2020 UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

TOGETHER
Leading

The green transition
With our solutions

Séché environnement

CONTENTS

4

CORPORATE GOVERNANCE

5

INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

6

ADDITIONAL INFORMATION

"

In 2020, Séché once again demonstrated the resilience of its business lines and its operating, financial and environmental performance.

"

CHAIRMAN'S MESSAGE

Dear Shareholders,

At the end of an unprecedented year, Séché Environnement has once again demonstrated the resilience of its business lines and its operating, financial and environmental performance.

We owe this resilience first to the constant commitment of the men and women who make up our Company, and who continued to fulfil their duties towards our clients, either in our facilities despite their concerns, or from home despite the difficulties encountered. On behalf of the Board, I would like to extend our full appreciation to all of them.

We also owe this resilience to our agile organizational structure. Early on, we anticipated the measures needed to protect our employees' health while ensuring our facilities remained available. At all times, we stayed on track to achieve our economic and ecological targets. At all times, we were able to serve our clients and fulfil our duties towards the environment.

Finally, we owe this resilience to our growth strategy, which is focused on businesses driving the circular economy, the ecological transition, and hazard containment. Our businesses address long term challenges facing society and provide a response to the sustainability requirements of businesses, industrial companies, and local authorities.

As such, our internal and external growth momentum never stopped.

We improved our environmental performance and that of our clients, in particular in the fight against climate change. For example, our revamped facilities in Salaise supply green energy to the Osiris chemicals platform, representing a key benchmark in the circular economy as applied to hazardous waste and just one of the ways we are helping to decarbonize the economy.

Also in the circular economy, we won major contracts with local authorities, such as the Solena project in Aveyron and the Mo'Uve concession in Montauban. These contracts round out our presence in these regions and bolster our capacity to offer solutions aligned with local authorities' environmental strategies.

Internationally, we successfully prepared for the acquisition of Spill Tech in South Africa, which was completed at the very beginning of 2021. This entity fully complements Interwaste, reinforcing the Group's presence as a major player in the environment businesses in South Africa.

Thanks to our capacity for technological innovation, our environmental expertise and our operational and financial agility, we are looking to the future with confidence.

At the beginning of 2021, Séché Environnement overall returned to pre-crisis activity levels. In France and internationally, the Group is stronger. It has widened the scope of its activities, its operating margins have improved and, as a reflection of its financial flexibility, it has confirmed its capacity to generate recurrent free cash.

How the pandemic will evolve and its economic consequences remain uncertain. I am convinced that we will overcome these challenges and confident that we will achieve the targets we have set for 2022, without deviating from our roadmap of profitable, sustainable and value creating growth, serving the environment and sustainable development.

Joël Séché, Chairman

FOREWORD

Using waste management expertise to create a more sustainable world

Séché Environnement exists for a simple, undeniable reason: the planet's resources are becoming scarcer, while at the same time we are demanding more and more of them to increase our standard of living, or just because there are more of us alive now. Hence arose the desire for a circular economy, where one person's waste ideally becomes a resource for another.

Before the Industrial Revolution, just a few centuries ago, the economy was largely biosourced, meaning that it was built on renewable raw materials derived from farming. Beginning in the 18th century, the availability and controlled use of fossil fuels (first coal, then oil) and mineral commodities became critical factors to the development of industry. A considerable effort was then undertaken to develop scientific and technical knowledge, as well as the know-how needed to exploit the resources found beneath the soil on a massive scale.

Society continues to reap the benefits of this industrial revolution, which freed humanity from many constraints, bringing about remarkable advances in health as well as in quality of life and life expectancy. However, this mode of development has its limits, as it has led to a gradual depletion of the mineral and fossil resources that can be recovered at a reasonable economic, social and environmental cost, and put great pressure on the environment.

Waste production is one of the things that human beings do in society, and it stems from both natural phenomena and economic activity. If waste is not correctly collected, treated, and disposed of, it represents a threat to public health and may have negative environmental impacts on air (greenhouse gases), soil (leachates seeping in from illegal dumping or poorly controlled disposal), and water (when it comes into contact with waste and when water tables or surface water become polluted), while also causing offensive smells.

In contrast, if waste is correctly managed and recovered, this makes supply chains more secure and helps preserve the planet's natural resources. The transition from the linear economy adopted since the Industrial Revolution to today's circular economy is taking time.

Legislative pushes have proven critical to support the efforts made by companies committed to change. To do this, there must be harmonized international rules regarding the definition of waste, its treatment and reuse where possible, as well as end-of-life, disposal, and incineration policies to create value and enable the secondary materials and energy recovery markets to function better.

1

NON-FINANCIAL PERFORMANCE REPORT

1.1

SÉCHÉ ENVIRONNEMENT'S BUSINESS MODEL

1.1.1 History

Séché Environnement was founded more than 30 years ago as an entrepreneurial project focused on waste treatment, which now also offers waste recovery services. With complementary expertise and technological strengths, Séché Environnement has become a versatile player in a position to handle all types of waste at its facilities. Its history was one of reaching national stature before beginning international prospecting efforts.

Key dates in Séché Environnement's history	
1985	Creation of the company in Changé (Mayenne) – non-hazardous waste storage
1993	Creation of an environment division with hazardous waste storage facilities
1996	First environmental certification (ISO 14001)
1997	Initial public offering in Paris
2001	Footprint extended nationwide with the acquisition of ALCOR
2002	Extension of hazardous waste treatment and international expansion (acquisition of TRÉDI)
2017-2021	International development (Spain, Peru, Chile, South Africa, Italy)

1.1.2 Value creation – Business model

In a constantly changing world where societal concerns about the environment have greatly changed, fueling hopes for a circular economy that provides for its needs without exhausting the planet, the company has adapted and become a purveyor of resources.

Through its waste collection, sorting, recovery (as materials or energy), and treatment (reducing toxicity) activities, Séché Environnement's operations stand at the intersection of potential human impacts (health and wellness), preserving biodiversity, and natural resources (consumption and impact stemming from activity, reducing greenhouse gas emissions).

Séché Environnement's core business lies in waste recovery, fully in line with the French law against waste and for a circular economy, which was adopted in February 2020, for example in:

- Reducing final waste production;
- Reusing and recycling materials: a priority;
- Recovering energy: one of the Group's key strengths;
- Hazard containment.

With a comprehensive offering (ranging from waste collection to energy recovery) spanning all types of waste, Séché Environnement serves industrial clients (82% of revenue) and local authorities (18%) in France (77%) and around the world (23%), with solutions for hazardous waste (61%) and non-hazardous waste (39%).

Séché Environnement's strategy is to export its expertise and know-how in hazardous waste management. International activities have accounted for a growing share of the Group's revenue over the past five years.

Séché Environnement's business model

The waste business, or rather businesses, has greatly changed in just a few years. Historically, the approach to the problem was based on the idea that waste was something to get rid of to stop it being a hazard. The goal of hazard containment to protect health and the environment is still relevant. But today, the business model gives more weight to environmental concerns and new economic interests. By listening to market needs in terms of raw materials derived from recycling and energy, it is possible to extract the value-added portion of waste, as materials become ever scarcer (be it due to the depletion of deposits or accessibility problems).

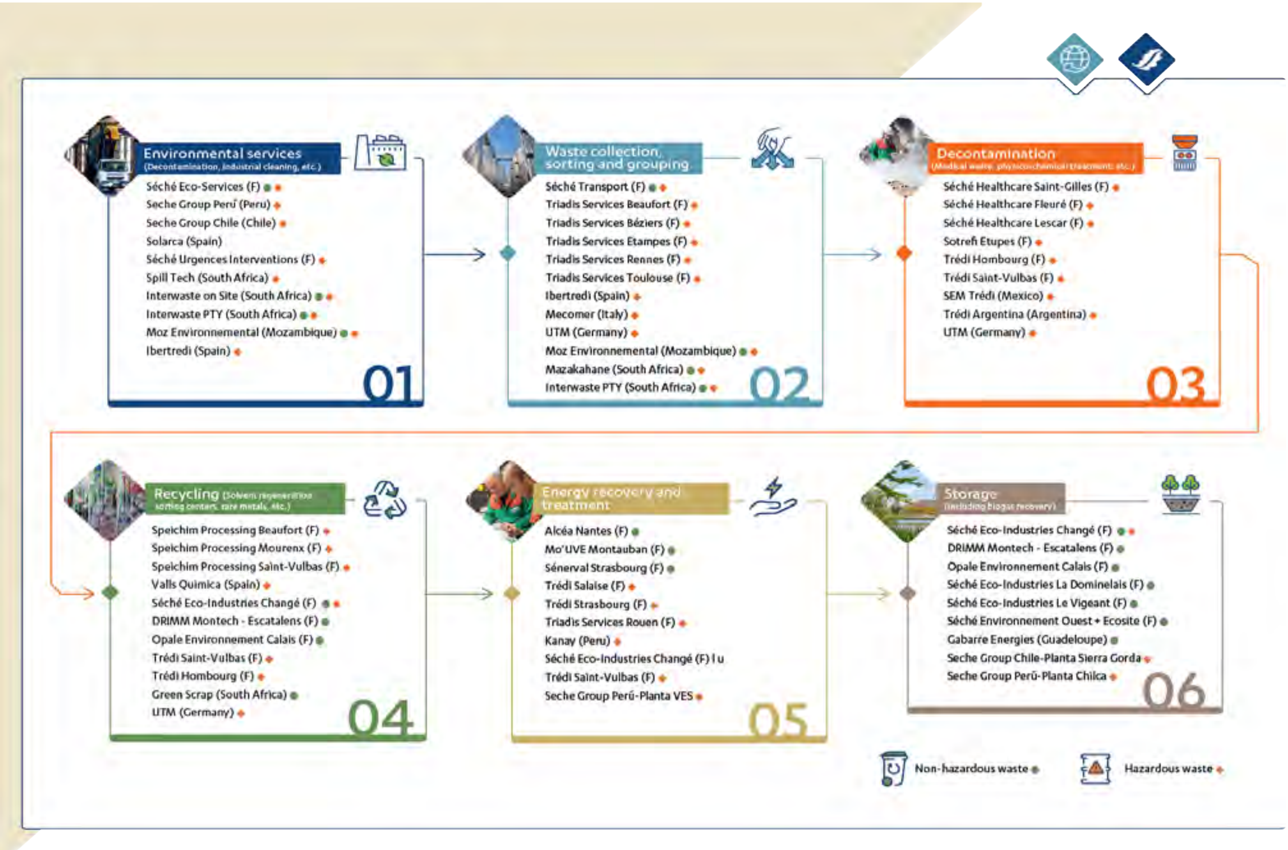
This approach, focused on the circular economy, comes with environmental concerns – we must conduct our business in optimum conditions for the future of our planet, by preserving biodiversity and combating climate change. Séché Environnement has invested in these two areas for many years.

1.1.3 Footprint, facilities and an integrated business strategy

1.1.3.1 Footprint

The Group has a network of specialized operating sites that are close to its markets. It owns its facilities, with the exception of a few public service concessions (Alcéa in Nantes, Séneral in Strasbourg, Béarn Environnement in Pau until June 2020, and Solena in Viviez since August 2020, all of which are fully consolidated; Sogad in Agen, which is 50%-owned, is accounted for by the equity method).

The Group's sites by type of waste and type of waste treatment, as of year-end 2020



1.1.3.2 Property, plant and equipment

The gross value of the Company's tangible fixed assets stood at €973.7 million at December 31, 2020 (versus €951.7 million at December 31, 2019). The Company owns 90% of its assets (92% in 2019), while the remaining 10% are held under financial leases (8% in 2019).

Its fully owned fixed assets mainly include:

- Land and land reserves (mainly for storage and platform activities);
- Plant and capital goods needed for business activities (storage cells, thermal treatment units, and regeneration, decommissioning, stabilization, and grouping facilities);
- Transportation equipment.

These assets are subject to depreciation and amortization recognized in current operating income in line with their useful lives. They also generate maintenance costs to ensure they remain available and in optimal working order. Storage cells also incur:

- Rehabilitation expenses (temporary and/or permanent cover layers), which are recognized in current operating income;
- A provision for the post-operational monitoring commitment, which is also charged against current operating income.

Under its public service concessions, Séché Environnement also manages assets on behalf of the delegating authorities. The assets made available when the contract takes effect are transferred to the delegated entity free of charge and are not recorded in the Group's balance sheet. Assets constructed for the purposes of the concession are recognized either as intangible fixed assets (for the portion relating to the right to use the facilities) or as financial assets (for the portion relating to an unconditional right to receive cash).

At December 31, 2020, the gross value of these assets amounted to €67.3 million (compared with €72.2 million at December 31, 2019), with €2.2 million recorded in financial assets and €65.1 million recorded under intangible assets. They mainly concern non-hazardous waste recovery and treatment facilities, which are:

- Amortized on a straight-line basis over the duration of the concession, beginning on the start-up date;
- Subject to an obligation for the delegated entity to incur the cost of major maintenance and repair work, recorded in the Group's current operating income;
- Assets held in respect of public service concessions are financed by secured bank loans and are subject to contractual agreements. Assets owned outright are mostly financed through cash, with the exception of a few projects that were or are subject to specific guaranteed financing solutions.

1.1.3.3 Comprehensive services

By outsourcing the environmental services of its customers – primarily major international industrial groups – Séché Environnement has, over the years, developed a framework to handle their waste management issues under comprehensive management contracts, namely customized multi-year service contracts for waste management. The same is true for public service concession contracts signed with local communities. This lets clients focus their resources on their own core businesses.

Delegating waste management to Séché Environnement is part of a reciprocal, continual approach to progress. The partnership naturally involves anticipating the client's needs arising from its own industrial development or citizens' expectations, with a shared goal of enhancing productivity.

Besides making its clients' own procedures simpler, Séché Environnement's expertise also comprises the security afforded by an integrated, reliable, controlled chain, sound risk management practices (ISO 9001 and 14001, MASE, and ISO 45001/OHSAS 18001 certification) and strong environmental performance (reducing waste at source, energy or materials recovery, CO_2 emissions).

1.1.3.4 Industrial and regional ecology

The Group has a long-standing practice of trading in materials and energy in the local areas in which it and its customers operate (petrochemicals in Rouen, chemicals in Salaise, etc.), in local communities (district heating in Nantes, Strasbourg, and Laval) and the agriculture world (dehydration of fodder in Mayenne).

1.1.3.5 Product-service systems

The Group's treatment facilities (in particular those designed for hazardous waste) are collective centers that Séché Environnement offers to share with its clients. In doing so, the Group offers a very wide range of facilities so it can treat a broader spectrum of waste. As a result, it spares its industrial customers the expense of investing in facilities that they would use only temporarily.

1.1.3.6 Effective logistics

A responsive team with expertise in chemical risks and the transportation of hazardous waste identifies waste at industrial sites and ensures it is securely transported to the appropriate treatment facility, in accordance with regulations. The Group's platforms provide a local solution, allowing the safe collection, grouping, transit, sorting, packaging or pre-treatment of waste by specialized teams before it is transferred to the appropriate facility.

In order to offer a comprehensive service, Séché Environnement's transport subsidiary, which is OHSAS 18001 certified, is equipped to handle any type of waste, be it packaged or loose, or in liquid or solid form.

