of CDC, on the one hand, and Joël Séché and Amarosa, on the other. Following these events, Séché Environnement was informed of the following threshold crossings:

- Amarosa declared that on May 21, 2015, it crossed above the statutory thresholds of 23% and 24% of the share capital and 20% and 21% of the voting rights of Séché Environnement, and consequently holds individually, on the above basis and at the above date, 24.42% of the share capital and 21.14% of the voting rights of Séché Environnement;

- the concert sub-group consisting of Amarosa and Joël Séché declared that on May 21, 2015, it crossed above the statutory thresholds of 43% and 44% of the share capital and 52% and 53% of the voting rights of Séché Environnement, and consequently holds in concert, on the above basis and at the above date, 44.14% of the share capital and 53.51% of the voting rights of Séché Environnement, with the express proviso that the above threshold crossings do not modify the shares in the share capital and voting rights held individually by Joël Séché, which at the above date are 19.72% of the share capital and 32.36% of the voting rights of Séché Environnement;

- Caisse des Dépôts et Consignations (CDC) declared that on May 21, 2015, it crossed below each of the statutory thresholds of between 20% and 10% of the share capital and between 16% and 8% of the voting rights of Séché Environnement, and consequently holds, on the above basis and at the above date, 9% of the share capital and 7.39% of the voting rights of Séché Environnement;

- the members of the concert consisting of CDC, the Amarosa family trust and Joël Séché declared that on May 21, 2015, they crossed below each of the statutory thresholds declared in concert of between 62% and 54% of the share capital and between 68% and 61% of the voting rights of Séché Environnement ;

- the ending of the concert consisting of CDC, the Amarosa family trust and Joël Séché led on May 22, 2015 to crossing below each of the statutory thresholds declared in concert of between 53% and 3% of the share capital and between 59% and 3% of the voting rights of Séché Environnement.



# Share ownership and corporate governance



Without prejudice to the termination of the shareholders' agreement or to the ending of their action in concert, Joël Séché and Amarosa have jointly undertaken to CDC, for a period of twelve months from completion of these transactions:

- not to announce, either alone, or jointly or in concert, any public offering of any kind concerning the stock of the Company;
- not to announce any immediate or future transfer of exclusive control or loss of exclusive control of the Company, within the framework of any operation or operations that might affect directly or indirectly the share capital of the Company, especially any contribution of Company shares to any public offering of any kind which might be initiated on the stock of the Company, with the exception that such a transfer may be effected to the benefit of descendants of Joël Séché, provided that the latter undertake to observe the present commitments for the duration remaining at the date of such transfer;
- not to vote in favor of any normal course issuer bid (NCIB) initiated by the Company, with the exception that Joël Séché and Amarosa may nevertheless vote in favor of any new share buyback program of the Company provided that no such a program is implemented by recourse to a public offering.

In the event of force majeure (here understood as the death of Joël Séché) the commitments described above would be terminated early, six months after the event in question, without however exceeding the above-mentioned period of twelve months from the date of completion.

## Threshold crossing of June 17, 2015

On June 17, 2015, Séché Environnement cancelled 777 138 of its own shares, representing 9% of its share capital, by means of a reduction in its share capital. Consequently, Séché Environnement was informed on June 22, 2015, of the following threshold crossings:

- Joël Séché declared that on June 17, 2015, he crossed above the statutory thresholds of 20% and 21% of the share capital and 33% and 34% of the voting rights of Séché Environnement, and consequently holds individually, on the above basis and at the above date, 21.67% of the share capital and 34.94% of the voting rights of Séché Environnement;
- Amarosa declared that on June 17, 2015, it crossed above the statutory thresholds of 25% and 26% of the share capital and 22% of the voting rights of Séché Environnement, and consequently holds individually, on the above basis and at the above date, 26.84% of the share capital and 22.83% of the voting rights of Séché Environnement;
- the members of the concert consisting of Amarosa and Joël Séché declared that on June 17, 2015, they crossed above the statutory thresholds of 45%, 46%, 47% and

48% of the share capital and 54%, 55%, 56% et 57% of the voting rights of Séché Environnement, and consequently hold in concert, on the above basis and at the above date, 48.50% of the share capital and 57.77% of the voting rights of Séché Environnement.

## Threshold crossing of November 6, 2015

On November 5, 2015, in a block transaction conducted privately outside the stock market, Société Civile Amarosa acquired from M. Jean Geissler 25 100 Séché Environnement shares representing 0.319% of the Company's share capital. Consequently, Séché Environnement was informed on November 6, 2015, of the following threshold crossings:

- Société Civile Amarosa declared that on November 5, 2015, it crossed above the statutory thresholds of 27% of the share capital and 23% of the voting rights of Séché Environnement, and consequently holds individually, on the above basis and at the above date, 27.17% of the share capital and 23.05% of the voting rights of Séché Environnement;
- the members of the concert sub-group consisting of Amarosa and Joël Séché did not cross any statutory threshold of share capital or voting rights of Séché Environnement which they hold in concert.

## 2.1.3 Employee share ownership

A Group savings plan was established in 2007 in accordance with the stated aim of Séché Environnement to give all Group employees access to this type of savings regime.

At December 31, 2015, Séché Group employees held 35 850 Séché Environnement shares via the FCPE Séché Croissance fund. These holdings account for 0.46% of the capital and 0.37% of the voting rights.

At December 31, 2014, Séché Group employees held 33 950 Séché Environnement shares via the FCPE Séché Croissance fund. These holdings accounted for 0.39% of the capital and 0.37% of the voting rights.

At December 31, 2013, Séché Group employee share ownership accounted for 33 950 Séché Environnement shares (0.39% of the capital and 0.31% of the voting rights).

## 2.1.4 Transactions carried out on Company shares by senior officers, associated persons and their relatives

In 2015, no Director in office carried out any transactions totaling more than EUR 5 000 on Company shares.

## 2.1.5 Changes in share ownership over the past three years

Situation at Dec. 31	2013	2014	2015
Joël Séché family <sup>1</sup>	42.1%	42.1%	48.9%
CDC Group/FSI	20.0%	20.0%	9.9%
Free float	36.8%	36.7%	40.0%
Treasury stock	0.7%	0.8%	0,7%
Employees' stock	0.4%	0.4%	0.5%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

1: Joël Séché and the Amarosa family trust (majority controlled by Joël Séché).

## 2.1.6 Shareholders' agreements

There are no agreements between shareholders of the Company; a pact binding Caisse des Dépôts et Consignations, CDC Entreprises Valeurs Moyennes, Joël Séché and the Amarosa family trust was terminated on May 22, 2015.

## 2.1.7 Authorizations to increase or decrease the share capital

In compliance with article L.225-100 of the French Commercial Code, the table below summarizes the currently valid authorizations granted by the Annual General Meeting to the Board of Directors:

AGM	Resolution	Subject	Duration of authorization and expiry date	Limitation or maximum nominal amount
April 28, 2015	16 <sup>th</sup>	Capital increase by incorporation of reserves, profits or bonuses	26 months June 27, 2017	EUR 172 697
April 28, 2015	15 <sup>th</sup>	Reduction of capital by share cancellation	18 months October 28, 2016	10% of share capital
April 25, 2014	10 <sup>th</sup>	Issuance of stocks or marketable securities with preferential subscription rights	26 months June 25, 2016	EUR 95 289 <sup>1</sup>
April 25, 2014	11 <sup>th</sup>	Issuance of stocks or marketable securities without preferential subscription rights	26 months June 25, 2016	EUR 95 289 <sup>1</sup>
April 25, 2014	12 <sup>th</sup>	Issuance of stocks or marketable securities to remunerate contributions in kind	26 months June 25, 2016	10% of share capital
April 25, 2014	14 <sup>th</sup>	Capital increase reserved for Group employees	26 months June 25, 2016	EUR 51 809 <sup>1</sup>

1: These amounts are deducted from the maximum overall nominal amount of EUR 457 800 set forth by the 16th resolution of the Annual General Meeting of April 25, 2014.

At the time of writing this management report, the Board of Directors had not made use of any of the above-mentioned authorizations, with the exception of:

- the authorization to reduce its capital by share cancellation, the Company having canceled 777 138 of its own shares on June 17, 2015, corresponding to 9% of the share capital. The Company came into ownership of these

shares as a result of the acquisition from CDC on May 21, 2015, as part of the share buyback program authorized by the AGM of April 28, 2015;

- the authorization to repurchase its own shares. This transaction is described in the present report, in the paragraph covering the Company's buyback transactions.



## 2.1.8 Information on stock option plans

The Extraordinary General Meeting of the Company held on April 25, 2015, in passing its 13th resolution, delegated the necessary powers to the Board of Directors for a period of 38 months, in compliance with articles L.225-177 et seq. of the French Commercial Code, to grant options to salaried employees, senior officers and Directors, as authorized by the Commercial Code, entitling them to subscribe for new shares in the Company, provided that the total number of such options attributed, still open but not yet exercised, should not give entitlement to subscribe for more shares than the number authorized by law, and within the maximum limit of EUR 457 800 set by the 16th resolution of the same Extraordinary General Meeting. This resolution also brought to an end with immediate effect the previous authorization granted by the Annual General Meeting of June 8, 2012, in its 12th resolution.

At the date of writing the present management report, the Board of Directors had not made use of the above-mentioned authorization, and no such stock options had been granted.

## 2.1.9 Information on the awarding of free shares

The Extraordinary General Meeting of April 25, 2014, in passing its 15th resolution, delegated the necessary powers to the Board of Directors for a period of 38 months, in compliance with articles L.225-197-1 and L.225-197-2 of the French Commercial Code, to award existing shares,

or shares to be issued in the future, to Directors and certain salaried employees, free of charge, up to a limit of 2% of the Company's share capital. This resolution brought to an end with immediate effect the previous authorization granted by the Annual General Meeting of May 12, 2011 in its 10th resolution.

At the date of writing the present management report, the Board of Directors had not made use of the authorization described above.

## 2.1.10 Share buybacks

The Annual General Meeting held on April 28, 2015, in passing its 14th resolution, delegated the necessary powers to the Board of Directors, in compliance with article L.225-209 et seq. of the French Commercial Code, and European Commission Regulation No. 2273/2003 dated December 22, 2003 implementing Directive 2003/6/EC of January 28, 2003, and articles 241-1 to 241-6 of the General Regulations of the Autorité des Marchés Financiers, to repurchase the Company's own shares on the stock market or over the counter, within the limit of 10% of shares representing its share capital. This authorization was granted for a period of 18 months.

This resolution terminated the previous authorization granted by the Annual General Meeting of April 25, 2014 under the same terms, the use of which was reported to you at the last Annual General Meeting.

In accordance with the provisions of article L.225-209, paragraph 2 of Law No. 2006-842 dated July 26, 2006, the Board of Directors hereby reports the use of this authorization for the period beginning April 28, 2015 and ending December 31, 2015:

Number of shares purchased, sold or transferred since the start of the program	783 570
Percentage of shares held directly or indirectly as treasury stock	0.75%
Number of shares canceled over the last 24 months	777 138
Number of shares held in portfolio	59 064
Net book value of portfolio (in EUR)	1 760 104
Market value of portfolio at December 31, 2015 (in EUR)	1 712 856

Should the Board of Directors decide to implement the entire share buyback program (excluding shares already acquired at December 31, 2015), it would proceed in compliance with stock market regulations in force.

The theoretical impact of the proposed program on the financial statements of Séché Environnement was measured for information purposes, based on the following assumptions:

- cancellation of 1% of the weighted number of shares in circulation, i.e. 82 238 shares;
- an average repurchase price of EUR 26.23 per share, which represents the average closing price observed from February 1 through 4, 2016, i.e. a total of EUR 2.2 million for the repurchase of 1% of the share capital;
- a cost of financing this buyback program of 3.86% before taxes.

Based on these assumptions, the impact of the share buyback program on the 2015 consolidated financial statements as presented in this management report would have been as follows:

	<b>Basis: consolidated financial statements as reported at Dec. 31, 2015 <sup>1</sup></b>	<b>Repurchase of 1% of capital and cancellation (excluding impact of provisions)</b>	<b>Restated data after repurchase and cancellation of 1% of capital (excluding impact of provisions)</b>	<b>Impact of buyback (in %)</b>
Shareholders' equity (Group share) (K€)	244 014	(2 157)	241 857	(0.9)%
Shareholders' equity (all consolidated entities) (K€)	243 726	(2 157)	241 569	(0.9)%
Net financial debt (K€) <sup>2</sup>	290 437	2 157	292 594	0.7%
Net income (Group share) (K€)	16 822	(55)	16 767	(0.3)%
Average weighted number of shares in circulation	8 224	(82)	8 142	(1.0)%
Net earnings per share (€)	2.05	(0.01)	2.06	0.7%
Average weighted number of shares in circulation, adjusted for dilutive instruments effect	8 224	(82)	8 142	(1.0)%
Net diluted earnings per share (€)	2.05	(0.01)	2.06	0.7%

1: After closure of the accounts by the Board of Directors' meeting held on February 29, 2015, and subject to their approval by the Annual General Meeting of April 28, 2016.

2: Financial debt net of cash and cash equivalents.

### 2.1.11 Shares used as collateral

Séché Environnement shares, as is the case for all shares of subsidiaries of the Séché Group, are not used as collateral.

### 2.1.12 Shares not representative of capital

Séché Environnement has not issued any founders' shares or voting rights certificates.





## 2.2 Séché Environnement on the stock market

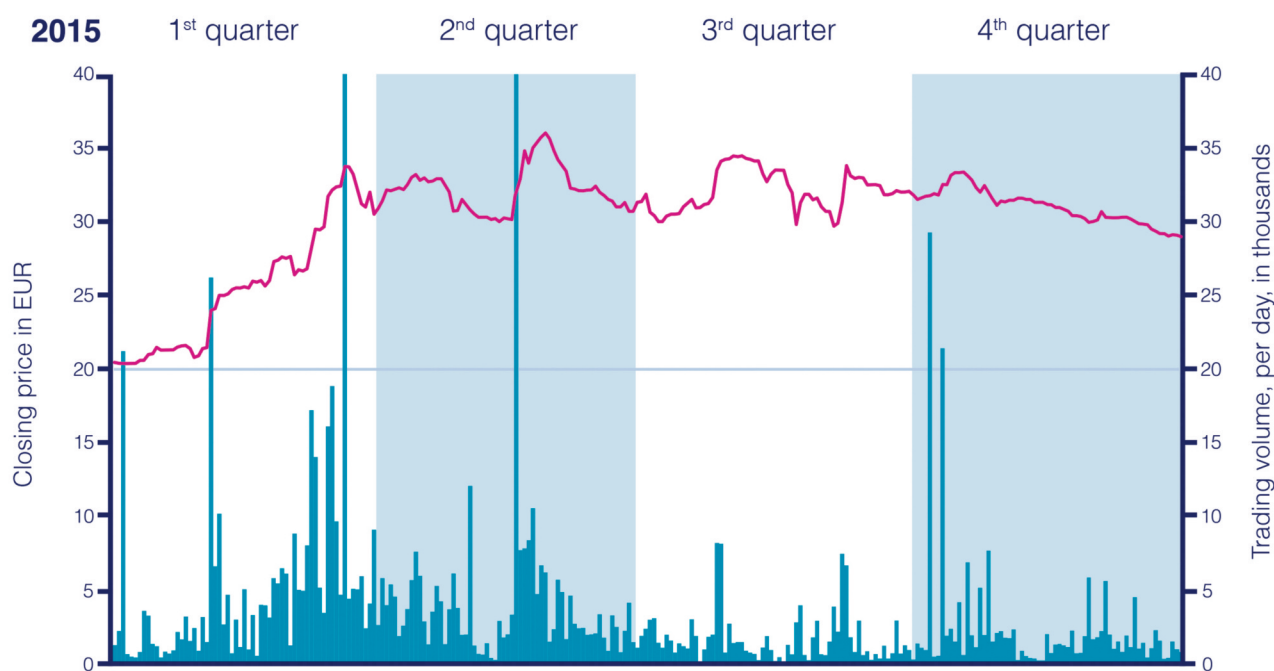
The shares of Séché Environnement are listed on the Eurolist (Compartment B - mid-100 index) and are not listed on any other stock exchange. Trends in the share price and trading volumes are shown in the table below:

€					
2015	Low	High	Closing price	Number of shares traded	Value in M€
Month					
January	19.91	21.70	20.90	51 996	1.08
February	20.80	27.91	37.60	99 307	2.47
March	25.41	34.00	30.50	203 255	6.26
April	30.21	33.48	30.75	82 708	2.67
May	30.00	35.74	35.74	1 037 506	31 491.21
June	29.15	36.00	30.70	61 699	2.02
July	30.00	35.00	34.25	52 432	1.68
August	29.50	34.45	31.60	26 750	0.87
September	29.50	34.21	32.05	40 202	1.28
October	31.12	33.60	31.40	97 318	3.13
November	29.95	31.73	29.95	28 785	0.89
December	28.51	31.15	29.00	36 934	1.11

### Extremes and totals in 2015

	19,91	36,00		1 818 892	31 514.67
2016	Low	High	Closing price	Number of shares traded	Value in €
January	24.20	29.40	24,50	41 330	1.09

### Changes in share price and volumes traded



**Eurolist Paris by NYSE Euronext (Compartment B)**

Sale of 949 835 shares by CDC in May 2015



## 2.3 Composition of the Board of Directors

At December 31, 2015, the Board of Directors of Séché Environnement SA consisted of the following members:

		Date first appointed	Date of AGM at which reappointed	Reappointed until AGM of
<b>Chairman and Chief Executive Officer</b>	Joël Séché	October 19, 1981	April 28, 2015	2018
<b>Directors</b>	Jean-Pierre Vallée	November 29, 1993	April 28, 2015	2018
	Philippe Valletoux	May 11, 2007	June 7, 2013	2016
	Pascale Amenc-Antoni	April 28, 2015		2018
	Carine Salvy	April 28, 2015		2018
	Groupe Séché, represented by Maxime Séché	Dec. 1, 2015		2018
	Pierre-Henri Chappaz	April 28, 2015		2018
	Guillaume Cadiou	April 28, 2015		2018

The Board of Directors, after having received the opinion of the Nominations Committee, considered on February 29, 2016, that four Directors possessed the status of independent Directors: Pascale Amenc-Antoni, Carine Salvy, Guillaume Cadiou and Philippe Valletoux.

## 2.4 Information on Directors

### 2.4.1 Joël Séché

**Business address:**

Les Hêtres - CS20020 – 53811 Changé Cedex 09

**Mandates and functions held:**

Positions held at December 31, 2015		Positions relinquished in the last 5 financial years	
Séché Éco-services SAS	Chairman	HIME	Chairman until May 27, 2012
Séché Transport SAS	Chairman	Saur	Chairman until May 27, 2012
Séché Éco-industries SAS	Chairman	HIME	Member of the Supervisory Board until July 2013
Séché Alliance SAS	Chairman		
Trédi SA	Director		
SCI La Croix des Landes	Manager		
SCI Les Chênes secs	Manager		
SCI Mézerolles	Manager		
SCI La Montre	Manager		
SCI de La Censie	Manager		
SCI Saint-Kiriéc	Manager		
SCI La Perrée	Manager		
SC Amarosa	Manager		
Altamir Amboise SCA	Chairman of the Supervisory Board		

The companies of which Joël Séché is or has been a Director are all unlisted.



# Share ownership and corporate governance



## Professional career:

Joël Séché grew up in a family of entrepreneurs in the French département of the Mayenne, and set up his first company at the age of 20. After beginnings in the freight business, he took over his family's building business which employed a dozen or so people, and led it to a sector which was already beginning to show great promise in the 1980s: waste treatment. Always ahead of his time, he built the business up around two key values: careful integration into the environment, and emphasis on the human factor. He was the first entrepreneur in his field to achieve ISO 14001 certification for the quality of his environmental management.

To raise funds to finance its growth, Séché Environnement went public on the Paris stock exchange in 1997, and took control of Alcor in 2001 and Trédi in 2002. The Group has now attained international multi-skill status for the treatment of all types of waste, as well as materials and energy recovery. Today, with its 1 800-strong workforce, Séché Environnement is a major player in the waste management industry.

Joël Séché is French and is 61 years old.

## 2.4.2 Pascale Amenc-Antoni

### Business address:

1 chemin de la Thomassine - 04100 Manosque

### Mandates and functions held:

Positions held at December 31, 2015		Positions relinquished in the last 5 financial years	
Energymed	Managing Editor	Comia	Managing Director until June 30, 2013
		ITER (international organization)	Special advisor to the Director General until Dec. 31, 2010

The companies of which Pascale Amenc-Antoni is or has been a Director are all unlisted.

### Professional career:

A graduate of Paris-Assas and Sciences Po, Paris, Pascale Amenc-Antoni began her career as a journalist specializing in the oil and gas sector, from 1973 to 1982. She then joined the state-run Alternative Energies and Atomic Energy Commission, where from 1983 to 2006 she was in charge of, in turn, press relations, communications, human resources, the private office of the Director General, the Cadarache research center and ITER France. She is the founding President of Capenergies,

the competitiveness cluster researching non-GHG-producing energy sources. From 2006 to 2010, she was Administrative Director, then Special Advisor to the Director General of ITER. From 2011 to 2013, she was Managing Director of COMIA, a joint venture between Mitsubishi Heavy Industries (MHI) and Comex Nucléaire. In January 2011, she founded the publication Energymed, which she continues to edit and manage.

Pascale Amenc-Antoni is French and is 65 years old.

## 2.4.3 Carine Salvy

### Business address:

75 chemin des Coverays -74400 Chamonix-Mont-Blanc

### Mandates and functions held:

Positions held at December 31, 2015		Positions relinquished in the last 5 financial years	
PSB Industries SA	Director	Direct Énergie SA	Director until April 2014
TIGF Investissements SAS	Director	Eras SAS	Director until May 2014
NSC Groupe SA	Director		

The companies of which Carine Salvy is or has been a Director are all unlisted, except for TIGF Investissements and Eras.

**Professional career:**

After gaining degrees at ESSEC, CFA Institute and IFA, Carine Salvy began her career as a financial analyst in the utilities sector at Paribas, in Sao Paulo and New York, and later at Lazard and Société Générale in London. From 2005 to 2010 she was a portfolio manager at Ecofin, an investment management company specializing in the energy, environmental and infrastructure sectors. Since 2010, she has been

an independent consultant in strategy, finance and governance, advising on problems of business management, investment valuation and international development. She was appointed Managing Director of Poweo in 2012, and led the merger which absorbed Direct Energie to create the third-largest alternative energy operator in France.

Carine Salvy is French and is 40 years old.

## 2.4.4 Pierre-Henri Chappaz

**Business address:**

23 bis avenue de Messine - 75008 Paris

**Mandates and functions held:**

Positions held at December 31, 2015	Positions relinquished in the last 5 financial years
Rothschild & Cie (SCA) <span style="float: right;">Manager</span>	

The companies of which Pierre-Henri Chappaz is or has been a Director are all unlisted.

**Professional career:**

Pierre-Henri Chappaz graduated from the French business school ESSEC's "Grande Ecole" program in 2003, specializing in finance and law (in the "Cursus Droit" law department at ESSEC), and was recruited into the financial affairs department of Rothschild & Cie as management assistant in mergers and

acquisitions. During the same period he taught civil responsibility and criminal sociology courses in the law department of ESSEC. He was promoted to Director rank within Rothschild & Cie in 2010. He was appointed Managing Director of the Rothschild Group's Global Financial Advisory activities in 2014.

Pierre-Henri Chappaz is French and is 36 years old.

## 2.4.5 Maxime Séché

**Business address:**

CS 20020 - 53811 Changé Cedex

**Mandates and functions held:**

Positions held at December 31, 2015	Positions relinquished in the last 5 financial years
Séché Environnement SA <span style="float: right;">Deputy Chief Executive Officer (salaried)</span>	Séché Environnement SA <span style="float: right;">Director until December 1, 2015</span>
Trédi SA <span style="float: right;">Director</span>	Séché Healthcare SAS <span style="float: right;">Permanent representative of the Chairman of Séché Environnement until November 23, 2015</span>
Sénergies SAS	
Séché Énergies SAS	
Séché Développement SAS <span style="float: right;">Permanent representative of the Chairman and CEO of Séché Environnement</span>	
Sodicome SAS	

The companies of which Maxime Séché is or has been a Director are all unlisted except for Séché Environnement SA.





**Professional career:**

Armed with a “Grande Ecole program” diploma from the business school EDHEC, specializing in business creation, Maxime Séché began his career in the financial sector, first at Société Générale in Paris and London as an analyst in the utilities sector, and later in the investment capital department of Paris Orléans.

He then gained entrepreneurial experience as co-founder of L14, an investment fund dedicated to renewable energies, and of BlueNRGY, an American software and services company serving the renewable energies sector. He has been Director of Strategy at Séché Environnement since 2012.

Maxime Séché is French and is 31 years old.

## 2.4.6 Guillaume Cadiou

**Business address:**

Calderys - 19 place de la Résistance - 92446 Issy-les-Moulineaux

**Mandates and functions held:**

Guillaume Cadiou holds no mandate or function other than that of Director of Séché Environnement.

**Professional career:**

After gaining diplomas from the Ecole Polytechnique, the Ecole Nationale des Ponts et Chaussées and the Collège des Ingénieurs, Guillaume Cadiou began his career as Deputy Head of the European Union finance and policy bureau at the budget department of the French Ministry of the Economy, from 2003 to 2006. From 2006 to 2008 was chargé de mission

to the Director of Finance and Strategy at Caisse des Dépôts et Consignations (CDC). From 2008 to 2010 he was Deputy Director of the Prime Minister’s private office in charge of implementing the economic resurgence plan. In 2011 he became Director of Strategy and Development of the Imerys Group.

Guillaume Cadiou is French and is 37 years old.

## 2.4.7 Jean-Pierre Vallée

**Business address:**

3 allée Cassard - 44000 Nantes

**Mandates and functions held:**

Positions held at December 31, 2015	Positions relinquished in the last 5 financial years	
	BCB Rennes (a subsidiary of Lafarge Group)	Director until January 29, 2010
	Simat (a subsidiary of Saint-Gobain Group)	Director until January 31, 2010
	Letulle Brevets et Modèles (a subsidiary of Saint-Gobain Group)	Director until January 31, 2010

The companies of which Jean-Pierre Vallée is or has been a Director are all unlisted.

**Professional career:**

Jean-Pierre Vallée is a graduate of ICG (“Gustave Eiffel” class) and holds a diploma from the Institut Français des Administrateurs (IFA). From 1996 to 2000 he held responsibilities in the Potier Group and at Saint-Gobain, from 1996 to 2000, where he

was successively branch manager, Regional Director and National Director in the areas of ready-mix concrete and industrial fabrications. From 2000 to 2010 he was in charge of external development and operations in the same group.

Jean-Pierre Vallée is French and is 63 years old.

## 2.4.8 Philippe Valletoux

### Business address:

28 boulevard Raspail - 75007 Paris

### Mandates and functions held:

Positions held at December 31, 2015		Positions relinquished in the last 5 financial years	
Société du parc du Futuroscope (SA)	Member of the Supervisory Board	Dexia Crédit Local	Vice-Chairman of the Management Committee until September 30, 2009
		FLORAL	Chairman and Chief Executive Officer until October 15, 2009
		DEXIA Sofaxis	Director until December 4, 2009
		DEXIA Public Finance Switzerland	Director until April 28, 2009
		HIME SAS	Member of the Supervisory Board until June 25, 2012

The companies of which Philippe Valletoux is or has been a Director are all unlisted, except Dexia Crédit Local.

### Professional career:

Philippe Valletoux has successively held responsibilities in the French central commission on new towns, the Ministry of the Interior, and Caisse des Dépôts et Consignations (CDC) where he was in charge of research into local development. From 1995 to 2009 he was President of Floral (bond issues for local

authorities). Previously, in 1987 he had managed the local authority finance activity at Crédit Local de France, where he was also advisor to the President. In 2000 he became Vice-President of the Management Committee of Dexia Crédit Local, until 2009.

Philippe Valletoux is French and is 72 years old.

## 2.5 Remuneration and benefits of senior officers and Directors of Séché Environnement

On December 2, 2008, the Board of Directors of the Séché Environnement Group unanimously adopted the MEDEF and AFEP recommendations regarding the remuneration of senior officers of the Company. These recommendations concern the prohibition of holding a work contract concurrently with a mandate as Director or senior officer, the banning of golden parachutes, reinforcement of the supervision of supplementary pension plans, the granting of stock options connected to the policy of encouraging participation in the company's share capital, and improvement of transparency in connection with the components of senior officers' remuneration.

### 2.5.1 Remuneration of Directors and senior officers

The only senior officer being also a Director is Joël Séché (Chairman and Chief Executive Officer). Joël Séché is paid for his role as Chairman and Chief Executive Officer by Séché Environnement SA. He receives no remuneration from any subsidiary of the Group.

There is no contractual commitment for the payment of any particular indemnities or benefits in the event of cessation or change of position. No stock options or performance shares were granted to senior officers.

Regarding retirement pensions, the senior officer benefits from a supplementary pension plan, with defined contributions. This is a funded pension plan based on 5% of the annual salary received, within the limit of tranche B of the annual social security ceiling.

€	2013	2014	2015
<b>Remuneration, options and shares allocated to Joël Séché</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Remuneration due for the financial year (details below)	426 062	426 062	426 062
Value of options allocated during the period	-	-	-
Value of performance shares allocated during the period	-	-	-
<b>TOTAL</b>	<b>426 062</b>	<b>426 062</b>	<b>426 062</b>



€						
Remuneration summary, Joël Séché	Due	2013 Paid	Due	2014 Paid	Due	2015 Paid
Fixed remuneration	400 000	400 000	400 000	400 000	400 000	400 000
Variable remuneration	-	-	-	-	-	-
Exceptional remuneration	-	-	-	-	-	-
Benefits in kind <sup>1</sup>	14 062	14 062	14 062	14 062	14 062	14 062
Directors' fees	12 000	12 000	12 000	12 000	12 000	12 000
<b>TOTAL</b>	<b>426 062</b>	<b>426 062</b>	<b>426 062</b>	<b>426 062</b>	<b>426 062</b>	<b>426 062</b>

1: Use of company cars.

## 2.5.2 Remuneration of senior officers who are not Directors

Deputy Chief Executive Officer. In 2014, the breakdown of his remuneration is as follows:

Maxime Séché, as a senior officer who does not hold a mandate from the Company, is paid a salary for his role as

€			
Remuneration, options and shares allocated to Maxime Séché as Deputy Chief Executive Officer	2013	2014	2015
Remuneration due for the financial year (details below)	-	-	180 832
Value of options allocated during the period	-	-	-
Value of performance shares allocated during the period	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>180 832</b>

€						
Remuneration summary, Maxime Séché	Due	2013 Paid	Due	2014 Paid	Due	2015 Paid
Fixed remuneration	-	-	-	-	-	-
Variable remuneration <sup>1</sup>	-	-	-	-	5 572	5 572
Exceptional remuneration	-	-	-	-	-	-
Benefits in kind <sup>2</sup>	-	-	-	-	13 467	13 467
Directors' fees	-	-	-	-	10 000	10 000
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180 832</b>	<b>180 832</b>

1: Sums paid under profit sharing arrangements.

2: Use of company cars.

## 2.5.3 Remuneration of Directors

The only remuneration of Directors consists of Directors' fees. None of the Company's Directors received any remuneration or benefits of any kind from any of the

companies controlled by the Company. No stock options were granted to Directors or senior officers. Furthermore, no loans or guarantees were granted in favor of any members of the Board of Directors.

€			
Table of Directors' fees	2013	2014	2015
Joël Séché	12 000	12 000	12 000
CDC/FSI	10 500	7 200	8 000
Dominique Cyrot	10 500	12 000	2 000
Guillaume Cadiou	-	-	10 000
Pierre-Henri Chappaz	-	-	10 000
Carine Salvy	-	-	8 000
Pascale Amenc-Antoni	-	-	10 000
Maxime Séché	-	-	10 000
Jean-Pierre Vallée	12 000	12 000	12 000
Philippe Valletoux	12 000	12 000	12 000
<b>TOTAL</b>	<b>57 000</b>	<b>55 200</b>	<b>94 000</b>

## 2.5.4 Conflicts of interest

To the knowledge of Séché Environnement, no Director presents any conflict between his or her interests in Séché Environnement (as a result of his or her mandate from the company) and his or her personal interests. Moreover, no Director over the past five fiscal years:

- was convicted of fraud, incriminated and/or publicly sanctioned by the statutory or regulatory authorities;
- was involved, as a member of a Board of Directors or Supervisory Board, or as a general partner, founder or chief executive, in a bankruptcy or receivership;
- was involved, as a member of a Board of Directors or Supervisory Board, or as a general partner, founder or chief executive in a liquidation;
- was prohibited by a court from serving as a member of an administrative, executive or supervisory body of an issuer, or from taking part in the management or conduct of an issuer's affairs.

The Company has entered into no commitments to its Directors or senior officers which are due, or liable to come due, as a result of the assumption, termination or modification of their functions, or in the wake of such an event.

## 2.6 Appropriation and distribution of earnings

### 2.6.1 Proposed appropriation of earnings

In the resolutions submitted for their approval, shareholders are asked to approve the financial statements for 2015, and after noting the recognition of net income of EUR 27 300 155.42, to approve the following appropriation and distribution of earnings proposed by the Board of Directors:

- allocation of EUR 6 037 016.62 from the other reserves account (of which the balance will thus become zero) to the retained earnings account;

- allocation of EUR 10 908 302.32 from the non-distributable reserves account (of which the balance will thus become zero) to the retained earnings account;
- allocation of EUR 5 835 748.02 from the retained earnings account (in deficit) to the share premium account (of which the balance will thus become EUR 77 321 509.73)
- allocation of EUR 27 300 155.42 to the retained earnings account (of which the balance will thus become EUR 7 464 845.40);
- distribution of EUR 7 464 845.40 from the retained earnings account (of which the balance will thus become zero).

The dividend payment to be distributed for the year would therefore be set at EUR 0.95 per share. This dividend, deducted from the net income of the year, entitles French-resident individual shareholders to a 40% personal income tax reduction (i.e. EUR 0.38 per share). The dividend would be paid out on or after June 15, 2016.

### 2.6.2 Dividends

#### 2.6.2.1 Payment of dividends

Dividends are paid annually at the time and places stipulated by the Annual General Meeting, in the nine months following the close of the previous fiscal year.

No recovery of dividends can be demanded from shareholders, except in the event of the distribution of fictitious dividends or fixed or interim interest, which are prohibited by law.

Dividends remaining unclaimed within five years of their allocation for payment are transferred to the State.

#### 2.6.2.2 Dividends paid over the past three fiscal years

In conformity with the provisions of article 243 bis of the French Tax Code, we present below the dividends per share paid out for the past three fiscal years and the corresponding personal income tax reductions.

Fiscal year	Dividend	Personal income tax reduction
2013	EUR 0.95	-
2014	EUR 0.95	-
2015	EUR 0.95	-



### 2.7 Regulated agreements

Declaration is hereby made, in application of article L.225-101-1 of the French Commercial Code, that the following regulated agreements were made during the year:

On May 2015, the Board of Directors of your Company, after having deliberated on the subject, and in unanimity of its members present and represented, in accordance with the procedure set out in articles L.225-38 et seq. of the French Commercial Code, authorized:

- a share buyback operation consisting in the repurchase of 777 138 of its own shares, currently owned by Caisse des Dépôts et Consignations, by acquiring privately

outside the stock market a block of shares priced at EUR 30.14 per share, with a view to cancellation of the repurchased shares in the framework of the share buyback program authorized by the 14th and 15th resolutions of the Annual General Meeting held on April 28, 2015;

- and its financing, mainly by drawing on the credit line put in place for acquisitions and investments as defined in the credit agreement signed by the Company on May 12, 2015 for a maximum amount of EUR 23 million.

This operation was carried out on May 22, 2015.



## 2.8 Report of the Statutory Auditors, prepared in accordance with article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Board of Directors of Séché Environnement SA

### Year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditors of Séché Environnement SA and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your Company in accordance with article L. 225-37 of the French Commercial Code for the financial year ended December 31, 2015.

The Chairman is responsible for preparing and submitting to the approval of the Board of Directors a report presenting the internal control and risk management procedures implemented by the Company, and disclosing other information as required by article L. 225-37 of the French Commercial Code dealing in particular with corporate governance.

Our responsibility is to:

- notify you of any observations we may have as to the information contained in the Chairman's report and relating to the Company's internal control and risk management procedures with respect to the preparation and processing of financial and accounting information; and
- attest that the report includes the other disclosures required by article L. 225-37 of the French Commercial Code. It should be noted that we are not responsible for verifying the fair presentation of those other disclosures.

We performed our work in accordance with the professional standards applicable in France.

### Information relating to the Company's internal control and risk management procedures with respect to the preparation and processing of financial and accounting information

Our professional standards require the implementation of procedures designed to assess the fair presentation of the information contained in the Chairman's report and relating to the Company's internal control and risk management procedures with respect to the preparation and processing of financial and accounting information. These procedures involve in particular:

- gaining an understanding of the internal control and risk management procedures with respect to the preparation and processing of financial and accounting information presented in the Chairman's report, and of the related documentation;
- gaining an understanding of the work performed as a basis for preparing that information and the existing documentation;
- determining whether any major internal control weaknesses with respect to the preparation and processing of financial and accounting information identified by us in the course of our engagement have been appropriately disclosed in the Chairman's report.

Based on the procedures performed, we have nothing to report on the information relating to the Company's internal control and risk management procedures with respect to the preparation and processing of financial and accounting information contained in the report of the Chairman of the Board of Directors prepared in accordance with article L. 225-37 of the French Commercial Code.

### Other disclosures

We hereby attest that the report of the Chairman of the Board of Directors includes the other disclosures required by article L. 225-37 of the French Commercial Code.

Rennes, March 2, 2016  
 KPMG Audit  
 A department of KPMG SA  
 Franck Noël  
 Partner

Laval, March 2, 2016  
 RSM Ouest Audit  
 Jean-Claude Bonneau  
 Partner



# Share ownership and corporate governance



# 3 Corporate HR, environmental and social responsibility data



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## 3.1 Principles of reporting methodology <sup>1</sup>

### 3.1.1 Data collection scope

#### 3.1.1.1 Definition of data

##### collection scope

Séché Environnement has been listed on Euronext Paris since 1997 and therefore has published since 2002 consolidated HR and environmental indicators according to the stipulations of article 116 of the French Commercial Code, and from 2012 onward HR, environmental and societal indicators as required by article 225 of Law no. 2010-788 dated July 12, 2010 on the national commitment to the environment.