1.1.3.7 Emergencies: rapid deployment capabilities

Responding to environmental emergencies is the job of Séché Urgences Interventions (SUI). The available solutions range from making the affected areas secure and removing waste and toxic chemicals, to destroying the waste through dedicated, approved disposal facilities. With the support of its wide network, SUI can provide its services anywhere in France in under four hours, on any kind of pollution. Recent missions include the sinking of the Grande America container ship (transporting hydrocarbons), lead contamination following the fire at Notre-Dame de Paris and decontamination in the port of Rouen after the Lubrizol fire.

1.1.4 Markets and competition

1.1.4.1 The global waste market

1.1.4.1.1 Comparison of regulatory standards

In the European Union, the 1975 Directive on Waste (75/442/EEC) defines waste as "any substance or object which the holder disposes of or is required to dispose of".

Waste has a special legal status, the purpose of which is to avoid potential environmental and public health risks caused by its abandonment. Qualifying something as waste means that a certain number of necessary precautions must be taken to ensure it is properly managed, covering its collection, transport, recovery, and, as a last resort, disposal in a way that is safe for the environment and human health.

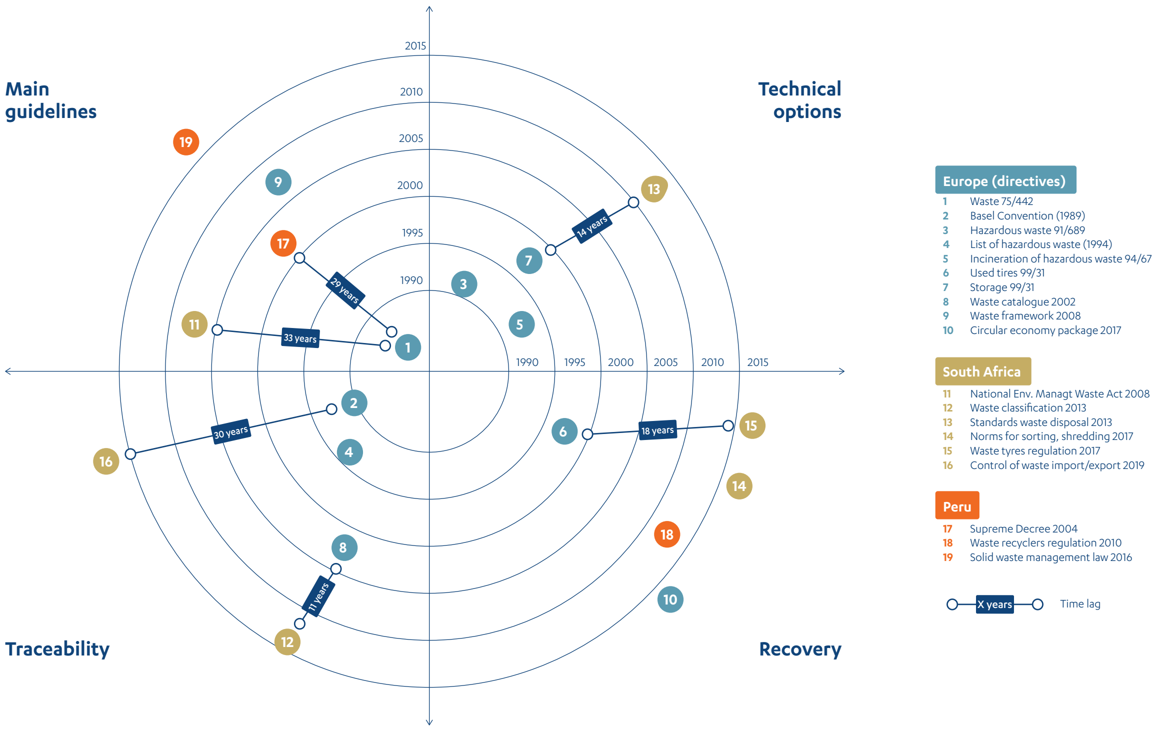
A far-reaching corpus of laws ranging from 1975 to today organizes waste management in the European Union. These laws are reviewed regularly and supplemented at a national or European level to include new themes such as the circular economy and greater responsibilities for waste producers. In the rest of the world, waste management is gradually becoming more organized, with a lag of two or three decades. For example, in Peru, the first laws were only enacted in 2004 (Supreme Decree DS 057), while in South Africa, the National Environmental Management Waste Act was only introduced in 2008.

Regarding what happens to waste after its collection, in particular the different treatment options chosen, it is almost impossible to measure what is recovered or recycled at a global level. Europe is also well ahead in this area – its laws on tire recycling date back to 1999, compared with 2017 in South Africa; there are still no such laws in Peru.

The same applies for the classification of waste, which is essential to allow statistical measures – in Europe hazardous waste was classified in 1994 and other waste in 2002, but the classification was only completed in 2013 in South Africa. This situation explains the lack of consistent data on global waste production, as the definition of waste differs from one country to another.

The law on waste imports and exports was enacted in 2019 in South Africa, while OECD countries adopted an agreement (known as the Basel Convention) on international movements of hazardous waste in 1989. In South Africa and Peru, this Convention was ratified in 1994 and 1993 respectively. In addition, the Stockholm Convention on Persistent Organic Pollutants (POPs) entered into force in 2004 in Europe, South Africa and Peru. The waste management sector is becoming increasingly global, in particular for recycling, where hazardous components are banned. International flows of secondary raw materials are difficult to track and control, as shown by the recent refusal of waste by Asian countries (China since 2018, followed by several other countries), which have banned imports of a growing number of waste categories from Europe or North America.

Year in which regulations on waste were first introduced (examples), by country



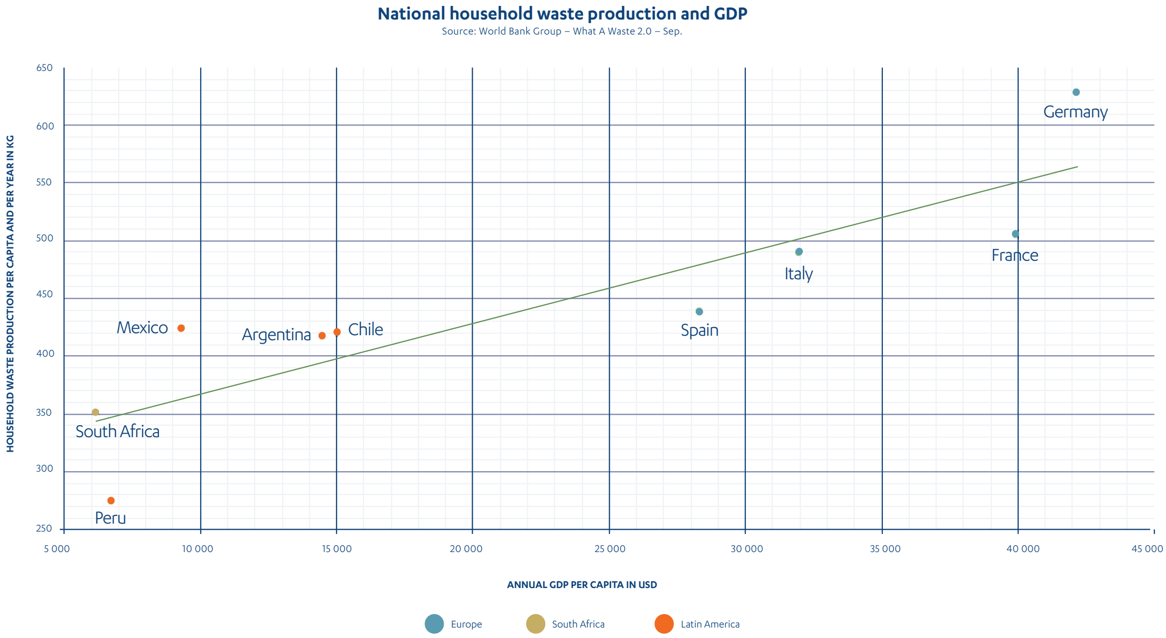
1.1.4.1.2 World Bank estimate of the household waste market

The very notion of waste “production” is ambiguous as there is no common definition and it is difficult to control. Therefore, the collection stage is used as a reference point, i.e. when the waste enters the waste treatment market. Household waste collected is the easiest to measure. In developing countries data are only available for cities and are therefore extrapolated.

The approach to hazardous and non-hazardous industrial waste is more arbitrary, even in the most developed countries, because it is difficult to identify waste treated internally. More generally, extrapolation is not pertinent owing to disparities in industrial structures between different countries.

For these reasons, the World Bank focuses on household waste. Overall, household waste production is correlated to per capita wealth (expressed as GDP) and urbanization. The quality of waste collected per capita, the composition of waste, regulatory standards and treatment methods are relatively similar among groups of low or high revenue countries. The diagram below shows data in Séché Environnement’s countries of activity.

Correlation between a country's development and its waste production per capita



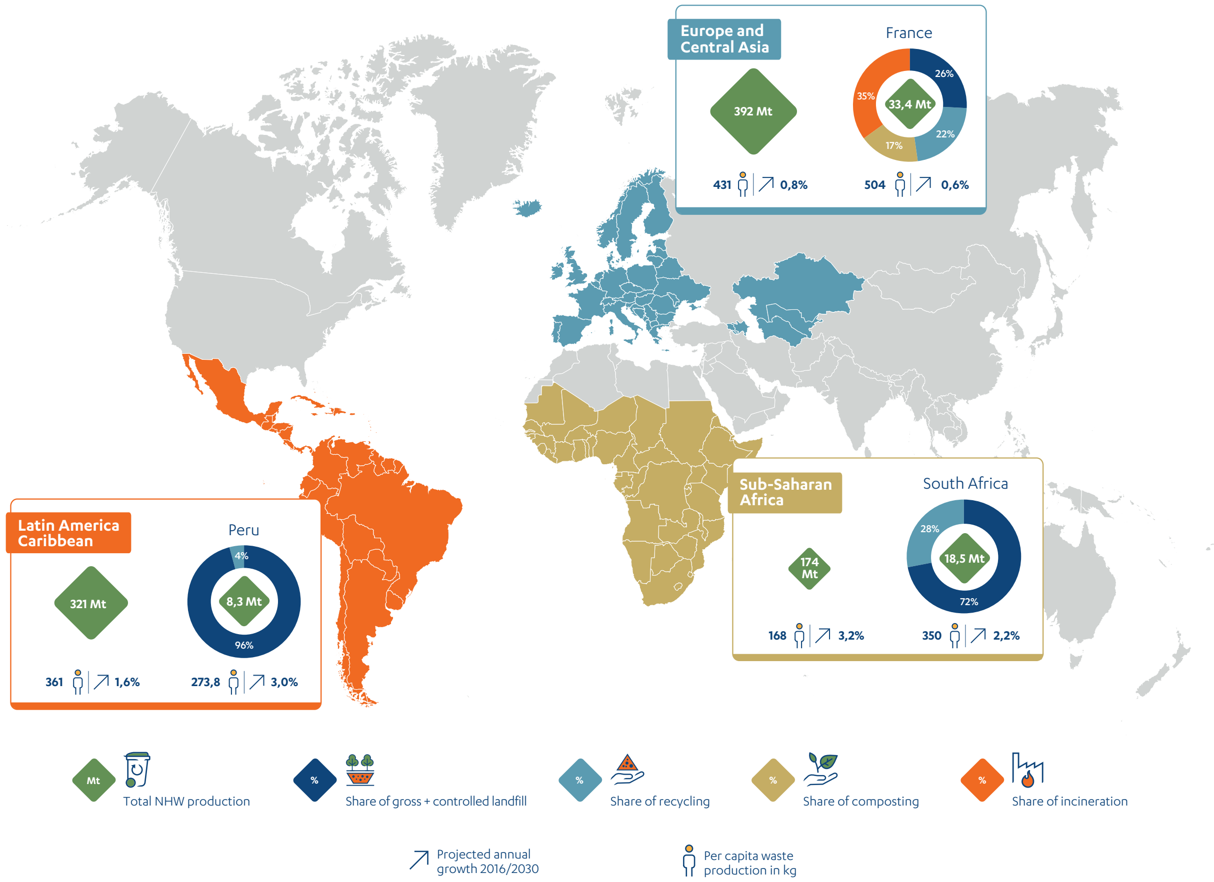
1.1.4.1.3 Séché Environnement's international growth regions

The World Bank Group's study entitled "What a Waste 2.0" published in 2018 shows contrasting situations between geographic regions in terms of per capita waste production and estimates the growth in waste production between 2016 and 2030. Europe and Central Asia are expected to see growth of 0.8% per year, while the figure is twice as high in Latin America and the Caribbean (1.6% per year) and four times higher in Sub-Saharan Africa (3.2% per year).

Séché Environnement – three regions of operation, three levels of market maturity

International waste generation and non-hazardous waste treatment market

Source: World Bank Group – What A Waste 2.0 – Sep.



France is the Group's main market, followed by European countries for specific hazardous waste (gas in Germany, liquid waste in Italy, solvent regeneration in Spain). Hazardous waste is a stronger growth driver than household waste, which is expected to increase by just 0.6% over the next fifteen years (slower than in the Europe-Central Asia region as a whole owing to a lag in eastern countries).

New export markets will also drive growth. For major export markets, two countries have been chosen to represent the Group's strategy in their region: Peru in Latin America and South Africa. Although the target is hazardous waste, household waste will be used to assess the outlook for these countries as no statistics on industrial and/or hazardous waste are available.

According to the World Bank's approach, annual growth expected in South Africa will amount to 2.2%, below the average for Sub-Saharan Africa, as the country's economy is more advanced than its neighbors, which could provide future growth markets from a well-established base in South Africa. In contrast, in Peru, for similar reasons, expected growth (3.0%) exceeds the average for the continent, as the market is expected to catch up its neighbors.

Similarly, the differences in maturity between these markets are shown by the treatment technology used, which reflects the dates on which regulations establishing the waste treatment market entered into force. While France boasts a wide range of treatment solutions (recycling, composting, incineration, storage), South Africa currently only offers recycling or storage, while Peru only offers waste storage solutions. Séché Environnement has built Peru's first incinerator but it is intended for hazardous waste (including medical waste). The technology mix is set to evolve considerably in the next few years, moving closer to the European model.

1.1.4.2 The French waste market

1.1.4.2.1 Total waste production in France

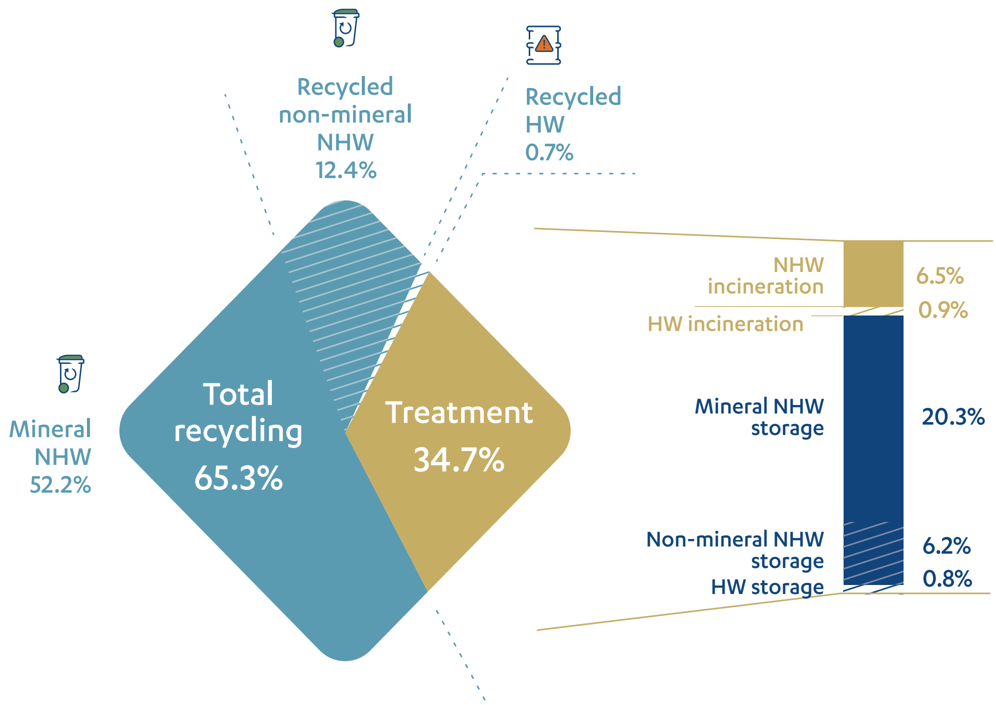
With 4.8 metric tons per capita in 2016, France's waste production is close to the European average, but excluding major mineral waste (220 million tons essentially from construction and public works), this figure is below the European average, at 1.5 tons. Waste production figures vary considerably between countries, mainly due to their geographical, demographic and industrial characteristics.

Total waste production (323 million tons) is falling, in line with the goals of the French law on the Energy Transition for Green Growth, which was enacted in 2015. This law requires a 30% reduction in non-inert non-hazardous waste volumes held in storage facilities in 2020 in relation to 2010, and a 50% reduction by 2025. In 2016 (latest available official statistics), these volumes were down 13% from 2010.

However, waste production from water and waste treatment is rising. This is due to more complex waste management methods, which involve several treatment stages, such as sorting, pre-treatment and recovery. These additional treatment stages generate secondary waste, such as waste treatment sludge, waste sorting by-products (due to changing sorting recommendations and an increase in the population required to sort waste) and combustion by-products caused by incineration, showing that a large volume of waste is now recycled or recovered instead of going to storage sites.

Treatment of 303.6 MT in France in 2016 total waste market

Source: Data and Statistical Research department,
French General Sustainable Development Commission (CGDD) - December 2019



65.3% of the waste produced in France is recycled.

The volumes treated are around 6% lower than volumes produced for several reasons: the balance of imports/exports, inventory effects, dry or wet weight calculations, the traceability of recovery activities, etc.

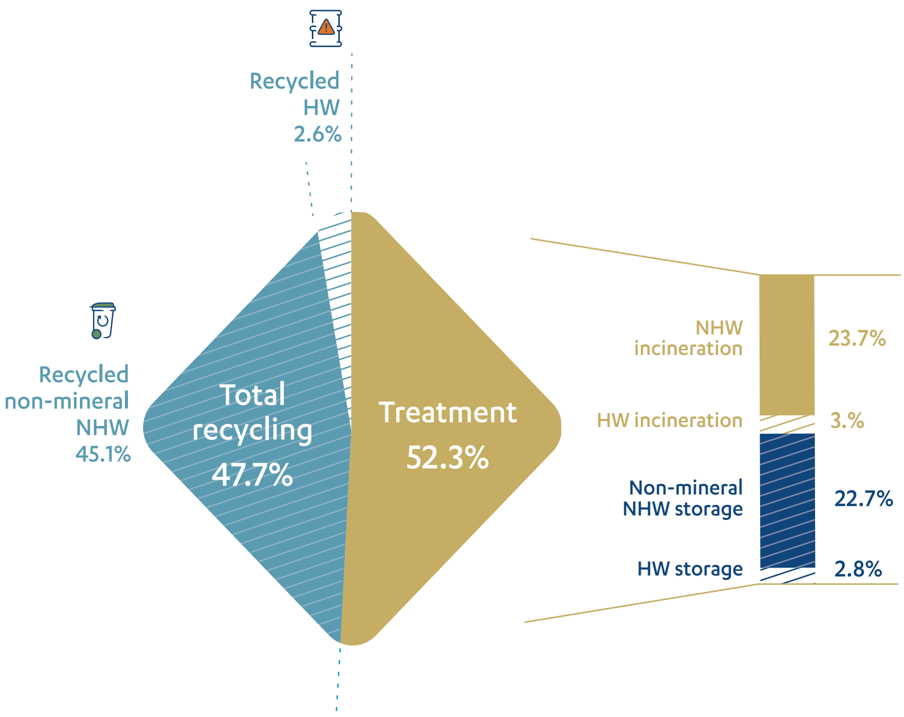
1.1.4.2.2 *The Group's key markets in France: non-mineral waste*

Treatment of 102 MT in France in 2016 excl. inert waste

Source: Data and Statistical Research department, French General Sustainable Development Commission (CGDD) - December 2019

91 Mt — NON-MINERAL NON-HAZARDOUS WASTE MARKET (NHW)

11 Mt* — HAZARDOUS WASTE (HW)



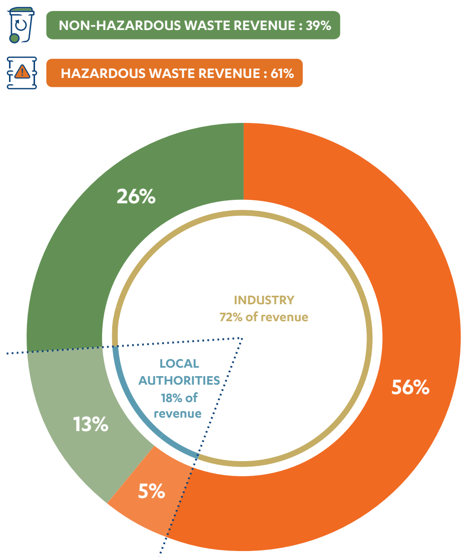
* o/w 3.4 Mt of secondary waste generated by environmental treatment (water) or waste treatment (final waste)

1.1.4.3 Séché Environnement's client base

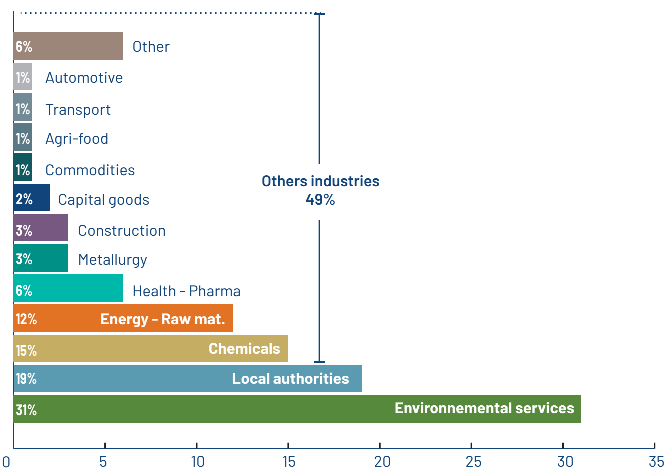
1.1.4.3.1 Client base and markets

Over the past year, the Group generated 18% of its contributed revenue with local authorities (unchanged from 2019) and 82% with industrial clients and environmental service companies (waste collectors, recycling companies, end-of-life waste recycling organizations, waste sorting and grouping platforms, etc.), as in 2019. This stability in the client base is explained by the recurrent nature of the client portfolio – local authorities and industrial clients – and the absence of any major acquisitions in 2020. Acquisitions mostly target industrial clients outside France.

Breakdown of contribution revenue at 31.12.20 by sector of activity



Breakdown of contributed revenue at 31.12.20 by division and by client type



1.1.4.3.2 Types of waste-producing clients

In 2020, Séché Environnement maintained business relations with around 13,000 industrial and local authority clients in France and around 5,000 internationally.

In 2020, the ten biggest clients from the industrial and environmental services sectors generated 15.7% of contributed revenue (15.6% in 2019) and the 20 biggest clients accounted for 22.3% of contributed revenue (22.7% in 2019).

On the local authorities market, contracts generally cover several years (3-5 years) and are automatically renewable. During the contract term, service prices may evolve based on an index or a basket of indices. These contracts concern non-hazardous waste recovery and treatment activities as well as hazardous waste treatment activities (polluted soils, residues from the purification of incineration fumes from household waste, etc.).

In 2020, the ten biggest local authority clients generated 7.1% of contributed revenue (10.6% in 2019) and the 20 biggest clients accounted for 10.7% of contributed revenue (13.1% in 2019).

Breakdown of client base	Industry and Environmental Services		Local authorities	
	% of contributed revenue	Total	% of contributed revenue	Total
Client 1	**3.5%**	**3.5%**	**1.9%**	**1.9%**
Client 2	2.0%	5.5%	1.0%	2.9%
Client 3	1.9%	7.4%	0.7%	3.6%
Client 4	1.7%	9.1%	0.5%	4.1%
Client 5	1.3%	10.4%	0.5%	4.6%
Client 6	1.1%	11.5%	0.5%	5.1%
Client 7	1.1%	12.6%	0.5%	5.6%
Client 8	1.1%	13.7%	0.5%	6.1%
Client 9	1.1%	14.8%	0.5%	6.6%
Client 10	**0.9%**	**15.7%**	**0.5%**	**7.1%**
Client 15	0.6%	19.5%	0.3%	9.1%
Client 20	**0.5%**	**22.3%**	**0.3%**	**10.7%**

1.1.4.3.3 Contracts

All contracts signed with industrial companies and local authorities are established under private law, except for the public service concessions managed by the Group, which are described in section 3.2.1.9 of this document:

- Concession agreement for the management of the Strasbourg-Sénerval incinerator: €400 million over 20 years (2010-2030);
- Concession agreement for the management of the Nantes-Alcéa incinerator: €144 million over 12 years (2012-2024);

- Concession agreement for the management of the Pau-Béarn incinerator: €160 million over 20 years (1999-2019). This contract ended on June 30, 2020;
- Concession agreement for the construction and operation of the Solena non-hazardous waste recovery and treatment facility in Viviez (Aveyron): €189 million over 25 years (2020-2045).

The length and amount of the contracts vary according to their complexity and purpose[1]. Séché Environnement does not consider itself to be at any significant risk in respect of any one contract since its largest contracts with local authorities are concession agreements for the delegated management of waste recovery and treatment facilities covering specified time periods.

With industrial clients, its contracts are generally spot or short-term contracts (less than one year). They can cover hazardous or non-hazardous waste produced by these customers. In general, Séché Environnement strives to develop more recurrent business relations with its industrial clients via "comprehensive service" contracts – outsourcing service agreements under which Séché Environnement handles all its clients' waste management issues. These multi-year contracts covering an average of 3-5 years can extend to longer periods depending on the features of each contract (7 years or more). Comprehensive service contracts generated around 5% of contributed revenue in 2020 (vs. 6% in 2019).

1.1.4.4 Competition

Séché Environnement has all the permits to treat every type of waste from industrial clients and communities, enabling it to be present across the entire value chain of waste-related business lines. As a result, it competes with both generalist and specialist operators. In French waste markets, the main competitors in France are comprehensive and generalist players in the utilities market (water, energy, waste) such as Veolia and Suez, or their specialized subsidiaries (Sita, Sarp Industries). International players also do business in France, such as the Rethmann Group.

Séché Environnement's materials recovery markets primarily relate to molecules of interest (such as regeneration and chemical purification) or those requiring specialized techniques and technology, particularly for hazardous waste (PCBs, for instance). Its other competitors are specialized businesses in specialty markets such as Paprec (waste recovery from economic activities), Ortec (decontamination), Chimirec (hazardous industrial waste collection), Tiru, Idex (delegated infrastructure management), etc.

Worldwide, Séché Environnement is present in niche markets through specialized facilities (gas treatment, PCB treatment, solvent regeneration, etc.). In these business lines, Séché Environnement may find itself competing with major French operators with an international scope, like Veolia or Suez, as well as local operators.

(1) See paragraph 3.2.1.17 of this document

1.2

RISK MAP AND MATERIALITY ANALYSIS

At the end of 2019, Tennaxia (assisted by Grant Thornton for financial aspects) mapped the risks to which the Séché Environnement is exposed and analyzed the materiality of issues relating to its corporate social responsibility (CSR).

The mapping process and the analysis were supervised by the Audit Committee and the Board of Directors, which approved the conclusions at its meeting on December 5, 2019.

1.2.1 Methodology

1.2.1.1 Definitions

The notion of "materiality" does not explicitly appear in Decree no. 2017-1265 of August 9, 2017 applying Ministerial Order no. 2017-1180 of July 19, 2017 on the publication of non-financial information by certain large corporations. However, this approach is recommended in the guide to the CSR reporting requirement published by the MEDEF (French employer's association), which specifies in its introduction that "The new system clearly involves an approach based on "materiality" and a need for more relevant and useful information for businesses and their stakeholders. To meet non-financial performance reporting requirements, businesses must also publish a description of the main risks arising from their activity [...]".

The risk map – needed to meet disclosure requirements in terms of risk factors for the Universal Registration Document (URD) – is described in Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, known as the European Prospectus Regulation 3, which entered into force on July 21, 2019. Risks are weighted and ranked to produce a list of risks broken down by severity, frequency and time frame (expected future impact). While the French decree establishing the non-financial performance report focuses on gross risks, the Prospectus Regulation 3 covers net risks, i.e. the residual risk remaining after applying prevention and mitigation policies.

The materiality analysis matrix takes into account the expectations of stakeholders (employees, clients, suppliers, partners, etc.) and the issues facing the company. It incorporates risks (financial, regulatory, reputation and business continuity risks) as well as the extent to which each risk is managed.

The results of the risk mapping are used to plot the horizontal scale of the materiality matrix, representing the impact of risks on the company's performance (ranking and prioritization in terms of probability and extent – AMF Memo of October 24, 2018 – by consulting internal and external stakeholders from the approved sample). Consultation of an additional sample of stakeholders allows the plotting of the vertical scale of the materiality matrix, representing the impact on external stakeholders.

1.2.1.2 Implementation in four stages

The two approaches (materiality and risks) arise from a shared protocol establishing a list of risks and potential opportunities to be submitted to a relevant, justified sample of internal and external stakeholders, which must be qualified according to the NF X30-029 protocol (individuals and legal entities). The four-step approach is shown in the following table.

Material risks or issues, shown in red and in boxes, will be explained in more detail.