Almost all the Group's subsidiaries in France operate on classified sites requiring compulsory authorizations in order to operate. Since their activities are consolidated into the overall reporting of Séché Environnement, information on individual sites is not provided.

The consolidation scope consists of the parent company Séché Environnement SA and its majority-controlled French subsidiaries which were fully consolidated at December 31, 2015.

Development of the Group's activities on international markets is one of its strategic priorities. In recent years decontamination operations have been carried out in countries outside France, without the benefit of local structures, and principally with recourse to international financings (e.g. FAO or UNEP, etc.) These operations have involved waste being imported into France for treatment, after being made safe. The environmental impacts of these activities, and data on the corresponding employees, have therefore been recorded under the "France" data collection scope. The Group's permanent facilities outside France (approximately 5.1% of revenue and 4.9% of employees in 2015) have not as yet been included in the HR and environmental data consolidation scope because they are relatively insignificant, and because any attempt to consolidate them would be difficult given the different regulatory contexts compared with France. This data collection scope definition may change in future in the event that the Group's international activities are restructured.

#### 3.1.1.2 Changes in data

##### collection scope

The rules concerning movements in and out of scope are determined with reference to the scope definitions set out in the IFRS reference system and the standards IFRS 5 and IFRS 10. The consolidation scope for environmental reporting is updated every quarter in line with the consolidation for accounting purposes undertaken by

the Group's consolidation department. HR and environmental data are collected on an annual basis for the calendar year.

The scope for environmental data, unlike that for HR data, is defined for Séché Environnement as all sites classified for the protection of the environment (IPCE) operated by the Group and for which the Group holds a prefectural authorization, whether directly or via a subsidiary. This rule, based on responsibility toward the State authorities, has applied since 2013.

In the case of public service delegation (PSD) contracts (concessions), environmental data:

- are reported together with those for Séché Environnement when the subsidiary holding the concession contract is the legal entity to which prefectural authorization was granted (as is the case for Sénerval and Alcéa);
- are not consolidated when the prefectural authorizations for these sites are in the name of the local authorities concerned, as is the case for the Oléron household waste incinerator and the Scherwiller composting site operated by Séché Éco-industries.

For the same reason, customers' industrial sites on which Séché Éco-industries operates are not included in the environmental reporting scope for Séché Environnement, since they are included in the reporting scope of the companies in question which are themselves the respective holders of the prefectural authorizations.

#### Special case of Sénerval in 2014 and 2015

The Sénerval site experienced operating difficulties during 2014 and 2015 due to industrial action, which led to its being shut down for several months. Its environmental data for those years were therefore not included in the 2014 consolidation as being too intermittent to be pertinent; however, its HR data were consolidated.

Exceptionally, therefore, data on Sénerval concerning air, water, energy, greenhouse gases, waste, etc., have not been included in the Group's consolidated environmental data for the years 2014 and 2015, and data for 2013 have been restated on a restated basis excluding Sénerval to enable comparability (under the heading "2013 - restated 2014"). A reminder of 2013 data as published is given as a footnote to the relevant tables.

#### 3.1.1.3 Entities which entered the data reporting scope in 2015

The rules governing data collection scope for new entities which joined the scope in 2015 are presented in § 3.1.3.1.3. This concerns the following companies acquired or set up in 2015:

<sup>1</sup>: Reporting principles are explained in a specific, detailed note on procedures which can be obtained on request to the Sustainable Development Department of Séché Environnement, by e-mailing dd@groupe-seche.com.

■ majority shareholding, fully consolidated from 2016 onward:

- > treatment of infectious medical waste (IMW):
  - Séché Healthcare- 2 sites, in Poitou (France) and Guadeloupe;
  - Sodicome - Brittany (France)
- > Collection and sorting:
  - Moringa (Martinique, France) ;
- > Provision of intellectual services to other structures in the Group:
  - Séché Développement.

■ minority shareholding, consolidated by the equity method, not included in the data collection scope under article 225):

- > Kanay (Peru).

### 3.1.2 Reference systems used

The following HR, environmental and social responsibility data correspond to an economic vision of Séché Environnement (consolidated) as it existed in 2015 in France. It includes information concerning the environmental and societal impacts of the Group's operations, as required under article 225 of Law no. 2010-788 dated July 10, 2010, and listed in Decree no. 2012-557 dated April 24, 2012.

Concerning environmental reporting, this regulation lists generically 14 subject headings under which data are to be provided in corporate management reports. New items since the "NRE" decree of 2001 concern only aspects of climate change and the protection of biodiversity. Consequently, Séché Environnement has maintained unchanged its mode of reporting under the other 12 headings, and takes as its basis the list of indicators published in Decree no. 2002-221 dated February 20, 2002 issued in application of article L.225-102-1 of the French Commercial Code. Information concerning waste generated is given according to the requirements of the Order of April 30, 2002.

Electronic management of PRTR (European Pollutant Release and Transfer Register) has been put in place to respond to the recommendations of the European Union concerning the recording of environmental data (European Pollutant Release and Transfer Register Protocol, or E-PRTR, and Regulation 166/2006). Declarations into this database are obligatory for sites which are classified for environmental protection (ICPE) of the type operated by Séché Environnement (Order dated December 26, 2012, amending Order dated January 31, 2008, relative to annual declarations of pollutants and waste products). The criteria for data to be placed in this database may vary from one site to another according to the particularities of their prefectural authorizations, especially in relation to the specific risks or impacts of certain activities.

Concerning HR data, Decree no. 2012-557 dated April 24, 2012 explicitly adds to reporting requirements the following four aspects of the fundamental conventions of the ILO

(International Labor Organization), which must be taken account of in the reporting process:

- the right to freedom of association and the right to collective bargaining;
- the abolition of discrimination in employment and occupation;
- the abolition of forced or compulsory labor;
- the effective abolition of child labor.

As a law-abiding company operating principally in France, Séché Environnement has always applied these standards automatically. The innovations introduced by the 2012 Decree are minimal, and concern breakdowns of employee numbers by age, gender and geographical location. These breakdowns were already included in the Group's earlier annual reports, and were drafted in accordance with articles L.2323-70 and R.2323-17 of the French Labor Code relative to the HR data content of company reports.

The frames of reference used by Séché Environnement are national and/or international standards or regulations:

■ commitments and management:

- > OECD guiding principles;
- > ILO (International Labor Organization) conventions;
- > Principles of the United Nations Global Compact;
- > ISO 26000 standard on social responsibility for businesses and organizations.

■ management:

- > ISO 90001 for the certification of production quality;
- > ISO 14001 for environmental management;
- > ISO 50001 for energy management;
- > OHSAS 18001 specification for the management of occupational health and safety;
- > MASE (manual of enterprise safety improvement) certification for integrated management in chemical environments;
- > Ecocert biodiversity management system
- > Ecocert climate management system.

■ reporting:

- > Global Reporting Initiative GRI3 guidelines;
- > French Commercial Code HR data reporting guidelines;

■ E-PRTR environmental indicators;

■ the "BEGES" greenhouse gas (GHG) accounting methodology as defined by article 75 of French Law no. 2010-788, based on a specific calculation method developed for the Group by 3E - Performances and ECO<sub>2</sub> Initiative, in consistency with:

- > the Bilan Carbone® carbon accounting method initiated by the French Agency for the Environment and Energy Management (ADEME);
- > the quantification protocol for greenhouse gas emissions from waste management initiated in 2006 by a number of French operators in this sector and the association EpE (Enterprises for the Environment). This protocol aims to harmonize quantification, reporting





and verification practices for GHG emissions generated and avoided by waste treatment activities. Since its inception it has been updated several times. The most recent critical review is that carried out by the World Resource Institute (WRI) which, with the World Business Council for Sustainable Development (WBCSD), initiated the GHG Protocol, the most widely internationally recognized method for carbon accounting. The French quantification protocol was awarded a WRI label in 2013 and is recognized as an international voluntary frame of reference for carbon reporting in the waste management sector.

- “simple operational” indicators based on direct measurements, which break down into two sub-categories:
  - > standardized flows according to official measurement protocols, recognized in particular by the French authorities in the context of reports on sites classified for the protection of the environment (for example, for pollutant flows);
  - > measures adopted by the Group on its own initiative, for example the use of lichens to measure air quality, measurements of biodiversity richness, etc;
- “complex” indicators derived from calculations involving the choice of certain assumptions and perimeters, conversion factors, consolidation protocols, etc., concerning for example energy, GHGs or carbon accounting.

### 3.1.3 Principles

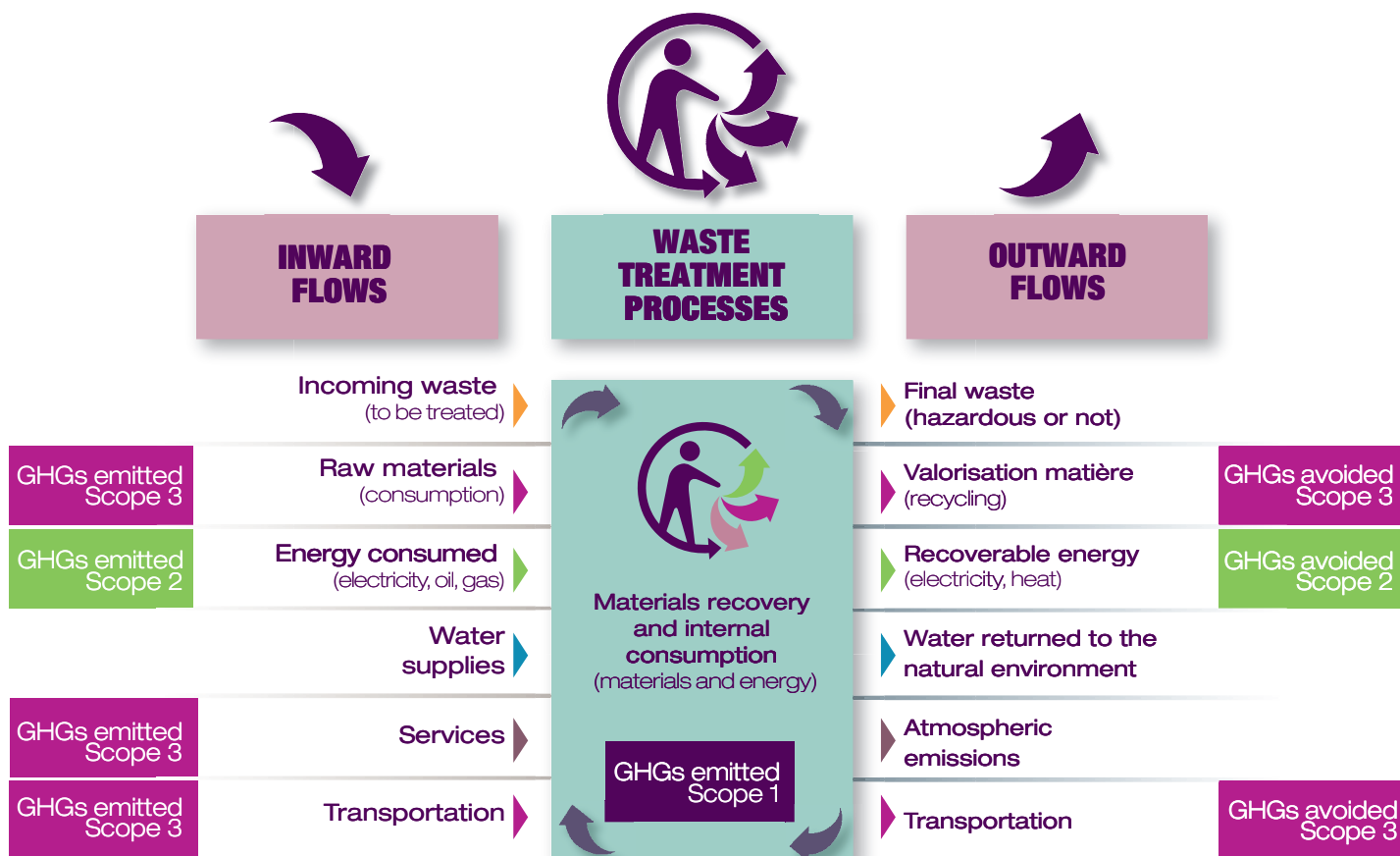
#### 3.1.3.1 Measurements

##### 3.1.3.1.1 Types of indicator

The indicators used by the Group can be categorized into three levels:

- “structural” or “stock” data from documentary sources (for example, land areas or the number of collective bargaining agreements concluded);

#### Indicators for a waste treatment site



### 3.1.3.1.2 Origin of data

The HR data presented is drawn from the Human Resources Department database according to the definitions in current use in France, in particular for the compilation of HR data reports for the legal entities required to file them. They correspond to the regulatory declarations made to various administrative bodies and welfare organizations.

The environmental data in this report are extracted from declarations (including those made electronically for the European Pollutant Emission Register) provided regularly by the Group's industrial sites to the competent government authorities (DREAL, regional health authorities, water agencies) which oversee and regulate them. These data are derived from measurements carried out either internally (self-audits) or by certified organizations.

The economic data in this report are taken from accounting information drawn up according to professional standards currently in force, and are certified by the statutory auditors. Accounting data relating to environmental aspects in the individual and consolidated financial statements of the companies concerned are presented according to Recommendation no. 2003-r02 dated October 21, 2003 of the Conseil National de la Comptabilité (French national council for accounting standards).

### 3.1.3.1.3 Consolidation methods for HR and environmental data

Consolidation of entities and sites is carried out in a manner similar to that for financial data, i.e. full consolidation by adding together elementary data for each site, for those

sites which were within the scope for the whole year.

Where entities or sites entered the scope in the course of the year:

- their environmental flow indicators (consumption, outflows, etc.) and HR indicators (training hours, remuneration distributions, etc.) are not taken into account, since data covering a period of less than 12 months are not significant;
- HR data reflecting the situation at year-end (e.g. break-down of employee numbers by age, type, job title, category, etc.) are fully consolidated.

### 3.1.3.1.4 Comparability (mainly for environmental data)

The results of these measurements have been regularly recorded for several years by means of an environmental reporting software package called Tennaxia, and are monitored both site by site and at national level. Data capture and consolidation methods correspond to the same definitions over the whole of this period.

Calculation of GHG emissions underwent a change in 2015 to comply with parameter changes in the Bilan Carbone® system in line with the 5th report of the Intergovernmental Panel on Climate Change (IPCC).

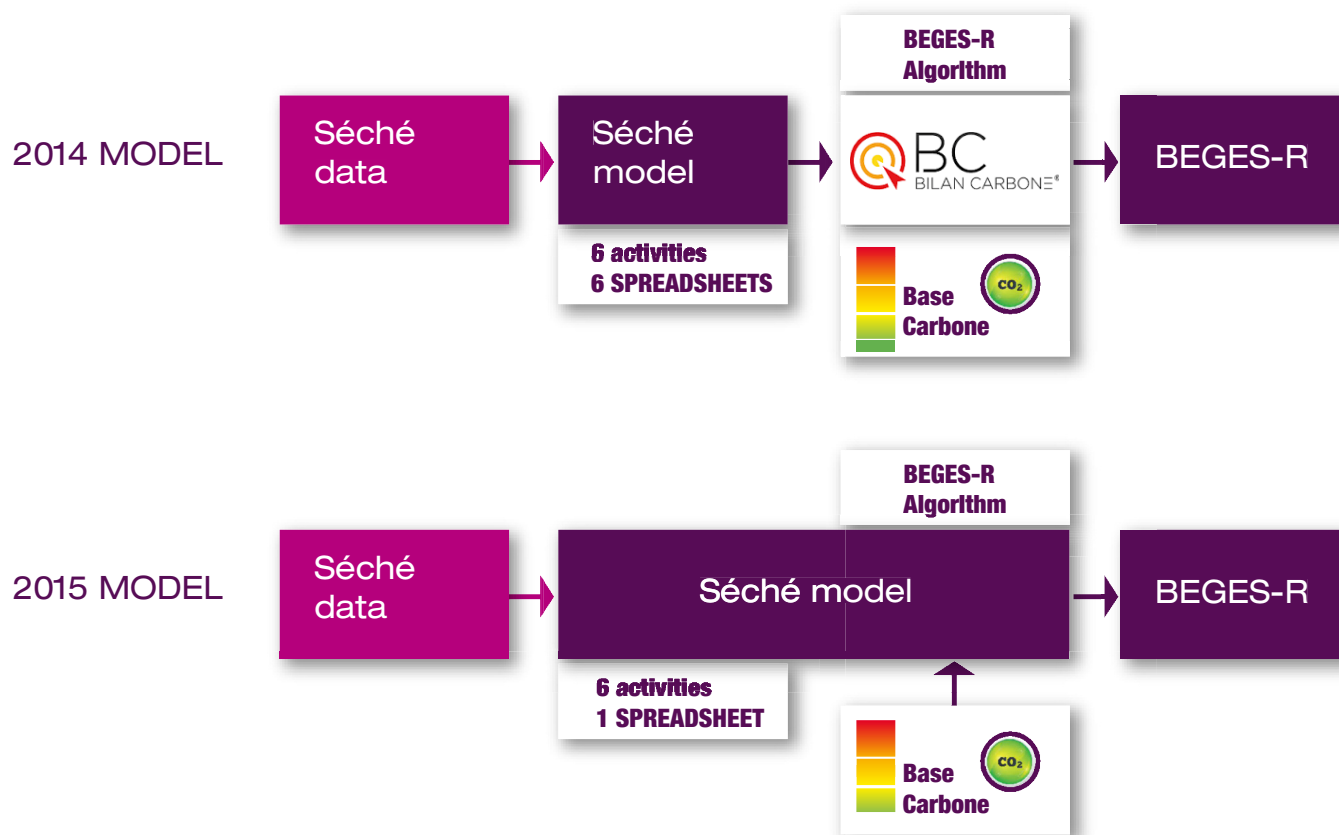
Since emission factors are regularly updated in the Base Carbone®, the priority database to be used in France for regulatory GHG emission reports in France, 3E-Performance and ECO2 Initiative have designed especially for Séché Environnement an original tool, dedicated to its needs.

## Compatibility of the Séché Environnement method with reference methods

	Regulatory method	Bilan Carbone V7®	GHG Protocol (EpE)	ISO 14064
Gases taken into account	■ ■	■ ■	■ ■	■ ■
Operational scope	■ ■	-	■ ■	■ ■
Calculation rules	■ ■	■	■	■
Emission factors	■ ■	■ ■	■ ■	■ ■
Classification of emissions	■ ■	-	■	■

Compatibility: ■ ■: perfect - ■: partial





This new development provided an opportunity to improve several aspects of the tool to optimize its operation:

- a single Excel spreadsheet including the 6 “activity” calculations, replacing 6 separate tools each including an “activity” calculation method;
- dynamic consultation of the Base Carbone® enabling it to be updated without affecting the structure of the tool. The version of Base Carbone® integrated into the 2015 model is version 11.2<sup>2</sup>;
- emissions calculation methods have been modified in the new version (version 3.d, released in September 2015<sup>3</sup>) to take account of marginal changes in regulatory methods;
- an improved method of calculating uncertainties in emissions numbers, in response to IPCC recommendations;
- calculation methods bearing solely on emissions categories 1 and 2 as defined in the regulatory method.

To ensure comparability over time, 2014 values have been recalculated with these new parameters (shown as “2014 - restated 2015”).

**Concerning emissions of contaminants into the air or water,** from 2015 on, Séché Environnement has applied in its entirety the Order dated December 26, 2012 which requires all facilities classified for the protection of the environment (IPCE) to declare all emissions into air or water of contaminants listed in Annex II of the Order in excess of the thresholds defined in it. However, data for 2015 on the release of dangerous substances into water are mandatory for certain sites. Up to 2014, Séché Environnement declared all its emissions, including those below the said thresholds.

To ensure comparability over time, 2014 values have been recalculated according to these declaration thresholds (shown as “2014 - restated 2015”).

2: <http://www.bilans-ges.ademe.fr/en/accueil/> - 3: [http://www.developpement-durable.gouv.fr/IMG/pdf/Art\\_L229-25\\_Methodologie\\_generale\\_version\\_3-d.pdf](http://www.developpement-durable.gouv.fr/IMG/pdf/Art_L229-25_Methodologie_generale_version_3-d.pdf)



### 3.1.3.1.5 Materiality

The environmental indicators considered pertinent, given the nature of the Group's activities, are those prescribed in the prefectural authorizations to operate granted to Group companies.

Certain reporting errors or inaccuracies in previous years may be detected during completion of the reporting for the current year, in particular concerning certain environmental indicators. A materiality threshold of 5% of the value of the indicator concerned is observed by default for adjustments to data from past years identified during the year under review. A commentary is provided for any corrections above this threshold.

In the particular case of the BEGES GHG emissions figure, an indicator resulting from several complex calculations, an uncertainty coefficient is applied to correct for possible errors from elementary data sources:

- 1%: data captured by means of legally controlled measurements (metrology test);
- 10%: data from invoices;
- 30%: data obtained through calculation or extrapolation;
- 80%: data which are unavailable, and therefore estimated.

Concerning biodiversity indicators, beyond the particular protected status accorded to certain areas (Natura 2000, ZNIEFF, Important Bird Areas, etc.), the Group has for several years deployed programs to monitor various species or groups of fauna on these sites, especially bird and amphibian species which are bio-indicators of air and run-off water quality. The counting protocols are derived from the participatory science work carried out by the French National Museum of Natural History in its national inventory of natural heritage (INPN) program.

### 3.1.3.2 Traceability

Numerous controls may be implemented according to need, from the data capture stage onward, to avoid keying errors and to facilitate traceability by means of a range of functionalities which manage the processes of data collection and validation of the quality of information captured in reports: controls at source, approvals, "blocking" of data, management of alerts, management of justification requests, etc.

Environmental data are approved internally by the Group's Director of Laboratories, before being included in the Group's reporting via the Tennaxia tool, and before being sent as final data to the administrative authorities under the European Pollutant Emission Register (EPER). Declarations made by operators are then approved by the appropriate inspection department for the site concerned (such as DREAL, DDASS, police authorities, water police, nuclear safety authority, etc.) These mandatory declarations under the control of the administrative authorities form the basis of the Group's environmental reporting.

### 3.1.3.3 Transparency - data audits

In compliance with the Order prescribing the detail of the audit method instituted under Law no. 2010-788, Séché Environnement appointed KPMG to carry out the audit of its HR, environmental and societal indicators presented in the present chapter of the Annual Report since 2003. From 2014 onward, KPMG verifies, to a reasonable level of assurance, certain selected indicators marked by the symbol .





## 3.2 HR data

### 3.2.1 Employment policy

Employment policy is based principally on:

- stable employment and fostering employee loyalty;
- respect for diversity;
- safety in the workplace;
- continuing education;
- time management.

### 3.2.2 Employment structure

#### 3.2.2.1 Worldwide headcount

December 31	2013	2014	2015
Séché Environnement (parent company)	28	27	26
Fully consolidated French subsidiaries	1 633	1 663	1 760
<b>SUB-TOTAL (SCOPE DEFINED IN ARTICLE 225 OF NRE LAW)</b>	<b>1 661</b>	<b>1 690</b>	<b>1 786</b>
Foreign subsidiaries, Europe <sup>4</sup>	63	63	68
Foreign subsidiaries, Americas <sup>5</sup>	28	27	25
<b>TOTAL</b>	<b>1 752</b>	<b>1 780</b>	<b>1 879</b>

#### 3.2.2.2 Headcount in France <sup>6</sup>

The Group's employment structure emphasizes stable employment; recourse to fixed-term contracts and temporary contract workers was only 4.5% and 9.6% of the headcount during the year.

##### 3.2.2.2.1 Headcount at December 31

###### 3.2.2.2.1.1 By category and gender

In headcount units									
December 31	2013			2014			2015		
	M	W	T	M	W	T	M	W	T
Executives	236	92	<b>328</b>	253	91	<b>344</b>	279	105	<b>384</b>
Supervisors	330	101	<b>431</b>	328	105	<b>433</b>	351	105	<b>456</b>
Clerical	115	152	<b>267</b>	127	144	<b>271</b>	127	148	<b>275</b>
Workers	595	40	<b>635</b>	604	38	<b>642</b>	634	37	<b>671</b>
<b>TOTAL</b>	<b>1 276</b>	<b>385</b>	<b>1 661</b>	<b>1 312</b>	<b>378</b>	<b>1 690</b>	<b>1 391</b> <input checked="" type="checkbox"/>	<b>395</b> <input checked="" type="checkbox"/>	<b>1 786</b> <input checked="" type="checkbox"/>
<i>% men/women</i>	<i>76.8</i>	<i>23.2</i>		<i>77.6</i>	<i>22.4</i>		<i>77.9</i>	<i>22.1</i>	

M: men - W: women - T: total

###### 3.2.2.2.1.2 By type of contract and gender

In headcount units									
December 31	2013			2014			2015		
	M	W	T	M	W	T	M	W	T
Permanent contracts	1 243	349	<b>1 592</b>	1 271	364	<b>1 635</b>	1 331	374	<b>1 705</b>
Fixed-term contracts	33	36	<b>69</b>	41	14	<b>55</b>	60	21	<b>81</b>
<b>TOTAL</b>	<b>1 276</b>	<b>385</b>	<b>1 661</b>	<b>1 312</b>	<b>378</b>	<b>1 690</b>	<b>1 391</b>	<b>395</b>	<b>1 786</b>
<i>% fixed-term/total headcount</i>	<i>2.6</i>	<i>9.4</i>	<b><i>4.2</i></b>	<i>3.1</i>	<i>3.7</i>	<b><i>3.3</i></b>	<i>4.3</i>	<i>5.3</i>	<b><i>4.5</i></b>

M: men - W: women - T: total

4: Spain (solvent regeneration); Germany (gas treatment); Hungary (landfill facilities), deconsolidated in 2013 - 5: Mexico and Argentina (decontamination of transformers); Peru (since 2015). - 6: LA1.

### 3.2.2.2.1.3 Age distribution <sup>7</sup>

December 31, 2015	Men	Women	Total
< 26 years	81 ✓	20 ✓	101 ✓
from 26 to 29 years	88 ✓	33 ✓	121 ✓
from 30 to 34 years	171 ✓	60 ✓	231 ✓
from 35 to 39 years	211 ✓	56 ✓	267 ✓
from 40 to 44 years	225 ✓	84 ✓	309 ✓
from 45 to 49 years	227 ✓	76 ✓	303 ✓
from 50 to 54 years	203 ✓	39 ✓	242 ✓
from 55 to 62 years	176 ✓	26 ✓	202 ✓
63 years and above	9 ✓	1 ✓	10 ✓
<i>PROPORTION OF SENIORS (&gt; 45 YEARS)</i>	44.2%	35.9%	42.4%
<b>AVERAGE AGE</b>			<b>41.7</b>

### 3.2.2.2.2 Average headcount in FTE (full-time equivalents)

In headcount units			2013			2014			2015		
December 31	M	W	T	M	W	T	M	W	T		
Full-time equivalents	1 273	371	<b>1 644</b>	1 310	368	<b>1 677</b>	1 381 ✓	381 ✓	<b>1 762</b> ✓		
Monthly average	1 264	368	<b>1 632</b>	1 301	381	<b>1 681</b>	1 332 ✓	386 ✓	<b>1 717</b> ✓		

M: men - W: women - T: total

### 3.2.2.3 Workforce changes over the year <sup>8</sup>

#### 3.2.2.3.1 Recruitments by type of contract and gender

In headcount units			2013			2014			2015		
December 31	M	W	T	M	W	T	M	W	T		
Permanent contracts	102	19	<b>121</b>	116	34	<b>150</b>	150	34	<b>184</b>		
Fixed-term contracts	48	39	<b>87</b>	64	15	<b>79</b>	48	25	<b>73</b>		
<i>Of which due to increased activity</i>	44	30	<b>74</b>	57	7	<b>64</b>	43	17	<b>60</b>		
<i>Of which replacements</i>	4	9	<b>13</b>	7	8	<b>15</b>	5	8	<b>13</b>		
<b>TOTAL</b>	<b>150</b>	<b>58</b>	<b>208</b>	<b>180</b>	<b>49</b>	<b>229</b>	<b>198</b>	<b>59</b>	<b>257</b>		
<i>% men/women</i>	72.1	27.9		78.6	21.4		77.0	23.0			

M: men - W: women - T: total

7: The limits of the age classes have been modified with respect to reports published in previous years, to make them coincide with regulatory texts, especially those concerning so-called "generation contracts". 8: LA2.



### 3.2.2.3.2 Departures by reason and gender

in headcount units									
December 31	2013			2014			2015		
	M	W	T	M	W	T	M	W	T
Resignations	11	5	<b>16</b>	13	4	<b>17</b>	24	7	<b>31</b>
Individual dismissals	13	4	<b>17</b>	9	2	<b>11</b>	22	5	<b>27</b>
Departures during trial period	3	0	<b>3</b>	2	2	<b>4</b>	2	1	<b>3</b>
Negotiated departures	6	4	<b>10</b>	12	8	<b>20</b>	14	9	<b>23</b>
Redundancies	0	1	<b>1</b>	1	-	<b>1</b>	-	-	<b>-</b>
Intra-Group transfers	13	4	<b>17</b>	7	-	<b>7</b>	7	1	<b>8</b>
Retirements and early retirements	10	1	<b>11</b>	9	2	<b>11</b>	17	1	<b>18</b>
Deaths	3	-	<b>3</b>	-	-	<b>-</b>	1	1	<b>2</b>
End of fixed-term contracts	31	16	<b>47</b>	36	22	<b>58</b>	13	14	<b>27</b>
Other	7	-	<b>7</b>	3	-	<b>3</b>	-	-	<b>-</b>
<b>TOTAL</b>	<b>97</b>	<b>35</b>	<b>132</b>	<b>92</b>	<b>40</b>	<b>132</b>	<b>100</b>	<b>39</b>	<b>139</b>
% men/women	73	27		70	30		72	28	

M: men - W: women - T: total

### 3.2.2.3.3 Length of service distribution

December 31, 2015	Men	Women	Total
< 1 year	98	31	<b>129</b>
from 1 to 5 years	334	80	<b>414</b>
from 6 to 10 years	242	81	<b>323</b>
from 11 to 15 years	243	77	<b>320</b>
from 16 to 20 years	221	57	<b>278</b>
from 21 to 25 years	126	37	<b>163</b>
from 26 to 30 years	66	22	<b>88</b>
> 30 years	61	10	<b>71</b>
<b>AVERAGE LENGTH OF SERVICE</b>			<b>11.0</b>

## 3.2.2.4 Remuneration<sup>9</sup>

### 3.2.2.4.1 Overall employment cost

K€			
	2013	2014	2015
Gross wage bill	63 939	66 431	70 422
Employer SS contributions	31 685	33 107	34 172
<b>OVERALL EMPLOYMENT COST</b>	<b>95 624</b>	<b>99 538</b>	<b>104 594</b>

### 3.2.2.4.2 Profit-sharing schemes

K€ or headcount units			
	2013	2014	2015
Total profit-sharing reserves	1 546	1 577	1 697
<b>NUMBER OF BENEFICIARIES</b>	<b>687</b>	<b>849</b>	<b>844</b>
Total amount distributed	-	-	45
<b>NUMBER OF BENEFICIARIES</b>	<b>-</b>	<b>-</b>	<b>177</b>

The Group does not distribute free shares or attribute stock options.

9: EC1 & EC5.

**3.2.2.4.3 Distribution of remuneration of permanent staff (12 months), by gender <sup>10</sup>**

K€ or headcount units		Men		Women		Total	
2013							
	K€	Units	K€	Units	K€	Units	
≤ 0.8 x SS ceiling (≤ EUR 29 625)	8 335	313	2 968	117	<b>11 303</b>	<b>430</b>	
> 0.8 x SS ceiling (> EUR 29 625)	10 331	312	2 420	73	<b>12 751</b>	<b>385</b>	
> 1.0 x SS ceiling (> EUR 37 032)	7 360	182	1 785	45	<b>9 145</b>	<b>227</b>	
> 1.2 x SS ceiling (> EUR 44 438)	7 491	153	1 394	28	<b>8 885</b>	<b>181</b>	
> 1.5 x SS ceiling (> EUR 55 548)	3 724	58	1 098	18	<b>4 822</b>	<b>76</b>	
> 2.0 x SS ceiling (> EUR 74 064)	8 580	77	1 139	11	<b>9 719</b>	<b>88</b>	
<b>TOTAL</b>	<b>45 821</b>	<b>1 095</b>	<b>10 804</b>	<b>292</b>	<b>56 625</b>	<b>1 387</b>	

SS (Social Security) ceiling = EUR 37 032

K€ or headcount units		Men		Women		Total	
2014							
	K€	Units	K€	Units	K€	Units	
≤ 0.8 x SS ceiling (≤ EUR 30 038)	8 715	380	2 918	127	<b>11 633</b>	<b>507</b>	
> 0.8 x SS ceiling (> EUR 30 038)	10 466	311	2 296	68	<b>12 762</b>	<b>379</b>	
> 1.0 x SS ceiling (> EUR 37 548)	7 709	188	1 702	42	<b>9 411</b>	<b>230</b>	
> 1.2 x SS ceiling (> EUR 45 058)	7 266	148	1 216	24	<b>8 482</b>	<b>172</b>	
> 1.5 x SS ceiling (> EUR 56 322)	3 949	61	1 051	17	<b>5 000</b>	<b>78</b>	
> 2.0 x SS ceiling (> EUR 75 096)	8 857	78	1 305	12	<b>10 162</b>	<b>90</b>	
<b>TOTAL</b>	<b>46 963</b>	<b>1 166</b>	<b>10 487</b>	<b>290</b>	<b>57 450</b>	<b>1456</b>	

SS (Social Security) ceiling = EUR 37 548

K€ or headcount units		Men		Women		Total	
2015							
	K€	Units	K€	Units	K€	Units	
≤ 0.8 x SS ceiling (≤ EUR 30 432)	8 307	306	2 370	92	<b>10 676</b>	<b>398</b>	
> 0.8 x SS ceiling (> EUR 30 432)	9 508	325	2 702	80	<b>12 210</b>	<b>405</b>	
> 1.0 x SS ceiling (> EUR 38 040)	8 559	206	1 845	45	<b>10 404</b>	<b>251</b>	
> 1.2 x SS ceiling (> EUR 45 648)	8 133	162	1 273	25	<b>9 405</b>	<b>187</b>	
> 1.5 x SS ceiling (> EUR 57 060)	3 516	53	1 075	16	<b>4 591</b>	<b>69</b>	
> 2.0 x SS ceiling (> EUR 76 080)	8 406	75	1 195	10	<b>9 602</b>	<b>85</b>	
<b>TOTAL</b>	<b>46 429</b>	<b>1 127</b>	<b>10 460</b>	<b>268</b>	<b>56 889</b>	<b>1 395</b>	

SS (Social Security) ceiling = EUR 38 040

10: LA14.



## 3.2.3 Organization of work

### 3.2.3.1 Organization of working time

The official working week is 35 hours.

Overtime remains limited, at around 0.6% of total theoretical hours. The preference accorded to stable employment with limited recourse to overtime forms part of the Group's policies on risk management and safety promotion, based on competent, responsible and motivated employees trained on the job.

When salaried persons are employed for specific periods, this is principally to replace staff members who are absent for short periods (82% of fixed-term contracts and 45% of temporary work contracts) or to respond to specific, temporary business needs (18% of fixed-term contracts and 55% of temporary work contracts). Temporary work contracts are well suited to short periods of uncertain duration, or for the replacement of permanent staff members during summer vacations. Sub-contracting remains limited to 19.2% of revenue.

#### 3.2.3.1.1 Part-time employment

December 31									
Number of contracts	2013			2014			2015		
	M	W	T	M	W	T	M	W	T
At employee's request	6	55	61	2	52	54	1	56	57
Imposed by employer	-	-	-	4	-	4	3	1	4

M: men - W: women - T: total

#### 3.2.3.1.2 Shift work

Employees at December 31									
Working in shifts	2013			2014			2015		
	F	A	T	F	A	T	F	A	T
2 shifts	97	172	269	97	118	215	-	150	150
3 shifts	7	23	30	-	34	34	-	36	36
> 3 shifts	-	277	277	-	276	276	-	285	285
<b>TOTAL</b>	104	472	576	97	428	525	-	471	471
<i>% shift workers/total</i>			<b>34.7</b>			<b>31.1</b>			<b>26.4</b>

F: fixed - A: alternating - T: total

#### 3.2.3.1.3 Overtime

At December 31			
Number of overtime hours	2013	2014	2015
Overtime hours worked and paid	36 667	47 437	40 584
<b>% OVERTIME/THEORETICAL</b>			
<b>TOTAL HOURS</b>	<b>1.2</b>	<b>1.5</b>	<b>1.4</b>

#### 3.2.3.1.4 Temporary employment, by reason

Average headcount (FTE)	2013	2014	2015
Replacement of absentee workers	63	81	78
Increased workload	104	106	94
<b>TOTAL</b>	<b>168</b>	<b>187</b>	<b>171</b>

### 3.2.3.2 Absenteeism <sup>11</sup>

#### 3.2.3.2.1 Number of days of absence

At December 31			
Number of days	2013	2014	2015
Total for the whole Group	22 939	34 708	29 680
<b>AVERAGE PER EMPLOYEE</b>	<b>13.7</b>	<b>20.5</b>	<b>16.6</b>

#### 3.2.3.2.2 Absenteeism rate, by reason

At December 31			
% of theoretical number of days worked	2013	2014	2015
Sickness	4.11	5.33	3.62
<i>Of which occupational diseases</i>	-	-	0.09
Maternity leave	0.47	0.63	0.34
Occupational and commuting accidents	0.36	0.95	0.68
Family and other events	1.23	2.15	0.78
<b>TOTAL</b>	<b>6.16</b>	<b>9.06</b>	<b>5.42</b>

### 3.2.4 Industrial relations

Séché Environnement is very attached to the quality of its industrial relations, since the improvement of individual and collective performance requires a strong involvement on the part of all employees, and their espousal of corporate objectives. To achieve this, the Group calls on:

- the intelligence and initiative of the men and women who work for it;
- their individual mobilization on a daily basis;
- responsiveness on the part of all, and cohesion in the actions they undertake.

#### 3.2.4.1 Collective bargaining agreements <sup>12</sup>

of headcount	2013	2014	2015
Union des Industries Chimiques (UIC)	38	37	35
Waste activities	46	47	49
FG3E	8	8	8
Road transportation	4	4	4
Public works	4	4	4
<b>TOTAL HEADCOUNT FRANCE</b>	<b>100</b>	<b>100</b>	<b>100</b>

11: LA7 - 12: LA4.