Phase 1

Analysis of available documentary sources on the waste treatment activity

Past risk maps and publications by Séché Environnement	Peer analysis: VEOLIA, SUEZ, WASTE MANAGEMENT	SASB Waste Management standards	Web analysis Search for controversy

Phase 2

Initial identification of risks and specific issues by the Steering Committee

[20] Risks in total financial risks [8] + non-financial risks [11]	[32] Issues, covering 4 types of capital: human [5], economic [8], environmental [10], social [9]

Phase 3

Survey of stakeholders by TENNAXIA (NF X30-029 protocol)

Questions about risks		Questions about major issues	
Internal staff	External stakeholders	Internal staff	External stakeholders
Individual interviews (11)	Individual interviews (4)	Online questionnaire (21) 2 focus groups with tutoring (12)	Online questionnaire (13)

Possibility of bias in focus groups and individual responses, despite the robust methodological approach.
Consequently, a negative weighting is applied to individual responses, downgrading them by a factor of 1 to 2 in relation to those provided by the members of the two focus groups with tutoring

Target result: analysis of the relative criticality of risks	Target result: weighting of issues by type of capital
Type: financial - business continuity - reputation - regulatory	**Economic capital:** Economic development
Frequency: rare – non-recurring – regular – frequent	**Human capital**: Social commitment
Severity: minor – moderate – major – critical	**Natural capital**: Environment and communities
Impact over time: decreasing – stable – increasing	**Social capital**: Ethics, governance and society
Gross risk map *according to Non-Financial Performance Report definition*	
Impact of risk management through procedures, facilities, etc.	Perception of how the issue is managed by the company
Net risk map *according to Prospectus Regulation 3 definition*	**Global issue map** *Materiality matrix*

Phase 4

Correlation between risks and issues - choice of main and specific risks

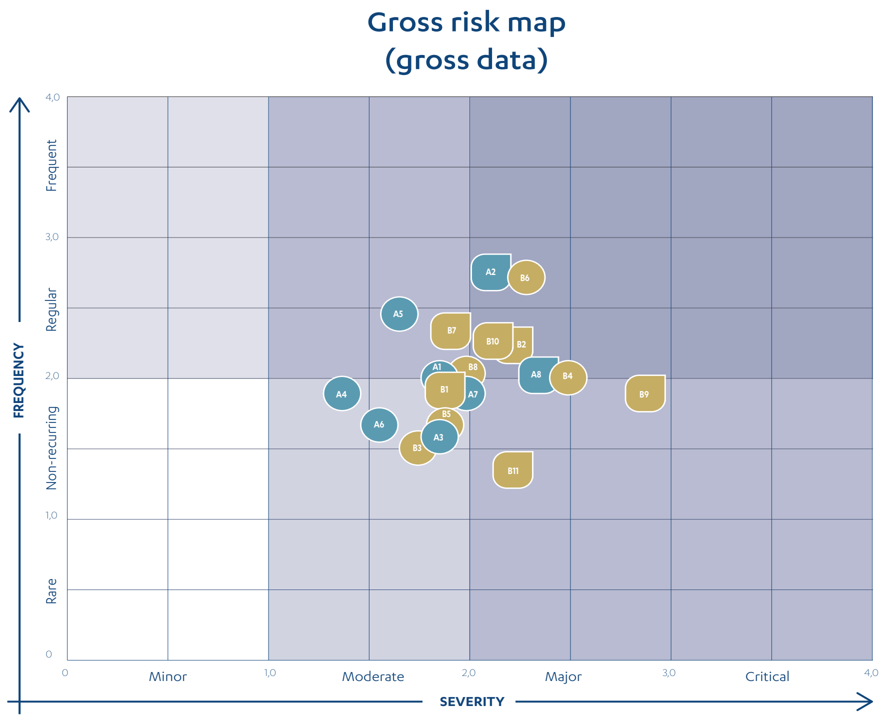
[6] Major non-financial risks	[10] Associated key issues
Regulatory compliance risk	Compliance with regulations and permits Management of traceability
Risk relating to the operation of industrial sites	Management of waste treatment procedures and risks Limitation of local impact: noise, odors, etc.
Civil and criminal liability risk, in particular relating to health and safety and the environment	Aqueous waste and atmospheric emissions Health of local communities
Risk relating to employer attractiveness and employee retention	Stable workforce Employee skills development
Occupational health and safety risk	Health, safety, quality of life in the workplace
Ethics and non-compliance risk	Respect for human rights and fundamental freedoms Combating corruption

[2] Cross-business non-financial and/or financial risks incurred
Country risk Image risk (media risk)

[4] Financial risk - Grant Thornton assignment	[3] Other important issues not identified as being major risks
Risk relating to fluctuations in the price of raw materials and energy Exchange rate risk Insurance risk Interest rate risk	**Circular economy and efficient management of resources** **Energy efficiency and greenhouse gas (GHG) emissions** **Site planning and biodiversity**

1.2.2 Risk map

1.2.2.1 Gross exhaustive risks (according to the French definition used for non-financial performance reporting)



Financial Risks

A1 Interest rate risk
A2 Foreign exchange risk
A3 Liquidity risk
A4 Counterparty risk
A5 Risk relating to fluctuations in the price of raw materials and energy
A6 Risk relating to asset impairment losses
A7 Risk relating to changes in the Group's activities
A8 Insurance risk

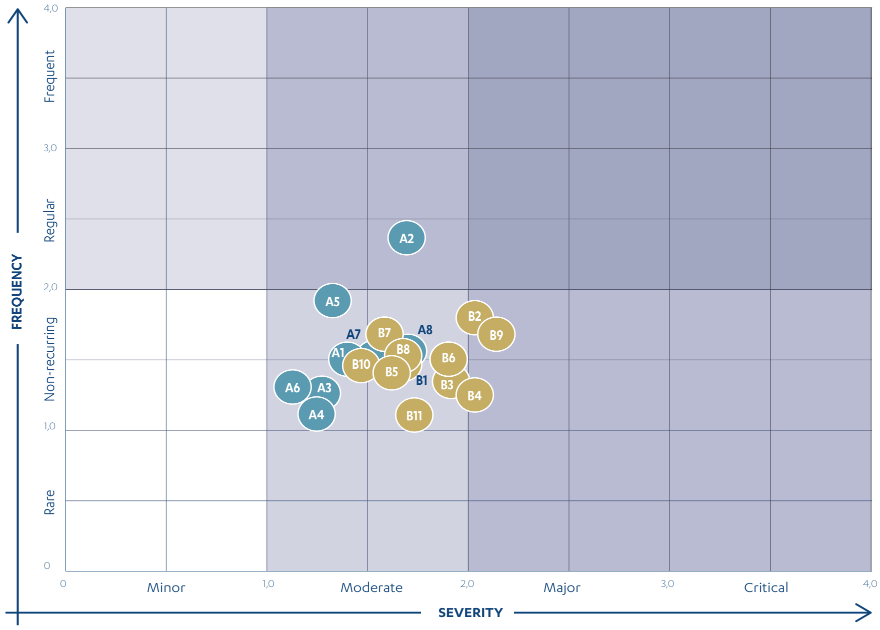
Non-financial risks

B1 Risk relating to market trends, technology and competition
B2 Country risk
B3 Risk relating to natural disasters, climate change and seasonality
B4 Civil and criminal liability risk, in particular relating to health and safety and the environment
B5 Risk relating to the safety of individuals, and tangible and intangible assets, values and information systems
B6 Occupational health and safety risk
B7 Risk relating to employer attractiveness and employee retention
B8 Risk relating to the operation of industrial sites
B9 Regulatory compliance risk
B10 Ethics and non-compliance risk
B11 Image risk (media risk)

TIME OVER TIME (Futures perspectives)
Increase
Stable

1.2.2.2 Main net risks (according to the Prospectus Regulation 3 definition)

Risk map after mitigation
(NET data)



Financial Risks

A1 Interest rate risk
A2 Foreign exchange risk
A3 Liquidity risk
A4 Counterparty risk
A5 Risk relating to fluctuations in the price of raw materials and energy
A6 Risk relating to asset impairment losses
A7 Risk relating to changes in the Group's activities
A8 Insurance risk

Non-financial risks

B1 Risk relating to market trends, technology and competition
B2 Country risk
B3 Risk relating to natural disasters, climate change and seasonality
B4 Civil and criminal liability risk, in particular relating to health and safety and the environment
B5 Risk relating to the safety of individuals, and tangible and intangible assets, values and information systems
B6 Occupational health and safety risk
B7 Risk relating to employer attractiveness and employee retention
B8 Risk relating to the operation of industrial sites
B9 Regulatory compliance risk
B10 Ethics and non-compliance risk
B11 Image risk (media risk)

TIME OVER TIME (Futures perspectives)
Increase   Stable

Endogenous and exogenous risks for the company are anticipated early, and whenever possible, controlled. Risk prevention occurs at three levels:

- Behavior
  The sustainable development policy, which is underpinned by clearly defined, public commitments and combined with regulatory monitoring and proper integration of the sites into their environment, makes it possible to anticipate and mitigate a number of risks;
- Organization
  Certification (environment, health and safety, biodiversity management) facilitates the introduction of procedures that limit risks of abuse;
- Operations
  Feedback and internal audits led by a qualified team (or by external experts such as insurers or emergency services such as firefighters) allow the proactive implementation of remedial measures.

1.2.2.3 Main net non-financial risks

Following the analysis stage, six specific major risks were identified:

1. Regulatory compliance risk;
2. Risk relating to the operation of industrial sites;
3. Civil and criminal liability risk, in particular relating to health and safety and the environment;
4. Risks relating to employer attractiveness and employee retention;
5. Occupational health and safety risks;
6. Ethics and compliance risk.

Two cross-disciplinary risks were also identified:

7. Country risk;
8. Image risk (media risk).

Besides the specific risks inherent to the operation of industrial sites and civil and criminal liability risks relating to health and safety and the environment (numbers 2 and 3 above), all other risks could potentially increase in the short or medium term. After applying risk prevention, mitigation and avoidance policies, the net risk severity only remains high for country, civil and criminal liability, and regulatory compliance risks.

These risks are addressed in Chapter 3, Major material risks.

1.2.2.4 Risks compared with global risk assessments

Although the risks identified for Séché Environnement and some issues affecting stakeholders (biodiversity and climate change) are specific to its activity, they align with the conclusions of the assessment performed for the Global Risks Report published by the World Economic Forum (Davos, January 2020), which consider that the main long-term risks now concern the environment. This applies to four of the top five global risks in terms of impact severity:

9. Climate action failure;
10. Weapons of mass destruction;
11. Biodiversity loss;
12. Extreme weather;
13. Water crises.

1.2.3 Materiality analysis

1.2.3.1 Comparison of stakeholders' and the company's expectations

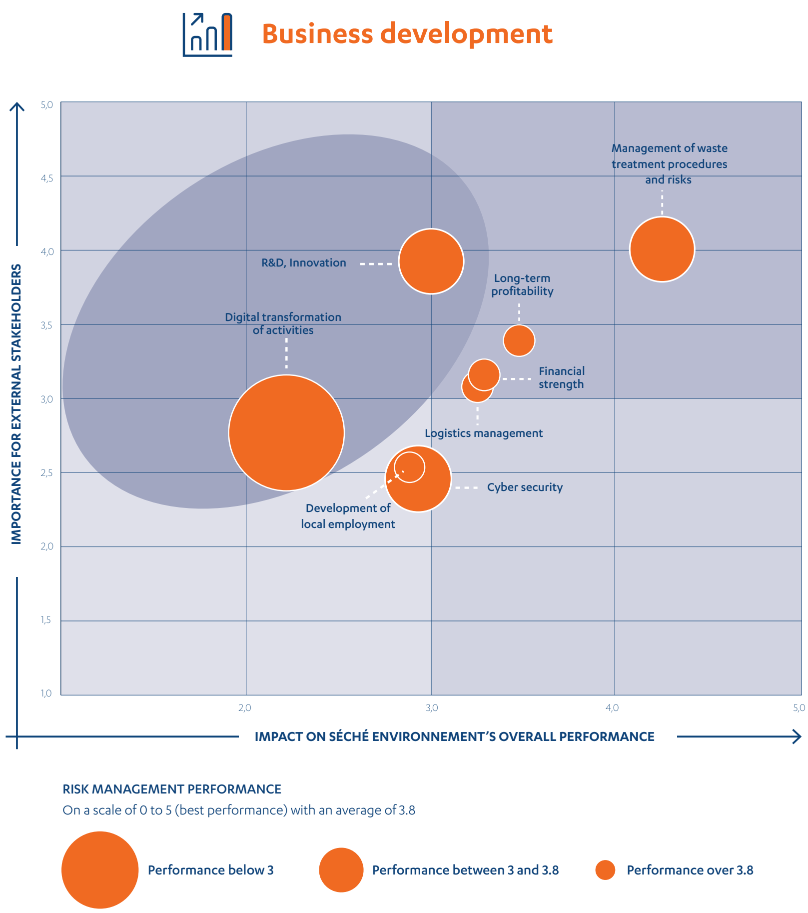
Creating a circular economy means ensuring harmonious co-existence between different technological, economic, social and societal factors. An approach based on materiality requires prioritizing issues, and setting thresholds in terms of relevance and relative importance. To do this, two filters are applied:

- Contextualization, because before assigning priorities it is essential to compare data with reality in terms of business activity, past performance, regulations, and academic and forward-looking aspects;
- Meaning for the company depending on its strategy, its business plan and vision, its values, and its corporate culture.

Accordingly, the materiality analysis was based on the four key components of the Group's business plan (recovering and treating harmful waste in France and abroad)(1).

1.2.3.1.1 Economic development

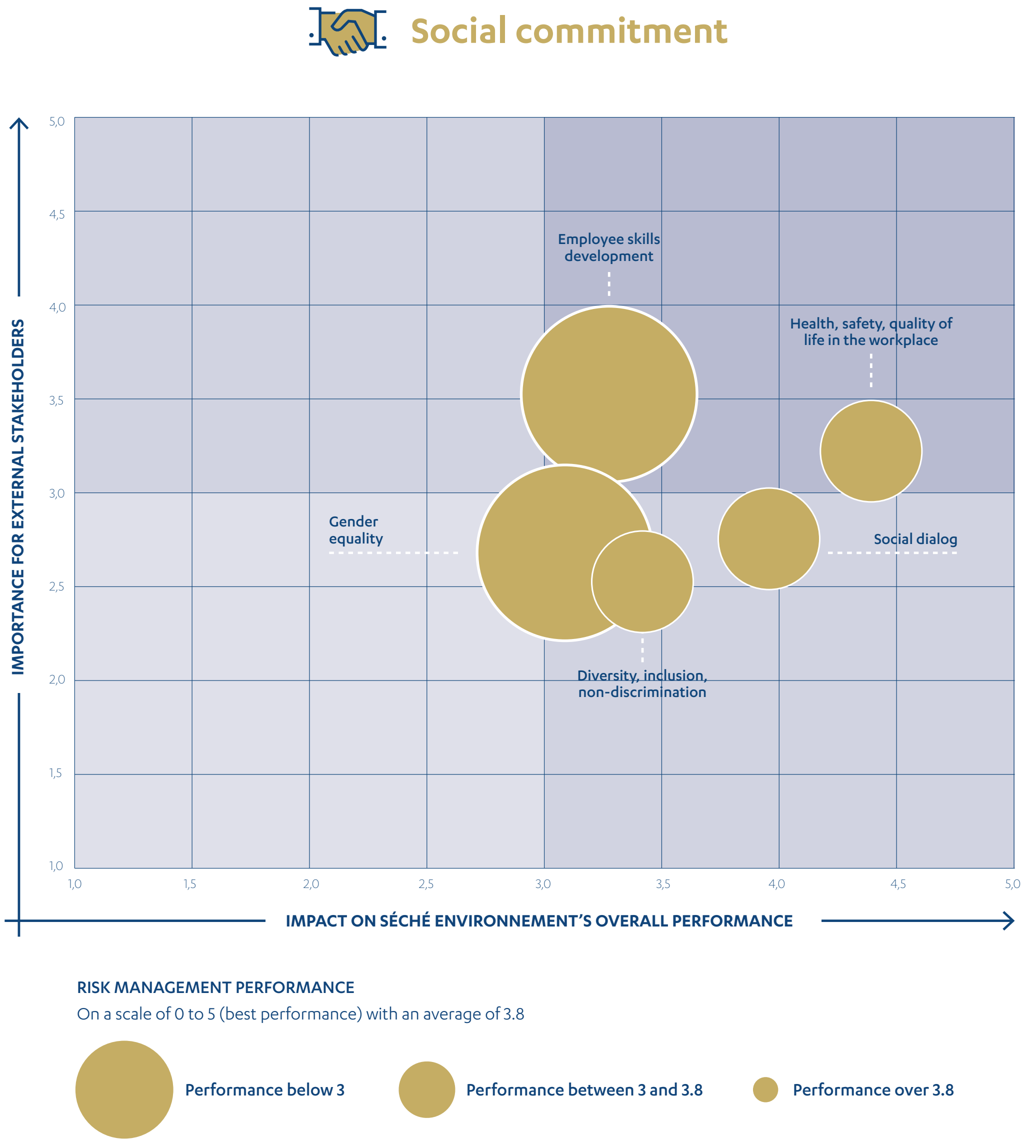
- Ensure the Group's future through controlled, profitable, long-term growth;
- Provide clients with comprehensive service that respects people, places, and regulatory standards, with safety, traceability, and transparency.