## 3.2.4.2 Organization of industrial dialog

The organization of industrial dialog is governed by strict application of regulations and collective bargaining agreements currently in force (see the section on collective bargaining agreements, § 3.2.4.1).

Number of members of	2013			2014			2015		
	M	W	T	M	W	T	M	W	T
Works councils	14	7	<b>21</b>	19	10	<b>29</b>	19	10	<b>29</b>
Central works councils	7	3	<b>10</b>	7	3	<b>10</b>	7	3	<b>10</b>
Individual staff delegates	20	5	<b>25</b>	23	2	<b>25</b>	20	3	<b>23</b>
Hygiene, safety and working conditions committees (for sites > 50 employees)			<b>28</b>			<b>36</b>			<b>50</b>

M: men - W: women - T: total

Number of meetings of	2013	2014	2015
Works councils	57	74	65
Central works councils	12	10	4
Individual staff delegates	67	70	27
Hygiene, safety and working conditions committees	50	62	66

## 3.2.4.3 Summary of collective agreements

The subjects dealt with tend to reflect trends in regulatory change, and the sectors affected by official collective bargaining agreements. At the end of 2015, subjects discussed during the year included:

- forward-looking management of jobs and skills, which was included in agreements with senior employees (covering 100% of the labor force);
- agreements on jobs of an arduous nature, including psycho-social risks;
  - > 54% of the labor force are not concerned by this, and 46% are in the analysis phase, which has led in 35% of cases to an agreement and an action plan.
- an agreement on professional equality, covering 81% of the labor force;
  - > (this is not compulsory for the other 19%, since they work in structures of fewer than 50 employees);
- management of handicapped workers (100% of the labor force is covered by an agreement at Group level);
- company and/or employee agreements, etc. depending on local conditions.

## 3.2.5 Health and safety

A global system of risk management is operated uniformly throughout the Group, for all activities from sorting and treatment to landfill, in France, including decontamination operations and provision of services to customers. It encompasses both permanent staff and employees of sub-contractors working at the Group's sites.

The risk management system functions at several levels:

- operational process management, associated with systematic analysis of workplace risks, leading to the implementation of appropriate perimeters and safety protocols, and rigorous selection of protective equipment for both individuals and groups. Within each working unit, a single workplace risk prevention document is regularly reviewed and added to, and procedures and modes of operation are upgraded using feedback from experience;
- worker qualifications and professionalism, aided by management of employees' training paths, systematic "safety welcome" sessions for all new workers, and regular mobilization of all levels of the hierarchy by means of safety inspections and "safety quarter-hours";
- certified Health, Safety, Environment and Quality (HSEQ) management systems for all sites and types of activity.



### 3.2.5.1 Health and safety conditions at work <sup>13</sup>

#### 3.2.5.1.1 Occupational diseases

The Group has 10 declared cases of occupational diseases, of which 2 have been refuted by the state medical insurance organization (Caisse Primaire Maladie) and 8 are the subject of an appeal.

#### 3.2.5.1.2 Wellbeing at work

An initial study into psycho-social risks has been carried out at Trédi, and concerns approximately 28% of Group employees.

#### 3.2.5.1.3 Organization

All sites have their own Health, Safety, Environment and Quality (HSEQ) Manager responsible for implementing policy at local level. All sites also have health, safety and working conditions committees (CHSCTs), in compliance with the requirements of French legislation.

Under article L.4644-1 of the French Labor Code, which modifies the organization of supervisory and preventive

health measures in the workplace, the Group appoints in each subsidiary concerned a worker representative for work-related risks. These representatives act in liaison with occupational medical staff.

#### 3.2.5.1.4 Safety training

Specific training modules are provided in the management and optimization of safety behaviors, with the aim of reducing the incidence of risky behavior liable to lead to industrial injuries. Management communicates regularly with workers in special on-the-ground sessions, emphasizing the appropriateness or otherwise of the safety measures implemented in the workplace. The objective is to put in place any corrective measures needed and to ensure that experience is transferred.

#### 3.2.5.1.5 OHSAS 18001 certifications

The Group's activities are to a large extent certified OHSAS 18001. Reasoning in terms of tonnage treated on the sites concerned according to activities (the most relevant measure) leads to the following coverage rates:

Landfill	Incineration	Total tonnage
91%	90%	87%

All sorting platforms are certified OHSAS 18001.

#### 3.2.5.1.6 Expenditure on safety

K€	2013	2014	2015
Expenditure for the supply of workers' clothing and individual protection	2 113	2 206	2 477

### 3.2.5.2 Work-related accidents <sup>14</sup>

Frequency rate with absence from work	2013	2014	2015
FR1 - Employees	16.4	21.3	15.0
FR1 - Employees + temporary personnel	18.9	24.2	16.1

Severity rate	2013	2014	2015
FR1 - Employees	0.8	1.2	1.2
FR1 - Employees + temporary personnel	0.8	1.1	1.2

13: LA6 - 14: LA7.



## 3.2.6 Training

### 3.2.6.1 Training policies <sup>15</sup>

An ambitious training program is an absolute necessity to enable a company to attain its corporate social responsibility objectives. Such programs must enable each employee to acquire an attitude, a culture and know-how in multiple areas.

All employees must carry out their activities in compliance with health, safety and environmental requirements, but also understand their own role in the organization, and be able to measure the impact of their actions on themselves, on others and on the work itself, in a spirit of cooperation and transversality.

Skills development programs enable organizations to plan how employees will acquire the necessary know-how for them to attain strategic objectives in an ever-changing professional environment. A better informed, better qualified workforce strengthens the human capital of the enterprise, contributes to employees' job satisfaction and helps improve their performance.

Lifelong learning aims to contribute to the development of knowledge and skills, enabling each citizen to adapt to a constantly evolving labor market, and to make an active contribution, whatever the business sector or the post occupied. For workers nearing retirement age, confidence, and the quality of workplace relations, are particularly enhanced when they can count on the support of the organization in this period of transition.

#### 3.2.6.1.1 Budgets allocated

K€	2013	2014	2015
Value	1 640	1 701	1 648
<b>AS A % OF TOTAL EMPLOYEE COSTS</b>	<b>2.6</b>	<b>2.6</b>	<b>2.3</b>

Each Group company defines its training plans at the level of local structures, in concert with works committees, as prescribed by French law. To ensure full account is taken of

job and activity specifics, there is no single Group policy document.

#### 3.2.6.1.2 Subjects of training

% of budgets spent	2013	2014	2015
Environment, quality, safety	-	44	55
Safety <sup>16</sup>	-	10	6
Job-specific	-	24	26
Management and communication	-	8	7
Administrative, HR	-	11	5
Other	-	3	1

The Group trains its employees in approved training institutions, and in parallel develops its own training modules internally with the aid of specially trained staff members.

What is original about this process is the integrated nature of the instruction provided. Compulsory regulatory training (for example, of heavy equipment drivers, or crane hands), because of its repetitive character, risks seeming "disconnected" from everyday realities, bringing about a general demotivation on the part of the employees concerned. These types of training are therefore integrated, as far as possible, into broader subject areas. As an illustration, an

employee receiving training as a handling machine driver may also receive training on the subject of waste product wrapping, labeling and landfill.

Enhancement of employees' awareness of corporate social responsibility issues is aided, among other things, by presentations of the CSR Report to various Group sites. The objective is to enable all employees to attend such presentations at least once every five years. In 2015, 242 employees attended presentations of the 2014 CSR Report (versus 175 the preceding year), representing mobilization of 14.4% of employees in France at December 31, 2014.

<sup>15</sup>: LA11 - <sup>16</sup>: New monitoring criteria from 2014 onward.

### 3.2.6.2 Training modules taught

#### 3.2.6.2.1 Total

Number of employees or hours taught	2013	2014	2015
Number of training modules taught	3 540	3 629	3 676
Number of employees trained	1 280	1 354	1 369
Number of hours taught	30 196	29 955	29 855

#### 3.2.6.2.2 Breakdown of training modules taught, by category of trainees

Number	2013			2014			2015		
	M	W	T	M	W	T	M	W	T
Executives	449	196	<b>645</b>	506	175	<b>681</b>	417	158	<b>575</b>
Supervisors	1 177	183	<b>1 360</b>	1 036	177	<b>1 213</b>	1 201	147	<b>1 348</b>
Clerical	339	171	<b>510</b>	348	185	<b>533</b>	265	148	<b>413</b>
Workers	1 015	10	<b>1 025</b>	1 143	59	<b>1 202</b>	1 276	64	<b>1 340</b>
<b>TOTAL</b>	<b>2 980</b>	<b>560</b>	<b>3 540</b>	<b>3 033</b>	<b>596</b>	<b>3 629</b>	<b>3 159</b>	<b>517</b>	<b>3 676</b>
% men/women	84.2	15.8		83.6	16.4		85.9	14.1	

M: men - W: women - T: total

#### 3.2.6.2.3 Breakdown of number of trainees, by category

Number	2013			2014			2015		
	M	W	T	M	W	T	M	W	T
Executives	174	70	<b>244</b>	178	66	<b>244</b>	162	69	<b>231</b>
Supervisors	303	88	<b>391</b>	304	68	<b>372</b>	315	75	<b>390</b>
Clerical	112	101	<b>213</b>	118	100	<b>218</b>	110	84	<b>194</b>
Workers	424	8	<b>432</b>	497	23	<b>520</b>	524	30	<b>554</b>
<b>TOTAL</b>	<b>1 013</b>	<b>267</b>	<b>1 280</b>	<b>1 097</b>	<b>257</b>	<b>1 354</b>	<b>1 111</b>	<b>258</b>	<b>1 369</b>
% men/women	79.1	20.9		81.0	19.0		81.2	18.8	

M: men - W: women - T: total

#### 3.2.6.2.4 Breakdown of training hours taught by category of trainees

Hours	2013			2014			2015		
	M	W	T	M	W	T	M	W	T
Executives	3 872	1 697	<b>5 569</b>	4 599	1 534	<b>6 132</b>	4 559	1 530	<b>6 089</b>
Supervisors	8 315	1 175	<b>9 490</b>	7 683	1 205	<b>8 888</b>	8 817	718	<b>9 535</b>
Clerical	3 070	1 301	<b>4 371</b>	2 647	1 242	<b>3 889</b>	1 649	872	<b>2 521</b>
Workers	10 704	64	<b>10 768</b>	10 759	288	<b>11 047</b>	11 392	318	<b>11 610</b>
<b>TOTAL</b>	<b>25 961</b>	<b>4 237</b>	<b>30 198</b>	<b>25 687</b>	<b>4 268</b>	<b>29 955</b>	<b>26 417</b>	<b>3 438</b>	<b>29 855</b>
% men/women	86.0	14.0		85.8	14.2		88.5	11.5	

M: men - W: women - T: total



## 3.2.7 Equality of treatment

### 3.2.7.1 Male/female equality <sup>17</sup>

Please refer to the chapter on the promotion and respect of ILO conventions (§ 3.2.8).

### 3.2.7.2 Handicapped persons <sup>18</sup>

100% of employees work in a structure which has concluded an agreement on handicapped workers. The Group has signed an agreement with the French organization AGEFIPH (Fund Management Organization for the Professional Integration of People with Disabilities) under which Séché Environnement commits to undertake various actions on all Group sites with a view to recruiting handicapped persons and to maintaining handicapped present members of staff in employment.

Number of beneficiaries <sup>19</sup>	2013	2014	2015
In-company	53	58	61
Sub-contractors in the protected sector	6	8	7
<b>TOTAL</b>	<b>59</b>	<b>66</b>	<b>68</b>

## 3.2.8 Promotion and respect of ILO conventions

### 3.2.8.1 Freedom of association and the right to collective bargaining <sup>20</sup>

#### 3.2.8.1.1 General policy

The Group's position is expressed in Point 4 of its Code of Behavior and Actions, which was updated in 2013:

*"Séché Environnement, as a key participant in society, strictly respects political, religious and philosophical neutrality:*

- the Group refuses to contribute financially to candidates, elected representatives or political parties;
- any employee may of course take part individually in political life, outside the workplace and outside working hours, but no employee may make use of the Group's image in support of his or her commitment;

- the Group restricts its participation to the financing of associations or foundations, or to sponsoring operations under current legislation, provided that such operations respect the framework of values and priorities defined by the Group."

#### 3.2.8.1.2 Organization and conduct of workplace dialog

Negotiations are held under the terms of government regulations and collective agreements, and in particular the various official collective bargaining agreements applicable to the Group.

This resulted in 15 agreements being signed in 2015:

- workplace equality: 1
- mandatory annual negotiations: 8
- profit-sharing or participation agreements: 5
- arduousness of work: 1

#### 3.2.8.1.3 Employee representation

Number of labor union delegates	2013	2014	2015
<b>TOTAL</b>	<b>20</b>	<b>18</b>	<b>21</b>

#### 3.2.8.1.4 Employee representatives

Employee representatives	2013	2014	2015
Number	28	31	30
<b>NUMBER OF MEETINGS</b>	<b>31</b>	<b>ND</b>	<b>40</b>

17: LA14 - 18: LA13 - 19: Values determined in February of the relevant year, at the time of making the official declarations. - 20: HR5; LA4.

### 3.2.8.2 **Abolition of discrimination in employment and occupation** <sup>21</sup>

The Group is involved in the respect of human rights in all their various forms (freedom to join labor unions, prohibition of forced, compulsory and child labor, respect of indigenous populations, etc.) However, it does not regard itself as highly exposed to these risks, since the Group's operations are mainly located in France, where all salaried employees are covered by a collective bargaining agreement, and where union and employee representative meetings take place under regulations governing industrial relations, and where application of the law prohibits any behavior contrary to human dignity.

The Group will not allow the practice of discrimination of any kind, whether based on race, color, creed, gender, sexuality or anything else, whether in the areas of recruitment or appointment, or during the execution or at the termination of the work contract.

The Group usually recruits locally, and is rarely faced with problems of this kind. It intends to strive further to maintain balance in the following key areas:

- gender: in an industry where complete gender parity is not achievable because of the arduous nature of certain jobs, the Group offers equality of opportunity (for example: 27.3% of executives are women, while 22.1% of its employees in general are women);
- generation: the age distribution is balanced, with an average employee age of 41.7 years and employees over the age of 45 representing 42.4% of all employees;
- experience: the length of service distribution is balanced, at around an average of 11 years;
- 81% of all employees are covered by a workplace equality agreement. The other 19% are not covered by such an agreement because they work in structures of fewer than 50 employees, where such agreements are not compulsory.

Séché Environnement is committed to respecting employees' private lives, and has never been the subject of a complaint of any kind in this respect, either from employees or third parties.

### 3.2.8.3 **Abolition of child labor** <sup>22</sup> **and elimination of forced or compulsory labor** <sup>23</sup>

Séché Environnement refuses to countenance child labor and forced or compulsory labor, either directly or through the intermediary of sub-contractors working at or on the Group's sites and facilities. The Group does not purchase supplies or investments from or in countries which do not respect this ethic. Given the geographies in which the Group is active, it is not significantly exposed to these risks.



21: HR4; LA13 & LA14 - 22: HR6 - 23: HR6 & HR7.



## 3.3 Environmental information

### 3.3.1 General policy on environmental matters

#### 3.3.1.1 Organization to take account of environmental aspects

##### 3.3.1.1.1 General policy

Séché Environnement's activity is the recovery and treatment of all types of waste products for all types of customers (private sector and local authorities).

All Séché Environnement sites are officially classified "IPCE" (for the protection of the environment), and respect the stipulations of the prefectural authorization needed to operate each site (volume and nature of waste to be treated, standards for atmospheric emissions and water-borne effluents, etc.) The traceability of waste throughout the recovery and treatment process, and the observance of environmental standards, are controlled by the authorities.

Thus it is part of the very nature of Séché Environnement to adapt its industrial facilities to reduce their impact on the environment, as soon as new regulations prescribe new maximum or minimum values. These measures are undertaken under the control of the regional environmental authorities (the so-called DREALs) using a broad range of measuring techniques for physico-chemical and biological measurements, such as biodiversity or measuring air quality using lichens. The Group's objective is to treat waste in the interests of the planet, while respecting regulatory standards.

Séché Environnement cannot however set absolute environmental objectives for itself, since the Group's emissions and effluent depend on the quality and mix of the waste products it receives from its customers for treatment. This is particularly true for industrial waste, which tends to be more heterogeneous.

NB:

*This means that the Group is unable to commit to an absolute level of performance in terms of atmospheric emissions of sulfur, for example, since such emissions depend on the volume and sulfur content of the waste received from its customers for treatment. Another example illustrates the complete dependence of the Group on the nature of the waste received from its customers for treatment: its inability to limit through proactive policies the amount of final waste it produces. Final waste is almost non-existent in the case of incineration of liquid waste, but, at the other extreme, in the case of decontamination of polluted land, the same weight of pollutant will remain as final waste at the end of the process. On average, the mass of clinker produced is about 20% to 30% of the mass of waste entering the process.*

##### 3.3.1.1.2 ISO 14001, MASE and ISO 50001 certifications

All the Group's industrial activities are certified ISO 14001. Only transportation is not so certified, since the ISO 14001 standard does not deal with this activity. However, it does adhere to other reference systems such as Charte CO<sub>2</sub> for transportation, which aims to reduce greenhouse gas emissions in that sector.

Two of the Group's incineration sites are certified ISO 50001 for their energy management: Béarn Environnement and Alcéa. In 2015, mandatory energy audits were carried out at Séché Éco-industries (Changé site), and Séché Eco-services and Trédi (Salaise, Saint Vulbas and Strasbourg sites), in conformity with Decree no. 2014-1393 dated November 24, 2014.

#### 3.3.1.2 Organization and information

##### 3.3.1.2.1 Internal organization

This policy is managed by the Director of Industrial Operations who is a member of general management.

A specific post of Director of Health, Safety and Eco-responsibility reports to him. This manager is responsible for monitoring and coordinating the day-to-day actions in this area of different sites. On the ground, each site has its own Health, Safety, Environment and Quality (HSEQ) Manager.

##### 3.3.1.2.2 Information policy

###### 3.3.1.2.2.1 Regulatory level

Local environmental policies are monitored and discussed in local information and monitoring committees known as CLIS<sup>24</sup> or CSS<sup>25</sup> which bring together industry, the authorities, local council members, local associations and residents, etc. At these meetings, environmental results are presented annually, in addition to the returns made to the regional environmental authorities (DREAL<sup>26</sup>).

###### 3.3.1.2.2.2 Open sites policy and site visits

Opening its sites to customers is not only a process for getting to know each other, it is the expression of Séché Environnement's desire for transparency, and part of its corporate culture. It is also a prime way of giving information to and educating the public, in which Séché Environnement can demonstrate the pride of its employees at their workplace. It presents the future of waste management, and shows the resources that waste may still contain, provided it has been properly sorted at the appropriate stage.

Visitors are invited to discover the methods and concrete actions implemented in order to protect health, the environment in general, and biodiversity, especially on landfill sites. These are often located in rural areas, which lend themselves best to these demonstrations.

24: CLIS : local information and supervision committees - 25 : CSS: site monitoring committees - 26: DREAL : regional environment, territorial planning and housing authorities.

In 2015, more than 7 800 visitors were welcomed, in over 500 visits, to whom should be added further visitors who were welcomed for specific open day events

### 3.3.1.2.2.3 New communications technologies

Séché Environnement began implementing new communications tools in 2011 to broaden the means of communicating with its stakeholders (employees, associations, institutions, etc.) through the internet: corporate website, CSR website, blog and Facebook.

### 3.3.1.3 Resources devoted to preventing risks and pollution<sup>27</sup>

#### 3.3.1.3.1 Organization

All Group sites are classified for the protection of the environment, and therefore hold internal operations plans (POI) and prevention and intervention plans (PPI) related to their geographical locations.

Safety audits are performed with insurance companies in particular, and verifications are carried out by the DREAL authorities. Simulation exercises are held with outside emergency services called SDIS<sup>28</sup> such as firefighters, with the objective of mutual instruction.

The Group has set up at general management level an emergency room which can be activated in times of crisis, to mobilize resources as necessary to restore people and property to safety, and to ensure a rapid return to orderly existence. The emergency room will also manage communications fully transparently.

#### 3.3.1.3.2 Illustrations

We give below a few examples of measures taken which go beyond technical requirements.

- **noise:** management of truck and heavy equipment movements (itineraries and timings) and fitting of sound-proofing hoods on certain types of technical installation such as motors;
- **dust:** water sprinkling and/or the planting of shrubs to prevent dust fly-off; gas washing and electrostatic precipitators for incinerator emissions;
- **odors:** working in the windward direction on limited surfaces, and covering sites with an active carbon filter at nights and on weekends, and masking odors from the storage of household waste; for incinerator pits, closed buildings equipped with air extractors.

### 3.3.1.4 Provisions and guarantees for environmental risks<sup>29</sup>

#### 3.3.1.4.1 Ordinary activities

As of the date of writing the present report, Séché Environnement has no knowledge of any pollution generated by its

activities and/or for which the necessary measures have not been taken to ensure complete rectification of the problem.

#### 3.3.1.4.2 Supplemental expenses<sup>30</sup>

Environmental expenses are defined as supplemental expenses incurred for the prevention, reduction or repair of damage caused, or liable to be caused, to the environment by the company's activities. Provisions for 30-year monitoring and site rehabilitation are included in these expenses, which are related to:

- elimination of waste products and efforts undertaken to limit quantities of waste produced;
- initiatives to combat ground, surface water and underground water pollution;
- preservation of air quality and of the climate;
- noise reduction;
- protection of biodiversity and landscapes.

*Only supplemental expenses identifiable as such can be taken into account. For example, construction of a waste water treatment facility would count as an environmental expense. However, maintenance costs incurred over the following years would lose their "environmental" character, while supplemental expenses incurred to increase the sewage treatment capacity beyond its initial level would be considered to be environmental expenses.*

*The following are excluded from the scope of this definition:*

- fines and penalties;
- expenses whose prime objective is not the protection of the environment;
- expenses which could have a positive influence on the environment, but whose primary objective is to satisfy other needs, such as to improve profitability, hygiene or safety in the workplace (for example, new sorting centers).

Eco-investments correspond to capital expenditure on projects for the protection of the environment (including methods, techniques, processes or equipment, or parts of these), provided that the objective is to collect, treat, monitor, control, reduce, prevent, or eliminate pollutants and/or pollution and/or any other deterioration of the environment resulting from the ordinary activities of the company.



27: DREAL : EN 30 - 28: SDIS : fire and rescue service for the département -29: EC2 - 30: As defined in Recommendation no. 2003-r02 dated October 21, 2003 of the Conseil National de la Comptabilité (French national accounting standards council).



## CHANGES IN PROVISIONS FOR ENVIRONMENTAL EXPENSES AND RISKS

	Jan. 1, 2015	Allocations	Write-backs used	Write-backs not used	Other changes	Dec. 31, 2015	OPERATING EXPENSES	INVESTMENTS	TOTAL EXPENSES
							Non-provisioned expenses	Capital expenditure <sup>31</sup>	Dec. 31, 2015
<b>K€ (Eurostat classification)</b>									
<b>3.3.1.4.2.1 By category</b>									
Protection of ambient air and the climate	-	-	-	-	-	-	-	91	91
Waste water management	-	-	-	-	-	-	-	246	246
Waste management	-	-	-	-	-	-	-	1 036	1 036
Protection and cleansing of soil, underground water and surface water	-	-	-	-	-	-	9	-	9
Actions to combat noise and vibrations	-	-	-	-	-	-	-	-	-
Protection of biodiversity and the landscape	-	4	-	-	-	4	5	-	9
Protection against radiation	-	-	-	-	-	-	-	-	-
Research and development	-	-	-	-	-	-	37	-	37
Other activities for the protection of the environment	17 014	589	1 169	72	-	16 362	55	5 421	5 993
<b>TOTAL</b>	<b>17 014</b>	<b>593</b>	<b>1 169</b>	<b>72</b>	<b>-</b>	<b>16 366</b>	<b>107</b>	<b>6 793</b>	<b>7 421</b>
<b>3.3.1.4.2.2 By type of action</b>									
Pre-treatment, treatment and elimination	-	-	-	-	-	-	69	5 316	5 385
Measurements and controls	-	-	-	-	-	-	-	307	307
Recycling, recovery	-	4	-	-	-	4	37	1 079	1 121
Prevention of pollution	17 014	589	1 169	72	-	16 362	-	91	607
<b>TOTAL</b>	<b>17 014</b>	<b>593</b>	<b>1 169</b>	<b>72</b>	<b>-</b>	<b>16 366</b>	<b>107</b>	<b>6 793</b>	<b>7 421</b>

31: Including removal of asbestos at S nerval for EUR 5,286 million.



### 3.3.2 Environmental impacts of waste management

#### 3.3.2.1 Water supply, consumption and discharge

##### 3.3.2.1.1 Water policy

Concerning the management of water (rainwater and water from treatment processes), working areas are watertight, and water is collected and treated on site. Most of the

treated water will be re-used on site, either as process inputs (for stabilization), or for washing trucks, cleaning the site or watering garden areas. Aside from water used for sanitation, certain sites are self-sufficient (such as Changé) or return greater quantities to the natural environment than they consume (for example, the physico-chemical plant at Hombourg).

##### 3.3.2.1.2 Water consumption <sup>32</sup>

in thousands of cubic meters			
Consumption	2013 restated	2014	2015
Incineration	3 073	3 239	3 400
Other	192	191	179
<b>TOTAL</b>	<b>3 265</b>	<b>3 430</b>	<b>3 579</b>

2013 published data: 4 119, of which 3 927 in incineration.

In addition to water consumed for sanitation and cleaning purposes, certain treatment techniques consume significant quantities of water. This is notably the case for purification systems associated with the wet treatment of exhaust gases from incinerators, and the stabilization of final waste

before landfill. Significant programs aimed at achieving savings and improving recycling have been implemented in recent years, leading to a constant reduction in water drawn for consumption.

##### 3.3.2.1.3 Origin of water consumed <sup>33</sup>

in thousands of cubic meters			
Sources of supply	2013 restated	2014	2015
<b>TOTAL CONSUMED</b>	<b>3 265</b>	<b>3 430</b>	<b>3 579</b>
<i>Of which extracted from water table</i>	<i>2 900</i>	<i>2 898</i>	<i>2 954</i>
<i>Of which taken from drinking water networks</i>	<i>358</i>	<i>382</i>	<i>458</i>
<b>PROPORTION EXTRACTED FROM WATER TABLE</b>	<b>93.7%</b>	<b>88.7%</b>	<b>85.9 %</b>
Water recycled from treatment processes (consumption avoided)	193	175	151

2013 published data: 4 119 of which 3 748 from water table (94.9%) and 364 from drinking water networks for incineration plants.

Water is taken either from water mains or watercourses, or by pumping it from wells, none of which is situated in a RAMSAR-protected wetlands area.

The quantity of water drawn from the water table is not significant in relation to ground water reserves (less than 5%), and there is no risk that the level of these reserves will be caused to fall. Most ground water is drawn at Saint-Vulbas (Ain) and Salaise (Isère) from non-fossil reserves maintained there in large quantities by Alpine run-off.

In the absence of an industrial water supply, drawing water from the water table in this way has a lesser environmental

impact than taking it from a drinking water supply network, where the water would have been previously treated to make it fit for human use, whereas this is not necessary for industrial use.

Recovery initiatives have been implemented on certain sites, for example recycling rainwater or the use of leachates from landfill-stored waste in treatment processes, in particular for pre-landfill stabilization of hazardous waste products.

32: EN8 - 33: EN9 - only water recycled as part of the treatment process is counted here, excluding water re-used for watering vegetation or washing trucks or roads.





### 3.3.2.1.4 Water returned to the natural environment <sup>34</sup>

in thousands of cubic meters			
Water returned	2013 restated	2014	2015
<b>TOTAL</b>	<b>2 508</b>	<b>2 393</b>	<b>2 388</b>
<i>Of which returned via a waste water treatment facility</i>	2 419	2 393	2 388
<b>RELATIVE TO CONSUMPTION</b>	<b>77.0%</b>	<b>70.0%</b>	<b>66.9%</b>

2013 published data: 2 812 of which 2 714 via a waste water treatment facility (68.4%).

Part of the water discharge occurs as water vapor from thermal processes. Discharges of water in liquid form are made after the water has been treated, and its quality is checked in terms of the different chemical substances it may contain. The parameters used are, for example, the METOX index for heavy metals, chemical oxygen demand (COD) and suspended solids.

It goes without saying that Séché Environnement, because of its activities and the way it is organized, never voluntarily discharges any chemical substance, oil or hydrocarbons into the natural environment. No accidental discharge has been observed in recent years.

The principal sources of discharges into the aquatic environment are:

- leachates from landfill, which are relatively pure, and are partially re-used in stabilization;
- physico-chemical treatment facilities;
- wet treatment of exhaust gases from incinerators.

The aquatic environment receives discharges via special waste water treatment facilities into fast-moving water-courses (e.g. the discharge from Salaise at 100 cubic meters per hour into the Rhône river, which flows at an average rate of 3.7 million cubic meters per hour). No discharges are made into sensitive areas or milieus.

### 3.3.2.1.5 Quality of water returned to the natural environment <sup>35</sup>

in tonnes per year				
Contaminants	2013 restated	2014	2014 restated	2015
Soluble salts	7 400	6 903 ✓	6 834	6 414 ✓
Chemical oxygen demand (COD)	245	197 ✓	-	27 ✓
Suspended solids	22.3	21.5 ✓	-	1 ✓
Total metals	1.4	1.0 ✓	0.2	0.3 ✓
METOX index	4.8	2.3 ✓	1.7	2.2 ✓
AOX and EOX	11.5	1.0 ✓	-	1.3 ✓

2013 published data: soluble salts 8 921; chemical oxygen demand (COD) 249; suspended solids 22.7; total metals 1.7; METOX index 6.0; AOX 11.71 (corrected value, following publication in error of a value of 0.9 in respect of 2014).

### 3.3.2.2 Raw materials consumed: quantities and origins <sup>36</sup>

The activities which consume the most raw materials as a proportion of tonnage of waste treated are landfill and stabilization, followed by physico-chemical treatment and incineration. Consumption of raw materials depends on the nature of the waste to be treated (reactive or “chemical” products) and the nature of work to be performed (construction of landfill cells, building works, etc.) Part of the Group's raw materials needs are covered by internal recycling: waste products, once sorted and treated, can constitute raw materials for the Group's own activities.

The list of raw materials comprising “consumption” has been widened to include products entering into the calculation of GHG emissions, in anticipation of a possible future move by the Group to scope 3.

34: EN10 - 35: In 2013, Opale Environnement had part of its leachates, which were particularly abundant in that year, treated in a waste water treatment plant outside its own premises. For this reason, AOX emissions were accounted for under off-site treatment facilities, less efficient than the site's own reverse osmosis facilities. In 2014, this subsidiary treated all its leachates internally. Therefore AOX emissions were accounted for internally. - 36: For 2014 restated and 2015: zero by reason of the measurements carried out at each site being below the declaration threshold.

in thousands of tonnes

Consumption	2013 restated	2014	2015
Raw materials purchased (chemicals)	28	31	31
Raw materials purchased (for building works)	96	114	85
<b>TOTAL RAW MATERIALS PURCHASED</b>	<b>125</b>	<b>145</b>	<b>117</b>
Raw materials recovered from recycling (building works)	147	131	119
<b>TOTAL RAW MATERIALS USED</b>	<b>272</b>	<b>276</b>	<b>236</b>
<i>% RECOVERED FROM WASTE</i>	<i>54.5%</i>	<i>47.9%</i>	<i>51.6%</i>

2013 published data: chemicals 29; total raw materials purchased 126; % recovered from waste 54.2%.

### 3.3.2.3 Impact of atmospheric emissions <sup>37</sup>

Emissions	2013 restated	2014	2014 restated	2015
Nitrogen oxides in tonnes of NO <sub>2</sub>	402	368 <input checked="" type="checkbox"/>	368	374
Sulfur dioxide in tonnes of SO <sub>2</sub>	137	285 <input checked="" type="checkbox"/>	152	207 <input checked="" type="checkbox"/>
Hydrochloric acid in tonnes of HCl	7.3	7.2 <input checked="" type="checkbox"/>	5.5	7.1 <input checked="" type="checkbox"/>
Dust in tonnes	7.5	11.9 <input checked="" type="checkbox"/>	4.3	4.0 <input checked="" type="checkbox"/>
Dioxins and furans in grams	0.092	0.094	0.093	0.1430 <input checked="" type="checkbox"/>

2013 published data: NO<sub>2</sub> 485 tonnes; SO<sub>2</sub> 159 tonnes; HCl 9.7 tonnes; dust 10.5 tonnes; dioxins 0.149 grams.

Incineration plants discharge gaseous effluents and dust particles, the cleaning of which is checked very carefully. The principal gases checked for are hydrochloric acid (HCl), sulfur dioxide (SO<sub>2</sub>) because of their acidifying power, carbon monoxide (CO) and nitrogen oxides (NOx), a source of eutrophication.

### 3.3.2.4 Land use <sup>38</sup>

A team of ecologists has been active since 1994 ensuring integration of landfill sites into the surrounding landscape. Overall plans are drawn up to preserve sensitive ecological areas, such as wetlands in particular, and simulations are carried out to facilitate exchanges with local residents. During ongoing operations, this team works to ensure a good natural balance, planting local species of trees and plants. It checks that sites are in good order using scientific indicators (IBGN biotic index, bird counting according to the methods of the French National Museum of Natural History, amphibian counting, etc.). The countryside is monitored by means of a dashboard which points up the extent of surfaces as seen from outside the site, showing natural areas, industrial facilities, temporarily visible waste, etc.

A survey carried out using the methods of France's National Biodiversity Strategy reveals 1 344 hectares of land in use by the Group at December 31, 2015.

### 3.3.2.5 Prevention, recycling and elimination of waste <sup>39</sup>

Séché Environnement's business being waste treatment, the Group produces final waste which is merely what

remains after treatment of the 2 376 million tonnes of waste it receives from its customers.

Similarly, and with the same reservations as to the nature and volume of waste received for treatment, Séché Environnement sets itself the priority of recovering energy and/or materials where possible (for example, chromic acid baths or sludge containing metals such as nickel, zinc or molybdenum).

The success of materials recovery depends on the quality of the sorting carried out beforehand on the waste received from customers, to enable recycling. The quality of sorting by the waste producer is of the greatest importance, but lies outside the Group's influence. To optimize its own sorting operations, especially the sorting of used packaging, the Group has built a number of non-hazardous waste sorting platforms, introducing a high degree of automation and state-of-the art technologies such as optical sorting and ballistic sorting. The Group's initial investments in facilities to manufacture solid recovered fuel (SRF) for sale form part of this reasoning in terms of materials recovery.

Hence, Séché Environnement does not itself generate waste, but rather treats waste, extracting value from it, reducing its volume and concentrating its hazardous character into "waste waste" or final waste which is then placed in secure landfill, insulated from any possible contact with the biosphere.

Statistics in this connection are based on the European system, which distinguishes between recycling (R) and disposal (D). This concerns only waste from operations, and no longer includes volumes of materials recovery carried out on behalf of customers (solvent regeneration, sorting of household waste, etc.)

37: EN19 & EN20. 38: EN2. 39: EN11.





in thousands of tonnes

Recovery (criterion R)	2013 restated	2014	2015
Recovery from hazardous waste	7.6	11.2	14.5
Recovery from non-hazardous waste	89.0	151.7	162.0
<b>TOTAL</b>	<b>96.6</b>	<b>162.9</b>	<b>176.5</b>

2013 published data: HW 8; NHW 93; total 100.

in thousands of tonnes

Waste production (criterion D)	2013 restated	2014	2015
<b>TOTAL HAZARDOUS WASTE</b>	<b>127.5</b>	<b>139.7</b>	<b>124.8</b>
<i>Of which redirected to another Group site</i>	<i>91.6</i>	<i>97.2</i>	<i>92.0</i>
<b>TOTAL NON-HAZARDOUS WASTE</b>	<b>68.1</b>	<b>106.2</b>	<b>161.1</b>
<i>Of which redirected to another Group site</i>	<i>22.9</i>	<i>95.5</i>	<i>32.3</i>

2013 published data: HW 135.6, of which redirected 91.6; NHW 81.5, of which redirected 36.3.

### 3.3.2.6 Energy <sup>40</sup>

Total in GWh/year

	2013 restated	2014	2015
<b>ENERGY PRODUCTION</b>	<b>704.7</b>	<b>620.4</b> ✓	<b>644.4</b> ✓
External sales of energy	559.1	555.7 ✓	549.2 ✓
Internal production and consumption	145.6	64.7 ✓	95.1 ✓
Energy purchases	208.8	218.7 ✓	223.8 ✓
<b>ENERGY CONSUMPTION</b>	<b>-</b>	<b>283.4</b> ✓	<b>319.0</b> ✓
Energy self-sufficiency	199.0%	219.0% ✓	202.0% ✓

2013 published data: production 1 014.0; sales 763.8; internal production and consumption 250.2; purchases 246.8; self-sufficiency 204%.

40: EN3, EN4 & EN5.

### 3.3.3 Climate change

#### 3.3.3.1 Ecocert Climate Commitment certification

In 2015, Séché Environnement received the Ecocert Climate Commitment certification, the first time a company in its industrial sector was certified in this way for all its sites.

Climate Commitment certification is an initiative of Ecocert Environnement, an inspection and certification body specializing in the area of the environment and sustainable development, and committed to the fight against climate change with a view to responding to the following concerns:

- the quality, monitoring and verification of GHG accounting, and actions to reduce and compensate for GHG emissions;
- recognition of a holistic approach to the fight against climate change;
- structuring communications on initiatives undertaken in relation to GHGs;
- the need for recognition by an independent body of the efforts exerted.

Ecocert's Climate Commitment management system (SMEC) certification is granted provided that an external audit has shown that a company complies with SMEC principles. It is based on the following reference systems:

Approach	Standard	Methods and tools	Database
System of managing environment-related matters	ISO 14001 ISO 14004 ISO 14010		
Publication of environmental concerns	ISO 14020 ISO 14021 ISO 14024 ISO 14025		
Inventory of GHG emissions - structural approach	ISO 14064 ISO 14065 ISO 14067	Bilan Carbone® GHG Protocol "Grenelle" Law article 75 GHG accounting	(ADEME) Base Carbone®
Life cycle analysis	ISO 14040 ISO 14044	ADEME Bilan Produit BP X30	Ecoinvent GaBi

The Climate Commitment frame of reference evaluates the consistency, pertinence and efficiency of actions undertaken by an organization to reduce its carbon footprint. The procedure is based on:

- regular measurement of GHG emissions by the organization, to enhance awareness of its own impact on the climate, and to determine how dependent it is on changes in energy prices;
- progressive reductions in GHG emissions. This lies at the heart of the method. Once it has measured its GHG emissions, the organization implements various actions to reduce them, such as eco-design, energy efficiency, alternative modes of transportation, processes and modes of sourcing, etc., and increasingly sensitizes all stakeholders to the need to act according to their responsibilities.

#### 3.3.3.2 Carbon accounting (article 75 of the French "Grenelle" Law)<sup>41</sup>

Article 75 of French Law no. 2010-788 dated July 12, 2010, requires companies to account for greenhouse gas (GHG) emissions under the BEGES system. Séché Environnement began calculating its GHG emissions several years ago. Since 2011, it has applied the regulatory BEGES carbon accounting methods based on Bilan Carbone® V7, initiated by ADEME, the French agency for energy use and the environment, and now managed by the Association Bilan Carbone®. The reference period for the first GHG report conducted under these arrangements was the fiscal year 2011.

In compliance with regulations, the operating scope includes all sites likely to emit GHGs directly or indirectly in connection with energy use, i.e. categories or scopes 1 (GHG emissions from either fixed or moveable sources

41: EN16 & EN17.





which are controlled by the corporate entity) and 2 (GHG emissions from the production of electricity, steam or heat, imported and consumed by the corporate entity for the benefit of its own operations).

The carbon cycle is a bio-geo-chemical cycle resulting from complex exchanges between the atmosphere, the oceans, living matter and mineral substances.

### The short-term biomass carbon cycle

While it grows, biomass assimilates carbon by photosynthesis. Later, its natural degradation through putrefaction in the form of CO<sub>2</sub> and CH<sub>4</sub> naturally releases the carbon stored earlier: this is the short, or biogenic carbon cycle. In this natural, balanced cycle, the impact on the greenhouse effect of biogenic CO<sub>2</sub> is considered to be close to zero.

Consequently, it is generally admitted that carbon originating in biomass (biodegradable matter, cardboard, organic household waste, etc.) and reemitted as CO<sub>2</sub> during waste treatment, has little or no impact on the greenhouse effect. The global warming potential (GWP) of CH<sub>4</sub>, however, is much greater, and often attributable

to human activity, for example the partly anaerobic landfill of waste, and must therefore also be taken into account.

### The very long-term fossil carbon cycle

The carbon contained in fossil matter was trapped in cycles of several million years in “geological reservoirs”, practically without any exchange with the atmosphere over numerous millennia. Burning fossil fuels or matter containing carbon of fossil origin, such as plastics, throws the “natural” carbon cycle out of balance, by injecting massive quantities of CO<sub>2</sub> and CH<sub>4</sub> into the atmosphere, adding net carbon to the atmosphere on a time scale of the order of 100 years.

As a result:

**Carbon of fossil origin** contributes, on this time scale, to increasing the concentration of CO<sub>2</sub> in the atmosphere and has a decisive impact on climate change.

**Biogenic carbon must be quantified separately**, since it is considered not to have an impact on climate change. In the case of waste treatment, biogenic carbon comes from the fermentable component of waste.

in thousands of tonnes eqCO<sub>2</sub>

GHG emissions for scopes 1 + 2	2013 restated 2014	2014	2014 restated 2015	2015
Bilan Carbone® - fossil carbon	608.1	603.9	573.5	560.4
Bilan Carbone® - biogenic carbon	287.3	299.4	340.0	299.5
<b>BILAN CARBONE® (BEGES) - TOTAL CARBON</b>	<b>895.4</b>	<b>903.3</b>	<b>913.5</b>	<b>859.9</b>
Uncertainty of the Bilan Carbone® measurement	133.4	158.8	61.1	55.0

2013 published data: fossil carbon 726.2; biogenic carbon 439.9; total carbon 1 161.1; uncertainty 226.7.

### 3.3.3.3 GHG emissions avoided <sup>42</sup>

#### 3.3.3.3.1 Principle

Atmospheric emissions from the treatment of waste depend on the type of waste and the process employed. For example:

- landfill with production of methane: the regulations provide only for the flaring off of methane produced, in order to reduce its global warming potential, which is 28 times greater than carbon dioxide. The Group recovers this methane by producing electricity and steam: the reduction is the same, but the Group avoids GHG emissions because of this energy production which would otherwise have necessitated consumption of a fossil fuel. Since the carbon concerned here is biogenic carbon, under the Bilan Carbone® method these emissions avoided will no longer be accounted for as such;

- incineration with production of energy: first and foremost, the Group possesses smoke treatment equipment which enables it to comply with regulations. Energy production gives rise to a certain quantity of GHG emissions avoided. R&D efforts have also made it possible to reduce other GHG emissions such as nitrogen oxides by injecting urea into the smoke treatment process, and by capturing the CO<sub>2</sub> present in smoke by means of membrane techniques which have recently been patented;
- treatment of industrial gases: these techniques make it possible to reduce considerably GHG emissions, especially when applied to gases such as CFCs or sulfur hexafluoride (SF<sub>6</sub>), which have a global warming potential of 23 900 times that of CO<sub>2</sub>.

42: EN18.

### 3.3.3.3.2 Emissions avoided by energy recovery

in thousands of tonnes eqCO <sub>2</sub>				
GHGs avoided for scopes 1 + 2	2013 restated	2014	2014 restated	2015
Bilan Carbone® - excluding own energy consumption	34.8	39.9	77.2	75.3

2013 published data: 40.0.

### 3.3.3.3.3 Emissions reduced by the treatment of industrial gases with high global warming potential

Emissions are reduced by the treatment of gases such as CFCs, halons, sulfur hexafluoride (SF<sub>6</sub>) with a very high global warming potential (25 000 to 29 000 times that of CO<sub>2</sub>).

in thousands of tonnes eqCO <sub>2</sub>			
GHGs reduced	2013 restated	2014	2015
GHGs reduced excluding industrial gases treated <sup>43</sup>	4 776	2 920	4 094

### 3.3.3.4 Adaptive measures - transportation

Séché Environnement is committed to the “Target CO<sub>2</sub>” program initiated by the French road haulage federation FNTR: its GHG emissions related to transportation fell by 9.7% from 2009 to 2012. This improvement was made possible by two types of action:

- transfer of a significant part of its transportation activity from highways to railroads, with the creation (in partnership with other industrial operators) of a specific Marseille-Salaise-Lyon-Château-Gontier-Longuefuye freight link for containers operated by Combiwest. This modal shift enabled Séché Environnement to avoid more than 2 200 truck movements between Salaise and Changé, equivalent to 1.8 million km of freight. The carbon footprint per tonne transported was reduced by a factor of 8.6, from 43 kg to 5 kg;
- improvements in fleet management and better road vehicles (Euro 5 EEV with automatic transmission) and training of drivers in eco-friendly driving techniques.

A further reduction commitment of 5% has been undertaken for the period 2013-2016.

### 3.3.4 Protection of biodiversity

#### 3.3.4.1 Ecocert Biodiversity Commitment certification

In 2015, Séché Environnement received the Ecocert Biodiversity Commitment certification, the first company to be certified in this way for all five of its landfill sites. This certification defines and structures a framework for responding to the demands and expectations concerning biodiversity in the ISO 14001 and ISO 26000 standards, the Global Reporting Initiative (GRI) and other regulatory texts, including article 225 of the French “Grenelle 2” Law on the environment.

The seven characteristics of the Biodiversity Commitment are:

- it is a universal “label”, adaptable to all types of organization across the world (small or large businesses, local authorities, territories, natural parks, conservation areas, etc.);
- it takes into consideration both local and global biodiversity as it is impacted throughout the organization’s value chain, on territories directly or indirectly related to its activities;
- it aims to increase awareness of the role of organizations with respect to biodiversity, and their dependence on it;
- it involves all stakeholders, to connect the organization with its territory for the purpose of sharing information and capitalizing on experience;

43: Values recalculated for 2012 on the basis of an accurate inventory of gases received, which can only be known after treatment has taken place (at the end of the semester following the year-end), with extrapolation to 2013.





- it is centered around measurement of the biodiversity footprint, through regular evaluation of the pressures on biodiversity exerted by the activities of the organization, rather than being focused on a biodiversity inventory at a particular moment in time. This approach promotes the resiliency of ecosystems and contributes to strengthening the robustness of their ecological functions;
- it aims to avoid and reduce pressure on biodiversity at the operational level of the organization, anticipating impacts from the outset of the project design phase, without losing sight of opportunities to make ecological adjustments to infrastructures;
- it drives organizations toward continuous improvements in their management and conservation of biodiversity, enabling each organization to first analyze itself, then to grow in maturity and, on a day-to-day basis, to act increasingly on suitable levers to reduce the pressures on ecosystems, while at the same time generating positive outcomes on local territories.

### 3.3.4.2 Biodiversity policy - conservation and management

By virtue of its activity, and in general terms, Séché Environnement is convinced that the conservation of biodiversity will be a major stake in future decades. Its own activities put the Group in permanent contact with nature, both on its own sites and elsewhere, through its relationships with its neighbors and its role as a land occupier. Its activity is not so much dependent on its surroundings, as having a potential impact on them.

Identification and value analysis of a milieu by means of an appraisal of its biodiversity should enable an organization to reconcile closely its management of so-called natural spaces with that of spaces used for industrial or domestic purposes, especially for activities with a large "appetite" for land use.

This means it is necessary to identify the various environmental pressures acting on these areas, including those classified Natura 2000 and/or regional natural parks. Biodiversity lies at the heart of human activity, and its preservation must therefore be integrated into all human activity as an intrinsic part of it, as are water and air emissions from industrial activities.

The eco-compatibility of plants, the choice of seeds, differentiated land management and the restoration of wetlands are among the factors contributing to protecting biodiversity at the Group's sites. The results from monitoring, particularly from the STOC program to monitor avifauna populations, in collaboration with the French National Natural History Museum, are testimony to the effectiveness of the measures adopted in past years. In line with our aim of continuous improvement, new

ecosystem monitoring programs for other fauna groups are currently being implemented.

The link which unites Séché Environnement with the biodiversity surrounding its sites is all the stronger because, as a significant landowner, it is able to implement coherent actions for the preservation and monitoring of animal and plant species. The fruits of these actions go beyond the neighborhoods of its own sites because of the exchanges which take place between one territory and another by means of so-called ecological corridors.

The process can be summarized in a few points:

- preservation of areas of heritage significance identified at the design stage of the project;
- implementing measures to monitor the maintenance of biodiversity;
- non-dissociation of landscapes and biodiversity, which means integrating into landscape or renaturation programs those elements which can contribute to enriching biodiversity, paying particular attention to choice of plants, shrubs, trees, and seeds (preferably endogenous);
- management methods suitable for application in natural areas, especially using differentiated tools to determine resources and timing for the maintenance of protected natural areas and nearby areas (late mowing, ecological engineering of ponds and watercourses, conservation of dead trees etc.) Pastoralism can be useful in policies of this kind, for example using highland cattle to maintain wetlands, or ditch-dwelling goats of a disappearing local species to clear undergrowth from hilly areas which are inaccessible to humans.

### 3.3.4.3 National Biodiversity Strategy (SNB) - actions consequent on award of the SNB quality mark

Séché Environnement subscribes to France's National Biodiversity Strategy (SNB). Its commitment was recognized by the Ministry for Ecology, Sustainable Development and Energy in January 2014, marking the launch of implementation of the Group's three-year action plan. The Group benefits from expertise provided by the LPO (French League for the Protection of Birds) to formalize its commitments. The LPO will accompany the deployment of the Group's action plan.

The Group's commitment is fourfold:

- 1:** Place actions in favor of biodiversity in a continuum of space and time, stimulating progress widely throughout the subsidiaries of the Group;
- 2:** Make biodiversity a cause that will bring people together within the Group;



**3:** Use biodiversity as a lever to invigorate stakeholders and customers;

**4:** Develop people's interest in preserving biodiversity by means of an artistic or cultural approach.

To visualize the degree of progress achieved against these 4 SNB commitments over 15 sites, the following table

shows the actions put in place in 2014 and during the first half of 2015 to cover the SNB three-year period.

<b>Halfway results</b>		<b>Actions undertaken 2014</b>				<b>Actions undertaken 2015 (first half)</b>			
<b>Sites and activities involved in the SNB</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Incineration</b>	Trédi Saint-Vulbas	-	2	3	-	-	2	3	4
	Trédi Salaise	-	2	3	-	1	2	3	-
	Alcea	1	2	3	-	1	-	3	4
	Béarn	-	2	3	-	-	2	3	4
	Trédi Strasbourg	1	2	-	-	1	2	-	-
<b>Other industrial processes</b>	SPP Beaufort	1	2	3	-	1	2	3	-
	Triadis Beaufort	1	2	3	-	1	2	3	-
	Trédi Hombourg	1	2	3	-	1	2	3	-
	SPP Saint-Vulbas	-	2	3	-	-	2	3	4
<b>Landfill facilities</b>	SEI Changé	1	2	3	4	1	2	3	4
	SEI La Dominelais	1	2	3	4	1	2	3	4
	Drimm	1	2	3	-	1	2	3	-
	Opale	1	2	3	-	1	2	3	4
	ISDND Gabarre	1	2	3	-	-	-	-	-
	SEI Le Vigeant	1	2	3	4	1	2	3	4
<b>Proportion of sites with at least one biodiversity action within the 15-site commitment</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
		<b>73%</b>	<b>100%</b>	<b>93%</b>	<b>20%</b>	<b>73%</b>	<b>87%</b>	<b>87%</b>	<b>53%</b>

### 3.3.5 Climate Commitment and Biodiversity Commitment - two parallel quality labels

These two quality labels, awarded by Ecocert, bear witness to the manner in which Séché Environnement has placed these two issues, the climate and biodiversity, at the heart of its business model and its corporate governance. They illustrate the Group's efforts to measure its impacts in terms of GHG emissions, consumption of natural resources, prevention of pollution, management of habitats and ecological continuities, and management of invasive species. They are also a testimony to the value of the plan to reduce these pressures on natural milieus through a process of continual improvement.

In the context with its exchanges on stakeholders on these subjects, Séché Environnement organized a conference on the theme "What's the point of saving the climate if there's nobody left alive?" The conference brought together personalities from politics, business and NGOs<sup>44</sup>, and took place at the prestigious Museum of Mankind, Paris, as part of COP21. The conference marked the reopening after five

years of renovation works of the Museum of Mankind, originally created for the Universal Exhibition of 1937. Séché Environnement is proud to be a sponsor of the Museum and its magnificent collections, which can now be enjoyed in a whole new setting.

The aim of the conference was to show that action in support of climate conservation and biodiversity needs to be taken also - and probably most importantly - at local and entrepreneurial level. At a time when more and more scientists are alerting the world to the accelerating deterioration of our living space, the subject of our conference went beyond the global imbalance of the climate, and put the accent on the links between biodiversity and local impacts.

During the evening, the Chairman and CEO of Séché Environnement and the Chairman of Ecocert co-signed a call to COP21 negotiators, the "Trocadéro Declaration", urging that all the positive grass-roots ideas emerging from COP21, from organizations like Séché Environnement and Ecocert, should be adopted as part of their actions in support of biodiversity and the climate.

44: The conference can be viewed here: [http://www.groupe-seche.com/FR/a-quoi-sert-de-preserver-le-climat-s-il-n-y-a-plus-de-vivant\\_112-actualite.html](http://www.groupe-seche.com/FR/a-quoi-sert-de-preserver-le-climat-s-il-n-y-a-plus-de-vivant_112-actualite.html).



## 3.4 Commitments to society <sup>45</sup>

### 3.4.1 Territorial, economic and societal impacts

#### 3.4.1.1 Employment and regional development <sup>46</sup>

##### 3.4.1.1.1 Redistribution of revenue

M€			
At December 31	2013	2014	2015
Employees (wage bill and employer charges)	101.1	105.3	108.5
Suppliers	270.5	257.0	248.2
Shareholders (dividends)	8.2	8.2	7.2
Financial establishments	12.0	14.0	12.0
State and local authorities	35.7	35.1	38.5
Value retained by the enterprise	41.6	25.1	46.5
<b>TOTAL REVENUE</b>	<b>469.1</b>	<b>444.7</b>	<b>460.9</b>

##### 3.4.1.1.2 Links to the local community

###### 3.4.1.1.2.1 Employees' places of residence

in %			
% of employees	2013	2014	2015
% living < 50 km from the workplace	90	91	86

###### 3.4.1.1.2.2 Local taxation: economic contribution to the local economy

	2013	2014	2015
in K€	4 487	5 458	5 044
<b>IN LOCAL JOBS EQUIVALENT</b>	<b>102</b>	<b>124</b>	<b>115</b>

##### 3.4.1.1.3 Cooperation with educational establishments

###### 3.4.1.1.3.1 Work placements (internships) for > 1 month

Number			
	2013	2014	2015
Executives	6	4	14
Other employees	18	21	25
<b>TOTAL</b>	<b>24</b>	<b>25</b>	<b>39</b>

45: The Group's commitments to society are detailed in its corporate social responsibility report. - 46: EC8 & EC9.

### 3.4.1.1.3.2 Apprenticeship tax paid

Payments made to	2013			2014			2015		
	E	O	T	E	O	T	E	O	T
Regional institutions	31	221	<b>252</b>	35	75	<b>110</b>	20	381	<b>401</b>
National institutions	5	3	<b>8</b>	22	185	<b>207</b>	21	56	<b>77</b>
<b>TOTAL</b>	<b>36</b>	<b>224</b>	<b>260</b>	<b>57</b>	<b>260</b>	<b>317</b>	<b>41</b>	<b>437</b>	<b>478</b>

E: executives - O: others - T: total

### 3.4.1.1.3.3 Contributions to education and teaching

The Group opens its sites to customers, elected representatives, local residents, associations and school groups. Visitors are invited to discover the means implemented and the concrete actions carried out to protect public health, the environment in general, and biodiversity, especially on landfill sites which, being situated in rural areas, tend to be the most appropriate for this purpose.

Also, the Group continues to develop privileged relationships with higher education establishments in a framework of exchanges between industry and universities.

### 3.4.1.2 Neighboring or local populations <sup>47</sup>

Séché Environnement, with its national footprint of waste treatment and landfill facilities in various regions of France, contributes to the development of those regions both by the local recruitment of most of its employees (86% of employees live less than 50 km from their workplace) and by indirect job creation in local communities.

Employee purchasing power fuels local economies. The same is true for recourse to subcontracting for activities that are remote from the core business of the Group (security, cleaning and maintenance, among others). Indirect job creation in local communities should be added to these direct effects, in the transport, hotel and restaurant services which the Group regularly uses, although it is difficult to quantify these.

Finally, the fact that a region has a waste treatment unit in its area of influence is an asset for its industrialization policy: the plant is an essential part of its infrastructure, in the same way as the development of industrial land, the availability of utilities (energy, water and industrial gases) or connections to communication networks.

## 3.4.2 Commercial relationships

### 3.4.2.1 Good business practice

Point no. 3 of the Code of Behavior and Actions issued by the Group to all employees contains the following instructions:

*“Articulate clearly to customers and suppliers the Group’s corporate social responsibility policy, and how it promotes sustainable development both in terms of production methods and in terms of modes of consumption.*

*Séché Environnement strives to go beyond simply satisfying its customers’ elementary needs for waste management, by providing them with:*

- *guarantees of the proper execution of the tasks entrusted to the Group, as the customer has a right to expect (management of the environmental impact of its activity, in compliance with regulations in force, and managing all risks);*
- *services at a cost compatible with the general economic environment;*
- *but also, as a promoter of sustainable development, help in managing waste positively, as opposed to the frequent initial reaction that waste is a constraint, by offering them an opportunity to take an active role in protecting the environment in all its social and societal aspects, thus contributing to the protection of health and nature in general.*

*Together with its suppliers, Séché Environnement applies a responsible purchasing policy based on principles essentially derived from the following considerations:*

- *production methods and modes of consumption absolutely must reduce the environmental and societal risks which today weigh on the planet;*
- *purchases are an important lever with which to extend and generalize good sustainable development practices, by involving the entire value chain, including suppliers;*
- *our responsible purchasing policy must favor a global cost approach.*

*In this spirit, Séché Environnement develops partnering relationships to optimize the cost/benefit ratio of each operation.”*

No bad practice has been detected over the period.

47: EC1 & EC6b.



## 3.4.2.2 Sub-contractors and suppliers

K€	2013	2014	2015
<b>SUB-CONTRACTORS AND SUPPLIERS</b>	<b>86 260</b>	<b>89 474</b>	<b>88 420</b>
% SUB-CONTRACTING/REVENUE	18.4%	20.5%	19.2 %

## 3.4.2.3 Customer safety

Séché Environnement treats the inherently dangerous nature of waste entrusted to it. As part of the circular economy, part of the Group’s business includes selling secondary raw materials, whose characteristics enable them to cease to be considered as “waste”, provided that the product or substance:

- can normally be used for defined purposes;
- can be traded on a market;
- can be required to possess certain defined technical characteristics related to its intended use;
- complies with laws and regulations applicable to the products;
- globally, does not produce effects harmful to the environment of human health.

Concerning this last point, Trédi and Speichim Processing signed in 2015 the worldwide Responsive Care Charter <sup>48</sup>, a joint commitment of the worldwide chemical industry to lifelong management of chemical products, and the promotion of their role in improving the quality of life and their contribution to sustainable development.

## 3.4.3 Sponsorship policy

### 3.4.3.1 Environmental

Séché Environnement is one of the 18 signatories to the Strategy Committee Charter of France’s National Museum of Natural History.

Séché Environnement’s sponsorship policy is based on its core know-how area, protection of the environment and biodiversity in particular. Each sponsorship action has a link to a current event in the life of the Group, and is an opportunity to take a step back with respect to everyday business life and to enter upon a phase of deeper reflection about the general context of its activity.

In this way, four successive sponsorship actions with the National Museum of Natural History:

- renovation of the historic hothouses of the Jardin des Plantes, Paris (2007-2020);

- support of a research program investigating marine biodiversity in Brittany (2009-2010);
- refurbishment of the manatee pond at the Paris Zoo (2013-2016);
- renovation of the Museum of Mankind, Paris (2015-2016).

form the overall framework of the Group’s sponsorship efforts, to which may be added other “peripheral” actions, which contribute individually to events produced by associations. These environmental sponsorship programs correspondent to target **no. 3** and more especially target **no. 4** of the commitments undertaken under the SNB National Biodiversity Strategy.

Sharing the exchanges brought about by these partnerships with all Group employees enables target **no. 2** to be fulfilled. This is done by sponsoring skills, or the time spent by Group employees on preparing papers or articles for publication in association journals.

### 3.4.3.2 Cultural

Séché Environnement has assigned itself the objective of promoting sustainable modes of consumption through sponsorship actions that act as examples of good behavior. In this way, Trédi entered into an agreement with the Festival des Nuits de Fourvière to dress all its team members in fair-trade cotton uniforms, and to support home sorting of household refuse, as part of a cultural and environmental sponsorship action which has moreover enabled Group employees to learn more about the world of the theater.

Similarly, the Group takes part in various regional music festivals.

48: International Council of Chemical Associations.

### 3.4.3.3 **Scientific**

Séché Environnement supports a doctoral thesis at the Nantes School of Mining on the subject of energy and environmental process engineering and modeling the dry treatment of incinerator smoke using filtration by porous media associated with injection of adsorbents.

## 3.4.4 **Relations with stakeholders**

### 3.4.4.1 **Dialog with stakeholders**

Séché Environnement elected as early as 2003 to belong to the United Nations Global Compact, of which it is now an Advanced Level member. More recently, the Group has formalized its ten commitments according to its own personality, its activities and its own context, in the form of its corporate-level Sustainable Development Charter, its site-level HSEQ policies and its Code of Behavior and Actions at individual employee level.

In January 2015, Séché Environnement signed up to the guiding principles for constructive dialog with stakeholders, developed at the initiative of the Comité 21 under the auspices of the French Ministry for sustainable development. The Group sees the stakes of its dialog with stakeholders from two angles:

- strategic: as an understanding of how the company and its markets are changing, constantly interacting with the whole of its ecosystem;
- operational: based on its local roots and implementation of its operating authorization.

### 3.4.4.2 **Forums for national or supranational dialog**

Séché Environnement carries out its activities in a spirit of partnership, or at least complementarity, with major active non-governmental organizations (NGOs), especially in the fields of protection of the environment and the preservation of public health:

- professional organizations: UIC (union of chemical industries), FNADE (national federation of decontamination and environmental activities), FEAD (the European Federation of Waste Management and Environmental Services), SYPRED (professional body for recycling and the elimination of hazardous waste), etc.
- environmental organizations: LPO (French League for the Protection of Birds), EpE (Enterprises for the Environment), FNE (France Nature Environnement), etc.
- societal organizations: Comité 21, the association Orée, etc.

- scientific organizations: FRB (Foundation for Research on Biodiversity), MNHN (National Museum of Natural History), RECORD (a cooperative network for research into waste and the environment), etc.

- sources of new ideas: MEDEF (French employers' federation), the Eco Origin cluster of eco-activities, etc.

- financial organizations: Middennext (the independent French association representing listed SMEs and midcaps), etc.

### 3.4.4.3 **Stakeholder and stake mapping**

The relationship between an industrial corporation and its environment and stakeholders, i.e. all those who for whatever reason feel impacted (not only those who are impacted) by its activities, changes over time from a "right to know" situation to a straightforward "right to participate" attitude, resulting in "pressures" which stakeholders may exert on the corporation.

The stakes as seen by stakeholders can be grouped into four main categories:

- economic development;
- workplace expectations;
- integration into local ecosystems;
- symbiosis with society.





## ECONOMIC DEVELOPMENT

### STAKES

- Ensure a sustainable future for the Group through controlled growth and long-term profitability;
- Provide to customers global recovery and treatment solutions for their waste, respecting regulatory standards, ensuring safety, traceability and transparency, while respecting people and places on a daily basis.

### PRINCIPAL STAKEHOLDERS CONCERNED

<b>Customers</b>	Expectations and/or requirements	<ul style="list-style-type: none"> <li>■ Good quality/price ratio of the service provided;</li> <li>■ Compliance with regulations;</li> <li>■ Transparency of environmental and workplace impacts.</li> </ul>
	Type of influence	<ul style="list-style-type: none"> <li>■ Listing as approved supplier (responsible purchasing);</li> <li>■ Global purchasing agreements.</li> </ul>
	Representative talking partners	<ul style="list-style-type: none"> <li>■ Purchasing analysts (internal or EcoVadis);</li> <li>■ Responsible suppliers mediator;</li> <li>■ Obs'AR, the French responsible purchasing think tank.</li> </ul>
<b>Financial community, shareholders and insurers</b>	Expectations and/or requirements	<ul style="list-style-type: none"> <li>■ Profitability and financial equilibrium;</li> <li>■ Regulatory compliance;</li> <li>■ Anticipation and control of environmental risks and their financial impacts;</li> <li>■ Transparency regarding the life of the enterprise.</li> </ul>
	Type of influence	<ul style="list-style-type: none"> <li>■ Analysis, ethics and responsibility ratings;</li> <li>■ Socially responsible investment funds;</li> <li>■ Amount of insurance premiums.</li> </ul>
	Representative talking partners	<ul style="list-style-type: none"> <li>■ Ratings agencies (Vigeo, Ethifinance, etc.);</li> <li>■ Banks' SRI analysts.</li> </ul>
<b>Populations</b>	Expectations and/or requirements	<ul style="list-style-type: none"> <li>■ Direct job creation;</li> <li>■ Development of indirect activities in the job catchment area.</li> </ul>
	Type of influence	<ul style="list-style-type: none"> <li>■ Attractiveness to new employees of the enterprise;</li> <li>■ Support during applications for operating authorizations</li> </ul>
	Representative talking partners	<ul style="list-style-type: none"> <li>■ Local politicians;</li> <li>■ Chambers of commerce and industry, Eco Origin clusters, state employment agencies;</li> <li>■ Employers' trade bodies, MEDEF (French employers' federation).</li> </ul>

### RESPONSES PROVIDED

- Regular financial communication;
- Signature of the responsible suppliers' charter;
- Regulatory compliance ensured by the Progress cell, in relation with administrative bodies, site audit organizations, etc.;
- ISO 9001, 14001, 50001, OHSAS 18001 certification;
- Operational transparency (site visits, insurers' audits, public inquiries, etc.);
- Investments in pollution prevention, site controls and means of measurement.

### INDICATORS AND/OR MODES OF MONITORING PROGRESS VS EXPECTATIONS

- Quarterly financial communications;
- Rate of coverage of the activity by certifications;
- Number of violations for environmental damage;
- Number of site visits;
- Recruitment, training and work placement (internship) results.



## WORKPLACE EXPECTATIONS

### STAKES

- Encourage the professional development of Group employees, while respecting diversity;
- Be attentive to employees' health and safety conditions in the workplace.

### PRINCIPAL STAKEHOLDERS CONCERNED

<b>Employees</b>	Expectations and/or requirements	<ul style="list-style-type: none"> <li>■ Quality of work and working conditions;</li> <li>■ Environmental safety for sites and workers;</li> <li>■ Transparency regarding the life of the Company.</li> </ul>
	Type of influence	<ul style="list-style-type: none"> <li>■ Prime communications vehicle for publics close to the Company, therefore important for its image;</li> <li>■ Eventual industrial action;</li> <li>■ Attractiveness to new recruits; workforce mobility.</li> </ul>
	Representative talking partners	<ul style="list-style-type: none"> <li>■ Labor union delegates and/or employee representatives;</li> </ul>
<b>Employers and labor unions</b>	Expectations and/or requirements	<ul style="list-style-type: none"> <li>■ Profitability and financial equilibrium;</li> <li>■ Regulatory compliance;</li> <li>■ Anticipation and control of environmental risks and their financial impacts;</li> <li>■ Transparency regarding the life of the Company.</li> </ul>
	Type of influence	<ul style="list-style-type: none"> <li>■ Negotiations with labor union delegates and/or employee representatives.</li> </ul>
	Representative talking partners	<ul style="list-style-type: none"> <li>■ Labor unions.</li> </ul>

### RESPONSES PROVIDED

- Commitment on the part of management and all levels of the enterprise: sustainable development charter, Code of Behavior and Actions;
- Whistle-blower's charter for employees;
- Training policy including awareness programs when CSR reports are published;
- Health and safety organization on sites and management of accidents (feedback from experience).

### INDICATORS AND/OR MODES OF MONITORING PROGRESS VS EXPECTATIONS

- Number and severity rate of occupational accidents (FR1 and SR);
- Absenteeism;
- Analysis of training (volumes, subjects, budget, employees receiving training).





## INTEGRATION INTO LOCAL ECOSYSTEMS

### STAKES

- Contribute to safeguarding biodiversity and natural milieus, by playing a role in the reduction of GHGs and working to preserve natural resources, especially through energy recovery from waste ;
- Preserve biological, hydrogeological and physical milieus in which the Group operates.

### PRINCIPAL STAKEHOLDERS CONCERNED

Expectations and/or requirements	<ul style="list-style-type: none"> <li>■ Transparency regarding the life of the Company, news about the Group (NB NIMBY syndrome - waste must be treated, but not near me);</li> <li>■ Respect for local biodiversity and landscapes around sites;</li> <li>■ Control of nuisances (noise, air quality, water effluents, etc.).</li> </ul>
<b>Neighbors</b>	
Type of influence	<ul style="list-style-type: none"> <li>■ Taking part in public inquiries when applying for operating authorizations;</li> <li>■ Providing expertise through environmental NGOs.</li> </ul>
Representative talking partners	<ul style="list-style-type: none"> <li>■ Neighbors, local politicians, NGOs, etc.</li> </ul>
Expectations and/or requirements	<ul style="list-style-type: none"> <li>■ Economic activity that respects and protects the environment;</li> <li>■ Anticipating changes as a result of climate change.</li> </ul>
<b>Silent stakeholders</b>	
Type of influence	<ul style="list-style-type: none"> <li>■ Degradation or disappearance: dangers to health and the survival of mankind;</li> <li>■ Via NGOs.</li> </ul>
Representative talking partners	<ul style="list-style-type: none"> <li>■ Organizations for the protection of nature, e.g. LPO (French League for the Protection of Birds), France Nature Environnement, etc.;</li> <li>■ Associations with societal aims, e.g. Entreprises pour l'Environnement, Orée, etc.;</li> <li>■ Scientific organizations, e.g. National Museum of Natural History, Fondation pour la Recherche sur la Biodiversité, etc.</li> </ul>

### RESPONSES PROVIDED

- Careful listening to neighborhood, to be aware of their thoughts and requirements (Mr or Mrs Neighborhood);
- Dialog with neighbors with a view to site landscaping and the integration of Group activities into natural milieus and landscapes;
- Preservation of sensitive ecological areas: water recycling, controls on water effluents, limits on activities in protected areas;
- Inventories of fauna and flora together with environmental associations, related to the participatory sciences developed by the National Museum of Natural History;
- Recognition by the Ministry for the Environment (MEDDE) of the Group's commitment to the National Biodiversity Strategy;
- Playing an active part in the work of associations and scientific researchers.

### INDICATORS AND/OR MODES OF MONITORING PROGRESS VS EXPECTATIONS

- Richness of biodiversity (inventory of fauna and flora);
- Visual impact studies and integrating sites into local landscapes;
- Energy, GHGs and raw materials consumption accounting;
- Number of partnership events or local sponsorships.





## SYMBIOSIS WITH SOCIETY

### STAKES

- Establish transparent relationships of trust with all economic and social actors in contact with sites;
- Achieve a positioning among actors in economic and social development in areas where sites have been established (local industrial ecology)

### PRINCIPAL STAKEHOLDERS CONCERNED

<b>Public authorities and administrative bodies</b>	Expectations and/or requirements	<ul style="list-style-type: none"> <li>■ Regulatory compliance;</li> <li>■ Local economic development.</li> </ul>
	Type of influence	<ul style="list-style-type: none"> <li>■ Sovereign authority;</li> <li>■ Issuance of operating authorizations;</li> <li>■ Environmental police.</li> </ul>
	Representative talking partners	<ul style="list-style-type: none"> <li>■ Administrative authorities, including the Ministry for the Environment.</li> </ul>
<b>NGOs and associations</b>	Expectations and/or requirements	<ul style="list-style-type: none"> <li>■ Respect for biodiversity, air and soil;</li> <li>■ Regulatory compliance;</li> <li>■ Actions that go beyond regulatory requirements.</li> </ul>
	Type of influence	<ul style="list-style-type: none"> <li>■ Alerting the media and public opinion;</li> <li>■ Speaking out in public inquiries.</li> </ul>
	Representative talking partners	<ul style="list-style-type: none"> <li>■ Global Compact;</li> <li>■ Associations with societal aims, e.g. Entreprises pour l'Environnement, Orée, etc.;</li> <li>■ Organizations for the protection of nature, e.g. LPO (French League for the Protection of Birds), France Nature Environnement, etc.</li> </ul>

### RESPONSES PROVIDED

- Ecocert climate management and biodiversity certifications;
- Regulatory compliance (verified by internal and external audits);
- Organization of site visits;
- Commitment to the United Nations Global Compact;
- Participation in the participatory science programs of the National Natural History Museum;
- Membership of scientific organizations such as, for example, the French League for the Protection of Birds (LPO), professional bodies such as the French national federation of decontamination activities and the environment, and environmental think-tanks such as EpE;
- Sponsorship actions linked to biodiversity.

### INDICATORS AND/OR MODES OF MONITORING PROGRESS VS EXPECTATIONS

#### 3.4.4.4 **Regulatory communication**

As the main sites of the Group are officially designated for the protection of the environment, their prefectural operating authorizations require them to convene local information and monitoring committees (CLIS) or site monitoring committees (CSS) under the control of the authorities. These committees

are tripartite bodies for dialog, bringing together industry, citizens (local residents, associations, etc.) and the authorities. When prefectural authorizations come up for review, exhaustive impact statements are made available to local residents, daily dialog is initiated and public meetings make it possible to answer questions from interested parties.



## 3.4.5 Fair practice

### 3.4.5.1 Influence strategies and representation of interests

Séché Environnement does not practice isolated lobbying actions. The Group expresses itself through the professional structures of which it is a member. The person in charge is the Group Marketing Director, a member of general management.

#### 3.4.5.1.1 Representation of interests to stakeholders

Séché Environnement shares its experience within professional associations and think tanks whose interests coincide with the Group's activities. The advanced technical nature of many subjects and the diversity of their areas of influence mean that a high degree of specialization is required.

The subjects treated are highly technical and necessitate the intervention of experts. The objective of this work is to decipher complexity and make it understandable to our talking partners, whatever their background, without however misrepresenting it, so that they can form their own considered opinions, and take informed decisions.

This work is essential if the Group is to communicate clearly and in an informed manner to decision-makers, to establish a transparent and lasting dialog in view of future regulatory activity which will foster sustainable growth while preserving the environment.

#### 3.4.5.1.2 Acting as a source of propositions and taking up public positions

Since regulatory changes stem largely from consultations between national and European authorities, industry organizations representing the environmental sector take part in various working groups set up to draft future regulations.

These industry organizations make known and defend their positions to public authorities and elected representatives, bringing to the debate their expert knowledge and technical skills, while positioning themselves as a source of new ideas in a spirit of transparency and dialog with all stakeholders as they strive toward sustainable development.

### 3.4.5.2 Actions to prevent corruption in all its forms

Point no. 7 of the Code of Behavior and Actions issued by the Group to all employees contains the following instructions:

*"Ethics, integrity and legality in commercial relations are all related.*

*No employee may accept from a competitor, customer or supplier of the Group, or offer to them, any remuneration, gift or other advantage. Only gifts or invitations within acceptable limits according to common usage and anti-corruption laws may be tolerated. On no account may an employee solicit a gift or invitation.*

*It is prohibited to pay, offer or accept to pay bribes, or to grant undue advantages, directly or via an intermediary, to a public service agent or private person in any country with the intention of obtaining favorable treatment or of influencing the outcome of a negotiation in which the Group has a stake. Such practices are contrary to the law and international conventions on the fight against corruption in most countries.*

*Ethics and integrity require of all employees total probity in their working practices. All employees must avoid any situation which might give rise to a conflict between the interests of the Group and their own personal interests or those of their families.*

*No employee may hold an interest in a supplier or customer company except by means of quoted shares purchased in the context of a share portfolio, and in compliance with rules prohibiting the use of privileged information. It is likewise prohibited to work for an existing or potential competitor, customer and/or supplier without the agreement of the Group."*

No bad practice has been detected over the period.