(1) *In 2019, the Group's performance in certain areas was incorrectly represented. This has been corrected in the five maps below.*

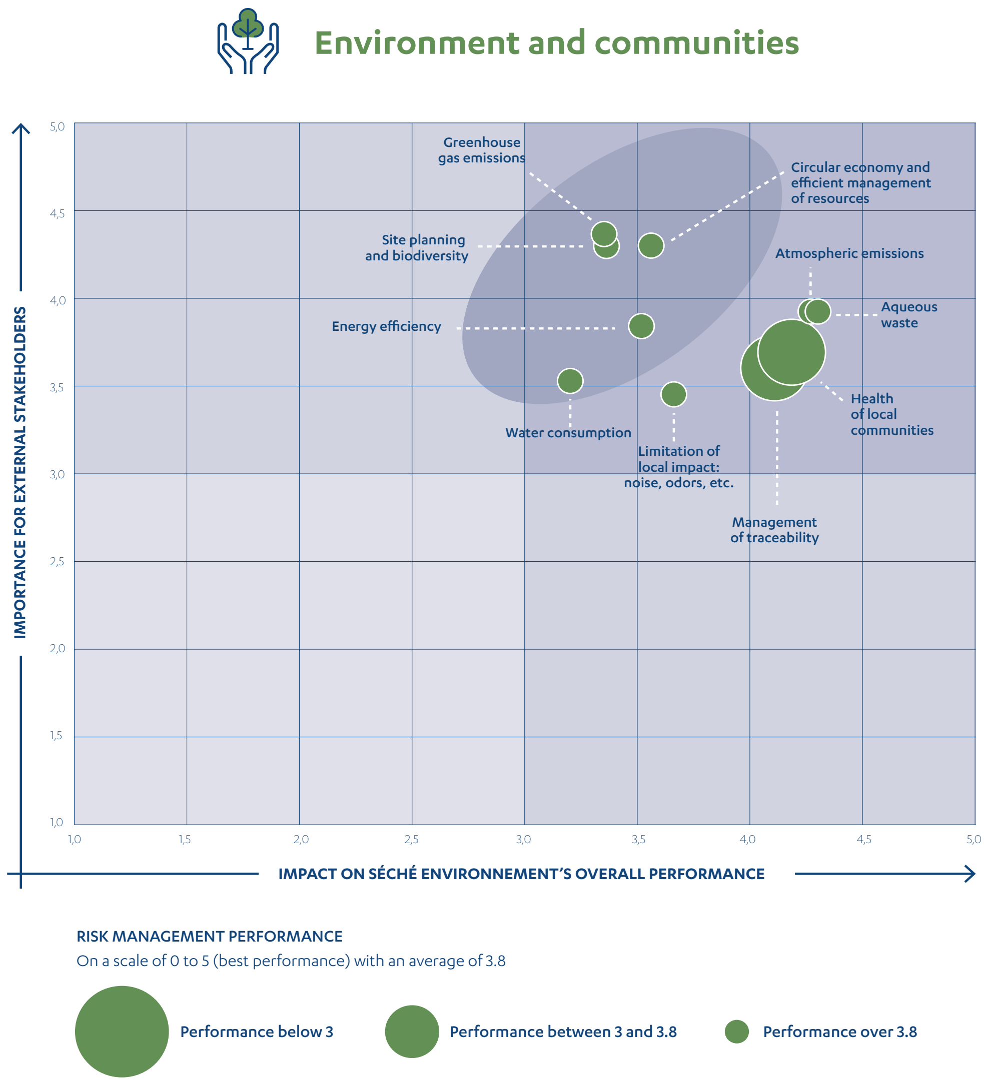
1.2.3.1.2 *Social commitment*

- Foster the career development of Group employees with an appropriate recruitment and training policy that encourages diversity;
- Be attentive to employees' health and safety conditions in the workplace.



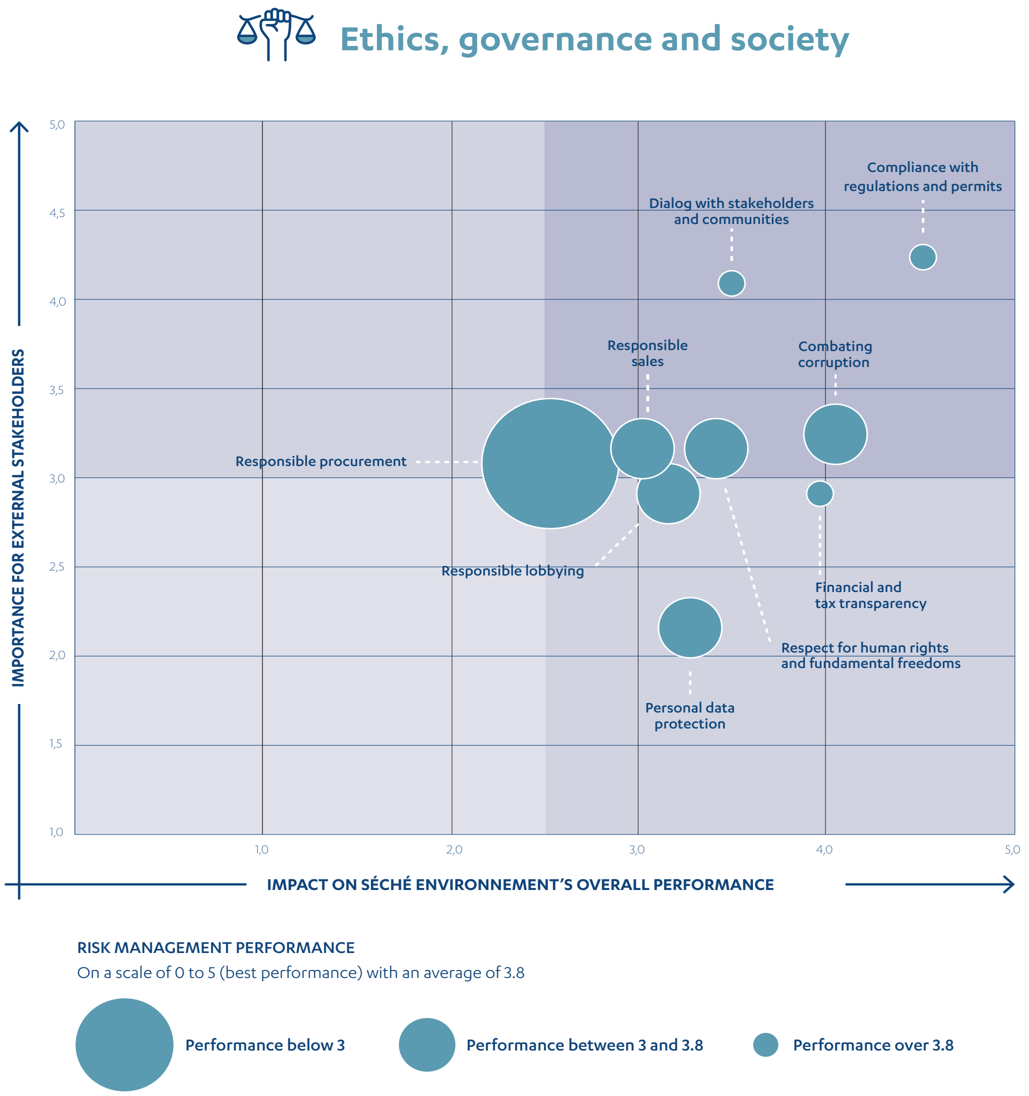
1.2.3.1.3 *Environment and communities*

- Help to safeguard biodiversity and reduce greenhouse gases;
- Protect the biological, hydrogeological and physical environments in which the Group operates;
- Prevent potential effects on the health of local residents.



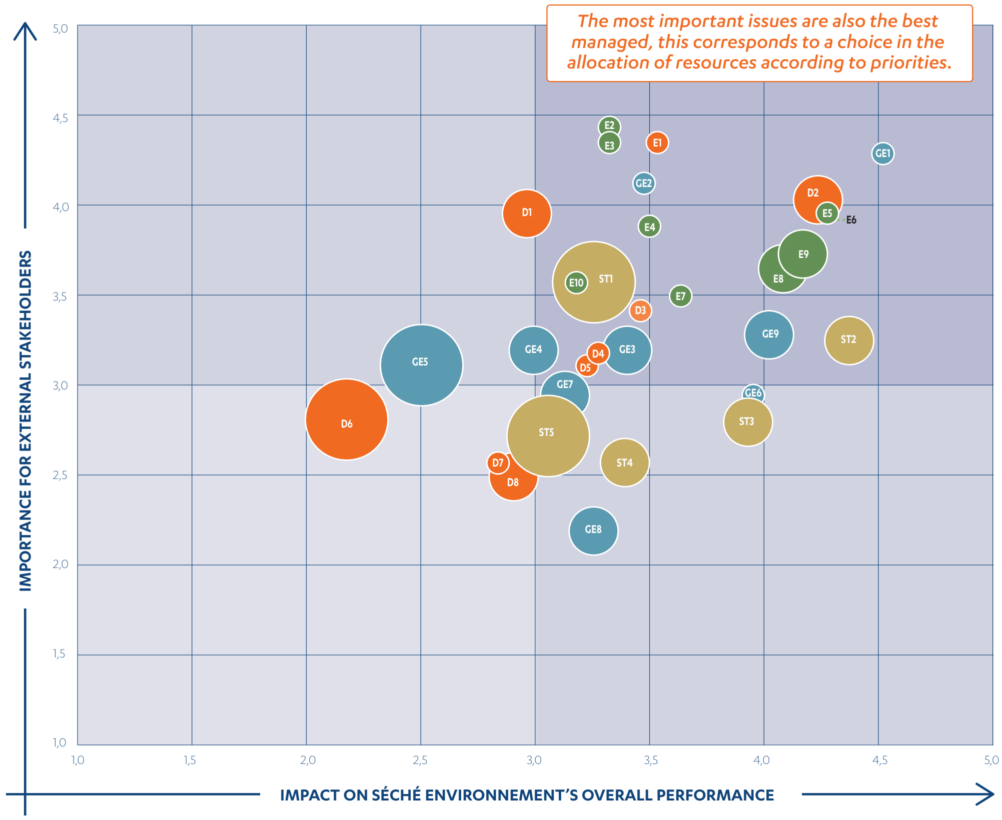
1.2.3.1.4 Ethics, governance and society

- Forge relationships of trust with all local and regional economic and social players;
- Drive economic and social development in areas where sites have been established (local industrial ecology).



1.2.3.2 Global materiality matrix

Global materiality matrix

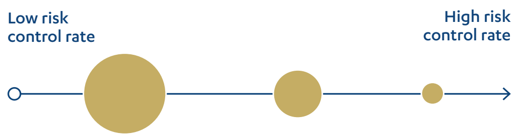


Environment and communities
- **E1** Circular economy and efficient management of resources
- **E2** Greenhouse gas emissions
- **E3** Site planning and biodiversity
- **E4** Energy efficiency
- **E5** Atmospheric emission
- **E6** Aqueous waste
- **E7** Limitation of local impact, noise, odor
- **E8** Management of traceability
- **E9** Health of local communities
- **E10** Water consumption

Economic development
- **D1** R&D, Innovation
- **D2** Management of waste treatment procedures and risks
- **D3** Long-term profitability
- **D4** Financial strength
- **D5** Logistics management
- **D6** Digital transformation of activities
- **D7** Development of local employment
- **D8** Cyber security

Social commitment
- **ST1** Employee skills development
- **ST2** Health, safety, quality of life in the workplace
- **ST3** Social dialog
- **ST4** Diversity, inclusion, non-discrimination
- **ST5** Gender equality

Ethics, governance and society
- **GE1** Compliance with regulations and permits
- **GE2** Dialog with stakeholders and communities
- **GE3** Respect for human rights and fundamental freedoms
- **GE4** Responsible lobbying
- **GE5** Responsible procurement
- **GE6** Financial and tax transparency
- **GE7** Responsible sales
- **GE8** Personal data protection
- **GE9** Combating corruption



By comparing the materiality matrix with the net risk matrix, it is possible to assign a corresponding key issue to each risk. In addition, three further key issues – which do not involve major net risks – are also important for stakeholders, namely:

- The circular economy and efficient management of resources;
- Energy efficiency and greenhouse gas (GHG) emissions;
- Site planning and biodiversity.

[6] Major non-financial risks	[10] Associated key issues
Regulatory compliance	Compliance with regulations and permits Management of traceability
Specific risks relating to the operation of industrial sites	Management of industrial procedures and risks Limitation of local impact: noise, odors, etc.
Civil and criminal liability, in particular relating to health and safety and the environment	Aqueous waste and atmospheric emissions Health of local communities
Employer attractiveness and employee retention	Stable workforce Employee skills development
Occupational health and safety	Health, safety, quality of life in the workplace
Ethics and compliance	Respect for human rights and freedoms, anti-corruption

These points are addressed in Chapters 1.3 (Major risks) and 1.4 (Key issues for stakeholders). The most important issues (top right-hand quartile) are also the best managed (small diameter), reflecting the Group's choice to allocate resources according to its priorities.

1.2.4 Integration of the Sustainable Development Goals (SDGs) in the business strategy

Séché Environnement has been a signatory of the 10 principles of the Global Compact since 2003. To allow these ten principles to be put into practice, they were translated into the United Nations Millennium Development Goals, calling for peace, humanity, the planet and prosperity. These goals were further adapted into 17 universal, inclusive, interconnected aims – the Sustainable Development Goals (SDGs). The SDGs aim to transform societies by eradicating poverty and ensuring a just transition to sustainable development by 2030.

As they are meant to be universal, some of the 17 goals go beyond the scope of action and/or responsibility of businesses. More specifically, for Séché Environnement and its activity in the circular economy, the choice of its priority SDGs – and its direct commitment to achieving them – are broken down into two main categories:

- Integration of goals shared by all businesses:
  - SDG 5: Gender Equality
  - SDG 8: Decent Work and Economic Growth
  - SDG 9: Industry, Innovation, and Infrastructure
  - SDG 10: Reduced Inequalities
  - SDG 11: Sustainable Cities and Communities
- Specific goals that are particularly relevant to Séché Environnement:
  - SDG 6: Clean Water and Sanitation
  - SDG 7: Affordable and Clean Energy
  - SDG 12: Responsible Consumption and Production
  - SDG 13: Climate Action
  - SDG 15: Life on Land

In light of its commitment to the SDGs, the Group has announced targets with indicators to measure how they are being met. In particular, three of these indicators (b, c, and d below) were used as criteria for the ESG impact loan taken out in 2018:

- For goals shared by all businesses:
  a) The Group's improvement plan was launched at an internal security seminar in 2019. This led to the creation of a network of security prevention officers who report to the HSSE (Health, Safety, Security & Environment) department. This team was set up in 2020. The improvement plan includes an action program based on the following five priorities drawn from the MASE standard, which are already implemented by several subsidiaries and are expected by certain Group clients.