### 3.4.5.3 Other actions in support of human rights

The Group has put in place an ethics alert mechanism which can be accessed by any employee (Point no. 8 of the Code of Behavior and Actions):

*"The ethics alert mechanism enables any employee, in case of difficulty in interpreting the rules given in the Code of Behavior and Actions, or in case of doubt as to their application in a particular situation which might call into question the Group's responsibility or bring it or its image into disrepute, to refer the matter directly to the Director of Sustainable Development.*

*Its scope is limited to acts contrary to laws and regulations, or likely to cause serious damage to the functioning of society in general, or concerning the local community to which the originator of the alert belongs.*

*Alerts must be originated by an identified employee, and may be protected by a confidentiality agreement. In all cases, the act of originating an alert imposes a heavy responsibility on, and engages the ethics of, the originator. Alerts can only function on the basis of factual information communicated in good faith."*

## **3.5** Report of one of the Statutory Auditors, designated independent third party, on the consolidated HR, environmental and societal information presented in the management report

**Year ended December 31, 2015**

To the Shareholders,

In our capacity as Statutory Auditor of Séché Environnement SA, appointed as Independent Third Party, accredited by the COFRAC under number 3-1049<sup>1</sup>, we hereby present to you our report on the consolidated HR, environmental and societal information (hereinafter the “CSR Information”) for the year ended December 31, 2015, presented in the management report. This report has been prepared in accordance with article L.225-102-1 of the French Commercial Code.

### **Responsibility of the Company**

The Board is responsible for preparing the company’s management report including CSR Information in accordance with the provisions of article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the “Guidelines”), summarized in the management report and available on request from the company’s head office.

### **Independence and quality control**

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

### **Responsibility of the statutory auditor**

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express an opinion with limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (opinion on the fair presentation of the CSR Information);
- express, at the request of the Company, an opinion with reasonable assurance that the elements of CSR information selected by the Company and identified by the sign  in the chapter on HR, environmental and societal indicators of the management report are presented fairly, in all material respects, in accordance with the Guidelines (opinion with reasonable assurance on the fair presentation of a selection of CSR Information).

Our work was performed by a team of nine people between November 2015 and March 2016 and took around four weeks. We were assisted by our specialists in Corporate Social Responsibility.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated May 13, 2013 determining the manner in which the independent third party should carry out his work, and with ISAE 30002 concerning our opinion on the fair presentation of CSR Information<sup>2</sup>.

## **1. Statement of completeness of CSR Information**

### **Nature and scope of the work**

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the Company’s sustainable development strategy with respect to the social and environmental impact of its activities and its societal commitments and, where applicable, any initiatives or programs it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of article R.225-105, paragraph 3, of the French Commercial Code.

1: The scope is available at [www.cofrac.fr](http://www.cofrac.fr) - 2: ISAE 3000 - assurance engagements other than audits or reviews of historical financial information.





We verified that the CSR Information covers the consolidation scope, i.e. the Company, its subsidiaries as defined by article L.233-1 and the entities it controls as defined by article L.233-3 of the French Commercial Code, within the limitations set out in the methodological information presented in paragraph 3.1 of the management report.

## Conclusion

Based on these procedures and taking into account the limitations mentioned above, we attest that the management report includes the required CSR Information.

## 2. Reasoned opinion on the fairness of the CSR Information

### Nature and scope of the work

We conducted around ten interviews with the people responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental impact of its activities, its sustainable development strategy and best practice in the industry.

With regard to the CSR Information that we considered to be the most important, and which are listed in the following table:

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policies, actions), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;
- at the entity level, for a representative sample of entities selected<sup>3</sup> on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were followed correctly, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 28% of headcount and between 86% and 90% of the quantitative environmental information presented.

HR indicators	Assurance level
Headcount at December 31, 2015	
Headcount distribution by age, geography and gender	
Number of part-time contracts	Reasonable
Number of temporary workers in full-time equivalents	
Total number of days' absence	
Total number of training hours, by category	
Frequency rate, work-related accidents with absence from work	Limited
Severity rate, work-related accidents with absence from work	

3: HR information: subsidiaries of Séché Environnement in France, including Trédi SA. Environmental information: Séché Éco-industries Oisinière; Séché Éco-industries Cousinière; Séché Éco-industries Mézerolles; Trédi Salaise; Trédi Saint-Vulbas; Speichim Processing Saint-Vulbas; Alcéa.

Environmental indicators	Assurance level
Contaminants in water returned to the natural environment	Reasonable
Atmospheric emissions by type of gas	
Total energy consumption	
Total energy produced	
Water consumption, by source	Limited
Water returned to the natural environment	
Qualitative information	
HR questions	Health and safety conditions at work Work-related accidents, particularly their frequency and severity, and occupational diseases
Environmental questions	Organization of the company to take account of environmental questions Measures taken to preserve or develop biodiversity
Societal questions	Dialog with stakeholders

For the other consolidated CSR information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgment, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

### Conclusion

Based on our work, we did not identify any material anomalies likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

## 3. Reasonable assurance report on the fair presentation of a selection of CSR Information

### Nature and scope of the work

Concerning the elements of CSR information selected <sup>4</sup> by the Company and identified by the sign , we undertook work of the same nature as that described in paragraph 2 above for the CSR Information considered the most important, but in a more in-depth manner, in particular in relation to the number of tests.

The sample selected represents 100% of headcount and between 60% and 76% of environmental information presented and identified by the sign .

We consider that this work allows us to express a reasonable assurance opinion on the information selected by the Company and identified by the sign .

### Conclusion

In our opinion, the information selected by the Company and identified by the sign  has been established, in all material aspects, in compliance with the Guidelines.

Paris La Défense and Nantes, March 1, 2016

KPMG SA  
Anne Garans  
Partner  
Climate Change & Sustainability Services Department

Franck Noël  
Partner

4: HR: Headcount at December 31, 2015; headcount distribution by age, geography and gender. Environment: contaminants in water returned to the natural environment; atmospheric emissions by type of gas, total energy consumption, total energy produced.





# Corporate HR, environmental and social responsibility data



# 4 Financial data



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## 4.1 Consolidated financial statements at December 31, 2015

### 4.1.1 Statement of the consolidated financial situation

K€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015	Note
Goodwill	227 604	227 604	231 457	1.1
Intangible fixed assets included in concessions	43 620	44 720	48 637	
Other intangible fixed assets	11 328	11 454	12 021	1.2
Property, plant and equipment	164 925	163 811	174 011	2.1
Investments in affiliates	756	847	3 135	3
Non-current financial assets	5 362	8 681	8 601	4
Hedging instruments - non-current assets	-	-	-	4.3
Other non-current assets	1 501	3 067	37 972	4
Deferred non-current corporation tax assets	-	-	-	
Deferred tax assets	48 326	43 964	40 067	6
<b>NON-CURRENT ASSETS</b>	<b>503 423</b>	<b>504 148</b>	<b>555 902</b>	
Inventories	10 894	11 389	11 339	
Trade and other receivables	133 821	139 127	140 341	
Corporation tax receivables	2 171	411	963	
Current financial assets	90	1 038	868	
Hedging instruments - current assets	-	-	3	4.3
Other current assets	25 092	28 751	23 201	4
Cash and cash equivalents	28 032	38 756	30 640	4.1.3
<b>CURRENT ASSETS</b>	<b>200 099</b>	<b>219 472</b>	<b>207 356</b>	
Assets held for sale	714	351	352	
<b>TOTAL ASSETS</b>	<b>704 236</b>	<b>723 971</b>	<b>763 610</b>	
Share capital	1 727	1 727	1 572	8
Additional paid-in capital	290 931	121 486	90 805	9
Reserves	(43 928)	125 674	134 816	10
Net income (Group share)	8 781	9 767	16 822	
<b>SHAREHOLDERS' EQUITY (GROUP SHARE)</b>	<b>257 510</b>	<b>258 654</b>	<b>244 014</b>	
Minority interests	118	131	(288)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>257 628</b>	<b>258 785</b>	<b>243 726</b>	
Other equity	102	131	146	
Non-current financial debt	222 630	241 824	292 138	4.2.1
Hedging instruments - non-current liabilities	1 773	547	436	4.3
Employee benefits	599	2 327	3 804	5.3
Deferred tax liabilities	-	-	-	6
Other non-current provisions	7 254	8 545	9 300	5
Other non-current liabilities	2 911	4 938	4 093	4.2.2
<b>NON-CURRENT LIABILITIES</b>	<b>235 166</b>	<b>258 181</b>	<b>309 771</b>	
Current financial debt	30 788	29 829	28 939	4.2.1
Hedging instruments - current liabilities	155	596	144	4.3
Current provisions	8 842	1 904	1 828	5
Taxes payable	294	578	2 377	
Other current liabilities	170 547	173 617	176 326	4.2.2
<b>CURRENT LIABILITIES</b>	<b>210 625</b>	<b>206 523</b>	<b>209 614</b>	
Liabilities held for sale	714	351	352	
<b>TOTAL LIABILITIES</b>	<b>704 236</b>	<b>723 971</b>	<b>763 610</b>	



## 4.1.2 Consolidated income statement

<b>K€</b>				
	<b>Note</b>	<b>Dec. 31, 2013 restated</b>	<b>Dec. 31, 2014 restated</b>	<b>Dec. 31, 2015</b>
<b>REVENUE</b>	<b>12</b>	<b>469 082</b>	<b>444 737</b>	<b>460 910</b>
Other business income		4 294	6 636	6 855
Transfers of expenses		1 469	16 944	3 999
Purchases used for operational purposes		(73 340)	(68 909)	(66 962)
Other external expenses		(186 065)	(176 790)	(169 662)
Taxes other than on income		(35 560)	(35 207)	(38 498)
Employee benefits expenses		(101 119)	(105 276)	(108 536)
<b>EBITDA</b>	<b>13</b>	<b>78 760</b>	<b>82 135</b>	<b>88 106</b>
Expenses for rehabilitation and/or maintenance of sites included in concessions		(10 574)	(10 038)	(9 705)
Other net operating expenses		(566)	(1 273)	(1 849)
Net allocations to provisions	14.2	(2 729)	(1 807)	(329)
Net allocations to amortization	14.3	(32 084)	(33 463)	(35 643)
<i>CURRENT OPERATING INCOME</i>	<i>14.1</i>	<i>32 808</i>	<i>35 554</i>	<i>40 580</i>
Income on sales of fixed assets		5	4 831	(281)
Impairment of assets		(191)	(123)	-
Consolidation scope variation effects		(413)	-	(626)
Other operating income and expenditure		(255)	(7 433)	(1 145)
<b>OPERATING INCOME</b>	<b>15</b>	<b>31 953</b>	<b>32 829</b>	<b>38 528</b>
Income from cash and cash equivalents		514	576	423
Gross financial borrowing costs		(12 015)	(14 014)	(11 879)
<i>COST OF NET FINANCIAL DEBT</i>		<i>(11 501)</i>	<i>(13 437)</i>	<i>(11 456)</i>
Other financial income	16.2	557	320	822
Other financial expenses		(989)	(917)	(1 482)
<b>FINANCIAL INCOME</b>	<b>16.1</b>	<b>(11 933)</b>	<b>(14 035)</b>	<b>(12 116)</b>
Corporation tax	17	(6 797)	(7 092)	(8 472)
<b>INCOME OF CONSOLIDATED COMPANIES</b>		<b>13 223</b>	<b>11 702</b>	<b>17 940</b>
Share of income of affiliates		(560)	(1 332)	(664)
<b>NET INCOME FROM CONTINUING OPERATIONS</b>		<b>12 663</b>	<b>10 371</b>	<b>17 277</b>
Income from discontinued operations		(3 855)	(550)	(417)
<b>TOTAL NET INCOME OF CONSOLIDATION SCOPE</b>		<b>8 808</b>	<b>9 821</b>	<b>16 860</b>
<i>Of which minority interests</i>		<i>28</i>	<i>54</i>	<i>38</i>
<i>Of which attributable to equity holders of the parent</i>		<i>8 781</i>	<i>9 767</i>	<i>16 822</i>
Net earnings per share		EUR 1.02	EUR 1.14	EUR 2.05
Diluted earnings per share		EUR 1.02	EUR 1.14	EUR 2.05



### 4.1.3 Statement of net income and profits and losses directly recognized in equity

K€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
<b>Items not included in the income statement (A)</b>			
Actuarial differences	(529)	(1 062)	(904)
Tax effects	182	347	307
<i>SUB-TOTAL (A)</i>	<i>(347)</i>	<i>(715)</i>	<i>(597)</i>
<b>Items included in the income statement (B)</b>			
Foreign currency differences	(395)	(122)	(324)
Change in fair value of financial hedging instruments	1 885	809	571
Change in fair value of available-for-sale financial assets	(205)	(147)	(153)
Share of profits and losses booked directly under shareholders' equity of affiliates consolidated under the equity method	-	-	-
Tax effects	(661)	(278)	(196)
<i>SUB-TOTAL (B)</i>	<i>624</i>	<i>262</i>	<i>(102)</i>
<i>SUB-TOTAL OF GAINS AND LOSSES BOOKED DIRECTLY UNDER SHAREHOLDERS' EQUITY</i>	<i>277</i>	<i>(454)</i>	<i>(700)</i>
<i>NET INCOME FOR THE PERIOD</i>	<i>8 808</i>	<i>9 821</i>	<i>16 860</i>
<b>NET INCOME AND PROFITS AND LOSSES BOOKED DIRECTLY UNDER SHAREHOLDERS' EQUITY</b>	<b>9 085</b>	<b>9 366</b>	<b>16 158</b>
<i>Of which attributable to equity holders of the parent company</i>	<i>9 057</i>	<i>9 313</i>	<i>16 122</i>
<i>Of which attributable to minority interests</i>	<i>28</i>	<i>54</i>	<i>36</i>





#### 4.1.4 Statement of changes in consolidated shareholders' equity

K€	Share capital	Additional paid-in capital	Number of shares held as treasury stock	Consolidated reserves and net income
	Note 8	Note 9		Note 10
<i>SHAREHOLDERS' EQUITY AT DECEMBER 31, 2012</i>	<i>1 727</i>	<i>299 078</i>	<i>(3 329)</i>	<i>27 091</i>
Profits and losses booked directly in equity	-	-	-	(60 535)
Net income at December 31, 2013 restated	-	-	-	8 781
<b>NET INCOME AND PROFIT AND LOSSES BOOKED DIRECTLY IN EQUITY</b>				<b>(51 754)</b>
Dividends paid	-	(8 148)	-	-
Treasury stock	-	-	(108)	-
Other changes	-	-	-	69
<i>SHAREHOLDERS' EQUITY AT DECEMBER 31, 2013</i>	<i>1 727</i>	<i>290 931</i>	<i>(3 437)</i>	<i>(24 595)</i>
Profits and losses booked directly in equity	-	-	-	-
Net income at December 31, 2014 restated	-	-	-	9 767
<b>NET INCOME AND PROFIT AND LOSSES BOOKED DIRECTLY IN EQUITY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 767</b>
Dividends paid	-	-	-	(8 145)
Treasury stock	-	-	(24)	-
Other changes	-	(169 445)	-	169 445
<i>SHAREHOLDERS' EQUITY AT DECEMBER 31, 2014</i>	<i>1 727</i>	<i>121 486</i>	<i>(3 461)</i>	<i>146 472</i>
Profits and losses booked directly in equity	-	-	-	-
Net income at December 31, 2015	-	-	-	16 822
<b>NET INCOME AND PROFIT AND LOSSES BOOKED DIRECTLY IN EQUITY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16 822</b>
Dividends paid	-	-	-	(7 413)
Treasury stock	-	-	74	-
Other changes	(155)	(30 680)	-	7 413
<i>SHAREHOLDERS' EQUITY AT DECEMBER 31, 2015</i>	<i>1 572</i>	<i>90 805</i>	<i>(3 387)</i>	<i>163 294</i>

<b>Profits and losses booked directly in equity</b>	<b>TOTAL attributable to equity holders of the parent</b>	<b>TOTAL attributable to holders of minority interests</b>	<b>TOTAL shareholders' equity</b>
<i>(67 928)</i>	<b>256 640</b>	<b>378</b>	<b>257 018</b>
60 812	<b>277</b>	-	<b>277</b>
-	<b>8 781</b>	<b>28</b>	<b>8 808</b>
<b>60 812</b>	<b>9 057</b>	<b>28</b>	<b>9 085</b>
-	<b>(8 148)</b>	<b>(29)</b>	<b>(8 177)</b>
-	<b>(108)</b>		<b>(108)</b>
-	<b>69</b>	<b>(260)</b>	<b>(191)</b>
<i>(7 115)</i>	<b>257 510</b>	<b>118</b>	<b>257 628</b>
(454)	<b>(454)</b>	-	<b>(454)</b>
-	<b>9 767</b>	54	<b>9 821</b>
<b>(454)</b>	<b>9 313</b>	<b>54</b>	<b>9 366</b>
	<b>(8 145)</b>	(41)	<b>(8 186)</b>
	<b>(24)</b>	-	<b>(24)</b>
-	-	-	-
<i>(7 569)</i>	<b>258 654</b>	<b>131</b>	<b>258 785</b>
(700)	<b>(700)</b>	(2)	<b>(701)</b>
-	<b>16 822</b>	38	<b>16 859</b>
<b>(700)</b>	<b>16 122</b>	<b>36</b>	<b>16 158</b>
-	<b>(7 413)</b>	(55)	<b>(7 467)</b>
-	<b>74</b>	-	<b>74</b>
-	<b>(23 422)</b>	(400)	<b>(23 823)</b>
<i>(8 270)</i>	<b>244 014</b>	<b>(288)</b>	<b>243 726</b>





## 4.1.5 Consolidated statement of cash flows

K€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
<b>INCOME OF CONSOLIDATED COMPANIES</b>	<b>13 223</b>	<b>11 702</b>	<b>17 940</b>
Dividends received from companies consolidated by the equity method	250	88	95
<b>Elimination of income and expenses with no cash impact or not related to operating activities:</b>			
Amortization and provisions	(276 522)	34 853	36 711
Net capital gains on disposals	324 198	(4 386)	281
Deferred taxes	6 402	4 465	3 993
Other income and expenses	(114)	2 688	2 014
<i>CASH FLOW FROM OPERATING ACTIVITIES</i>	<i>67 436</i>	<i>49 410</i>	<i>61 034</i>
Corporation tax	395	2 627	4 478
Cost of gross financial debt before long-term investments	(2 110)	10 882	10 155
<i>CASH FLOW FROM OPERATING ACTIVITIES BEFORE TAXES AND FINANCING COSTS</i>	<i>65 721</i>	<i>62 919</i>	<i>75 667</i>
Change in working capital requirement	(1 062)	(8 503)	(31 758)
Tax paid	11 093	(224)	(2 761)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>75 752</b>	<b>54 192</b>	<b>41 148</b>
Cost of acquisition of fixed assets	(56 978)	(46 877)	(48 233)
Proceeds from disposals of fixed assets	2 083	9 036	5 177
Outflows for acquisitions of financial investments	(1 271)	(1 486)	(1 135)
Inflows from disposals of financial investments	172	73	532
Net cash outflows for acquisitions of subsidiaries	(239)	(175)	(5 923)
Net cash inflows from disposals of subsidiaries	120	-	276
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)</b>	<b>(56 113)</b>	<b>(39 429)</b>	<b>(49 306)</b>
Dividends paid to equity holders of the parent	(8 148)	(8 145)	(7 413)
Dividends paid to minority shareholders of consolidated companies	(29)	(41)	(55)
Capital increases in cash	-	-	-
Treasury stock movements	(31)	(29)	(23 320)
Changes in other shareholders' equity	-	-	-
Borrowings	32 780	73 623	190 024
Repayment of borrowings	(27 485)	(56 592)	(145 955)
Interest paid	(10 907)	(12 373)	(13 011)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(13 820)</b>	<b>(3 557)</b>	<b>271</b>
<b>TOTAL CASH FLOW FOR THE PERIOD, CONTINUING OPERATIONS (A)+(B)+(C)</b>	<b>5 820</b>	<b>11 205</b>	<b>(7 888)</b>
<b>NET CASH FLOW FROM DISCONTINUED OPERATIONS</b>	<b>(241)</b>	<b>(182)</b>	<b>(5)</b>
<b>TOTAL CASH FLOW FOR THE PERIOD</b>	<b>5 579</b>	<b>11 023</b>	<b>(7 893)</b>
Cash and cash equivalents at beginning of year	22 516	27 733	38 630
<i>Of which in continuing operations</i>	<i>22 062</i>	<i>27 527</i>	<i>38 614</i>
<i>Of which in discontinued operations</i>	<i>454</i>	<i>205</i>	<i>15</i>
Cash and cash equivalents at end of year	27 733	38 630	30 453
<i>Of which in continuing operations <sup>1</sup></i>	<i>27 527</i>	<i>38 614</i>	<i>30 443</i>
<i>Of which in discontinued operations</i>	<i>205</i>	<i>15</i>	<i>10</i>
Effect of changes in foreign exchange rates	(362)	(127)	(283)
<i>Of which in continuing operations</i>	<i>(355)</i>	<i>(118)</i>	<i>(283)</i>
<i>Of which in discontinued operations</i>	<i>(8)</i>	<i>(8)</i>	<i>-</i>
1: Of which:			
Cash and cash equivalents	28 032	38 756	30 640
Short-term bank borrowings (current financial debts)	(505)	(141)	(197)

## 4.1.6 Notes to the consolidated financial statements at December 31, 2015

### 4.1.6.1. Accounting principles and methods

#### Point 1 - Accounting standards

Since January 1, 2005, the Group's consolidated financial statements have been prepared in accordance with IFRS as adopted in the European Union through EU Regulation 1606/2002 of July 19, 2002, which instituted the IFRS reporting framework.

When drawing up the financial statements at December 31, 2015, the Group:

- applied the IFRIC 21 standard "levies imposed by a government". The impact of adoption of this standard is presented in Point 3.2 of these notes;
- deepened its approach to identifying components from analysis of maintenance expenses for treatment facilities. The impact of this change of estimation method is presented in Point 3.2 of these notes.

The Group did not elect to anticipate application of any other standards due to become mandatory after January 1, 2015, but for which early application was permissible, namely:

- amendments to IAS 16 "property, plant and equipment" and IAS 38 "intangible assets" clarifying amortization methods;
- amendments to IAS 1 "presentation of financial statements";
- amendments to IFRS 10 "consolidated financial statements" and IAS 28 "investments in associates and joint ventures" on the sales of assets between the Group and entities consolidated by the equity method ;
- amendments to IFRS 11 "joint arrangements" on accounting for acquisition of an interest in a jointly-controlled arrangement.

The Group does not expect application of these standards to have a significant impact on its consolidated financial statements.

The Group is currently evaluating what impact application of IFRS 9 and IFRS 15 might have on its consolidated financial statements, but does not as yet have any results in terms of numbers.

The financial statements were approved by the Board of Directors of Séché Environnement on February 29, 2016, and will be submitted for approval to the next Annual

General Meeting. Financial data is presented in euros rounded to the nearest thousand. The financial statements have been prepared on the historical cost basis, except for derivative instruments which are recognized at fair value.

In order to prepare consolidated financial statements in accordance with IFRS, management is required to exercise its judgment and make estimates and assumptions that impact the application of the Group's accounting policies and the amounts of assets and liabilities, and income and expenses. The estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They serve as the basis for any judgment required for determining the book value of assets and liabilities when such amounts cannot be obtained directly from other sources. Due to the inherent uncertainty of any such valuation processes, estimates and underlying assumptions are continuously reviewed. Actual future results from these operations may differ from these estimates. The estimates made by the Group primarily concern the recoverable amount of tangible and intangible assets and the recognition of provisions (particularly, provisions for employee benefits). Point 9.4 in these notes to the financial statements outlines the key assumptions made by management to estimate the recoverable value of tangible and intangible assets, whereas Point 15.4 outlines those used to estimate provisions for employee benefits.

The accounting standards mentioned in the following notes were applied in the preparation of the financial statements at December 31, 2015.

#### Point 2 - Consolidation scope and consolidation method

The consolidation scope of Séché Environnement includes the consolidating parent company Séché Environnement SA and all the companies it controls, directly or indirectly, exclusively or jointly, or over which it exercises significant influence, and whatever their legal form. Subsidiaries are consolidated as of the effective date on which control was taken and until the date on which control was lost. In determining control and in compliance with the provisions of IAS 27, potential voting rights attached to financial instruments – which, if exercised, may provide Séché Environnement or its subsidiaries with a voting right - are taken into consideration.

Companies over which the Séché Group exercises exclusive control, either directly or indirectly, are fully consolidated. In compliance with IFRS 10, control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee.

In conformity with IFRS 11, the Group classifies each of its interests in partnerships either as a joint arrangement, or as a joint venture, depending on the parties' rights to the assets and obligations for the liabilities relating to the arrangement. When determining this, the Group takes





account of the structure and form of the arrangement, the legal form of the distinct vehicle, the terms agreed by the parties in the contractual arrangement, and, where appropriate, other facts and circumstances. Having examined these new measures, the Group has concluded that it is involved only in joint ventures. Therefore, accounting data concerning these are consolidated by the equity method, in accordance with IFRS 11.

### Point 3 - Major transactions and comparability

#### Point 3.1 - Major transactions

In the course of the fiscal year 2015, the Group acquired:

- on July 1, 49% of the capital of the Peruvian company Kanay;
- on October 1, 100% of the capital of Moringa and 80% of the capital of Sodicode.

Kanay, which represents less than 5% of the consolidated balance sheet and operating income, is consolidated by the equity method. Moringa and Sodicode are fully consolidated. Financial statements for 2013 and 2014 have not been restated.

#### Point 3.2 - Comparability

From January 1, 2015, the Group applied IFRIC 21 "levies imposed by a government". In consequence:

- on January 1, all land taxes owed by the Group and payable during the 4th quarter are recognized;
- on January 1, 2015, the social solidarity contribution (Contribution sociale de solidarité) calculated on the basis of 2014 revenue and due in 2015 is recognized. The social solidarity contribution calculated on the basis of 2015 revenue and due in 2016 is no longer recognized in 2015.

For comparability purposes, financial statements for 2013 and 2014 are restated on the same principles. A table showing the transition from published statements to restated data is given in note 4.1.6.3.12.

#### Point 3.3 - Deepening of the component identification method

During fiscal 2015, as part of an exercise to update its maintenance plan, the Group evaluated its planned expenditure on maintenance and repairs. This made it possible to identify and isolate more finely second-category expenditure on the Group's principal treatment facilities benefiting from regular maintenance programs, and to plan for replacements.

In application of IAS 16, these expenses are henceforth accounted for in the balance sheet as components, and are amortized over their probable lives before replacement, determined according to the replacement plan.

In 2015, the positive effect on consolidated current operating income amounted to EUR 3.1 million, which breaks down as:

- activation of second-category expenditure: EUR 53.8 million;
- amortization: EUR 2.7 million.

### Point 4 - Conversion method

Séché Environnement's consolidated financial statements are presented in euros (EUR).

### Point 5 - Conversion of transactions in foreign currencies

Transactions in foreign currencies are converted into euros at the exchange rate in effect on the transaction date. At the closing of the accounts, all assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect on the closing date. Translation differences arising from this conversion are booked in the income statement.

Any current account advance made to a subsidiary abroad which is an integral part of the Group, when such advance is not expected or likely to be repaid in the foreseeable future, is considered as a net investment by the Group in that activity. For this reason, and in application of IAS 21, exchange differences attributable to such advances are booked as translation differences directly under shareholders' equity. When withdrawn from net investment, they are booked under income.

### Point 6 - Conversion of the financial statements of foreign subsidiaries

The accounts of foreign subsidiaries are drawn up in the operational currency of each company.

In the Group's consolidated financial statements, balance sheet items are converted at the exchange rate in effect at the closing date. Income statement and cash flow statement items are converted using the average exchange rate for the year.

Foreign currency differences booked on both the balance sheet (difference between closing rates of the previous year and those applicable to the current year) and the income statement (difference between average rates and closing rates) are booked as follows:

- for the Group share, in consolidated shareholders' equity, under translation differences;
- for the third-party share, under minority interests.



## Point 7 - Sector information

The CODM (chief operating decision maker) has access to financial data for each legal entity. These legal entities variously provide waste treatment services for hazardous (HW) and non-hazardous waste (NHW), for a highly diversified customer base consisting of local authorities and industrial companies, in a variety of industrial facilities, under a single regulatory framework, principally in France.

It should be noted that no single type of customer or treatment corresponds to a particular type of waste. No specific type of waste, waste treatment or customer corresponds to a particular legal entity. The offers made by the Group to its customers take account of this diversity in the nature of waste products and in methods for dealing with them. The continuing integration of the Group's activities serves increasingly to underline this fact.

Therefore performance evaluations and allocations of the Group's resources made by the CODM are based on the analysis of performance indicators which are undifferentiated in terms of legal entity, and which present the same economic characteristics across all legal entities.

Indeed, the Group considers itself as operating in a single sector, that of waste management.

## Point 8 - Changes in accounting and accounting valuation methods

### Point 8.1 - Changes in accounting methods

The Group did not implement any changes in the accounting principles and methods applied.

### Point 8.2 - Changes in accounting valuation methods

The Group did not implement any changes in accounting valuation methods.

## Point 9 - Tangible and intangible fixed assets

### Point 9.1 - Goodwill

Goodwill is the difference between the purchase price of the Group's stake in an entity, and the fair value of that entity's net assets, liabilities, and identifiable potential liabilities at the date of acquisition. The fair value of acquired assets and liabilities can be corrected or adjusted during the 12 months following the acquisition, and goodwill will then be reassessed retrospectively.

If the recorded fair value of assets, liabilities, and identifiable potential liabilities exceeds the purchase price, the difference is immediately recognized as income.

If additional shares are purchased in a subsidiary which is already fully consolidated, no additional goodwill is recorded: such operations are considered as transactions between shareholders, and are therefore booked under shareholders' equity.

The value of goodwill is reassessed at least once a year, and whenever there is an indication of impairment. In such cases, the difference between book value and recoverable value is recognized as an operating expense, under impairment of assets, and is irreversible.

### Point 9.2 - Other intangible fixed assets

The Group's other intangible fixed assets, booked as assets in conformity with IAS 38, consist mainly of:

- potential or actual operating rights; these represent the value paid out for a site in view of its intrinsic properties which make it particularly suitable for landfill operations;
- the intangible rights recognized in application of IFRIC 12 relative to concession arrangements (public service delegation contracts). The intangible assets recognized under this heading represent the right of the operator to charge the public for use of the infrastructure;
- development costs: these correspond to studies relating to technological innovation or improvements in the efficiency of facilities, safety and environmental protection. They are booked as assets when they meet the recognition criteria prescribed by IAS 38;
- patents and software.

Intangible assets with identifiable useful lives are amortized over their useful life expectancies.

Intangible assets with indefinite useful lives are reassessed for impairment under the procedure described in Point 9.4 of the present note on the accounting principles applied.

### Point 9.3 - Property, plant and equipment

Property, plant and equipment are carried at their historical purchase or production cost, or at the cost of their constitutive components on their arrival in the Group, less cumulative amortization and any impairment recognized. When the components of property, plant and equipment have different useful lives, they are booked as separate assets.

The book value of property, plant and equipment is not revalued.

Amortization is determined on a straight-line basis according to the useful life of each component of property, plant or equipment. Amortization is calculated based on the book value of the asset, where appropriate net of residual value.

Property, plant and equipment	Amortization period (in years)
Buildings	5 to 25 years
Complex plant	1 to 20 years
Other equipment	1 to 25 years



Assets which are the subject of finance leases are restated on the balance sheet, in accordance with IAS 17, and outstanding lease payments are recorded as financial liabilities based on the original value of the assets:

- such assets are amortized according to the duration and method applied to equivalent goods owned by consolidated companies;
- the debt thus recognized is amortized according to a schedule that determines the interest expense over a given period using the implicit interest rate set in the contract, applied to the capital remaining due at the start of the period;
- deferred taxes resulting from this restatement are recognized in the Group's financial statements according to the recognition principles for deferred taxes outlined in Point 17 of the present note on the accounting principles applied.

### **Point 9.4 - Recoverable value of tangible and intangible fixed assets**

Tangible and intangible fixed assets must be subjected to impairment tests in certain circumstances:

- for intangible fixed assets with indefinite useful lives, and for intangible fixed assets in progress, impairment testing is performed at least once a year;
- for other fixed assets, testing is performed whenever there is an indication of impairment.

Fixed assets (tangible and intangible) subjected to impairment tests are grouped into cash-generating units (CGUs), i.e. groups of similar assets which generate independent cash flows:

- in France, due to the ever-increasing integration of the Group's activities, the development of its global offering, and consequently the nature of intra-Group transactions and flows, Séché Environnement deems it appropriate to consider all its activities in France as constituting one single CGU;
- outside France, the interdependence of flows in the Group's international businesses is penalized by increasingly demanding regulations which complicate cross-border flows between the countries where the Group operates. For this reason, the Group has deemed it appropriate to consider that it has five CGUs outside France, representing the five countries in which it operates: Spain, Mexico, Argentina, Hungary and Germany.

When the recoverable value of a CGU is lower than its book value, an impairment is recognized. Recoverable value corresponds to the higher of value in use, and fair value minus cost of sale.

Value in use is determined on the basis of estimated discounted cash flows. It should be noted that:

- estimated cash flows are calculated based on the consolidated business plans of each CGU, covering a period of 3 fiscal years excluding the current fiscal year, with years 4 and 5 being projected as identical to year 3. Like budgets, these business plans are drawn up based on the most accurate operational information available regarding past experience and trends in markets and techniques, and are reviewed by Group management to ensure consistency with existing strategy and the resulting investment policy;
- a terminal value is calculated for the sixth year, using year 5 flows on the basis of an annual perpetual growth rate of 1.53%. In 2014, the annual perpetual growth rate used was 1.53%;
- the discount rate used for 2015 is 5.46%. In 2014, the discount rate used was 5.78% and in 2013, 6.51%. The discount rate is chosen to reflect current market estimates of the average cost of capital. The choice of a single discount rate is justified by the fact that goodwill and intangible fixed assets with indefinite useful lives are almost entirely accounted for by companies in Europe which carry out their business almost entirely in Europe only. This discount rate is an after-tax rate applied to after-tax cash flows, and results in the same recoverable values as those calculated by applying pre-tax rates to pre-tax cash flows (as recommended by IAS 36).

Goodwill impairment is not reversible, and is recorded as an operating loss under impairment of assets. Impairment of property, plant and equipment is reversible, and is also recorded in operating income, under impairment of assets.

### Point 10 - Public service delegation (concession) contracts

The Group is developing the portion of its business carried out as a concessionaire of public services. The contracts concerned are currently held by Béarn Environnement, Sénerval, Séché Éco-industries and Alcéa.

These contracts provide for transfer by the grantors of the right to operate certain dedicated infrastructures in exchange for remuneration:

- these infrastructures are either placed at the disposal of the operator free of charge, and may be improved by the operator while the contract is in force, or they may be constructed and then operated by the operator;
- the assets conceded must be employed in priority to the benefit of the activities conceded by the grantor authority (without any guarantee of volume or minimum remuneration). These contracts generally provide also for payment of a commission or indemnity to the authority, based on the results derived from business from other users of the service;
- the contracts also normally provide for the transfer to the grantor authority at the end of the concession of the assets conceded, under agreed conditions;
- the remuneration of the services provided may be subject to a price revision clause, usually based on movements in industrial price indices. When revenue from construction activities is clearly identifiable as such, and is distinct from revenue from use of the assets, the revision clauses concerning revenue from construction activities are closely correlated with changes in the cost of financing construction work;

- these contracts also generally provide for an obligation to maintain and repair the assets conceded.

Concession contracts are accounted for according to the interpretation IFRIC 12 “service concession arrangements”, published in November 2006, and mandatory since January 1, 2010:

- infrastructures received free of charge from the grantor are not booked in the balance sheet as assets;
- the right to operate the infrastructures is recognized in the balance sheet, either as a financial asset if analysis of the contract concludes that the operator has an unconditional right to receive cash from the grantor, or as an intangible asset if analysis of the contract concludes that the operator should be considered as receiving from the grantor a right to charge users of the public service. Intangible assets recognized under the latter case are amortized on a straight-line basis over the useful life of the infrastructures generating the right;
- the construction or upgrading of existing infrastructures is booked at fair value in the income statement, according to IAS 11, and revenues from operating the services are booked according to IAS 18 as stated in Point 18 “Accounting treatment of revenues” of this note;
- costs of maintenance and repair are booked under expenses. They may be booked as accrued charges if there exists a time lag between the contractual commitment and its realization.

The main features of the various contracts in operation are as follows:

CONTRACT	Type of service	Duration	Price revision clause	Contractual revision of contract	Renewal option	Cancellation option
<b>BÉARN</b>	Construction Operation	Until 2019	Annual, according to index	No	No	Yes
<b>SÉNERVAL</b>	Construction Operation	Until 2030	Monthly, according to index	No	No	Yes, in case of serious failure, or in public interest
<b>OLÉRON</b>	Operation	Until 2013	Annual, according to index	No	Yes, 3 times 1 yr	Yes
<b>ALCÉA</b>	Construction Operation	Until 2024	Annual, according to index	No	No	Yes

In the case of the Béarn contract, a codicil (no. 19) was signed on March 4, 2014 between the Company and SMTD limiting the duration of the contract to 20 years, in conformity with the ruling of the Conseil d’État in the “municipality of Olivet” case.

In the case of the Oléron contract, the annual renewal clause was activated, and this contract therefore remains in force until the end of 2015.



### Point 11 - Public subsidies

The subsidies booked by the Group are mainly related to assets. These investment subsidies are booked in the balance sheet as other current liabilities under deferred income. Their carrying value is determined by the rate of amortization of the asset to which they are linked, and is booked under other operating income.

Any operating subsidies received are booked directly as revenue, under other operating income.

### Point 12 - Financial instruments

Financial instruments used by the Group include:

- non-derivative financial assets: assets available for sale, loans and receivables, cash and cash equivalents;
- non-derivative financial liabilities: borrowings and other financings, current bank loans, operating debts;
- hybrid or derivative financial instruments: convertible bonds, subscription options, cash flow hedging instruments.

These are booked by the Group according to the principles laid down in IAS 39: they are initially booked at fair value, plus directly attributable transaction costs in the case of those instruments not booked at fair value through the income statement.

#### Point 12.1 - Non-derivative financial assets

##### Available-for-sale financial assets

Available-for-sale financial assets comprise mainly:

- shares in non-consolidated companies, whose fair value is determined by taking into account the last known Group share in shareholders' equity;
- other securities not meeting the definition of other financial assets, i.e. for the Group, other investments.

Any changes in the fair value initially recorded are booked directly in shareholders' equity, except where a prolonged or significant reduction in fair value is recognized (i.e. a reduction of more than 30% over a period of six consecutive months).

When these financial assets are sold, the amounts booked in shareholders' equity are restated as income.

##### Loans and receivables

This category includes receivables on non-consolidated equity investments, loans, deposits and guarantees, as well as customer accounts receivable and other operating receivables (fiscal, social, and other).

This asset category is recorded at fair value when initially booked (which in most cases corresponds to their nominal value), then at their amortized cost (under the effective interest rate method) minus any impairment.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits, term deposits and liquid investments in marketable securities. Callable overdrafts, which are an integral part of the Group's cash management policy, represent a portion of cash and cash equivalents for the purposes of the statement of cash flows.

Cash equivalents are predominantly comprised of money market SICAVs (open-ended mutual funds). They are recorded at fair value, and any changes in fair value are recorded as income.

Term deposits are available at any time, with a minimum guaranteed remuneration for each successive six-monthly tranche. Repayment on demand before maturity is possible without penalty. Interest receivable on these deposits is calculated for the period between the subscription date and the maturity date.

#### Point 12.2 - Non-derivative financial liabilities

The financial liabilities of the Group are recorded initially at their fair value less transaction costs, then at their amortized cost according to the effective interest rate method.

#### Point 12.3 - Derivative instruments

##### Hedging instruments

In order to manage its exposure to interest rate risk, the Group uses financial instruments that are listed on organized, over-the-counter markets with high-quality counterparties.

The Group mainly uses interest rate swaps, swaptions, caps, floors and collars to hedge the interest rate risk incurred on its financing commitments:

- swaps are used by the Group to switch from a variable rate to a fixed rate of interest. Gains or losses from these interest rate swaps used to hedge financial liabilities are booked symmetrically to any gains or losses from the liabilities hedged. The differential between interest payable and the interest receivable is booked as interest income or expense over the life of the liabilities hedged;
- swaptions are used by the Group to switch optionally from a variable rate to a fixed rate. When the option is exercised, the accounting principles governing swaps apply;
- caps, floors and collars are used to limit the risk of interest rate fluctuations in either direction on variable rate debt. Gains or losses from these instruments are booked symmetrically to any gains or losses arising from the liabilities hedged.

With respect to the hedging instruments used to hedge cash flows, the Group measures its derivative instruments at fair value:

- for derivative instruments eligible for hedge accounting, the effective portion of the hedging derivative's gain or

loss is directly recorded under equity (re-booked on the income statement when the transaction takes place);

- for derivative instruments eligible for hedge accounting, the ineffective portion of the hedging derivative's gain or loss is recorded in the income statement.

### **Point 13 - Treasury stock**

Treasury stock is recorded as a reduction in shareholders' equity. Profits and losses resulting from the sale of treasury stock, and related dividends, net of tax, are booked directly to shareholders' equity.

### **Point 14 - Inventories**

In compliance with IAS 2, inventories are valued at the lower of cost and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business, minus the anticipated costs of completing the sale.

### **Point 15 - Provisions**

Provisions are booked to the balance sheet when the Group has a present obligation (legal or implied) vis-à-vis a third party, and it is likely that the Group will have to draw on resources representing future economic benefits in order to extinguish that obligation.

A provision is booked to the Group's financial statements only on the condition that the amount of the resources outflow necessary to meet the obligation can be measured in a reliable fashion. In the absence of a reliable estimate, and/or where the Group believes it has strong and relevant arguments in its favor with regard to a contentious claim, no provision is booked. Any such information is presented in the chapter on disputes and exceptional events in the present notes to the consolidated financial statements.

The main provisions booked by the Group relate to thirty-year monitoring costs, site decontamination and various other risks and disputes.

#### **Point 15.1 - Provisions for thirty-year monitoring**

The European Parliament adopted a new European Directive on April 26, 1999 relating to the landfill of waste. Under this Directive, all costs related to the use of landfill sites must be included in the price for eliminating waste using this method, including installation and operation of the site, financial guarantees, site decommissioning and maintenance.

Furthermore, a French regulation dated September 9, 1997 requires long-term monitoring over 30 years of all facilities operating after June 14, 1999.

Accordingly, the Group books provisions for the thirty-year monitoring of its final waste landfill sites. These are determined authorization by authorization, and are constituted over the duration of their operation, pro rata to each site's estimated

life expectancy. Costs are estimated for each authorization according to the circular of the French Ministry for the environment dated April 23, 1999, the site's operating methods, and any specific requirements stipulated by the Prefect. These estimated costs are subject to a detailed review every three years, when financial guarantees are renewed. Thirty-year monitoring provisions covering more than 12 months are recalculated using an appropriate financial discount rate.

#### **Point 15.2 - Provisions for site decontamination**

Séché Environnement's activities can generate two different types of pollution: "accidental" or "chronic". In both cases, the Group implements the controls required to detect pollution of any kind generated by its activities. In addition to organized supervision of all discharged waste products and their impacts, the Group has also prepared an impact reduction plan to respond to any accidental incidents.

Provisions for site decontamination are booked once the Group is aware of a case of contamination and has been required to decontaminate the site by the relevant authorities (e.g. DREAL - the regional government department for the environment, land use and housing). Based on all available sources of information to date, Séché Environnement has no knowledge of any pollution resulting from the Group's activities.

#### **Point 15.3 - Provisions for other risks and disputes**

These are booked on the basis of the most likely assumptions.

In particular, in the event of a tax audit, the amount of the adjustment notified (or in the process of being notified) by the tax authorities is not the subject of a provision if both the company in question and the Group consider that the points raised are unfounded, or that its own position is reasonably likely to prevail in the course of the dispute with the authorities.

#### **Point 15.4 - Employee benefits**

Post-employment benefits consist of the Group's commitments in respect of end-of-career payments to retiring employees, and medals for long service.

Group commitments for long-service medals, an official French institution, are recorded as non-current provisions.

The Group's accumulated end-of-career commitments at the closing date of the period, minus assets managed externally, are accounted for in the form of provisions. If the accumulated total of end-of-career payments made exceeds the amount of the commitment at the balance sheet date, an accrued expense for the difference is recorded in the financial statements.





In the case of those subsidiaries consolidated by the equity method (Gerep and Sogad), the commitment is recognized in the form of provisions.

Regardless of the nature of the commitment (end-of-career payment or long-service medals), and whatever the accounting treatment used to recognize the commitment (expense or provision), the commitment is calculated on the basis of actuarial evaluations using the prospective, or projected unit credit method, taking into account:

- statistical data drawn from the TPF 2005 generational mortality table;
- a turnover rate for each activity and social-occupational category determined on the basis of the historical data to which the Group has access, and a salary reassessment rate based on seniority, expected career profile, maintenance of purchasing power and collective bargaining agreements;

	2013	2014	2015
Turnover	between 3% and 7%	between 3% and 7%	between 3% and 7%
Reassessment of salaries	between 3% and 5%	between 3% and 5%	between 2% and 3%

- a discount rate of 1.83% (versus 2.25% in 2014 and 3.67% in 2013);
- an inflation rate of 1.35% (versus 1.68% in 2014 and 1.75% in 2013);
- a retirement age for executives of 67 years at the initiative of the company, and for non-executives of 65 years at their own initiative. The amount of the commitment is determined inclusive of social security contributions.

Actuarial variances are recorded under shareholders' equity, in accordance with amended IAS 19.

### Point 16 - Borrowing costs

Interest on loans is booked under expenses in the fiscal year in which it was accrued, with the following exceptions:

- borrowing costs directly attributable to the purchase, construction or production of assets requiring a long preparation period before being able to be used or sold are incorporated directly into the costs of the assets;
- costs directly attributable to the establishment of financing or re-financing arrangements are deducted from the loan in question and recycled through the income statement using the effective interest rate method.

### Point 17 - Corporation tax

#### Point 17.1 - Tax consolidation

The Group adopted the tax consolidation regime on January 1, 2000. The option for the tax consolidation regime was renewed on January 1, 2005 for a further five-year period, and is renewable automatically for further periods of five years. All French commercial companies in which S  ch   Environnement owns at least a 95% interest come under the scope of this regime.

### Point 17.2 - Deferred taxes

In general, deferred taxes are computed on the timing differences that may exist between the book value of assets and liabilities and their tax base. They are calculated company by company using the liability method of tax allocation. In accordance with IAS 12, no deferred taxes are booked for the timing differences generated by goodwill, for which amortization is not deductible for tax purposes.

The net balance of deferred taxes is determined based on the situation of each tax entity. A deferred tax asset is booked only if the Company has a reasonable assurance of recovering the amount over the next few years, having due regard to the prospects for its activities and the tax regulations in force.

### Point 18 - Accounting treatment of revenue

Revenue from the sale of goods is recognized under revenue from ordinary activities where:

- the majority of the risks and benefits associated with the ownership of said goods have been transferred to the buyer;
- the Group is no longer involved in the management of the goods, and no longer maintains effective control thereof;
- transaction costs incurred or likely to be incurred relative to the transaction can be measured in a reliable fashion.

Revenue from sales is recognized as follows:

- for the sale of services (the major part of the Group's activity), in compliance with IAS 18, i.e. at the time of completion of the service, and when it is probable that any related economic benefits will flow to entities of the Group.
- for construction contracts, in accordance with IAS 11, based on the percentage of completion method defined by that standard. The percentage of completion is measured on the basis of the amount of work actually completed. When it seems likely that the total cost of the contract will exceed the total amount of revenue, a loss on completion for the total difference is booked for the period.

Revenue received from the Group's activities governed by mandates is recorded net of the expenses incurred by these same activities.

Revenue received from the Group's ordinary activities in the framework of public service concession contracts is booked according to interpretation IFRIC 12, and explained in Point 10 of the present note.

## **Point 19 - Financial items on the income statement**

### ***Point 19.1 - Income from cash and cash equivalents***

Income from cash and cash equivalents mainly covers income from financial instruments held by the Group (convertible bonds), net of any provisions recorded, and income from the sale of cash equivalents, net of any impairment of cash equivalents booked as assets.

### ***Point 19.2 - Financial borrowing costs***

Gross financial borrowing costs include interest accrued on loans, calculated at the effective interest rate, and the cost of hedging interest rates on these same loans.

Net financial borrowing costs correspond to gross financial borrowing costs, minus income from cash and cash equivalents.

### ***Point 19.3 - Other financial income and expenses***

Other financial income and expenses correspond to income from loans and financial receivables, dividends paid by non-consolidated companies, foreign exchange gains, accretion of provisions and impairments on financial assets.





## 4.1.6.2 Consolidation scope

### 4.1.6.2.1 Parent company

Séché Environnement

A French limited company (Société Anonyme) with share capital of EUR 1 571 546

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### 4.1.6.2.2 Consolidated subsidiaries

Company name		Siren registration number	% holding	Consolidation method
Alcéa	Changé (France)	751 380 569	100.00	Full
Béarn Environnement	Pau (France)	393 439 203	100.00	Full
Drimm	Montech (France)	339 278 871	100.00	Full
IberTredi Medioambiental	Barcelona (Spain)		100.00	Full
Moringa	Fort de France (France)	793 296 963	100.00	Full
Opale Environnement	Calais (France)	332 359 637	100.00	Full
Sèche Alliance	Changé (France)	556 850 279	99.94	Full
Séché Développement	Changé (France)	813 605 839	100.00	Full
Séché Éco-services	Changé (France)	393 307 053	99.98	Full
Séché Éco-industries	Changé (France)	334 055 183	99.99	Full
Séché Énergie	Changé (France)	808 420 541	100.00	Full
Séché Healthcare	Changé (France)	812 631 679	100.00	Full
Séché Transports	Changé (France)	391 918 885	99.50	Full
Sénergies	Changé (France)	306 919 535	80.00	Full
SCI LCDL	Changé (France)	410 629 752	99.80	Full
SCI Les Chênes Secs	Changé (France)	397 475 138	99.80	Full
SCI Mézerolles	Changé (France)	340 493 840	99.99	Full
Sem Trédi	(Mexico)		100.00	Full
Sotrefi	Étupes (France)	315 669 218	100.00	Full
Sénerval	Strasbourg (France)	519 253 355	99.90	Full
Sodicome	Saint-Gilles (France)	431 912 620	80.00	Full
Speichim Processing	Saint-Vulbas (France)	389 218 850	100.00	Full
Trédi Argentina	Buenos Aires (Argentina)		100.00	Full
Trédi SA	Saint-Vulbas (France)	338 185 762	100.00	Full
Triadis Services	Étampes (France)	384 545 281	100.00	Full
UTM	Lübeck (Germany)		100.00	Full
Valaudia	Changé (France)	514 944 867	100.00	Full
Valls Quimica	Valls ( Spain)		100.00	Full
La Barre Thomas	Rennes (France)	392 583 563	40.00	Equity
Kanay	Santiago de Surco (Peru)	13038686	49.00	Equity
SAS Laval Énergie Nouvelle	Laval (France)	808 190 375	35.00	Equity
SAEM Transval	Saint-Georges-les-Baillargeaux (France)	539 131 698	35.00	Equity
Gerep	Paris (France)	320 179 559	50.00	Equity
Sogad	Le Passage (France)	322 323 783	50.00	Equity
Hungaropec	Budapest (Hungary)		99.57	Operation discontinued

### 4.1.6.2.3 Non-consolidated subsidiaries

Certain holdings have been omitted from the consolidation scope. As of December 31, 2015, this concerns only companies in liquidation.

K€				
	% held by Group	Share capital	Latest profit or loss	Fair value of holding
<b>Trading companies</b>				
Trédi New Zealand <sup>1</sup>	100.00%	NC	NC	-

1: Company liquidation in progress.



### 4.1.6.3 Explanatory notes to the financial statements

#### 4.1.6.3.1 Notes to the balance sheet

##### Note 1 - Intangible fixed assets

##### Note 1.1 - Goodwill

Goodwill breaks down by CGU as follows:

k€	France	Germany	Spain	TOTAL
<b>Gross value</b>				
<i>DEC. 31, 2013 RESTATED</i>	243 125	3 582	6 790	<b>253 498</b>
Changes in consolidation scope	-	-	-	-
Increases	-	-	-	-
Decreases	-	-	-	-
<i>DEC. 31, 2014 RESTATED</i>	243 125	3 582	6 790	<b>253 498</b>
Changes in consolidation scope	3 852	-	-	<b>3 852</b>
Increases	-	-	-	-
Decreases	-	-	-	-
<i>DEC. 31, 2015</i>	246 978	3 582	6 790	<b>257 350</b>
<b>Impairments</b>				
<i>DEC. 31, 2013 RESTATED</i>	(20 220)	-	(5 674)	<b>(25 894)</b>
Changes in consolidation scope	-	-	-	-
Increases	-	-	-	-
Decreases	-	-	-	-
<i>DEC. 31, 2014 RESTATED</i>	(20 220)	-	(5 674)	<b>(25 894)</b>
Changes in consolidation scope	-	-	-	-
Increases	-	-	-	-
Decreases	-	-	-	-
<i>DEC. 31, 2015</i>	(20 220)	-	(5 674)	<b>(25 894)</b>
<b>Net value</b>				
<i>DEC. 31, 2013 RESTATED</i>	222 906	3 582	1 117	<b>227 604</b>
Changes in consolidation scope	-	-	-	-
Increases	-	-	-	-
Decreases	-	-	-	-
<i>DEC. 31, 2014 RESTATED</i>	222 906	3 582	1 117	<b>227 604</b>
Changes in consolidation scope	3 852	-	-	<b>3 852</b>
Increases	-	-	-	-
Decreases	-	-	-	-
<i>DEC. 31, 2015</i>	226 758	3 582	1 117	<b>231 457</b>

In the absence of indications of impairment losses, impairment tests are performed annually, on December 31. As a result of the impairment test carried out in 2015 (using the methods described in these notes to the consolidated financial statements, under accounting principles and valuation methods – recoverable value of tangible and intangible fixed assets), it was not necessary to book any impairment.

The most sensitive assumptions made in the evaluation of impairment tests are the discount rate and the perpetual growth rate on the one hand, and the revenue growth rate on the other. A 0.5 basis point increase in the discount rate would have the effect of understating the fair value of all of

the Group's goodwill by EUR 88 million. Such a decrease would not lead the Group to recognize an impairment. A 0.5 point decrease in the perpetual growth rate would have the effect of understating the fair value of all of the Group's goodwill by EUR 73 million. A 1 point decrease in the annual revenue growth rate in the first three years of the business plan would have the effect of understating the fair value of all of the Group's goodwill by EUR 22 million, and would lead the Group to recognize an impairment of goodwill of EUR 4.5 million.

Furthermore, the discount rate sensitivity analysis did not reveal any probable scenario under which the recoverable value of any CGU would fall below its net book value.


**Note 1.2 - Table of changes in other intangible fixed assets**

K€				
	Software, patents	Int. fixed assets incl. in concessions	Other intangible fixed assets	TOTAL
<b>Gross value</b>				
<i>DEC. 31, 2013 RESTATED</i>	8 098	44 590	15 218	67 905
Increases (investments)	470	8 348	357	9 175
Disposals (sale or scrap)	(233)	-	(6)	(239)
Other changes	(22)	(4 493)	(68)	(4 582)
<i>DEC. 31, 2014 RESTATED</i>	8 313	48 445	15 501	72 258
Increases (investments)	780	6 678	500	7 958
Disposals (sale or scrap)	(389)	-	(116)	(505)
Other changes	121	(627)	(24)	(529)
<i>DEC. 31, 2015</i>	8 824	54 496	15 861	79 182
<b>Amortization</b>				
<i>DEC. 31, 2013 RESTATED</i>	(7 492)	(969)	(4 492)	(12 953)
Allocations	(525)	(2 740)	(92)	(3 357)
Write-backs	233	-	6	239
Other changes	7	(16)	-	(9)
<i>DEC. 31, 2014 RESTATED</i>	(7 777)	(3 725)	(4 578)	(16 080)
Allocations	(596)	(2 762)	(21)	(3 379)
Write-backs	388	-	-	388
Other changes	(68)	627	(8)	550
<i>DEC. 31, 2015</i>	(8 054)	(5 860)	(4 607)	(18 520)
<b>Impairments</b>				
<i>DEC. 31, 2013 RESTATED</i>	(4)	-	-	(4)
Allocations	-	-	-	-
Write-backs	-	-	-	-
Other changes	-	-	-	-
<i>DEC. 31, 2014 RESTATED</i>	(4)	-	-	(4)
Allocations	-	-	-	-
Write-backs	-	-	-	-
Other changes	-	-	-	-
<i>DEC. 31, 2015</i>	(4)	-	-	(4)
<b>Net value</b>				
<i>DEC. 31, 2013 RESTATED</i>	602	43 620	10 726	54 948
Increases (investments)	(56)	5 609	264	5 817
Disposals (sale or scrap)	-	-	-	-
Other changes	(15)	(4 509)	(68)	(4 591)
<i>DEC. 31, 2014 RESTATED</i>	532	44 720	10 923	56 175
Increases (investments)	183	3 916	479	4 579
Disposals (sale or scrap)	(1)	-	(116)	(117)
Other changes	53	-	(31)	22
<i>DEC. 31, 2015</i>	767	48 637	11 255	60 658

No intangible fixed assets were generated internally.

**Note 1.3 - Breakdown of other changes in other intangible fixed assets**

k€				
Net value	Software, patents	Int. fixed assets incl. in concessions	Other intangible fixed assets	TOTAL
Business combinations	-	-	-	-
Translation differences	-	-	-	-
Other changes	(15)	(4 509)	(68)	<b>(4 591)</b>
<b>TOTAL AT DEC. 31, 2014 RESTATED</b>	<b>(15)</b>	<b>(4 509)</b>	<b>(68)</b>	<b>(4 591)</b>
Business combinations	29	-	-	<b>29</b>
Translation differences	-	-	-	-
Other changes	24	-	(31)	<b>(7)</b>
<b>TOTAL AT DEC. 31, 2015</b>	<b>53</b>	<b>-</b>	<b>(31)</b>	<b>22</b>

Concerning 2015, other changes consist principally of companies entering the consolidation scope and reclassifications from one account to another.

In 2014, other changes were impacted by the reclassification as a financial asset of the intangible right to receive cash from Nantes Métropole.




**Note 2 - Tangible fixed assets: property, plant and equipment**
**Note 2.1 - Table of changes in property, plant and equipment**

K€					
	Land	Buildings	Technical facilities	Transportation equipment	
<b>Gross value</b>					
<i>DEC. 31, 2013 RESTATED</i>	29 629	139 550	313 566	16 193	
Increases (investments)	693	3 682	9 774	1 539	
Disposals (sale or scrap)	(443)	(3 341)	(6 968)	(943)	
Other changes	94	16 206	16 069	(20)	
<i>DEC. 31, 2014 RESTATED</i>	29 973	156 098	332 441	16 768	
Increases (investments)	715	1 263	16 298	1 258	
Disposals (sale or scrap)	73	(1 939)	(2 930)	(1 578)	
Other changes	56	4 457	3 094	(21)	
<i>DEC. 31, 2015</i>	30 818	159 879	348 904	16 426	
<b>Amortization</b>					
<i>DEC. 31, 2013 RESTATED</i>	(4 113)	(109 151)	(252 905)	(12 912)	
Allocations	(494)	(9 103)	(13 281)	(1 747)	
Write-backs	311	2 237	3 882	872	
Other changes	/	(7 433)	(12 447)	1	
<i>DEC. 31, 2014 RESTATED</i>	(4 297)	(123 450)	(274 751)	(13 786)	
Allocations	(519)	(8 422)	(15 394)	(1 483)	
Write-backs	(3)	1 867	2 506	1 442	
Other changes	(70)	(1 468)	(996)	69	
<i>DEC. 31, 2015</i>	(4 889)	(131 472)	(288 635)	(13 757)	
<b>Impairment</b>					
<i>DEC. 31, 2013 RESTATED</i>	(299)	-	(616)	-	
Allocations	-	-	-	-	
Write-backs	-	-	442	-	
Other changes	-	-	-	-	
<i>DEC. 31, 2014 RESTATED</i>	(299)	-	(174)	-	
Allocations	-	-	-	-	
Write-backs	-	-	111	-	
Other changes	-	-	-	-	
<i>DEC. 31, 2015</i>	(299)	-	(63)	-	
<b>Net value</b>					
<i>DEC. 31, 2013 RESTATED</i>	25 217	30 399	60 044	3 281	
Increases (investments)	199	(5 420)	(3 507)	(209)	
Disposals (sale or scrap)	(132)	(1 103)	(2 644)	(71)	
Other changes	94	8 772	3 623	(19)	
<i>DEC. 31, 2014 RESTATED</i>	25 377	32 648	57 516	2 982	
Increases (investments)	196	(7 159)	904	(225)	
Disposals (sale or scrap)	70	(72)	(312)	(136)	
Other changes	(14)	2 989	2 098	48	
<i>DEC. 31, 2015</i>	25 629	28 407	60 206	2 669	

**Note 2.2 - Breakdown of other changes in property, plant and equipment**
**2014**

Business combinations	-	-	-	-
Translation differences	3	3	(2)	(2)
Other changes	91	8 769	3 625	(17)
<b>TOTAL AT DEC. 31, 2014 RESTATED</b>	<b>94</b>	<b>8 772</b>	<b>3 623</b>	<b>(19)</b>

**2015**

Business combinations	-	-	1 263	47
Translation differences	(14)	(11)	(71)	(4)
Other changes	-	3 001	906	5
<b>TOTAL AT DEC. 31, 2015</b>	<b>(14)</b>	<b>2 989</b>	<b>2 098</b>	<b>48</b>

Most of the other changes in 2015 consist principally of companies entering the consolidation scope and reclassifications from one account to another.

Fixtures and fittings	Office equipment and furniture	Fixed assets under construction	Fixed assets under finance leases	TOTAL
44 096	7 636	13 605	46 916	611 192
3 739	372	13 027	420	33 246
(539)	(87)	70	(67)	(12 318)
11 999	(11)	(9 433)	(35 003)	(99)
59 295	7 910	17 269	12 266	632 020
2 493	557	18 313	613	41 512
(59)	(627)	(88)	(208)	(7 356)
435	120	(8 686)	3 854	3 309
62 164	7 960	26 808	16 526	669 484
(25 106)	(6 607)	-	(34 212)	(445 006)
(2 927)	(552)	-	(2 122)	(30 226)
248	73	-	67	7 690
(10 850)	9	-	30 871	151
(38 635)	(7 077)	-	(5 396)	(467 391)
(3 785)	(543)	-	(2 108)	(32 255)
46	622	-	208	6 687
(135)	(91)	-	883	(1 808)
(42 509)	(7 090)	-	(6 413)	(494 766)
-	-	(344)	-	(1 260)
-	-	-	-	-
-	-	-	-	442
-	-	-	-	-
-	-	(344)	-	(818)
-	-	-	-	-
-	-	-	-	111
-	-	-	-	-
-	-	(344)	-	(707)
18 990	1 029	13 261	12 704	164 925
812	(180)	13 027	(1 702)	3 020
(291)	(15)	70	-	(4 186)
1 149	(2)	(9 433)	(4 133)	52
20 660	833	16 925	6 870	163 811
(1 292)	14	18 313	(1 494)	9 257
(14)	(5)	(88)	-	(557)
300	29	(8 686)	4 737	1 501
19 654	870	26 464	10 112	174 011
-	-	-	-	-
-	-	-	-	2
1 149	(2)	(9 433)	(4 133)	50
<b>1 149</b>	<b>(2)</b>	<b>(9 433)</b>	<b>(4 133)</b>	<b>52</b>
153	10	116	-	1 589
-	(1)	-	-	(101)
147	19	(8 803)	4 737	12
<b>300</b>	<b>29</b>	<b>(8 686)</b>	<b>4 737</b>	<b>1 501</b>



### Note 3 - Investments in affiliates

#### Note 3.1 - Summary of investments in affiliates

The investments in affiliates held by the Group are as follows:

K€				
	% held by Group	Shareholders' equity	Latest profit or loss	Net book value of holding
La Barre Thomas	40%	353	(188)	141
Kanay	49%	174	(471)	2 633
Laval Énergie Nouvelle	35%	(546)	(768)	-
Transval	35%	103	(17)	36
Gerep	50%	(3 816)	(345)	-
Sogad	50%	(1 594)	179	324
<b>TOTAL AT DEC. 31, 2015</b>				<b>3 135</b>

#### Note 3.2 - Changes to investments in affiliates

Changes in investments in affiliates held by the Group break down as follows:

K€								
	Value at Dec. 31, 2013 restated	Value at Dec. 31, 2014 restated	Net income	Change in fair value through equity	Translation differences	Change in consolidation scope	Other changes	Value at Dec. 31, 2015
Altergies	195	189	12	-	-	(200)	-	-
La Barre Thomas	202	216	(75)	-	-	-	-	141
Kanay	-	-	(231)	-	(6)	2 870	-	2 633
Laval Énergie Nouvelle	-	77	(268)	-	-	-	191	-
Transval	47	42	(6)	-	-	-	-	36
Gerep	-	-	(178)	-	-	-	178	-
Sogad	312	323	83	13	-	-	(95)	324
<b>TOTAL</b>	<b>756</b>	<b>847</b>	<b>(664)</b>	<b>13</b>	<b>(6)</b>	<b>2 670</b>	<b>275</b>	<b>3 135</b>

#### Note 3.3 - Financial information on affiliates

A summary of financial information on affiliates is provided below:

##### Date of most recent financial information known

K€	La Barre Thomas	Kanay	Laval Énergie Nouvelle	Transval	Gerep	Sogad
	Dec. 31, 2015	Dec. 31, 2015	Dec. 31, 2015	Dec. 31, 2015	Dec. 31, 2015	Dec. 31, 2015
% held	40%	49%	35%	35%	50%	50%
Non-current assets	17	2 013	207	-	1 141	849
Current assets	1 095	1 071	1 896	132	849	1 065
Shareholders' equity	353	174	(546)	103	(3 816)	(1 594)
Non-current liabilities	-	2 228	1 262	-	4 661	2 394
Current liabilities	758	682	1 388	29	1 144	1 115
Revenue	3 407	428	2 067	155	2 383	4 345
EBITDA	(187)	(257)	180	(17)	(1 173)	692
Current operating income	(189)	(296)	(768)	(17)	(349)	255
Operating income	(189)	(296)	(768)	(17)	(343)	255
Net income	(188)	(471)	(768)	(17)	(345)	179

### Note 3.4 - Transactions with affiliates

The Group did not carry out any significant transactions with its affiliates.

### Note 4 - Financial instruments

	2013 restated			2014 restated			2015		
	NC	C	T	NC	C	T	NC	C	T
Available-for-sale financial instruments	1 755	-	<b>1 755</b>	1 808	-	<b>1 808</b>	1 655	-	<b>1 655</b>
Financial loans and receivables at amortized cost	3 607	90	<b>3 697</b>	6 872	1 038	<b>7 910</b>	6 946	868	<b>7 814</b>
<i>FINANCIAL ASSETS</i>	<i>5 362</i>	<i>90</i>	<i>5 452</i>	<i>8 681</i>	<i>1 038</i>	<i>9 719</i>	<i>8 601</i>	<i>868</i>	<i>9 469</i>
Trade and other receivables	1 501	133 821	<b>135 322</b>	3 016	139 127	<b>142 143</b>	26 405	140 341	<b>166 746</b>
Other current assets (incl. corporation tax receivables)	-	27 262	<b>27 262</b>	51	29 162	<b>29 213</b>	11 567	24 165	<b>35 732</b>
<i>LOANS AND RECEIVABLES AT AMORTIZED COST</i>	<i>1 501</i>	<i>161 083</i>	<i>162 584</i>	<i>3 067</i>	<i>168 289</i>	<i>171 355</i>	<i>37 972</i>	<i>164 505</i>	<i>202 478</i>
Hedging instruments - assets	-	-	-	-	-	-	-	3	<b>3</b>
Other instruments at fair value by the income statement	-	-	-	-	-	-	-	-	-
<i>FINANCIAL ASSETS AT FAIR VALUE BY THE INCOME STATEMENT</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3</i>	<i>3</i>
Cash and cash equivalents	-	28 032	<b>28 032</b>	-	38 756	<b>38 756</b>	-	30 640	<b>30 640</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>6 863</b>	<b>189 205</b>	<b>196 068</b>	<b>11 748</b>	<b>208 083</b>	<b>219 830</b>	<b>46 574</b>	<b>196 017</b>	<b>242 591</b>
Financial debts	222 630	30 788	<b>253 418</b>	241 824	29 829	<b>271 653</b>	292 138	28 939	<b>321 077</b>
Hedging instruments - liabilities	1 773	155	<b>1 928</b>	547	596	<b>1 143</b>	436	144	<b>580</b>
Other liabilities	2 911	170 841	<b>173 752</b>	4 938	174 195	<b>179 133</b>	4 093	178 703	<b>182 796</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>227 314</b>	<b>201 784</b>	<b>429 098</b>	<b>247 309</b>	<b>204 620</b>	<b>451 929</b>	<b>296 667</b>	<b>207 786</b>	<b>504 453</b>

NC: non-current - C: current - T: total

### Note 4.1 - Financial assets

#### Note 4.1.1 - Available-for-sale financial assets

Available-for-sale financial assets consist of:

- equity investments in non-consolidated companies, in connection with an ongoing liquidation process;
- securities treated as financial assets (mainly the Group's investment in Emertec funds).

Their net value breaks down as follows:

Net value	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Ch in FV through equity	Acquisitions	Other changes	Disposals/repaymts	Dec. 31, 2015
Bonds (principal + capitalized interest)	-	-	-	-	-	-	-
Bonds (non-capitalized interest)	-	-	-	-	-	-	-
<i>TOTAL BOND PORTION, GROSS</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Provision on bond portion	-	-	-	-	-	-	-
<i>TOTAL BOND PORTION, NET</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Trédi New Zealand	-	-	-	-	-	-	-
<i>TOTAL NON-CONSOLIDATED INVESTMENTS</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Emertec	1 703	1 555	(153)	-	-	-	1 402
Other securities	52	253	-	-	-	-	253
<i>TOTAL OTHER INVESTMENTS</i>	<i>1 755</i>	<i>1 808</i>	<i>(153)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1 655</i>
<b>TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>	<b>1 755</b>	<b>1 808</b>	<b>(153)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 655</b>



### Note 4.1.2 - Loans and receivables at amortized cost

Loans and receivables consist of:

- financial loans, deposits and bonds of indemnity of a financial nature received, booked under financial assets (current and non-current);
- trade receivables and other debtors;
- other current and non-current assets.

	2013 restated			2014 restated			2015		
	NC	C	T	NC	C	T	NC	C	T
Deposits and bonds of indemnity	1 711	12	<b>1 723</b>	1 938	350	<b>2 288</b>	2 037	190	<b>2 227</b>
Loans	1 896	78	<b>1 974</b>	999	82	<b>1 081</b>	1 343	73	<b>1 416</b>
Op. receivables from concessions	-	-	-	3 935	606	<b>4 541</b>	3 566	606	<b>4 172</b>
<b>FINANCIAL LOANS AND RECEIVABLES</b>	<b>3 607</b>	<b>90</b>	<b>3 697</b>	<b>6 872</b>	<b>1 038</b>	<b>7 910</b>	<b>6 946</b>	<b>868</b>	<b>7 815</b>
Trade receivables and other debtors	1 501	133 821	<b>135 322</b>	3 016	139 127	<b>142 143</b>	26 405	140 341	<b>166 746</b>
State	-	16 257	<b>16 257</b>	-	16 184	<b>16 184</b>	-	16 014	<b>16 014</b>
Corporation tax receivables	-	2 171	<b>2 171</b>	-	411	<b>411</b>	-	963	<b>963</b>
Prepaid accounts	-	3 700	<b>3 700</b>	-	1 505	<b>1 505</b>	-	1 246	<b>1 246</b>
Social security receivables	-	126	<b>126</b>	-	233	<b>233</b>	-	514	<b>514</b>
Receivables from disposal of fixed assets	-	2 177	<b>2 177</b>	-	1 030	<b>1 030</b>	-	930	<b>930</b>
Other receivables	-	2 571	<b>2 571</b>	51	9 538	<b>9 589</b>	11 567	4 411	<b>15 978</b>
Current accounts receivable	-	261	<b>261</b>	-	261	<b>261</b>	-	87	<b>87</b>
Other current assets	-	27 262	<b>27 262</b>	51	29 162	<b>29 213</b>	11 567	24 165	<b>35 732</b>
<b>OPERATIONAL LOANS AND RECEIVABLES</b>	<b>1 501</b>	<b>161 083</b>	<b>162 584</b>	<b>3 067</b>	<b>168 288</b>	<b>171 355</b>	<b>37 972</b>	<b>164 505</b>	<b>202 478</b>
<b>LOANS AND RECEIVABLES AT AMORTIZED COST</b>	<b>5 108</b>	<b>161 173</b>	<b>166 281</b>	<b>9 940</b>	<b>169 327</b>	<b>179 266</b>	<b>44 919</b>	<b>165 373</b>	<b>210 292</b>

NC: non-current - C: current - T: total

Depreciation and impairment on loans and receivables at amortized cost break down as follows:

	2013 restated			2014 restated			2015		
	Gross	Impairment	Net	Gross	Impairment	Net	Gross	Impairment	Net
Loans and financial receivables	3 697	-	3 697	9 411	(1 500)	7 910	9 725	(1 910)	7 815
Trade receivables and other debtors	138 480	(3 158)	135 322	145 734	(3 541)	142 193	181 991	(3 678)	178 313
Other assets	27 847	(584)	27 262	29 746	(584)	29 162	24 283	(119)	24 164
<b>LOANS AND RECEIVABLES AT AMORTIZED COST</b>	<b>170 024</b>	<b>(3 742)</b>	<b>166 281</b>	<b>184 891</b>	<b>(5 625)</b>	<b>179 266</b>	<b>215 999</b>	<b>(5 707)</b>	<b>210 292</b>

### Note 4.1.3 - Financial assets at fair value by the income statement

	2013 restated			2014 restated			2015		
	NC	C	T	NC	C	T	NC	C	T
Hedging instruments - assets	-	-	-	-	-	-	-	3	<b>3</b>
<b>FINANCIAL ASSETS AT FAIR VALUE BY THE INCOME STATEMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>

NC: non-current - C: current - T: total

### Hedging instruments

Hedging instruments are put in place by the Group as part of its policy for managing interest rate risk, and are analyzed in Note 4.3.



**Note 4.1.4 - Cash and cash equivalents**

K€	2013 restated		2014 restated		2015	
Cash	18 850		23 113		17 209	
Cash equivalents	9 183		15 642		13 431	
<b>TOTAL</b>	<b>28 032</b>		<b>38 756</b>		<b>30 640</b>	

Cash equivalents correspond to SICAVs (open-ended mutual funds).

Income from the sale of mutual funds amounted to EUR 0.3 million and was booked in the income statement under income from cash and cash equivalents.