  - Priority 1: Management commitment
  - Priority 2: Skills and qualifications
  - Priority 3: Organization of work
  - Priority 4: Efficiency of the system
  - Priority 5: Continuous improvement

  With this approach, the Group has made a commitment to gradually improving the workplace accident frequency rate in France, with a decline of at least two points per year, while maintaining its medium term target of five (see 1.3.5);

  b) An improvement in overall ESG (environmental, social, and governance) performance as measured by ÉthiFinance, with a 3-point increase from the reference year 2017 (74 points) (see 1.2.5).

- For specific goals:
  c) Regarding energy production and use and its impact on climate change, a commitment to maintain energy independence over 220%, the level recorded in the reference year 2017 – see 1.4.1.3.4;
  d) Regarding water and biodiversity, implementation of the action plan signed with act4nature in July 2018, which was reiterated in the Entreprises Engagées pour la Nature-act4nature initiative in December 2019 and in act4nature international in June 2020 (see 1.4.3).

1.2.5 ESG ratings

1.2.5.1 ÉthiFinance

Séché Environnement's ESG rating was assessed by a team of analysts from ÉthiFinance in May 2019 using the same method and the same assessment questionnaire as in 2018. The overall rating rose from 74 in 2017 to 78 in 2019. The time needed to perform the assessment means the rating for 2020 will be available from June, three months after the publication of the Universal Registration Document.

1.2.5.2 ÉcoVadis

In its latest assessment, Écovadis awarded Séché Environnement a score of 67/100, and a Gold medal (reserved for the top 5% of rated companies).

MAJOR MATERIAL RISKS

2020 was marked by a major health crisis caused by the Covid-19 pandemic. While this risk affected all members of society, it can be approached from different perspectives, for example, in terms of managing health risks for employees and other stakeholders, business continuity risk, financial risk, etc. Since the Group completed its risk mapping and materiality analysis in 2019 following a particular, standard methodology, with the assistance of an external third party (Tennaxia), this risk will be addressed in the same way, from a human perspective in this chapter, explaining how the Group organized its business continuity, as waste management is considered an essential activity. Other aspects of the management of this crisis will be discussed in chapters 2.1.1.1, 3.2.1 and 3.4.3.

As of January 26, 2020, Executive Management and the chairman of Séché Environnement discussed their concerns about the first news from abroad about an unknown virus that causes respiratory infection. The Group's Health & Safety department activated its healthcare networks, including the Pasteur networks, and performed an initial analysis of available scientific data, which was very limited at this time. The virus showed considerable similarities with the SARS and swine flu (H1N1) viruses from the early 2000s, following which the Group had prepared business continuity plans for each of its sites.

The contagiousness and virulence of the virus, with fatal consequences for certain patients, took the world by surprise. It took several weeks for the health authorities and Western governments to acknowledge the severity of the epidemic. Several internal meetings and crisis units monitored scientific data, the impact on populations, and the measures needed to maintain activities and cope with an influx of medical waste.

Waste treatment activities already require the use of protective equipment such as gloves, different types of masks, cleaning products and disinfectants, and even single-use full-body PPE. Inventories of mask stocks were carried out in February 2020, and additional volumes were ordered. With its expertise in chemicals, the Group was also able to manufacture its own hand sanitizer products.

On March 16, the day before the first lockdown in France, all site management teams, HR departments and HSEQ departments were issued with instructions. Given the emotional response in France, and confusion in some media, as of the early days of lockdown, the Group began to explain what a virus is and how to protect oneself, in particular to teams on the front line (*medical waste collection teams, maintenance and other staff likely to be in close contact with waste, etc.*). This included going on site with operators and ramping up preventive hygiene and disinfection processes, with disinfectant sprays, shielding for the most vulnerable people, and the disinfection of masks, with a preference for reusable PPE where appropriate.

Then, in April, a practical, illustrated in-house guide was drafted in consultation with site operators and regional incident prevention officers. This guide sets out the Group's working instructions and recommendations and technical and scientific information on what a virus is and how to protect oneself, and includes an appendix explaining the biological characteristics of SARS-CoV-2 as known at the time. This document, which is still in force, has not been negated by advances in our understanding of the virus and its different strains, and it is still in line with the decisions made by health authorities and governments to date. It has been published on the Group's website since May 15, 2020, and is entitled "*Living and working with Covid-19*".

Thanks to this foresight, weekly crisis meetings via videoconference on Teams for all departments and operational managers, the presence of prevention officers on the ground, the Purchasing department's tenacity in maintaining supplies of usual and enhanced PPE, the trust and recognition of the essential nature of waste collection and treatment activities, and transparent internal communications, the Group was able to protect its employees and its clients, while fulfilling its role and its duties and retaining its stakeholders' confidence.

The Group Human Resources Department helped all employees face the health crisis and was heavily involved in managing the crisis. From March, all Human Resources teams were asked to oversee the redeployment of activities due to the health crisis (reorganization of working hours and sites, support for teams in the transition to working from home, special provisions for vulnerable people, etc.). Economic and Labor Relations Council (CSE) meetings were held on a regular basis to maintain relevant, constant social dialog with employee representatives from the various subsidiaries.

In response to the various emergencies, daily crisis meetings for all Group HR teams were held in the first half of the year. These meetings made it possible to regularly review the internal and external situation, the latest developments (new laws, health situation, etc.) and to share problems, best practices and personal successes in implementing new processes, supporting employees and managing government support schemes (furlough, sick leave, etc.). The Group appointed Covid officers at all its sites or at least for each business line from May, in order to provide each site with practical support in managing the measures taken to combat the virus.

Human Resources Managers, Covid officers and all managers contributed to the implementation of internal policies that helped sustain employee engagement (working from home, financial bonus, maintaining the remuneration of employees on furlough).

As time passed, working groups were set up to address specific topics (working from home, furlough, social dialog, etc.) and create support tools for managers and employees, such as the remote working kit. In view of the volume of tools, procedures, internal memos, and summaries that were produced, a handbook centralizing and classifying all these documents was created to provide an internal guide and technical benchmarks in the event of a new crisis.

In addition, cross-business services, particularly the IT department, set up personal communications and remote working tools and online training that made it possible to change practices very quickly and maintain active collaboration between teams working remotely.

In addition to the HR and health and safety management of employees essential to business continuity, operational continuity was also needed to cope with the increase in medical waste volumes. To this end, some sites adapted the working hours of employees assigned to the treatment of medical waste in order to be able to cope with the massive increase in waste linked to the pandemic.

Séché Environnement is a key contact for the Direction Générale de la Santé (National Health Directorate) and the Direction Générale de la Prévention des Risques (General Risk Prevention Directorate), particularly with regard to medical waste management (weekly national meetings) and the activation of emergency solutions in the event of failure by other operators. An internal helpline was available 24 hours a day from March to July 2020 to answer employees' questions (more than 100 calls were made). Local teams rapidly understood the implications and the characteristics of this biological risk and they demonstrated their creativity, quickly organizing the distribution and rational use of PPE, as well as setting up physical barriers in reception areas, working spaces, and in certain vehicles.

The Group can be proud of this solidarity, which is embedded in its values and was widely demonstrated with coordination at a scientific, health, HR and organizational level to share experiences and best practice in dealing with the crisis both in France and in the international subsidiaries.

Séché Environnement was able to preserve its scope and strengthen its role as a leading operator with a flexible, responsive, and organized approach able to take new risks such as that caused by Covid-19 on board without arrogance or excessive modesty. Its teams are maintaining the preventive measures that have proved to be effective in France and abroad. They are continuing to share their experience and to anticipate. They remain attentive to developments in terms of the pandemic, vaccination, employee health and legal requirements. This information is provided, analyzed, proposed, and integrated by the Group's specialized departments.

1.3.1 Regulatory compliance risk

Associated key issues

- Compliance with regulations and permits;
- Management of traceability.

1.3.1.1 Type of material non-financial risk

1.3.1.1.1 Regulatory compliance risk

In order to prevent, reduce, and to the extent possible, eliminate pollution from industrial activities, in accordance with the "polluter pays" principle and the pollution prevention principle, the European Union has set up a general framework governing major industrial activities, which prioritizes intervention at source and the cautious management of natural resources, and takes into account the economic circumstances and unique features of the location where the industrial activity takes place, when appropriate. These directives are enacted into each national legal system.

In France, the Group's waste treatment sites are classified environmental protection facilities (ICPEs) and are subject to operating permits granted by prefects. Most of them are Seveso-classified sites and meet the corresponding requirements. Internationally, the Group's sites are subject to similar regulations set out in the local laws of their country of operation (implemented more recently and more slowly – see 1.1.4.1.1 Comparison of regulatory standards).

The purpose of these regulations is to increase the technical performance of limits on pollution emissions (discharges into the air or aquatic environments) and to ensure their constant monitoring through high standards relating to dust, heavy metals, nitrogen monoxide and dioxins, depending on the techniques implemented (storage, incineration, etc.). They seek to protect mankind and preserve nature (see 1.3.3 Civil and criminal liability risk, in particular relating to health and safety and the environment).

1.3.1.1.2 Risks related to regulatory change

In the event of changes to regulations or case law, the competent regulatory bodies have the authority to modify the requirements that apply to a site already licensed for operation. If those sites cannot meet those requirements or if the operator violates them, the authorities have the power to issue penalties in the form of administrative or legal procedures. Penalties range from fines to the suspension or withdrawal of permits, which may unfavorably affect the Group's image, activities, financial position, earnings, and outlook.

1.3.1.1.3 Illustration with the application of French law no. 76-663 of July 19, 1976 on classified environmental protection facilities

- Paragraph 1 of Article 6: The prefect may impose additional requirements beyond those that appear in permits already issued, in order to protect the vicinity, health, safety, sanitation, agriculture, nature, environment, or preservation of the sites;
- Article 14-2: The towns concerned, groups of towns or third parties may, through legal proceedings, refer a permit to operate a classified facility issued by the prefect to the administrative courts given the disadvantages and expenses that the running of a classified facility can entail for the environment.

In such a situation, the Group would be exposed to the risk of:

- Increased legal and regulatory requirements (which may lead to significant costs and investments impact the business' profitability insofar as the Group might not always be able to pass on these costs by raising its prices). One example is the expansion of financial guarantees for classified facilities from 2014;
- Tighter conditions on permits, and consequently increases in the cost of monitoring increasingly stringent obligations, as well as stronger administrative controls, which could lead to a risk of operating permits being suspended, revoked, or not renewed;
- A lengthening of the procedures for renewing or modifying operating permits, increasing their costs (in a context of hardening opposition from local populations and nonprofits), without any guarantee of ultimate success.

1.3.1.2 Recognizing and managing the risk

1.3.1.2.1 Risk prevention – organization and procedures

A regulatory audit unit (Progrès) comprised of a qualified, independent team reporting directly to the Operations Division, ensures all parties observe the obligations applying to the Group.

By keeping a constant watch on regulatory developments, wherever possible the Group seeks to anticipate such developments and often sets more stringent requirements regarding the terms of acceptance of waste and its treatment (the digitalization of waste monitoring forms is in progress), the technical design of each site (ongoing improvements), and the conduct of operating units (constant monitoring and measurement).

The Group applies the controls needed to detect any accidental or chronic pollution that could breach regulations. All the Group's sites monitor the impact and effects of their liquid, solid and gaseous discharges (see 1.3.2 Specific risks relating to the operation of industrial sites).

To facilitate the acceptance of sites by local communities, studies of local wildlife and flora are regularly carried out, either when permits are renewed or extended, on request by government authorities, or to meet legitimate requests by local information and monitoring committees set up by law or on the Group's initiative. This aspect overlaps with the reputation risk management policy (see 1.3.7.2 Image risks).

The Group's sites are subject to regular and/or unannounced checks by the authorities (in particular by the regional environment agencies (DREAL)), which allow it keep in touch with government departments.

1.3.1.2.2 Anticipating regulatory developments – application times

Regulatory change usually stems from directives or other European rules which set a deadline for their enactment into national law by member states to give operators time to make the necessary changes.

For example, Directive 2010/75 on Industrial Emissions, known as the IED, imposes a review of the conditions for granting permits for facilities in a given sector when the Official Journal publishes the conclusions of the Best Available Techniques (BAT) for that sector. This occurred following the publication of Commission Implementing Decision 2019/2010 on November 12, 2019 setting out the conclusions for the Best Available Techniques (BAT) for waste incineration under the Industrial Emissions Directive. The conclusions follow those applicable to waste treatment published in August 2018.

After five years of work involving representative industry organizations, the conclusions revise the BAT Reference Document (BREF) on waste incineration, which was published in 2006. They serve as a strict benchmark for setting emission limit values (ELV) for the facilities concerned (see 1.3.2 and 1.3.3 on risks relating to the operation of industrial sites, which will be impacted by the new standards).

The publication of these conclusions led to a review of the conditions applied to existing permits. Facilities have one year from the publication of the conclusions to submit a review file to the prefect. Facility upgrades to bring them into line with new requirements must be completed within four years of the publication date, i.e. before December 4, 2023. This deadline allows the company time to complete the necessary studies well ahead of the effective date of the new regulation, including R&D work (see 1.5.2.1 and 1.5.2.2 on the NanoCap project for nanomaterials and the ESSAVA project for mercury).

Associated key performance indicators (KPIs)

Based on information available at the time of writing, Séché Environnement can confirm

it is subject to no proceedings that could cast doubt over any of its permits for non-compliance with regulations. The Group has not received any injunction to upgrade its facilities that could have a significant impact on its financial position, and it is up to date with the financial guarantees granted for the operation of its classified environmental protection facilities.

1.3.2 Risks relating to the operation of industrial sites and technological risks

Associated key issues

- Management of waste treatment procedures and risks;
- Limitation of local impact: noise, odors, etc.

1.3.2.1 Type of material non-financial risk

Séché Environnement's activities include industrial risks that are comparable in all respects to the majority of those encountered in industry, though with an additional risk of pollution based on the nature of the substances being treated, which may cause serious harm to people or the environment. Of particular note is the risk of fire related to the materials mix. This risk is well known in the industry, especially at sorting centers and processing platforms, as shown on the Géorisques portal run by the Ministry of the Ecological and Inclusive Transition.

However, the Group cannot completely rule out the risk of an industrial accident:

- An "accidental" case of pollution would be covered by the Group's insurance program (civil liability – environmental harm). However, this program might still not be enough to cover the significant costs of an exceptional pollution accident;
- "Chronic" pollution (pollution that could be caused by an accumulation of pollutants beyond the critical load that can be handled by each receiver), if it is not detected despite the systemic measurements performed by the Group and the authorities, could unfavorably impact the Group's earnings and financial position and (at least temporarily) jeopardize its operating permit (see 1.3.1 Regulatory risks).

Other environmental and pollution risks and local impacts (noise, odors, etc.) are covered in 1.3.3.2.2 Civil and criminal liability risk, in particular relating to health and safety and the environment.

1.3.2.2 Recognizing and managing the risk

The Group's activities are governed by regulations and are subject to administrative operating permits and regular checks by the competent authorities (DREAL). All sites must respect the regulatory obligations set out in their permits and the law, including when such regulations become stricter. The Group constantly adapts its working methods, from the design of its facilities to their management, in accordance with the most stringent regulations (see 1.3.1 Regulatory risks).

Its approach includes obtaining certification for all its waste treatment facilities according to standard ISO 14001 and ISO 9001 where appropriate. Most facilities and construction sites are also certified OHSAS 18001 or are working towards ISO 45001 or MASE certification (chemical environment). A prerequisite to these certifications is the enactment of procedures and methods aimed at reducing activities that could influence safety and the environment. These instructions and terms are detailed in manuals adapted to the characteristics of each site and complying with the Group's HSEQ policy. Since 2018, an electronic document management system has been undergoing deployment. It organizes and pools documents that apply to the same businesses.

As classified environmental protection facilities, all of the Group's sites have a system in place to mitigate the impact of accidents. This system is designed to protect employees, local communities, and the environment. Depending on the size of the site, its location, and the applicable regulations, the system activated may be the internal emergency plan, the ETARE plan (established with the local fire and rescue department), the internal operations plan (POI) and/or the special intervention plan (PPI).

Accident simulation drills are conducted in cooperation with outside emergency services (firefighters, paramedics, etc.) for the purposes of mutual training and to optimize the response in the event of an accident. Safety audits are also performed with insurers.

Séché Environnement is insured by insurance companies that are well known in the market, as part of a global program covering all the Group's companies provided that it owns at least 50% of their voting rights and/or share capital (directly or indirectly) and manages them. The terms and conditions of this insurance program are revised and adjusted each year in negotiations in the Group's interests.

The main policies taken out are:

- Property damage/operating loss insurance, with a maximum coverage of €150 million based on the value of each site, and limits and/or sub-limits for coverage extensions;
- Civil liability and environmental damage insurance with an €80 million coverage limit for all damages and each insurance period, and limits and/or sub-limits for coverage extensions. This is because the environmental liabilities arising from the enactment into French law of European Directive 2004/35/EC of 04/21/2004 have been incorporated into the civil liability policy. Larger coverage limits have been taken out for household waste incineration centers under a public service delegation in accordance with the obligations set out in the specifications.

Associated key performance indicators (KPIs)

Number of stoppages due to accidents: 0 in 2020

1.3.2.3 Dashboard of associated key issues

Safety expenses

In €k in France	2018	2019	2020
Provision of workwear and personal protective equipment	2,091	1,825	3,568

The increase in this expense in 2020 was due to the purchase of personal protective equipment (PPE) to protect the Group's employees from Covid-19.

1.3.3 Civil and criminal liability risk, in particular relating to health and safety and the environment

Associated key issues

- Health;
- Aqueous waste and atmospheric emissions[1].

1.3.3.1 Type of material non-financial risk

1.3.3.1.1 Health of local communities relating to secondary products or raw materials

When products, materials or substances become waste, the presence of hazardous substances can make the waste unfit for recycling or the production of quality secondary raw materials. It is therefore necessary to promote measures to reduce the presence of hazardous substances in materials and products, including recycled materials, and to ensure that sufficient information on the presence of hazardous substances is available throughout the life cycle of products and materials.

Brominated flame retardants present in some types of plastic are an example of this. To meet end-of-waste criteria, the recycler must observe new obligations:

- Waste producers and owners are no longer liable under waste regulations and the corresponding obligations. An operator implementing end-of-waste status is liable as a product seller, which is subject to different requirements under the French Consumer Code;
- Applying the European End of Waste regulation allows the substance or product to move freely between member states, while the ministerial order is only valid in France. Consequently, an operator applying the ministerial order must contact the relevant authority of the country to which it wants to export the product to determine whether French end-of-waste criteria are recognized in that country. The same is true for an operator that is applying the European regulation to export the waste-derived substance or object to a country that is not a European Union member.

1.3.3.1.2 Pollution and environmental damage during operations

The European Industrial Emissions Directive (IED) introduces an integrated approach to the prevention and reduction of pollution caused by industrial and agricultural facilities that fall within its scope of application. It is the equivalent to the chronic risks covered in Directive 2012/18/EU of July 4, 2012, known as the Seveso 3 Directive.

(1) *Séché Environnement cannot set absolute environmental objectives for itself, since its emissions and effluent depend on the quality and mix of the waste products it receives from its customers for treatment (industrial waste tends to be more variable). For this reason, the Group cannot commit to a performance target for atmospheric sulfur emissions as an absolute value, to take one example, because those emissions depend on the volume and sulfur content of the waste its clients give it for treatment. Another example shows how the Group is entirely dependent on the type of waste its clients entrust to it for treatment: limits to how it can actively restrict its own waste. Such waste is nearly non-existent when incinerating liquid waste, while at the other extreme, the tonnage remains the same when treating polluted soil.*

The business sectors in which the Group operates expose it to a high risk in terms of its civil and environmental liability, in particular in terms of managing aqueous waste and atmospheric emissions. Caps on contaminant concentrations are set in each site's operating permit, along with penalties in the event of non-compliance (ranging from a formal notice to comply to the withdrawal of operating permits and fines).

1.3.3.1.3 Pollution and environmental damage at the end of operations

Legal, regulatory and administrative requirements expose the Group to a high level of liability – in particular with regard to the environment – for assets the Group no longer owns or activities it no longer carries out.

When a previously authorized facility is decommissioned, the IED[1] imposes site remediation measures. The operator evaluates the pollution status of the soil and groundwater and compares it to its initial state. If there is significant pollution, the operator is required to restore the site to a condition that is at least similar to that of the initial state (Articles L.515-30 and R.515-75). This obligation applies in addition to the requirement to renovate the site to allow its future use (Article L.512-6-1). As such, the regulations in force make it necessary to set aside provisions or bonds for this purpose.

1.3.3.2 Recognizing and managing the risk

1.3.3.2.1 Measures taken for the health and safety of consumers

A ministerial order dated February 22, 2019 sets the criteria to be met for the operator of a classified environmental protection facility (Speichim Processing in this instance) to be able to assign regenerated chemicals end-of-waste status. Regeneration is defined as any waste recycling operation consisting in restoring an equivalent level of performance to that of the chemical or object from which the waste was produced, taking into account its intended use (solvents).

In the circular economy, Séché Environnement treats the hazardous properties of the waste entrusted to it and sells secondary raw materials that meet end-of-waste criteria, namely, products or substances with the following characteristics:

- Common use for specific purposes;
- Existence of a market;
- Technical requirements for specific purposes (precise specifications);
- Compliance with applicable laws and standards;
- No harmful overall effects on the environment or human health.

To protect consumers' health and safety, in 2015, Trédi and Speichim Processing signed the Responsible Care Global Charter[2], a unified commitment by the chemical industry to ensure sound chemicals management throughout their life cycle and to promote the role played by chemicals in improving quality of life and their contribution to sustainable development.

(1) *https://aida.ineris.fr/consultation_document/639*
(2) *https://www.francechimie.fr/responsible-care*

1.3.3.2.2 Preventing environmental risks and pollution

Environmental expenditure

Environmental expenditure includes the additional expenses laid out in order to prevent, reduce, or repair the damage that the company has caused or that its activities could cause to the environment. Provisions for thirty-year monitoring and site rehabilitation have been set aside for this purpose. These costs are related to:

- Eliminating waste and efforts taken to limit its quantity;
- Combating the pollution of soil, surface water, and groundwater;
- Preserving air quality and the climate;
- Reducing noise emissions; and
- Protecting biodiversity and the landscape.

Eco-investments refer to capital expenses related to environmental protection activities (including methods, techniques, processes, equipment, or parts thereof) whose main purpose is the collection, treatment, monitoring/control, reduction, prevention, or elimination of pollutants and pollution or any other environmental damage resulting from the company's ordinary activity. In France, these expenses amounted to €2.351 million in 2020, compared with €1.116 million in 2019.

As well as technical equipment, work is managed accordingly (examples):

- Noise: all sites concerned obey prevention rules designed to ensure effective protection of all internal and external staff. A map of "working situations / zones" was produced using instantaneous and dynamic noise measurements (using dosimeters);
- Dust: watering and planting greenery during construction; electrostatic precipitators and gas scrubbing for incineration emissions;
- Odors: working in the direction of the wind, on a limited surface area covered with anti-odor tarpaulins featuring active carbon filters at nights and on weekends, and masking odors from the storage of household waste; closed rooms and air suction for waste bunkers.

Organization of prevention and emergency response, crisis communications

As classified environmental protection facilities, all the Group's sites have internal operation plans (POI) and special intervention plans (PPI) adapted to their location.

Safety audits are carried out with insurers, along with controls by authorities (DREAL), and accident simulation drills, which are conducted in cooperation with outside emergency services (firefighters, paramedics, etc.) for the purposes of mutual training.

The Group has set up a crisis team at general management level which can be activated in the event of a crisis, to mobilize all the resources needed to ensure a rapid return to order after ensuring the safety of people and property. The crisis team will also manage communications in full transparency.

Associated key performance indicators (KPIs)

The information available at the time of writing enables Séché Environnement to state that it is unaware of any pollution generated by the Group's activities for which the necessary measures have not been taken to ensure its full elimination.

1.3.3.3 Dashboard of associated key issues

The main sources of potential pollution are contaminants contained in aqueous waste and atmospheric emissions. These data are carefully monitored.

1.3.3.3.1 Methodology and source of data

Regarding the disclosure of discharges of various contaminants into the air and water, in 2015 Séché Environnement began fully applying the ministerial order of December 26, 2012, which requires that classified environmental protection facilities disclose their discharges into the air and water of all pollutants listed in Appendix II of the order, when such discharges exceed the thresholds also set out in that Appendix. An exception is made for data reported in statements on discharges of hazardous substances into water (RSDE reports), which are expressly required for certain sites. International data are collected using an equivalent method and in accordance with local legislation, where applicable.

1.3.3.3.2 Controls of atmospheric emissions

Atmospheric emissions are primarily caused by incinerators and combustion facilities. Flue gas (primarily carbon dioxide, water vapor, nitrogen, and oxygen) includes pollutants such as dust (2 to 5 g/Nm^3), carbon monoxide (20 to 80 mg/Nm^3), dioxins (1 to 0.1 ng/Nm^3), and heavy metals (90 to 100 mg/Nm^3).

Dust is the most common component as measured. The composition of that dust varies, and in the lowest-temperature areas of the flue gas circuit, condensates of volatile metals or their compounds become deposited on their surface. Their large specific surface area and chemical composition are likely to give them catalytic properties. This means they fix some of the heavy metals, dioxins, or even some asbestos dust. The elimination of dust also removes a large proportion of other contaminants.

Hydrochloric acid (HCl), sulfur dioxide (SO_2), carbon monoxide (CO), and nitrogen oxides (NO_x) are monitored in particular – the first two for their acidifying power, the latter two as a source of eutrophication. Data for France and internationally are shown separately (2019) owing to differences in local regulations.

Contaminants discharged per year	2018	2019	2020	
	France		France	International
Nitrogen oxides in t NO_2	498	495	526	14
Sulfur dioxides in t SO_2	131	137	129	42
Hydrochloric acid in t HCl	10.4	9.5	5.3	0.3
Dust in t	2.9	5.0	5.4	11.3
Dioxins and furans in grams	0.0764	0.1397	0.2296	0.0130

The international business mix and regulatory requirements differ to those in France.

1.3.3.3.3 *Quality of water returned to natural environment*

It goes without saying that owing to the nature of its business and structure, Séché Environnement does not voluntarily release any chemicals, oils or fuels into the natural environment. No significant accidental spillage has been observed in recent years.

The aquatic environments used are purification plants designed for this purpose, then strong-current bodies of water (e.g. the 100 m^3/hour release from Salaise into the Rhone, which has an average rate of flow of 3.7 million m^3/hour). There is no discharge into sensitive environments or areas.

The principal sources of emissions into the aquatic environment are:

- Waste storage, which produces purified leachates (partially reused in stabilization);
- Physico-chemical processing units;
- Wet treatment of incineration gases.

Contaminants discharged (in tons per year)	2018	2019	2020	
	France		France	International
Soluble salts	6,851	5,821	6,826	n/a
Total metals	0.4	0.2	0.3	n/a

In 2020, water consumption outside France was below 100,000 m^3, discharge is negligible. See 1.4.3.2.3.

1.3.4 Risks relating to employer attractiveness and employee retention

Associated key issues

- Stable workforce;
- Employee skills development.

1.3.4.1 Type of material non-financial risk

The Group's activities use many increasingly diverse and technical tools requiring special skills that are regularly updated in line with technical and regulatory developments in order to adapt to business changes.

The waste management sector is less attractive than the environment sector overall. The risk is that the Group could lose skilled workers and not be able to replace them rapidly, despite its policy of individual monitoring and career management, mentoring, training and the identification of talented employees within the Group.

Furthermore, the Group's international growth requires new forms of expertise and high staff mobility, particularly in executive positions.

1.3.4.2 Recognizing and managing the risk

1.3.4.2.1 Recruitment policy

The Group has a proactive recruitment policy spanning a variety of media (careers page on the Group website, ads on job boards, relations with universities, jobs fairs, social media).

Applicants have the opportunity to:

- Join an international Group offering a wide range of posts and which places sustainable development and its corporate responsibility at the center of its corporate strategy;
- Work with small teams who share the same drive for excellence, where everyone can work autonomously, with increasing responsibilities and short decision-making processes;
- Share a common ambition to meet the highest standards and foster wellness for all.

The Group's participation in student jobs fairs allows it to promote jobs related to the environment and chemicals: For example, it attends the Mondial des Métiers fair in Lyon, and other regional jobs fairs organized in partnership with the MEDEF employers' association, local chambers of commerce and the FACE nonprofit.

In 2020, the Covid-19 pandemic led to the cancellation of trade fairs and the suspension of visits to our sites. However, we maintained our partnerships and relationships using digital tools (Teams collaboration software, social media, etc.).

1.3.4.2.2 Visibility among universities

Séché Environnement develops its brand awareness by contributing to the training of upcoming generations by developing special relationships via industry/academic exchanges, and encouraging managers to host conferences or provide teaching. It also welcomes apprentices, which also boosts its attractiveness as an employer (42 work-study contracts in France in 2020).

1.3.4.2.3 Employee skills development

The continual improvement of its employees' skills is central to the Group's human resources policy. It draws on an ambitious training policy that aims to allow each member of staff to acquire an appropriate level of knowledge, expertise and behavioral skills. On-the-job training remains a key part of professional development. Through this training, the Group seeks to:

- Contribute to the development of professional practices;
- Provide employees with all the knowledge they need to optimally carry out their assigned tasks;
- Boost business expertise, for example with e-learning courses available since 2019. In light of the Covid-19 crisis, online training will be further developed whenever the subject matter allows.

Based on these policy guidelines, the training plan takes into account:

- Collective needs, as changes to the issues facing the company require that its teams and their responsibilities continually adapt;
- Individual needs, by identifying special requests and actions. Employees now all have a personal training account (CPF), which can be used at any point in their career, including during any periods of unemployment, to follow a certified training program. The CPF replaced the former individual training entitlement (DIF) program. Employees retained the training hours accumulated under the DIF program. The Group's employees were invited to enter their outstanding DIF training hours on the application www.moncompteformation.gouv.fr. This application will enable them to find training courses eligible for the CPF scheme and thereby boost their employability.