**Note 4.2 - Financial liabilities**
**Note 4.2.1 - Financial debts**

K€	2013 restated			2014 restated			2015		
Changes in debt	NC	C	T	NC	C	T	NC	C	T
Financial debt liabilities	193 011	25 122	<b>218 132</b>	187 660	28 218	<b>215 878</b>	236 994	26 559	<b>263 553</b>
Effective interest rate impact	(1 174)	(606)	<b>(1 779)</b>	(619)	(550)	<b>(1 169)</b>	(1 813)	(666)	<b>(2 478)</b>
<i>BANK LOANS</i>	<i>191 837</i>	<i>24 516</i>	<i>216 353</i>	<i>187 041</i>	<i>27 668</i>	<i>214 709</i>	<i>235 182</i>	<i>25 894</i>	<i>261 075</i>
Bonds outstanding	25 000	-	<b>25 000</b>	50 000	-	<b>50 000</b>	50 000	-	<b>50 000</b>
Effective interest rate impact	(1 759)	(309)	<b>(2 068)</b>	(879)	(185)	<b>(1 064)</b>	(686)	(194)	<b>(879)</b>
<i>BONDS</i>	<i>23 241</i>	<i>(309)</i>	<i>22 931</i>	<i>49 121</i>	<i>(185)</i>	<i>48 936</i>	<i>49 314</i>	<i>(194)</i>	<i>49 121</i>
Finance leases	6 952	5 172	<b>12 124</b>	5 327	1 626	<b>6 954</b>	7 607	2 302	<b>9 910</b>
Other financial debt	600	904	<b>1 504</b>	335	578	<b>913</b>	35	739	<b>774</b>
Short-term bank borrowings	-	505	<b>505</b>	-	141	<b>141</b>	-	197	<b>197</b>
<b>TOTAL</b>	<b>222 630</b>	<b>30 788</b>	<b>253 418</b>	<b>241 824</b>	<b>29 829</b>	<b>271 653</b>	<b>292 138</b>	<b>28 939</b>	<b>321 077</b>

NC: non-current - C: current - T: total

Changes in debt over the year can be analyzed as follows:

K€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Increases	Repayments	Change in scope	Amortized cost	Transl. diff.	Other changes	Dec. 31, 2015
Bank loans	216 353	214 709	190 012	(142 683)	382	(1 310)	-	(35)	261 075
Bonds	22 931	48 936	-	-	-	185	-	-	49 121
Finance leases	12 124	6 954	613	(2 214)	-	-	-	4 557	9 910
Other financial debt	1 504	913	25	(258)	94	-	-	-	774
Short-term bank borrowings	505	141	-	(122)	178	-	-	-	197
<b>TOTAL</b>	<b>253 418</b>	<b>271 653</b>	<b>190 651</b>	<b>(145 276)</b>	<b>653</b>	<b>(1 125)</b>	<b>-</b>	<b>4 521</b>	<b>321 077</b>



### Debt table

At December 31, 2015, Group debt broke down as follows:

K€		Type of rate (before hedging)	Amount	Maturity	Hedging
<b>Other bank loans</b>	Variable		17 229	less than 1 year	Debt contracted at a variable interest rate Interest rate hedge of EUR 95 M
			162 992	from 1 to 5 years	
			1 225	more than 5 years	
	Fixed, between 0% and 4%		8 666	less than 1 year	
			31 985	from 1 to 5 years	
		38 978	more than 5 years		
<i>TOTAL</i>			<i>261 075</i>		
<b>Bonds</b>	Variable		-	less than 1 year	
			-	from 1 to 5 years	
			-	more than 5 years	
	Fixed, < 5%		(194)	less than 1 year	
			24 353	from 1 to 5 years	
		24 962	more than 5 years		
<i>TOTAL</i>			<i>49 121</i>		
<b>Finance leases</b>	Variable		353	less than 1 year	
			1 469	from 1 to 5 years	
			-	more than 5 years	
	Fixed, between 1% and 6%		1 949	less than 1 year	
			5 254	from 1 to 5 years	
		885	more than 5 years		
<i>TOTAL</i>			<i>9 910</i>		
<b>Other miscellaneous financial debt</b>	Variable		274	less than 1 year	
			-	from 1 to 5 years	
			-	more than 5 years	
	Fixed		466	less than 1 year	
			35	from 1 to 5 years	
		-	more than 5 years		
<i>TOTAL</i>			<i>774</i>		
<b>Short-term bank borrowings</b>	Variable		197	less than 1 year	
<b>TOTAL</b>			<b>321 077</b>		
		<i>Of which current</i>	<i>28 939</i>	<i>less than 1 year</i>	
		<i>Of which non-current</i>	<i>292 138</i>	<i>more than 1 year</i>	

**Finance lease agreements**

K€	Net book value	TOTAL minimum future payments				TOTAL sub-lease payments, discounted
		Dec. 31, 2015	TOTAL	< 1 year	1 – 5 yrs	
Land	-	-	-	-	-	-
Buildings	2 177	1 885	376	1 509	-	-
Technical facilities, equipment and industrial plant	6 701	7 153	1 676	4 643	835	-
Transportation equipment, vehicles	1 235	1 479	474	948	57	-
Fixtures and fittings	-	-	-	-	-	-
Office equipment and furniture	-	-	-	-	-	-

K€	Net book value	TOTAL minimum future payments, discounted				TOTAL sub-lease payments, discounted
		Dec. 31, 2015	TOTAL	< 1 year	1 – 5 yrs	
Land	-	-	-	-	-	-
Buildings	2 177	1 813	371	1 443	-	-
Technical facilities, equipment and industrial plant	6 701	6 881	1 654	4 457	771	-
Transportation equipment, vehicles	1 235	1 433	468	913	52	-
Fixtures and fittings	-	-	-	-	-	-
Office equipment and furniture	-	-	-	-	-	-

Most of the Group's finance lease agreements are lease financing agreements with option to purchase. 18% of the agreements (as a percentage of the associated debt) are at variable interest rates (before factoring in any interest rate hedges), primarily indexed on the 3-month Euribor.

**Note 4.2.2 - Financial liabilities at fair value by the income statement**

Financial liabilities at fair value by the income statement correspond to the derivative instruments used for hedging put in place by the Group to manage its interest rate risk. They are analyzed in Note 4.3.

**Note 4.2.3 - Other liabilities at amortized cost**

K€	2013 restated			2014 restated			2015		
	NC	C	T	NC	C	T	NC	C	T
Trade payables	-	75 958	75 958	-	77 295	<b>77 295</b>	3	79 915	<b>79 918</b>
Debts on acquisition of fixed assets	2 911	16 901	19 812	1 131	11 195	<b>12 326</b>	752	10 291	<b>11 043</b>
Advance payments received	-	7 116	7 116	-	3 509	<b>3 509</b>	-	3 766	<b>3 766</b>
Social security and related payments	-	22 437	22 437	-	24 690	<b>24 690</b>	-	25 671	<b>25 671</b>
State (excluding corporation tax)	-	24 386	24 386	3 806	31 342	<b>35 149</b>	2 638	33 141	<b>35 779</b>
Corporation tax	-	294	294	-	578	<b>578</b>	-	2 377	<b>2 377</b>
Current account credit balances	-	-	-	-	-	-	-	-	-
Other debts	-	1 847	1 847	-	1 858	<b>1 858</b>	699	913	<b>1 613</b>
Liabilities for replacing assets in concessions	-	11 078	11 078	-	10 705	<b>10 705</b>	-	9 874	<b>9 874</b>
Prepayments	-	10 825	10 825	-	13 022	<b>13 022</b>	-	12 754	<b>12 754</b>
<b>OTHER LIABILITIES</b>	<b>2 911</b>	<b>170 841</b>	<b>173 752</b>	<b>4 938</b>	<b>175 195</b>	<b>179 133</b>	<b>4 093</b>	<b>178 703</b>	<b>182 796</b>

NC: non-current - C: current - T: total



### Note 4.3 - Financial hedging instruments

K€	2013 restated			2014 restated			2015		
	NC	C	T	NC	C	T	NC	C	T
Hedging instruments - assets	-	-	-	-	-	-	-	3	3
Hedging instruments - liabilities	1 773	155	1 928	547	596	1 143	436	144	580

NC: non-current - C: current - T: total

The financial instruments used by the Group are for hedging cash flows related to its financing. These instruments,

which are traded on organized markets, are managed by the Group's Finance Department.

K€	2013 restated		2014 restated		2015	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Swaps	83 711	(1 891)	80 000	(1 056)	50 000	(367)
Collars	31 211	(52)	22 500	(94)	45 000	(209)
Hybrid instruments	-	-	-	-	-	-
<b>TOTAL</b>	<b>114 922</b>	<b>(1 929)</b>	<b>102 500</b>	<b>(1 143)</b>	<b>95 000</b>	<b>(576)</b>

At December 31, 2015, the maturity of the cash flow hedging instruments was as follows:

K€	< 1 year	1 to 5 years	> 5 years	TOTAL
Swaps	20 000	30 000	-	50 000
Collars	-	45 000	-	45 000
Hybrid instruments	-	-	-	-
<b>TOTAL</b>	<b>20 000</b>	<b>75 000</b>	<b>-</b>	<b>95 000</b>

The gains and losses booked in equity over the period amounted to EUR 0.6 million, and the cumulative total at December 31, 2015 of gains and losses booked in equity

amounted to EUR – 0.5 million. The ineffective portion of this hedging booked as income in 2015 was not significant.

No part of shareholders' equity was recycled and booked in income for the period.

**Note 5 - Current and non-current provisions**
**Note 5.1 - Changes in current and non-current provisions**

<b>K€</b>								
	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Other changes	Impact on equity	Allocations	Write-backs used	Write-backs unused	Dec. 31, 2015
Employee benefits <sup>1</sup>	599	2 327	32	730	731	(15)	-	3 804
Other non-current provisions <sup>2</sup>	7 254	8 545	(41)	-	796	-	-	9 300
<b>NON-CURRENT PROVISIONS</b>	<b>7 853</b>	<b>10 872</b>	<b>(9)</b>	<b>730</b>	<b>1 527</b>	<b>(15)</b>	<b>-</b>	<b>13 104</b>
Provisions for litigation	669	1 069	30	-	419	(313)	(81)	1 124
Provisions for BEFS (sub-contractor)	725	-	-	-	-	-	-	-
Provisions for other risks	27	168	227	-	-	(298)	(97)	-
Provisions for tax risks	6 335	-	-	-	-	-	-	-
Provisions for waste to be treated	140	148	-	-	157	(148)	-	157
Provisions for other costs	947	518	-	-	362	(225)	(108)	547
<b>CURRENT PROVISIONS</b>	<b>8 842</b>	<b>1 904</b>	<b>257</b>	<b>-</b>	<b>938</b>	<b>(985)</b>	<b>(285)</b>	<b>1 828</b>
<b>TOTAL</b>	<b>16 695</b>	<b>12 776</b>	<b>248</b>	<b>730</b>	<b>2 464</b>	<b>(1 000)</b>	<b>(285)</b>	<b>14 932</b>

1 : Provisions for end-of-career payment and long-service medal commitments are calculated according to the method described in the accounting principles and methods section of this report.

2 : Including provision for 30-year monitoring period.

**Note 5.2 - Breakdown of other changes**

<b>K€</b>				
	Business combinations	Translation differences	Other changes	TOTAL
Employee benefits	34	(2)	-	<b>32</b>
Other non-current provisions	-	-	(41)	<b>(41)</b>
<b>NON-CURRENT PROVISIONS</b>	<b>34</b>	<b>(2)</b>	<b>(41)</b>	<b>(9)</b>
Provisions for litigation	30	-	-	<b>30</b>
Provisions for BEFS (sub-contractor)	-	-	-	-
Provisions for other risks	227	-	-	<b>227</b>
Provisions for tax risks	-	-	-	-
Provisions for waste to be treated	-	-	-	-
Provisions for other costs	-	-	-	-
<b>CURRENT PROVISIONS</b>	<b>257</b>	<b>-</b>	<b>-</b>	<b>257</b>
<b>TOTAL</b>	<b>291</b>	<b>(2)</b>	<b>(41)</b>	<b>248</b>

Other movements correspond essentially to companies entering the consolidation scope.



### Note 5.3 - Post-employment benefits - end-of-career payments and long-service medals

The only benefits offered to Group employees consist of long-service medals and post-employment benefits in the form of end-of-career payments to retiring employees.

#### Post-employment benefits - end-of-career payments

The Group's total commitment (however managed) changed as follows:

K€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
<b>FAIR VALUE OF ASSETS HEDGED AT BEGINNING OF YEAR</b>	<b>7 569</b>	<b>8 224</b>	<b>10 087</b>
Cost of services rendered during the year	466	511	618
Interest credited over the year	309	300	217
Payments made over the year	(396)	(259)	(490)
Acquisition/sale of subsidiaries	-	-	34
Actuarial gains (losses)	509	1 311	724
Other (scope changes, translation differences)	(235)	-	-
<b>AMOUNT OF COMMITMENT AT END OF YEAR</b>	<b>8 224</b>	<b>10 087</b>	<b>11 190</b>
<i>Of which outsourced</i>	<i>8 200</i>	<i>8 411</i>	<i>8 099</i>
<i>Of which provisioned</i>	<i>23</i>	<i>1 676</i>	<i>3 091</i>

Changes in the fair value of funds invested to hedge the commitment were as follows:

K€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
<b>FAIR VALUE OF ASSETS HEDGED AT BEGINNING OF YEAR</b>	<b>7 465</b>	<b>7 284</b>	<b>8 565</b>
Contributions paid in	-	1 035	-
Amounts paid out	(396)	(259)	(490)
Expected return on investments	274	164	156
Management costs	(26)	(25)	(30)
Acquisition/sale of subsidiaries	-	-	68
Actuarial gains (losses)	(34)	365	(114)
<b>FAIR VALUE OF ASSETS HEDGED AT END OF YEAR</b>	<b>7 284</b>	<b>8 565</b>	<b>8 155</b>

If the value of the funds invested exceeds the amount of the commitment, an item of accrued expense is recorded. In the inverse case, a provision is booked. The analysis is made company by company. At December 31, 2015, the following were recognized:

- provisions of EUR 3 091 thousand;
- accrued expenses of EUR 56 thousand.

Hedging assets break down as follows:

K€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
Diversified investments	76%	76%	76%
Monetary investments	24%	24%	24%

The following should be noted:

- when Sénerval began operations, since it took over a number of employees from the preceding operator, it also took over commitments in respect of the past services of those same employees, in the amount of some EUR 450 thousand. The Group recorded an asset of EUR 450 thousand in respect of the commitments taken over, which was booked in accrued income. This asset was to be amortized over 18 years from July 1, 2010, i.e. the average time remaining until the employees taken over

reach retirement age. In application of amended IAS 19, applied retrospectively, this sum was booked in equity at July 1, 2012;

- when the Group took over management of the household waste incinerator and its workforce at Lesclar, the Group also took over commitments in respect of the past services of those same employees. In view of the amount represented by these commitments, they were booked directly in the income statement;

- when the Group took over management of the Nantes incinerator and its workforce, the Group also took over commitments in respect of the past services of those same employees. In application of amended IAS 19, these were recorded in the income statement.

#### Long-service medal commitments

The Group's commitments in respect of long-service medals were as follows:

K€	Dec. 31, 2015
<b>AMOUNT OF COMMITMENT AT BEGINNING OF YEAR</b>	<b>650</b>
Cost of services rendered during the year	30
Interest credited over the year	15
Payments made over the year	(63)
Acquisition/sale of subsidiaries	-
Actuarial gains (losses)	81
Other (scope changes, translation differences)	-
<b>AMOUNT OF COMMITMENT AT END OF YEAR</b>	<b>713</b>

#### Note 5.4 - Disputes and exceptional events

There are no government, legal or arbitration procedures, including any procedures of which the Company is aware, which are pending or threatened, and/or likely to have or,

during the last twelve months, to have had significant impacts on the financial situation or the profitability of the Company and/or the Group.

#### Note 6 - Deferred taxes

The analysis of deferred taxes by type is as follows:

K€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
Employee profit-sharing	537	579	589
Social solidarity contribution	275	252	174
Paid leave	661	638	653
Capital gain on insurance claims	(104)	(1 626)	(1 014)
Tax loss carry-forwards	55 726	53 334	48 215
Deferred amortization and regulatory provisions	(7 624)	(6 814)	(6 338)
Finance leases	(234)	(1 224)	(1 095)
Internal income	208	168	142
Charges to be allocated	(7)	-	-
Provisions for end-of-career payments	90	69	1 115
Restated provisions for thirty-year monitoring	(1 190)	(1 373)	(1 242)
Harmonization of amortization	462	415	369
Fair value of hedging instruments	664	394	198
Other temporary differences	(1 138)	(848)	(1 699)
<b>TOTAL</b>	<b>48 326</b>	<b>43 964</b>	<b>40 067</b>
<i>Of which deferred tax assets</i>	<i>48 326</i>	<i>43 964</i>	<i>40 067</i>
<i>Of which deferred tax liabilities</i>	<i>-</i>	<i>-</i>	<i>-</i>

Tax loss carry-forwards correspond to:

- deficits which arose before fiscal consolidation. Their activation is decided on a subsidiary-by-subsi-dary basis according to the business plan of each;
- the deficits recognized in the tax consolidation group for 2012 and 2013, related to the provisioning of the Group's entire stake in HIME. Recognition of this tax credit as an asset was enabled by the fact that the tax consolidation group was able to recover this credit within a reasonable period of time;

- the deficit recorded for Valls Quimica as a result of the provision for its tax dispute, given that the sum involved was deemed in its business plan to be recoverable. Apart from this exception, any tax losses incurred by foreign subsidiaries are not carried forward.

At December 31, 2015, the amount of deferred tax assets not carried forward relative to qualifying deficits was EUR 0.9 million.



Changes in deferred tax assets over the fiscal year can be analyzed as follows:

K€			
	Deferred tax assets	Deferred tax liabilities	NET
<b>BALANCE AT DECEMBER 31, 2013, RESTATED</b>	<b>48 326</b>	-	<b>48 326</b>
Net income	(4 465)	-	<b>(4 465)</b>
Changes in fair value by shareholders' equity	381	278	<b>103</b>
Changes in consolidation scope and other changes	-	-	-
Foreign currency differences	-	-	-
Compensation of deferred taxes among subsidiaries in the tax consolidation scope	(1 838)	(1 838)	-
Compensation of deferred tax assets and deferred tax liabilities	1 560	1 560	-
<b>BALANCE AT DECEMBER 31, 2014, RESTATED</b>	<b>43 964</b>	-	<b>43 964</b>
Net income	(3 993)	-	<b>(3 993)</b>
Changes in fair value by shareholders' equity	293	196	<b>97</b>
Changes in consolidation scope and other changes	-	-	-
Foreign currency differences	-	-	-
Compensation of deferred taxes among subsidiaries	-	-	-
Compensation of deferred tax assets and deferred tax liabilities	(960)	(960)	-
<b>BALANCE AT DECEMBER 31, 2015</b>	<b>40 067</b>	-	<b>40 067</b>

## Note 7 - Off-balance sheet commitments

### Note 7.1 - Off-balance sheet commitments arising from current operations

K€			
	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
<i>LOANS CEDED BEFORE MATURITY (BILLS, DAILY ACT)</i>	-	-	-
<i>SURETIES</i>	<i>60 239</i>	<i>56 630</i>	<i>67 704</i>
Financial guarantees <sup>1</sup>	26 963	27 395	37 135
Other guarantees	33 276	29 236	30 569
<i>SECURED GUARANTEES</i>	-	-	-
Tangible and intangible assets pledged as collateral	-	-	-
Securities pledged as collateral	-	-	-
Arising from partner's responsibilities in property companies	-	-	-
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS RELATED TO CURRENT OPERATIONS</b>	<b>60 239</b>	<b>56 630</b>	<b>67 704</b>

1: This concerns sureties of EUR 37 million granted to a financial institution during the setting up of financial guarantees extended by it under the Ministerial Order of February 1, 1996.

### Note 7.2 - Off-balance sheet commitments given or received in connection with Group debt

K€			
	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
<i>BUSINESS LOANS CEDED</i>	<i>496</i>	<i>1 545</i>	<i>1 428</i>
<i>SURETIES AND LETTERS OF INTENT</i>	<i>27 902</i>	<i>28 249</i>	<i>36 964</i>
<i>SECURED GUARANTEES</i>	<i>9 828</i>	<i>9 828</i>	<i>11 194</i>
Tangible and intangible assets pledged as guarantees and collateral	9 828	9 828	11 194
Securities pledged as guarantees and collateral	-	-	-
Mortgages	-	-	-
<i>BORROWING COMMITMENTS RECEIVED</i>	<i>23 173</i>	<i>10 771</i>	<i>3 591</i>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS RELATED TO DEBT</b>	<b>61 399</b>	<b>50 394</b>	<b>53 177</b>



As part of its asset financing, the company signed commitments not to sell its shareholdings in Sénergies, Séché Éco-industries and Mézerolles.

Borrowing commitments at December 31, 2015 principally concern the financing of assets conceded in the framework of the Strasbourg public service delegation contract by a loan of EUR 3.6 million, released in tranches and amortizable over the residual duration of the contract, at a rate which has still to be set.

All the above-mentioned off-balance sheet commitments are covered by balance sheet debt, with the exception of a EUR 0.8 million guarantee.

In the case of public service delegation concession contracts, Séché Environnement makes guarantees to the granting authorities in respect of proper execution of the contracts.

#### **Note 7-3 - Other off-balance sheet commitments**

Following the sale on May 21, 2015 by Caisse des Dépôts et Consignations (CDC) to Séché Environnement and Amarsosa of 11% its holding in Séché Environnement, the shareholders' agreement signed on October 16, 2006 (bearing the AMF registration number 206C1928) was canceled.

The current breakdown of the Group's off-balance sheet commitments does not exclude any significant commitment as defined by current accounting standards.

### **4.1.6.3.2 Notes to the table of changes in shareholders' equity**

#### **Note 8 - Breakdown of share capital**

<b>Share category</b>	<b>Number</b>	<b>Par value</b>
<b>1- SHARES COMPRISING THE SHARE CAPITAL AT THE START OF THE YEAR</b>	<b>8 634 870</b>	<b>EUR 0.20</b>
Capital decrease	(777 138)	
<b>2- SHARES COMPRISING THE SHARE CAPITAL AT THE END OF THE YEAR</b>	<b>7 857 732</b>	<b>EUR 0.20</b>
<i>Of which shares with single voting rights</i>	<i>5 955 729</i>	
<i>Of which shares with double voting rights</i>	<i>1 902 003</i>	

#### **Note 9 - Additional paid-in capital**

This line is made up exclusively of additional paid-in capital from the different capital increases, net of charges:

<b>k€</b>	<b>Amount</b>
Capital increase of November 27, 1997	11 220
Capital increase of December 19, 1997	112
Capital increase of October 1, 2001 (to pay for Alcor shares)	10 795
Capital increase of July 5, 2002 (to pay for Trédi shares)	192 903
Charges on additional paid-in capital	(1 578)
Issuance of 596 408 share subscription warrants in favor of Caisse des Dépôts et Consignations on December 12, 2006	10 908
Exercise of share subscription warrants by Caisse des Dépôts et Consignations on April 24, 2007	74 718
Payout of dividends on June 10, 2014	(8 148)
Charge on share premium account on April 25, 2014	(169 445)
Payout of dividends on June 10, 2015	(8 203)
Charge on share premium account on April 28, 2015	790
Cancellation by Séché Environnement of its own shares on June 17, 2015	(23 268)
<b>TOTAL</b>	<b>90 805</b>



### Note 10 - Breakdown of consolidated reserves

K€					
	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Increases	Decreases	Dec. 31, 2015
Legal reserve	173	173	-	-	173
Regulatory reserves	-	-	-	-	-
Retained earnings	(137 098)	-	-	(42 616)	(42 616)
Other reserves	6 037	6 037	-	-	6 037
<i>SUB-TOTAL - LEGAL AND REGULATORY RESERVES</i>	<i>(130 889)</i>	<i>6 210</i>	<i>-</i>	<i>(42 616)</i>	<i>(36 407)</i>
Consolidated reserves (excluding translation differences)	89 598	122 224	52 082	-	174 306
<b>TOTAL RESERVES (excluding translation differences)</b>	<b>(41 291)</b>	<b>128 434</b>	<b>52 082</b>	<b>(42 616)</b>	<b>137 899</b>
Translation differences	(2 638)	(2 760)	-	(324)	(3 083)
<b>TOTAL RESERVES (including translation differences)</b>	<b>(43 928)</b>	<b>125 674</b>	<b>52 082</b>	<b>(42 940)</b>	<b>134 816</b>

### Note 11 - Information on treasury stock

By virtue of the authorizations granted by the Annual General Meetings of April 28, 2015 and April 25, 2014, the Board of Directors ordered in 2015 the repurchase of a certain number of its own shares under a liquidity contract

concluded with an independent organization. Funds totaling EUR 1.4 million were made available to that organization for the repurchase of 4 862 shares. At December 31, 2015, these share buybacks broke down as follows:

Number of shares held as treasury stock <sup>1</sup>	59 064
Percentage of shares held as treasury stock	0,75%
Net book value of shares held as treasury stock (EUR)	1 760 104
Market value of shares held as treasury stock at December 31, 2015 (EUR) <sup>2</sup>	1 712 856

1: Including shares acquired under previous share buyback programs.

2: On the basis of the closing price of the Séché Environnement share in December 2015, i.e. EUR 29.00.

### 4.1.6.3.3 Notes to the income statement

### Note 12 - Revenue from ordinary activities

#### Note 12.1 - Breakdown of revenue by type

K€			
	Dec. 31, 2013 restated	Dec. 31, 2013 restated	Dec. 31, 2015
<i>REVENUE</i>	<i>469 082</i>	<i>444 737</i>	<i>460 910</i>
<i>Of which sales of goods</i>	<i>66 974</i>	<i>63 866</i>	<i>65 724</i>
<i>Of which sales of services</i>	<i>402 108</i>	<i>380 871</i>	<i>395 186</i>
<i>OTHER BUSINESS INCOME</i>	<i>4 294</i>	<i>6 636</i>	<i>6 855</i>
<i>TRANSFERS OF EXPENSES</i>	<i>1 469</i>	<i>16 944</i>	<i>3 999</i>
<b>REVENUE FROM ORDINARY ACTIVITIES</b>	<b>474 844</b>	<b>468 318</b>	<b>471 764</b>

**Note 12.2 - Breakdown of revenue by type of waste**

K€	Dec. 31, 2013 restated	Dec. 31, 2013 restated	Dec. 31, 2015
HW treatment	274 924	271 391	265 686
NHW treatment	194 157	173 346	195 224
<i>Of which revenue under IFRIC 12</i>	<i>25 115</i>	<i>8 115</i>	<i>6 581</i>
<b>TOTAL</b>	<b>469 082</b>	<b>444 737</b>	<b>460 910</b>

**Note 13 - Earnings before interest, taxes, depreciation and amortization (EBITDA)**
**Note 13.1 - Breakdown of EBITDA**

K€	Dec. 31, 2013 restated	Dec. 31, 2013 restated	Dec. 31, 2015
<b>REVENUE FROM ORDINARY ACTIVITIES</b>	<b>474 844</b>	<b>468 318</b>	<b>471 764</b>
<i>PURCHASES USED FOR OPERATIONAL PURPOSES</i>	<i>(73 340)</i>	<i>(68 909)</i>	<i>(66 962)</i>
Stored purchases	(43 528)	(41 426)	(38 298)
Non-stored purchases	(29 812)	(27 483)	(28 664)
<i>EXTERNAL EXPENSES</i>	<i>(186 065)</i>	<i>(176 790)</i>	<i>(169 662)</i>
Sub-contracting	(118 390)	(104 118)	(102 970)
Rental expenses	(15 879)	(18 366)	(17 479)
Maintenance and repairs	(20 089)	(20 433)	(16 073)
Insurance	(5 431)	(5 232)	(6 837)
Other external expenses	(26 276)	(28 640)	(26 303)
<i>TAXES OTHER THAN ON INCOME</i>	<i>(35 560)</i>	<i>(35 207)</i>	<i>(38 498)</i>
<i>EMPLOYEE BENEFIT EXPENSES</i>	<i>(101 119)</i>	<i>(105 276)</i>	<i>(108 536)</i>
Employee costs	(99 089)	(103 516)	(106 518)
Profit-sharing schemes	(1 537)	(1 697)	(2 109)
Contributions towards end-of-career payments	(492)	(63)	91
Remuneration in shares	-	-	-
<b>EBITDA</b>	<b>78 760</b>	<b>82 135</b>	<b>88 106</b>

External services purchased mainly concern sub-contracting (transportation, upstream activities and disposal).

**Note 13.2 - Simple rental agreements**

K€	Total minimum future payments, discounted (non-cancelable contracts)				Expenses for the year (non- cancelable contracts)	TOTAL sub-lease payments
	TOTAL	< 1 yr	1 – 5 yrs	> 5 yrs		
Intangible fixed assets	204	40	56	108	41	-
Land	3 024	303	1 137	1 584	323	-
Buildings	3 149	945	2 204	-	1 332	-
Technical facilities, equipment and industrial plant	20 274	2 699	7 953	9 621	6 185	-
Transportation equipment, vehicles	537	214	323	-	585	-
Fixtures and fittings	-	-	-	-	-	-
Office equipment and furniture	97	46	51	-	111	-



## Note 14 - Current operating income

### Note 14.1 - Breakdown of current operating income

K€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
<b>EBITDA</b>	<b>78 760</b>	<b>82 135</b>	<b>88 106</b>
<i>COST OF RENEWAL OF ASSETS INCLUDED IN CONCESSIONS AND REHABILITATION OF TREATMENT SITES</i>	<i>(10 574)</i>	<i>(10 038)</i>	<i>(9 705)</i>
<i>OTHER OPERATING INCOME AND EXPENSES</i>	<i>(566)</i>	<i>(1 273)</i>	<i>(1 849)</i>
Other operating expenses	(636)	(1 343)	(1 937)
Other operating income	70	70	88
<i>NET ALLOCATIONS TO PROVISIONS</i>	<i>(2 729)</i>	<i>(1 807)</i>	<i>(329)</i>
Allocations to provisions	(4 866)	(3 742)	(3 099)
Write-backs of provisions	2 137	1 935	2 770
<i>NET ALLOCATIONS TO AMORTIZATION</i>	<i>(32 084)</i>	<i>(33 463)</i>	<i>(35 643)</i>
Allocations to amortization	(32 084)	(33 463)	(35 643)
Write-backs of amortization	-	-	-
<b>CURRENT OPERATING INCOME</b>	<b>32 808</b>	<b>35 554</b>	<b>40 580</b>

### Note 14.2 - Net allocations to provisions

K€	Dec. 31, 2013 restated	Dec. 31, 2013 restated	Dec. 31, 2015
Net allocations to provisions for 30-year monitoring	(162)	(1 185)	(246)
Net allocations to current assets	233	(278)	342
Net allocations to other operating provisions	(2 800)	(344)	(425)
<b>TOTAL</b>	<b>(2 729)</b>	<b>(1 807)</b>	<b>(329)</b>

### Note 14.3 - Net allocations to amortization

K€	Dec. 31, 2013 restated	Dec. 31, 2013 restated	Dec. 31, 2015
Net allocations to intangible fixed assets	(1 438)	(3 357)	(3 379)
Amortization to be allocated	-	(2)	(9)
<b>TOTAL</b>	<b>(32 084)</b>	<b>(33 463)</b>	<b>(35 643)</b>

**Note 15 - Operating income**

k€	Dec. 31, 2013 restated	Dec. 31, 2014 restated	Dec. 31, 2015
<b>CURRENT OPERATING INCOME</b>	<b>32 808</b>	<b>35 554</b>	<b>40 580</b>
<i>REASSESSMENT OF FIXED ASSETS</i>	-	-	-
<i>INCOME ON DISPOSAL OF FIXED ASSETS</i> <sup>1</sup>	5	4 831	(281)
Disposals of intangible fixed assets	-	-	(117)
Disposals of tangible fixed assets	(78)	4 831	(247)
Disposals of consolidated investments	83	-	84
<i>IMPAIRMENT OF ASSETS</i>	(191)	(123)	-
Goodwill	-	-	-
Other intangible fixed assets	-	-	-
Other tangible fixed assets	(191)	(123)	-
<i>BUSINESS COMBINATION EFFECTS</i> <sup>2</sup>	(413)	-	(626)
<i>OTHER</i> <sup>3</sup>	(255)	(7 433)	(1 145)
<b>OPERATING INCOME</b>	<b>31 953</b>	<b>32 829</b>	<b>38 528</b>

1: In 2014, the Group received an indemnity consequent on an insurance claim under its "damage to property" cover, of EUR 8.0 million following the destruction by fire of its sorting center at Changé, France, which was valued in the accounts at EUR 3.5 million.

2: The amounts recorded on the business combinations effects line refer to:

- in 2013, the funds expended to create the Séché-HIME business combination, which was discontinued in the course of 2013 with the sale of the Group's holding in HIME;
- in 2015, the funds expended to form the business combination consisting of Séché-Kanay, Séché-Sodicome and Séché-Moringa.

3: The amounts recorded on the "other" line concern principally:

- in 2013, the cost of closure of the Izeaux site of EUR – 0.4 million, net of income realized on final settlement of operations related to the removal of the Paris establishment of Trédi SA

■ in 2014 :

- > EUR – 8.4 million corresponding to the additional operating costs incurred by Sénerval during industrial action at the site between March 21, 2014 and June 12, 2014, which paralyzed the Strasbourg plant, while the company was obliged to continue to perform its public service obligation to treat waste from the Strasbourg urban community and surrounding local authorities;
- > an indemnity of EUR + 1.3 million received in recognition of the loss incurred by Valaudia as a result of termination of the public service delegation concession contract which had earlier been concluded with that company;
- > the cost of closing down and disposal of the Izeaux site (EUR – 0.4 million).

- In 2015, this line recorded the costs incurred by the Group for the management of the Strasbourg-Sénerval public service delegation contract, rendered complex by the presence of asbestos in the facilities conceded.





## Note 16 - Net financial income

### Note 16.1 - Breakdown of net financial income

K€	2013 restated	2014 restated	2015
Income from cash and cash equivalents	514	576	423
Gross financial borrowing costs	(12 015)	(14 014)	(11 879)
Other financial income and expenses	(432)	(597)	(660)
<b>TOTAL</b>	<b>(11 933)</b>	<b>(14 035)</b>	<b>(12 116)</b>

K€	2013 restated	2014 restated	2015
Financial liabilities at amortized cost	(10 140)	(12 630)	(10 857)
Gain (loss) on hedging instruments	(1 875)	(1 384)	(1 022)
<b>COST OF GROSS FINANCIAL DEBT</b>	<b>(12 015)</b>	<b>(14 014)</b>	<b>(11 879)</b>

In 2015, the cost of gross financial debt evolved principally under the influence of:

- early amortization of the negotiation costs of the bank debt refinancing, which was less than the anticipated amortization of the issue premium and negotiation fees of the first bond issue, refinanced in May 2014;

- a reduction in financial charges as a result of a lower average cost of debt, following the refinancing operations of 2014 and 2015.

### Note 16.2 - Breakdown of other financial income and expenses

K€	2013 restated	2014 restated	2015
Foreign exchange gain (loss)	(60)	(20)	(64)
Net gain (loss) on the sale of financial fixed assets	-	(3)	-
Net impairment on financial assets	(379)	(322)	(397)
Other financial income and expenses	7	(253)	(198)
<b>TOTAL</b>	<b>(432)</b>	<b>(597)</b>	<b>(660)</b>

The foreign exchange loss was essentially due to unrealized positions on Group prepayments to its international subsidiaries which do not meet the definition

of net investments under IAS 21. To date, the Group holds no instruments or other means of hedging against foreign exchange risk.

## Note 17 - Taxes

K€	2013 restated	2014 restated	2015
Corporation tax payable	(395)	(2 627)	(4 478)
Deferred tax	(6 402)	(4 465)	(3 993)
<b>TOTAL TAX EXPENSE</b>	<b>(6 797)</b>	<b>(7 092)</b>	<b>(8 472)</b>

The transition from the theoretical tax at the statutory tax rate to the actual rate of tax paid can be analyzed as follows:

K€	2013 restated	2014 restated	2015
<b>THEORETICAL TAX AT CURRENT STATUTORY TAX RATE</b>	<b>(6 893)</b>	<b>(6 471)</b>	<b>(9 986)</b>
Change in tax rate applicable to parent company <sup>1</sup>	(7)	(6)	(105)
Differences in tax rates applicable to subsidiaries	177	(5)	971
Unrecognized tax assets	(617)	(49)	(213)
Use of previous losses not previously carried forward	-	37	-
Definitively non-taxable income and expenses	541	(596)	862
<b>TOTAL TAX EXPENSE</b>	<b>(6 797)</b>	<b>(7 092)</b>	<b>(8 472)</b>

1: The tax rate (excluding social security contributions) on profits is 33.33%. Including social security contributions on profits, the Group's tax rate is 37.81%.

Within the tax consolidation group headed by Séché Environnement, which includes all French subsidiaries more

than 95%-held, directly or indirectly, by Séché Environnement, tax savings of EUR 8.2 million were achieved.

#### 4.1.6.3.4 Financial risk management

##### Note 18 - Financial instruments at fair value

Financial instruments break down as follows in terms of their different levels of fair value assessment:

K€	2015	Level 1	Level 2	Level 3	TOTAL
Available-for-sale securities	-	1 402	253	-	1 655
Hedging instruments	-	3	-	-	3
Other financial assets at fair value by the income statement	-	-	-	-	-
<b>FINANCIAL ASSETS</b>	<b>-</b>	<b>1 403</b>	<b>253</b>	<b>-</b>	<b>1 658</b>
Financial debts	-	321 077	-	-	321 077
Hedging instruments	-	580	-	-	580
Other financial liabilities at fair value by the income statement	-	-	-	-	-
<b>FINANCIAL LIABILITIES</b>	<b>-</b>	<b>321 657</b>	<b>-</b>	<b>-</b>	<b>321 657</b>

For comparison purposes, the breakdown in terms of fair value of the Group's financial instruments for the last two fiscal years was as follows:

K€	2014 restated	Level 1	Level 2	Level 3	TOTAL
Available-for-sale securities	-	1 555	253	-	1 808
Hedging instruments	-	-	-	-	-
Other financial assets at fair value by the income statement	-	-	-	-	-
<b>FINANCIAL ASSETS</b>	<b>-</b>	<b>1 555</b>	<b>253</b>	<b>-</b>	<b>1 808</b>
Financial debts	-	271 653	-	-	271 653
Hedging instruments	-	1 143	-	-	1 143
Other financial liabilities at fair value by the income statement	-	-	-	-	-
<b>FINANCIAL LIABILITIES</b>	<b>-</b>	<b>272 796</b>	<b>-</b>	<b>-</b>	<b>272 796</b>

K€	2013 restated	Level 1	Level 2	Level 3	TOTAL
Available-for-sale securities	-	1 703	3	-	1 705
Hedging instruments	-	-	-	-	-
Other financial assets at fair value by the income statement	-	-	-	-	-
<b>FINANCIAL ASSETS</b>	<b>-</b>	<b>1 703</b>	<b>3</b>	<b>-</b>	<b>1 705</b>
Financial debts	-	253 418	-	-	253 418
Hedging instruments	-	1 928	-	-	1 928
Other financial liabilities at fair value by the income statement	-	-	-	-	-
<b>FINANCIAL LIABILITIES</b>	<b>-</b>	<b>255 346</b>	<b>-</b>	<b>-</b>	<b>255 346</b>



## Available-for-sale securities

- quoted securities valued at their stock exchange closing price are considered to be of level 1;
- non-quoted securities whose fair value can be determined on the basis of observable data, such as valuation by an independent expert, are considered to be of level 2;
- non-quoted securities whose fair value can be determined on the basis of a valuation model (such as discounted cash flow, multiples, etc.) are considered to be of level 3.

## Hedging instruments

The fair value of the hedging instruments used by the Group (swaps, collars, swaptions, hybrid instruments) is determined by reference to a valuation model using observable data (interest rates) and is therefore considered to be of level 2.

## Financial debts

The fair value of financial debts can be determined on the basis of observable data (interest rates) and is considered to be of level 2.

## Note 19 - Exposure to credit risk

Credit risk is the risk of financial loss incurred by the Group in the event that a customer or counterparty to a given asset were to fail to meet its contractual obligations.

At present this risk arises mainly from trade receivables.

The Group manages the credit risk associated with trade receivables by means of an active receivables collection policy operated at each of its French subsidiaries. This policy is operated using a centralized software program which issues formal reminders and provides real-time information on the various parties concerned. An analysis of actual payment dates is monitored on a monthly basis, and any incidents are the subject of corrective actions.

The Group's maximum exposure to credit risk is the book value of its financial assets. At the close of the year, maximum credit risk exposure broke down as follows:

	2013 restated			2014 restated			2015		
	NC	C	T	NC	C	T	NC	C	T
Available-for-sale financial assets	1 755	-	<b>1 755</b>	1 808	-	<b>1 808</b>	1 655	-	<b>1 655</b>
Financial loans and receivables at amortized cost	3 607	90	<b>3 697</b>	6 872	1 038	<b>7 910</b>	6 946	868	<b>7 814</b>
<i>NON-CURRENT FINANCIAL ASSETS</i>	<i>5 362</i>	<i>90</i>	<i><b>5 452</b></i>	<i>8 681</i>	<i>1 038</i>	<i><b>9 719</b></i>	<i>8 601</i>	<i>868</i>	<i><b>9 469</b></i>
Trade and other receivables	1 501	133 821	<b>135 322</b>	3 016	139 127	<b>142 143</b>	26 405	140 341	<b>166 746</b>
Other current assets (incl. corporation tax credits)	-	27 262	<b>27 262</b>	51	29 162	<b>29 213</b>	11 567	24 165	<b>35 732</b>
<i>LOANS AND RECEIVABLES AT AMORTIZED COST</i>	<i>1 501</i>	<i>161 083</i>	<i>162 584</i>	<i>3 067</i>	<i>168 289</i>	<i><b>171 355</b></i>	<i>37 972</i>	<i>164 505</i>	<i><b>202 478</b></i>
Hedging instruments - assets	-	-	-	-	-	-	-	3	<b>3</b>
Other instruments at fair value by the income statement	-	-	-	-	-	-	-	-	-
<i>FINANCIAL ASSETS AT FAIR VALUE BY THE INCOME STATEMENT</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3</i>	<i><b>3</b></i>
Cash and cash equivalents	-	28 032	<b>28 032</b>	-	38 756	<b>38 756</b>	-	30 640	<b>30 640</b>
<b>Total financial assets</b>	<b>6 863</b>	<b>189 205</b>	<b>196 068</b>	<b>11 748</b>	<b>208 083</b>	<b>219 830</b>	<b>46 574</b>	<b>196 017</b>	<b>242 591</b>
Derivative portion of convertible bonds	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>6 863</b>	<b>189 205</b>	<b>196 068</b>	<b>11 748</b>	<b>208 083</b>	<b>219 830</b>	<b>46 574</b>	<b>196 017</b>	<b>242 591</b>

NC: non-current - C: current - T: total

Revenues, expenses, income and impairments recognized as financial assets in the financial statements for 2015 were almost exclusively related to marketable securities.



## Note 20 - Exposure to counterparty risk

Counterparty risk corresponds to the loss that the Group could suffer if one or more counterparties were to fail to fulfill their contractual obligations. It concerns loans and

receivables at amortized cost (financial or operational) and short-term investments of excess cash.

The aged balance of loans and receivables at amortized cost at year-end stood as follows:

	Net value (C et NC)	Of which not due	2015		
			Of which due		
			0 - 6 mths	6 mths - 1 yr	> 1 yr
Financial loans and receivables at amortized cost	7 814	7 814	-	-	-
Trade and other receivables	166 746	139 207	19 432	4 306	3 801
Other assets	35 732	35 555	-	-	177
<b>TOTAL</b>	<b>210 292</b>	<b>182 576</b>	<b>19 432</b>	<b>4 306</b>	<b>3 978</b>

The aged balance of loans and receivables at amortized cost at the end of the preceding two fiscal years was as follows:

	Net value (C et NC)	Of which not due	2014 restated		
			Of which due		
			0 - 6 mths	6 mths - 1 yr	> 1 yr
Financial loans and receivables at amortized cost	7 910	7 910	-	-	-
Trade and other receivables	142 143	112 815	25 922	1 608	1 798
Other assets	29 213	26 514	2 000	12	687
<b>TOTAL</b>	<b>179 266</b>	<b>147 238</b>	<b>27 922</b>	<b>1 620</b>	<b>2 485</b>

	Net value (C et NC)	Of which not due	2013 restated		
			Of which due		
			0 - 6 mths	6 mths - 1 yr	> 1 yr
Financial loans and receivables at amortized cost	3 697	3 697	-	-	-
Trade and other receivables	135 322	105 227	25 238	4 427	430
Other assets	27 262	26 621	-	-	641
<b>TOTAL</b>	<b>166 281</b>	<b>135 545</b>	<b>25 238</b>	<b>4 427</b>	<b>1 071</b>

In the Group's opinion, it is not exposed to any significant counterparty risk.



### Note 21 - Exposure to liquidity risk

Liquidity risk is the risk that the Group may have difficulty honoring its debts at their maturity.

The Group manages its financing centrally. A cash management report is prepared, with the aim of providing a regularly updated overview of the Group's short-,

medium- and long-term financing requirements. Nearly all of the Group's financing is arranged centrally, as is the balancing of its sources of financing (capital markets, banks).

At December 31, 2015, the residual contractual maturities of the Group's financial liabilities broke down as follows:

<b>K€</b>					
<b>Dec. 31, 2015</b>	<b>Book value</b>	<b>Contractual cash flows</b>	<b>&lt; 1 yr</b>	<b>1 to 5 yrs</b>	<b>5 yrs</b>
Bank loans	310 196	350 517	34 140	244 505	71 873
Lease finance debt	9 910	10 517	2 525	7 100	892
Other financial debt	774	774	739	-	35
Short-term bank borrowings	197	197	197	-	-
Trade and other payables (incl. corporation tax debts)	179 287	179 287	175 194	4 093	-
Liabilities for renewal of assets included in concessions	9 874	9 874	9 874	-	-
<b>TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES</b>	<b>510 238</b>	<b>551 166</b>	<b>222 669</b>	<b>255 698</b>	<b>72 800</b>
Hedging instruments	580	580	144	436	-
<b>TOTAL DERIVATIVE FINANCIAL LIABILITIES</b>	<b>580</b>	<b>580</b>	<b>144</b>	<b>436</b>	<b>-</b>

For comparison purposes, the residual contractual maturities of the Group's financial liabilities in 2014 and 2013 were as follows:

<b>K€</b>					
<b>Dec. 31, 2014 restated</b>	<b>Book value</b>	<b>Contractual cash flows</b>	<b>&lt; 1 yr</b>	<b>1 to 5 yrs</b>	<b>5 yrs</b>
Bank loans	263 645	301 270	36 805	195 272	69 193
Lease finance debt	6 954	7 357	1 796	5 246	315
Other financial debt	913	913	578	301	34
Short-term bank borrowings	141	141	141	-	-
Trade and other payables (incl. corporation tax debts)	169 177	169 177	164 239	4 938	-
Liabilities for renewal of assets included in concessions	10 705	10 705	10 705	-	-
<b>TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES</b>	<b>451 536</b>	<b>489 563</b>	<b>214 264</b>	<b>205 757</b>	<b>69 542</b>
Hedging instruments	1 143	1 143	596	547	-
<b>TOTAL DERIVATIVE FINANCIAL LIABILITIES</b>	<b>1 143</b>	<b>1 143</b>	<b>596</b>	<b>547</b>	<b>-</b>

<b>K€</b>					
<b>Dec. 31, 2013 restated</b>	<b>Book value</b>	<b>Contractual cash flows</b>	<b>&lt; 1 yr</b>	<b>1 to 5 yrs</b>	<b>5 yrs</b>
Bank loans	239 284	279 683	33 171	181 996	64 516
Lease finance debt	12 124	12 741	5 415	6 456	870
Other financial debt	1 504	1 504	905	565	34
Short-term bank borrowings	505	505	505	-	-
Trade and other payables (incl. corporation tax debts)	163 539	163 539	160 628	2 911	-
Liabilities for renewal of assets included in concessions	11 078	11 078	11 078	-	-
<b>TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES</b>	<b>428 035</b>	<b>469 050</b>	<b>211 702</b>	<b>191 928</b>	<b>65 420</b>
Hedging instruments	1 928	1 928	155	1 773	-
<b>TOTAL DERIVATIVE FINANCIAL LIABILITIES</b>	<b>1 928</b>	<b>1 928</b>	<b>155</b>	<b>1 773</b>	<b>-</b>

**Ratios prescribed by the credit covenant and bond issuance agreement**

The Group’s credit covenant signed on May 12, 2015 and one of its bond issuance agreements include a commitment to respect two financial ratios based on the Group’s consolidated financial statements. Compliance with

these financial ratios is checked twice per year for the twelve-month periods ending December 31 and June 30.

Non-compliance with these ratios would constitute default and, in the case of most lenders, would render all debt immediately due.

The financial ratios to be complied with are as follows:

RATIO	COMMITMENT
Net financial debt/equity	< 1.4
Net financial debt/EBITDA	< 3.5

The above assumes the following, on a consolidated basis:

- net financial debt means the aggregate of all financial debt as reported in the consolidated financial statements of Séché Environnement under the heading of bank loans and other financial debt, less cash and cash equivalents and investments in mutual funds, as indicated in the Group’s consolidated financial statements, with the exception of non-recourse financings. “Non-recourse financings” refers to any financing arranged to finance the acquisition, deficit, operation, upkeep or maintenance of an asset or project where the entity to whom the debt is due has no recourse to any member of the Séché Group for the payment of any sum relative to such financing, and where reimbursement results essentially from the financial flows deriving from operation of the asset or project in question;
- equity means the totality of the shareholders’ equity (Group share);

- EBITDA means consolidated operating income before deduction of all net allocations to amortization and provisions and other operating income and charges.

At December 31, 2015, the Group’s bank gearing stood at 1.06 and bank-debt-to-earnings at 2.94, both ratios lying within the required range.

**Ratios of the second bond issuance agreement**

The second bond issuance agreement also includes a commitment to respect the same two financial ratios calculated on the basis of the Group’s consolidated financial statements. Compliance with these financial ratios is checked twice per year for the twelve-month periods ending December 31 and June 30. Non-compliance with these ratios would constitute default and, in the case of most lenders, would render all debt immediately due.

The financial ratios to be complied with are as follows:

RATIO	COMMITMENT
Net financial debt/equity	< 1.1
Net financial debt/EBITDA	< 3.5

The above assumes the following, on a consolidated basis:

- net financial debt means the aggregate of all financial debt as reported in the consolidated financial statements of Séché Environnement under the heading of bank loans and other financial debt, less cash and cash equivalents and investments in mutual funds, as indicated in the Group’s consolidated financial statements, with the exception of non-recourse financings. “Non-recourse financings” refers to any financing arranged to finance the acquisition, deficit, operation, upkeep or maintenance of an asset or project where the entity to whom the debt is due has no recourse to any member of the Séché Group for the payment of any sum relative to such financing,

and where reimbursement results essentially from the financial flows deriving from operation of the asset or project in question;

- equity means the totality of the shareholders’ equity (Group share), with the exception of the fair value of the hedging instruments used to hedge flows related to HIME;
- EBITDA means consolidated operating income before deduction of all net allocations to amortization and provisions and other operating income and charges, with the exception, where appropriate, of the EBITDA of the HIME-Saur Group.





## Note 22 - Exposure to interest rate risk

Séché Environnement's corporate debt, before hedging, is subject to a variable rate of interest.

The Group uses hedging instruments to cover itself against any rise in interest rates, and to optimize the cost of its debt. The instruments used include swaps, caps, floors and collars. Their use is managed directly by the Group Finance Department.

Interest-rate risk is analyzed on the basis of projected trends in financial debt on the credit lines and maturities of interest-rate hedges:

- a 50 basis point decline in interest rates would have a negative impact on shareholders' equity of EUR 1.4 million;
- a 1 point instantaneous upward change in interest rates would have a negative impact of EUR 1.2 million on the

Group's financial costs in 2015, based on its indebtedness at December 31 and its reimbursement profile at that date.

## Note 23 - Exposure to exchange rate risk

The exchange rate risk to which the Group is exposed arises from:

- the conversion of contributions from foreign subsidiaries outside the euro zone to its balance sheet and income statement. However, this risk is increasingly limited thanks to the Group's ongoing efforts to refocus on its European activities in the euro zone;
- bank debt financing, denominated almost exclusively in euros, of the investments of its foreign subsidiaries operating in local currencies (for those subsidiaries not considered as long-term foreign investments).

Changes in foreign exchange income break down as follows:

K€	2013 restated	2014 restated	2015
Foreign exchange income, Europe	33	(3)	(132)
Foreign exchange income, Americas	(93)	(17)	67
<b>TOTAL</b>	<b>(60)</b>	<b>(20)</b>	<b>(64)</b>

To date, this risk is not the subject of specific hedging at Group level.

### 4.1.6.3.5 Breakdown by geographical area

## Note 24 - Breakdown of ordinary activities by geographical area

K€	2013 restated	2014 restated	2015
France	453 252	446 976	448 391
Europe (outside France)	18 570	19 270	20 396
Outside Europe	3 021	2 071	2 977
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>	<b>474 844</b>	<b>468 318</b>	<b>471 764</b>

## Note 25 - Non-current assets by geographical area

K€	France	Europe (outside France)	Outside Europe	TOTAL
<b>Dec. 31, 2015</b>				
Goodwill	226 758	4 699	-	231 457
Intangible fixed assets included in concessions	48 637	-	-	48 637
Other intangible fixed assets	12 016	5	-	12 021
Tangible fixed assets	170 206	3 141	665	174 011
Non-current financial assets	8 587	15	-	8 601
Shareholdings in affiliates	501	-	2 633	3 135
Other non-current operating assets	37 972	-	-	37 972
Deferred tax assets	38 818	1 249	-	40 067
<b>TOTAL NON-CURRENT ASSETS</b>	<b>543 495</b>	<b>9 109</b>	<b>3 298</b>	<b>555 902</b>

K€				
Dec. 31, 2014 restated	France	Europe (outside France)	Outside Europe	TOTAL
Goodwill	222 906	4 699	-	<b>227 604</b>
Intangible fixed assets included in concessions	44 720	-	-	<b>44 720</b>
Other intangible fixed assets	11 445	9	-	<b>11 454</b>
Tangible fixed assets	160 300	2 970	541	<b>163 811</b>
Non-current financial assets	8 666	15	-	<b>8 681</b>
Shareholdings in affiliates	847	-	-	<b>847</b>
Other non-current operating assets	3 067	-	-	<b>3 067</b>
Deferred tax assets	42 424	1 540	-	<b>43 964</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>494 375</b>	<b>9 233</b>	<b>541</b>	<b>504 148</b>

K€				
Dec. 31, 2013 restated	France	Europe (outside France)	Outside Europe	TOTAL
Goodwill	222 906	4 699	-	<b>227 604</b>
Intangible fixed assets included in concessions	43 620	-	-	<b>43 620</b>
Other intangible fixed assets	11 326	2	-	<b>11 328</b>
Tangible fixed assets	161 537	2 807	581	<b>164 925</b>
Non-current financial assets	5 047	315	-	<b>5 362</b>
Shareholdings in affiliates	756	-	-	<b>756</b>
Other non-current operating assets	1 501	-	-	<b>1 501</b>
Deferred tax assets	46 502	1 824	-	<b>48 326</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>493 195</b>	<b>9 647</b>	<b>581</b>	<b>503 423</b>

#### 4.1.6.3.6 Earnings per share

The earnings per share figure presented at the foot of the income statement is the ratio of the net income attributable to shareholders of the parent company, to the weighted average number of shares making up the share capital of the parent company which were in circulation over the period, i.e. 8 223 816.

The Group has no dilutive instruments, therefore diluted EPS is equal to net EPS.

#### 4.1.6.3.7 Dividends

In 2015, Séché Environnement paid out EUR 7 412 711.30 in dividends, or EUR 0.95 per share, regardless of the type of share. Dividends concerning treasury stock were booked in additional paid-in capital in the amount of EUR 52 134.10.

The Board of Directors resolved on February 29, 2016, to propose to the Annual General Meeting a dividend payout of EUR 7 412 711.30, or EUR 0.95 per share.

#### 4.1.6.3.8 Transactions with related parties

The Group maintains relations with the following related parties:

- non-consolidated Group subsidiaries and affiliates: the Group maintains no significant relations with these related parties;
- members of the Board of Directors and the Executive Committee: their remuneration and benefits of all kinds are presented in the section below.

#### 4.1.6.3.9 Remuneration of senior management

Remuneration of the senior officers and Directors breaks down as follows:

€			
	2013 restated	2014 restated	2015
Short-term benefits	1 932 500	1 926 690	1 403 014
Post-employment benefits	-	-	-
Share-based payments	-	-	-
<b>TOTAL</b>	<b>1 932 500</b>	<b>1 926 690</b>	<b>1 403 014</b>



### 4.1.6.3.10 Key events since the closing of accounts

We are aware of no significant event occurring after the closing of accounts likely to have a significant impact on the Group's assets, financial position or operating results.

As far as the Company is aware, there was no litigation, arbitration or exceptional event occurring after the closing

likely to have, or to have had in the recent past, a significant effect on the financial position, earnings, business or assets of the Company or the Group.

### 4.1.6.3.11 Fees of the statutory auditors

Fees paid by the Group to its statutory auditors and members of their networks were as follows:

K€	KPMG		RSM Ouest Audit	
	2014	2015	2014	2015
<b>Auditing assignments</b>				
<b>Statutory audit, examination of individual and consolidated accounts, certification of accounts</b>				
Séché Environnement	108	103	102	104
Fully consolidated subsidiaries	220	230	169	167
<b>Additional assignments directly related to the auditors' mission</b>				
Séché Environnement	35	108	-	-
Fully consolidated subsidiaries	7	-	-	-
<i>SUB-TOTAL 1</i>	<i>369</i>	<i>441</i>	<i>271</i>	<i>271</i>
<b>Other services rendered by the auditors' networks to fully consolidated subsidiaries</b>				
Legal, tax and corporate	-	-	-	-
Other	-	-	-	-
<i>SUB-TOTAL 2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>TOTAL</b>	<b>369</b>	<b>441</b>	<b>271</b>	<b>271</b>

**4.1.6.3.12 Transition from published accounts to restated accounts**

<b>2014</b>	<b>Dec. 31, 2014 published</b>	<b>IFRIC 21</b>	<b>Dec. 31, 2014 restated</b>
<b>k€</b>			
Goodwill	227 604	-	227 604
Intangible fixed assets included in concessions	44 720	-	44 720
Other intangible fixed assets	11 454	-	11 454
Tangible fixed assets	163 811	-	163 811
Investments in affiliates	844	3	847
Non-current financial assets	8 681	-	8 681
Hedging instruments - non-current assets	-	-	-
Other non-current assets	3 067	-	3 067
Deferred non-current corporation tax assets	-	-	-
Deferred tax assets	44 216	(252)	43 964
<i>NON-CURRENT ASSETS</i>	<i>504 397</i>	<i>(249)</i>	<i>504 148</i>
Inventories	11 389	-	11 389
Trade and other receivables	139 127	-	139 127
Corporation tax receivables	411	-	411
Current financial assets	1 038	-	1 038
Hedging instruments - current assets	-	-	-
Other current assets	28 751	-	28 751
Cash and cash equivalents	38 756	-	38 756
<i>CURRENT ASSETS</i>	<i>219 472</i>	<i>-</i>	<i>219 472</i>
Assets held for sale	351	-	351
<b>TOTAL ASSETS</b>	<b>724 220</b>	<b>(249)</b>	<b>723 971</b>
Share capital	1 727	-	1 727
Additional paid-in capital	121 486	-	121 486
Reserves	125 093	581	125 674
Net income (Group share)	9 844	(77)	9 767
<i>SHAREHOLDERS' EQUITY (GROUP SHARE)</i>	<i>258 150</i>	<i>504</i>	<i>258 654</i>
Minority interests	130	1	131
<i>TOTAL SHAREHOLDERS' EQUITY</i>	<i>258 281</i>	<i>504</i>	<i>258 785</i>
Other equity	131	-	131
Non-current financial debt	241 824	-	241 824
Hedging instruments - non-current liabilities	547	-	547
Employee benefits	2 327	-	2 327
Impôt différé passif	-	-	-
Deferred tax liabilities	8 548	(3)	8 545
Other non-current provisions	4 938	-	4 938
<i>NON-CURRENT LIABILITIES</i>	<i>258 184</i>	<i>(3)</i>	<i>258 181</i>
Current financial debt	29 829	-	29 829
Hedging instruments - current liabilities	596	-	596
Current provisions	1 904	-	1 904
Taxes payable	578	-	578
Other current liabilities	174 367	(750)	173 617
<i>CURRENT LIABILITIES</i>	<i>207 274</i>	<i>(750)</i>	<i>206 523</i>
Liabilities held for sale	351	-	351
<b>TOTAL LIABILITIES</b>	<b>724 220</b>	<b>(249)</b>	<b>723 971</b>



K€			
2014	Dec. 31, 2014 published	IFRIC 21	Dec. 31, 2014 restated
<b>REVENUE</b>	<b>444 737</b>	-	<b>444 737</b>
Other business income	6 636	-	6 636
Transfers of expenses	16 944	-	16 944
Purchases used for operational purposes	(68 909)	-	(68 909)
Other purchases and outside expenses	(176 790)	-	(176 790)
Taxes other than on income	(35 092)	(116)	(35 207)
Employee benefits expenses	(105 276)	-	(105 276)
<b>EBITDA</b>	<b>82 251</b>	<b>(116)</b>	<b>82 135</b>
Expenses for rehabilitation and/or maintenance of sites included in concessions	(10 038)	-	(10 038)
Other net operating expenses	(1 273)	-	(1 273)
Net allocations to provisions	(1 807)	-	(1 807)
Net allocations to amortization	(33 463)	-	(33 463)
<i>CURRENT OPERATING INCOME</i>	<i>35 670</i>	<i>(116)</i>	<i>35 554</i>
Income on sales of fixed assets	4 831	-	4 831
Impairment of assets	(123)	-	(123)
Consolidation scope variation effects	-	-	-
Other operating income and expenditure	(7 433)	-	(7 433)
<b>OPERATING INCOME</b>	<b>32 945</b>	<b>(116)</b>	<b>32 829</b>
Income from cash and cash equivalents	576	-	576
Gross financial borrowing costs	(14 014)	-	(14 014)
<i>COST OF NET FINANCIAL DEBT</i>	<i>(13 437)</i>	-	<i>(13 437)</i>
Other financial income	320	-	320
Other financial expenses	(917)	-	(917)
<b>FINANCIAL INCOME</b>	<b>(14 035)</b>	-	<b>(14 035)</b>
Corporation tax	(7 131)	39	(7 092)
<b>INCOME OF CONSOLIDATED COMPANIES</b>	<b>11 779</b>	<b>(77)</b>	<b>11 702</b>
Share of income of affiliates	(1 331)	(1)	(1 332)
Net income from continuing operations	10 449	(78)	10 371
Income from discontinued operations	(550)	-	(550)
<b>TOTAL NET INCOME OF CONSOLIDATION SCOPE</b>	<b>9 898</b>	<b>(78)</b>	<b>9 821</b>
<i>Of which minority interests</i>	<i>54</i>	<i>1</i>	<i>54</i>
<i>Of which attributable to equity holders of the parent</i>	<i>9 844</i>	<i>(77)</i>	<i>9 767</i>
Net earnings per share	EUR 1.15		EUR 1.14
Diluted earnings per share	EUR 1.15		EUR 1.14



K€				
2014	Dec. 31, 2014 published	IFRIC 21	Reclassifications	Dec. 31, 2014 restated
<b>INCOME OF CONSOLIDATED COMPANIES</b>	<b>11 779</b>	<b>(77)</b>	<b>-</b>	<b>11 702</b>
Dividends received from companies consolidated by the equity method	88	-	-	88
<b>Elimination of income and expenses with no cash impact or not related to operating activities:</b>				
Amortization and provisions	34 853	-	-	34 853
Net capital gains on disposals	(4 386)	-	-	(4 386)
Deferred taxes	4 504	(39)	-	4 465
Other income and expenses	2 688	-	-	2 688
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>49 526</b>	<b>(116)</b>	<b>-</b>	<b>49 410</b>
Corporation tax	2 627	-	-	2 627
Cost of gross financial debt before long-term investments	11 152	-	(270)	10 882
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE TAXES AND FINANCING COSTS</b>	<b>63 305</b>	<b>(116)</b>	<b>(270)</b>	<b>62 919</b>
Change in working capital requirement	(8 619)	116	-	(8 503)
Tax paid	(224)	-	-	(224)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>54 462</b>	<b>-</b>	<b>(270)</b>	<b>54 192</b>
Cost of acquisition of fixed assets	(46 877)	-	-	(46 877)
Proceeds from disposals of fixed assets	9 036	-	-	9 036
Outflows for acquisitions of financial investments	(1 486)	-	-	(1 486)
Inflows from disposals of financial investments	73	-	-	73
Net cash outflows for acquisitions of subsidiaries	(175)	-	-	(175)
Net cash inflows from disposals of subsidiaries	-	-	-	-
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(39 429)</b>	<b>-</b>	<b>-</b>	<b>(39 429)</b>
Dividends paid to equity holders of the parent	(8 145)	-	-	(8 145)
Dividends paid to minority shareholders of consolidated companies	(41)	-	-	(41)
Capital increases in cash	-	-	-	-
Treasury stock movements	(29)	-	-	(29)
Changes in other shareholders' equity	-	-	-	-
Borrowings	73 623	-	-	73 623
Repayment of borrowings	(56 592)	-	-	(56 592)
Interest paid	(12 643)	-	270	(12 373)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(3 827)</b>	<b>-</b>	<b>270</b>	<b>(3 557)</b>
<b>TOTAL CASH FLOW FOR THE PERIOD, CONTINUING OPERATIONS</b>	<b>11 205</b>	<b>-</b>	<b>-</b>	<b>11 205</b>
<b>NET CASH FLOW FROM DISCONTINUED OPERATIONS</b>	<b>(182)</b>	<b>-</b>	<b>-</b>	<b>(182)</b>
<b>TOTAL CASH FLOW FOR THE PERIOD</b>	<b>11 023</b>	<b>-</b>	<b>-</b>	<b>11 023</b>
Cash and cash equivalents at beginning of year	27 733			27 733
<i>Of which in continuing operations</i>	27 527			27 527
<i>Of which in discontinued operations</i>	205			205
Cash and cash equivalents at end of year	38 630			38 630
<i>Of which in continuing operations</i> <sup>1</sup>	38 614			38 614
<i>Of which in discontinued operations</i>	15			15
Effect of changes in foreign exchange rates	(127)			(127)
<i>Of which in continuing operations</i>	(118)			(118)
<i>Of which in discontinued operations</i>	(8)			(8)
1: Of which:				
Cash and cash equivalents	38 756			38 756
Short-term bank borrowings (current financial debts)	(141)			(141)



# Financial statements

at December 31, 2015



K€			
2013	Dec. 31, 2013 published	IFRIC 21	Dec. 31, 2013 restated
Goodwill	227 604	-	227 604
Intangible fixed assets included in concessions	43 620	-	43 620
Other intangible fixed assets	11 328	-	11 328
Tangible fixed assets	164 925	-	164 925
Investments in affiliates	753	3	756
Non-current financial assets	5 358	4	5 362
Hedging instruments - non-current assets	-	-	-
Other non-current assets	1 501	-	1 501
Deferred non-current corporation tax assets	-	-	-
Deferred tax assets	48 617	(291)	48 326
<i>NON-CURRENT ASSETS</i>	<i>503 707</i>	<i>(284)</i>	<i>503 423</i>
Inventories	10 894	-	10 894
Trade and other receivables	133 821	-	133 821
Corporation tax receivables	2 171	-	2 171
Current financial assets	90	-	90
Hedging instruments - current assets	-	-	-
Other current assets	25 092	-	25 092
Cash and cash equivalents	28 032	-	28 032
<i>CURRENT ASSETS</i>	<i>200 099</i>	<i>-</i>	<i>200 099</i>
Assets held for sale	714	-	714
<b>TOTAL ASSETS</b>	<b>704 520</b>	<b>(284)</b>	<b>704 236</b>
Share capital	1 727	-	1 727
Additional paid-in capital	290 931	-	290 931
Reserves	(44 414)	486	(43 928)
Net income (Group share)	8 685	95	8 781
<i>SHAREHOLDERS' EQUITY (GROUP SHARE)</i>	<i>256 929</i>	<i>581</i>	<i>257 510</i>
Minority interests	117	1	118
<i>TOTAL SHAREHOLDERS' EQUITY</i>	<i>257 046</i>	<i>582</i>	<i>257 628</i>
Other equity	102	-	102
Non-current financial debt	222 630	-	222 630
Hedging instruments - non-current liabilities	1 773	-	1 773
Employee benefits	599	-	599
Deferred tax liabilities	-	-	-
Other non-current provisions	7 254	-	7 254
Other non-current liabilities	2 911	-	2 911
<i>NON-CURRENT LIABILITIES</i>	<i>235 166</i>	<i>-</i>	<i>235 166</i>
Current financial debt	30 788	-	30 788
Hedging instruments - current liabilities	155	-	155
Current provisions	8 842	-	8 842
Taxes payable	294	-	294
Other current liabilities	171 413	(866)	170 547
<i>CURRENT LIABILITIES</i>	<i>211 491</i>	<i>(866)</i>	<i>210 625</i>
Liabilities held for sale	714	-	714
<b>TOTAL LIABILITIES</b>	<b>704 520</b>	<b>(284)</b>	<b>704 236</b>

<b>K€</b>			
<b>2013</b>	<b>Dec. 31, 2013 published</b>	<b>IFRIC 21</b>	<b>Dec. 31, 2013 restated</b>
<b>REVENUE</b>	<b>469 082</b>	<b>-</b>	<b>469 082</b>
Other business income	4 294	-	4 294
Transfers of expenses	1 469	-	1 469
Purchases used for operational purposes	(73 340)	-	(73 340)
Other purchases and outside expenses	(186 065)	-	(186 065)
Taxes other than on income	(35 710)	150	(35 560)
Employee benefits expenses	(101 119)	-	(101 119)
<b>EBITDA</b>	<b>78 610</b>	<b>150</b>	<b>78 760</b>
Expenses for rehabilitation and/or maintenance of sites included in concessions	(10 574)	-	(10 574)
Other net operating expenses	(566)	-	(566)
Net allocations to provisions	(2 729)	-	(2 729)
Net allocations to amortization	(32 084)	-	(32 084)
<i>CURRENT OPERATING INCOME</i>	<i>32 658</i>	<i>150</i>	<i>32 808</i>
Income on sales of fixed assets	5	-	5
Impairment of assets	(191)	-	(191)
Consolidation scope variation effects	(413)	-	(413)
Other operating income and expenditure	(255)	-	(255)
<b>OPERATING INCOME</b>	<b>31 803</b>	<b>150</b>	<b>31 953</b>
Income from cash and cash equivalents	514	-	514
Gross financial borrowing costs	(12 015)	-	(12 015)
<i>COST OF NET FINANCIAL DEBT</i>	<i>(11 501)</i>	<i>-</i>	<i>(11 501)</i>
Other financial income	557	-	557
Other financial expenses	(989)	-	(989)
<b>FINANCIAL INCOME</b>	<b>(11 933)</b>	<b>-</b>	<b>(11 933)</b>
Corporation tax	(6 747)	(50)	(6 797)
<b>INCOME OF CONSOLIDATED COMPANIES</b>	<b>13 124</b>	<b>99</b>	<b>13 223</b>
Share of income of affiliates	(556)	(4)	(560)
Net income from continuing operations	12 568	95	12 663
Income from discontinued operations	(3 855)	-	(3 855)
<b>TOTAL NET INCOME OF CONSOLIDATION SCOPE</b>	<b>8 713</b>	<b>95</b>	<b>8 808</b>
<i>Of which minority interests</i>	<i>28</i>	<i>-</i>	<i>28</i>
<i>Of which attributable to equity holders of the parent</i>	<i>8 685</i>	<i>95</i>	<i>8 781</i>
Net earnings per share	EUR 1.01		EUR 1.02
Diluted earnings per share	EUR 1.01		EUR 1.02



K€				
2013	Dec. 31, 2013 published	IFRIC 21	Reclassifications	Dec. 31, 2013 restated
<b>INCOME OF CONSOLIDATED COMPANIES</b>	<b>13 124</b>	<b>99</b>	<b>-</b>	<b>13 223</b>
Dividends received from companies consolidated by the equity method	250	-	-	250
<b>Elimination of income and expenses with no cash impact or not related to operating activities:</b>				
Amortization and provisions	(276 522)	-	-	(276 522)
Net capital gains on disposals	324 198	-	-	324 198
Deferred taxes	6 352	50	-	6 402
Other income and expenses	(114)	-	-	(114)
<i>CASH FLOW FROM OPERATING ACTIVITIES</i>	<i>67 286</i>	<i>150</i>	<i>-</i>	<i>67 436</i>
Corporation tax	395	-	-	395
Cost of gross financial debt before long-term investments	(1 659)	-	(451)	(2 110)
<i>CASH FLOW FROM OPERATING ACTIVITIES BEFORE TAXES AND FINANCING COSTS</i>	<i>66 023</i>	<i>150</i>	<i>(451)</i>	<i>65 721</i>
Change in working capital requirement	(911)	(150)	-	(1 062)
Tax paid	11 093	-	-	11 093
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>76 204</b>	<b>-</b>	<b>(451)</b>	<b>75 752</b>
Cost of acquisition of fixed assets	(56 978)	-	-	(56 978)
Proceeds from disposals of fixed assets	2 083	-	-	2 083
Outflows for acquisitions of financial investments	(1 271)	-	-	(1 271)
Inflows from disposals of financial investments	172	-	-	172
Net cash outflows for acquisitions of subsidiaries	(239)	-	-	(239)
Net cash inflows from disposals of subsidiaries	120	-	-	120
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(56 113)</b>	<b>-</b>	<b>-</b>	<b>(56 113)</b>
Dividends paid to equity holders of the parent	(8 148)	-	-	(8 148)
Dividends paid to minority shareholders of consolidated companies	(29)	-	-	(29)
Capital increases in cash	-	-	-	-
Treasury stock movements	(31)	-	-	(31)
Changes in other shareholders' equity	-	-	-	-
Borrowings	32 780	-	-	32 780
Repayment of borrowings	(27 485)	-	-	(27 485)
Interest paid	(11 359)	-	451	(10 907)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(14 271)</b>	<b>-</b>	<b>451</b>	<b>(13 820)</b>
<b>TOTAL CASH FLOW FOR THE PERIOD, CONTINUING OPERATIONS</b>	<b>5 820</b>	<b>-</b>	<b>-</b>	<b>5 820</b>
<b>NET CASH FLOW FROM DISCONTINUED OPERATIONS</b>	<b>(241)</b>	<b>-</b>	<b>-</b>	<b>(241)</b>
<b>TOTAL CASH FLOW FOR THE PERIOD</b>	<b>5 579</b>	<b>-</b>	<b>-</b>	<b>5 579</b>
Cash and cash equivalents at beginning of year	22 516			22 516
<i>Of which in continuing operations</i>	<i>22 062</i>			<i>22 062</i>
<i>Of which in discontinued operations</i>	<i>454</i>			<i>454</i>
Cash and cash equivalents at end of year	27 733			27 733
<i>Of which in continuing operations <sup>1</sup></i>	<i>27 527</i>			<i>27 527</i>
<i>Of which in discontinued operations</i>	<i>205</i>			<i>205</i>
Effect of changes in foreign exchange rates	(362)			(362)
<i>Of which in continuing operations</i>	<i>(355)</i>			<i>(355)</i>
<i>Of which in discontinued operations</i>	<i>(8)</i>			<i>(8)</i>
1: Of which:				
Cash and cash equivalents	28 032			28 032
Short-term bank borrowings (current financial debts)	(505)			(505)

## 4.2 Statutory auditors' report on the consolidated annual financial statements

### Year ended December 31, 2015

To the Shareholders,

In compliance with the assignment entrusted to us at your Annual General Meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Séché Environnement SA;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

#### 1 - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015 and of the results of the operations of the consolidated entities for the year then ended in accordance with IFRS as adopted by the European Union.

#### 2 - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

##### Goodwill

Goodwill and other intangible assets with an indefinite useful life which are subject to regular annual impairment tests, or when a triggering event occurs as described in Point 9.4 – “Recoverable value of tangible and intangible fixed assets” in the notes to the consolidated financial statements. We have analyzed the implementation procedures for these impairment tests and the assumptions used to estimate future cash flows and have verified that the information disclosed in Point 9.4 – “Recoverable value of tangible and intangible fixed assets”, and Point 9.1 – “Goodwill” provide appropriate information. These estimates are based on assumptions which are by nature uncertain, and which may differ significantly from actual results.

##### Provisions

Provisions recognized in the balance sheet and the principles and methods for accounting for them are detailed in Point 15 “Provisions” and Note 5 “Current and non-current provisions”. As part of our review, we examined the estimates made for the closing of the accounts; on the basis of the information available to us during our work, we reviewed the approaches used by the Group and satisfied ourselves as to the reasonable nature of the assumptions made.

#### 3 - Specific verification

As required by law, we also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The Auditors

Nantes, March 1, 2016

KPMG Audit  
A department of KPMG SA  
Franck Noël  
Partner

Laval, March 1, 2016

RSM Ouest Audit  
Jean-Claude Bonneau  
Partner

**Séché Environnement**

**A French limited company (SA) with share capital of EUR 1 571 546**

**Company registration: B 306 915 535 RCS Laval**

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