1.3.4.2.4 Employee retention

The company's talent management policy is based on acknowledging employees' expectations and their performance. Séché Environnement conducts professional development reviews in accordance with French regulations (Labor Code Article L.6315-1). An essential managerial tool, the professional development review is a chance for the company to:

- Touch base with the employee about their work;
- Review how the company's plans fit with the employee's individual plans;
- Discuss the employee's needs and expectations in line with their professional development or career plans;
- Determine what actions are needed to achieve those plans;
- Inform the employee about how they can access on-the-job training.

This review is a discussion with the employee about their current and future professional status within or outside the company that gives a sense of their long-term career plans. It leads to concrete actions related to the employee's training or professional development.

It is held once every two years and is also proposed to employees returning to work after certain types of leave (maternity leave, parental leave, adoption leave, sabbatical leave, secure voluntary mobility, long-term sick leave, etc.).

The Group is also rolling out annual performance reviews for managerial and non-management staff. These reviews provide employees with a structured framework by including targets for the year ahead and are also an opportunity to review the past year. The template for management and non-management performance reviews has been redesigned. The design of the new template was overseen by HR experts and co-constructed with operational staff from the Operations and Sales divisions and the support functions.

The professional development review and the performance review are rounded out with career reviews, which are important for careers and skills management, especially for management-level staff. Career reviews bring together HR and management to review employees, assess skills and performance and to measure capacities for development from different points of view. They can also be used to identify talented employees or draw up pools of candidates with a view to succession planning and to make decisions regarding mobility, promotions, compensation, etc.

The Group is also developing an internal mobility policy for France and abroad by prioritizing the advertisement of job vacancies within the Group, to allow employees to continue their careers within the Group.

Associated key performance indicators (KPIs)

Total worldwide headcount at December 31	**2018**	**2019**	**2020**
Constant scope 2018	2,546	2,700	-
Consolidation of INTERWASTE and MECOMER	-	-	-
Current scope 2019	2,546	4,634	4,354
Percentage of international staff	**24.8%**	**56.9%**	**53.6%**

Changes in headcount

Permanent & fixed-term contracts (including transfers)	**2018**	**2019**	**2020**		
	France		**France**	**International**	**Worldwide**
Hires	384	438	392	581	973
Departures	351	357	367	887	1,254

In 2020, due to the health crisis (border closures, quarantine measures, etc.), there were fewer hires, especially internationally, where there are usually a large number of construction contracts, which are reflected in staff hires/departures (in particular at Séché Group Perú).

Training

	2018	**2019**	**2020**		
	France		France	International	Worldwide
Average number of hours per FTE employee per year	16.8	17.0	15.7	12.0	13.7

Despite the pandemic, the Group maintained relatively stable levels of training compared to 2019.

1.3.4.3 Key indicators

1.3.4.3.1 Providing the staff needed to ensure the Group can function correctly in all regions

Total worldwide headcount at December 31	2018	2019	2020
France	1,914	1,995	2020
Europe	217	283	281
Americas	415	485	321
Africa	-	1,871	1,732
Total worldwide	2,546	4,634	4,354
Percentage of international staff	**24.8%**	**56.9%**	**53.6%**

Weekly working hours vary between countries: 35 hours in France, 39 in Italy, 40 in Spain, Germany, and Argentina, 40-45 in South Africa, 45 in Chile, and 48 in Mexico and Peru.

1.3.4.3.2 Adjusting employment levels throughout the year

	2018	2019	2020		
	France		France	International	Worldwide
Full time equivalent headcount	1,883	1,977	2,005	2,294	4,299
Average headcount	1,899	1,961	1,991	2,429	4,420
Headcount at December 31	**1,914**	**1,995**	2,020	**2,334**	**4,354**

The headcount at a given date (the most frequently used) is the headcount defined in Article R.225-102-1 of the French Commercial Code to calculate the threshold for applying rules relating to non-financial reporting; the full time equivalent headcount is used to calculate thresholds for mandatory energy audits (Articles L.233-1 to 233-4 of the Energy Code) and greenhouse gas emission reviews (Article 75 of law no. 2010-788 of July 12, 2010 setting out the national commitment to the environment)[1].

The difference between the full time equivalent headcount and the headcount at December 31 reflects part time workers.

The average headcount (average of the total at the end of each month) compared with the headcount at December 31 shows any variation (activity peaks or troughs) and represents the average volume of work completed during the year. It is used, for example, to calculate the average number of training hours per employee per year.

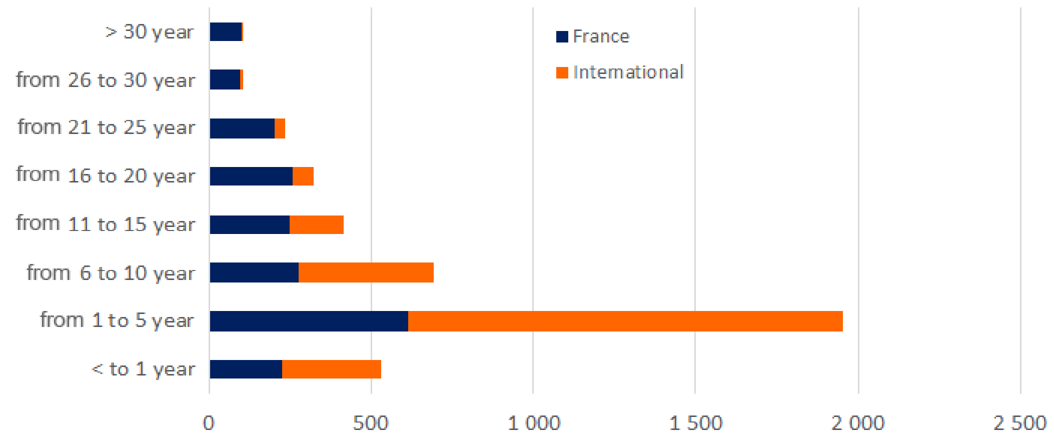
(1) *See 4.1 The circular economy and energy recovery and 4.2 Climate change and greenhouse gas emissions.*

1.3.4.3.3 Seeking stability by limiting fixed-term contracts

Types of employment contract	2018	2019	2020		
	France		France	International	Worldwide
Permanent contracts	1,822	1,897	1,913	2,073	3,986
Fixed-term contracts	92	98	107	261	368
Total	1,914	1,995	2,020	2,334	4,354
Percentage of permanent contracts	**95.2%**	**95.1%**	**94.7%**	**88.8%**	**91.6%**

Stability in the workforce facilitates the acquisition of experience, which has a positive impact in terms of preventing accidents. Prioritizing permanent employment contracts contributes to workforce stability. Certain international structures are relatively recent, as reflected in the seniority pyramid:

Seniority pyramid



1.3.4.3.4 Managing gender diversity

Headcount at December 31	2018	2019	2020		
	France		France	International	Worldwide
Men	1,463	1,514	1,531	1,864	3,395
Women	451	481	489	470	959
Total	1,914	1,995	2,020	2,334	4,354
Percentage of women	**23.6%**	**24.1%**	**24.2%**	**20.1%**	**22.0%**

Many positions relate to heavy industry with specific features such as shift work or night work, and as a result women account for a smaller portion of the headcount than in laboratory, sales and/or administrative positions. However, women account for 20.9% of management level staff (managers and supervisors). At December 31, 2020, 43% of the members of Séché Environnement's Board of Directors were women.

Séché Environnement has an active policy of promoting a culture of gender diversity to raise interest in our business lines among both men and women. All or some of the measures described below are in place or currently being rolled out in our subsidiaries:

- Publishing ads that target and represent women as much as men and which do not promote gender stereotypes
- Proposing improvements to facilities to ensure equal access for men and women
- Identifying talented women and provide support through training, where appropriate
- Proposing improvements to facilities to ensure equal access for men and women
- Suggesting improvements to limit physical efforts (example: taking into consideration differences in body shape or size regardless of gender)
- Limiting evening or early morning meetings, scheduling meetings in advance, managing meeting times, preferring regular time slots, taking into account part-time employees' working hours
- Developing meetings via Teams to avoid travel
- Scheduling a professional development review after parental leave
- Deferring the start of the working day by one hour for parents wishing to accompany their children to school on the first day after the summer holidays
- Reviewing written requests to work part time and accepting in writing if part time hours are compatible with the department's needs
- Supporting employees via the personal training account (CPF) by carrying out a skills assessment after parental leave
- Allowing employees to donate leave days to family carers (the fifth week of paid annual leave, days off in lieu of the 35 hour week, time savings account days)
- Paying a supplement to employees on maternity or adoption leave, at the employer's expense
- Allowing employees to take leave to care for a sick child

See also 1.6.1.2 Law on the freedom to choose one's future career (September 5, 2018).

1.3.4.3.5 Overseeing management

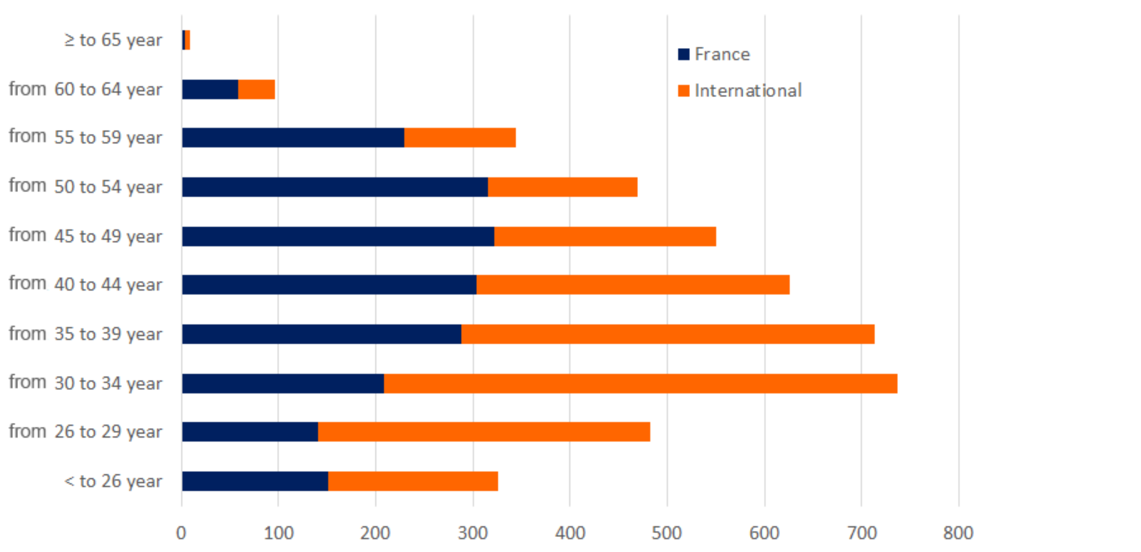
Headcount at December 31 – Management	2018	2019	2020		
	France		France	International	Worldwide
Executives	439	468	474	129	603
Supervisors	511	529	519	272	791
Employees	272	282	282	339	621
Workers	692	716	745	1,594	2,339
Total	1,914	1,995	2,020	2,334	4,354
Percentage managers + supervisors	**49.6%**	**50.0%**	**49.2%**	**17.2%**	**32.0%**

1.3.4.3.6 *Training*

Number of	2018	2019	2020		
	France		France	International	Worldwide
Employees trained	1,427	1,420	1,409	1,580	2,989
Training hours	32,464	35,301	31,192	29,176	60,368
Employees trained as a percentage of the average headcount	**75.1%**	**72.4%**	**79.8%**	**65.0%**	**67.6%**

1.3.4.3.7 *Ensuring a balance between generations – the age pyramid*

Age pyramid ☑



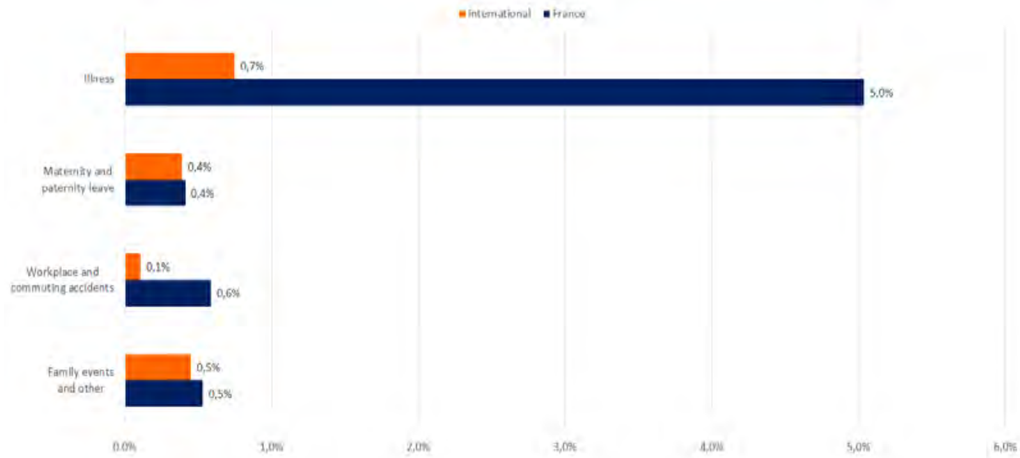
There may be a correlation between age and exposure to certain types of workplace accidents.

1.3.4.3.8 *Managing absenteeism*

Number of days of absence	2018	2019	2020		
	France		France	International	Worldwide
Total	39,999	36,943	47,822	15,054	62,876
Per employee (average headcount)	21.1	18.8	24.0	6.2	14.2
Absenteeism as a % of days due to be worked	**5.8%**	**5.2%**	**6.6%**	**1.7%**	**3.9%**[(1)]

(1) A standard absenteeism rate calculation formula was used in 2020, by dividing the number of days of absence by the average headcount then multiplying the result by the number of days in the year.

Absenteeism rate
as a % of the number of days due to be worked



1.3.5 Occupational health and safety risks

Associated key issues

- Health, safety;
- Quality of life at work.

1.3.5.1 Type of material non-financial risk

The prevention of occupational risks involves all actions taken to protect employees' health and safety, improve working conditions and foster well-being in the workplace. This is a regulatory requirement for the employer, and the main obligations in this area are set out in the French Labor Code.

It is part of companies' corporate social responsibility aimed at reducing workplace accidents and occupational illness and limiting the human, social and economic consequences of their activity.

To fulfil its responsibilities and meet the corresponding performance obligation, the employer must adapt the risk prevention policy to the company's activity and organizational structure and anticipate forthcoming changes.

The Group's businesses incur the usual risks inherent to industrial operations. In addition, the Group's activities involve the handling of chemicals that pose potential health risks (toxic waste, asbestos, PCB) and the use of technical tools in an industrial environment that could give rise to workplace accidents or occupational illness.

1.3.5.2 Recognizing and managing the risk

To implement an occupational risk prevention policy, it is necessary to draw on methods and expertise to:

- Measure risks: this is a legal obligation for employers and a crucial part of the risk prevention process, which involves determining the most appropriate preventive actions covering technical, human and organizational aspects of the company's activity. The results of the risk assessment are formally recorded in the single workplace risk prevention document;

- Implement an occupational risk prevention process aimed at continually improving the company's occupational health and safety performance;
- Complete all mandatory periodic verifications (Group-wide master agreement in place since 2013).

1.3.5.2.1 Assessing risk

For each site, the Group's health and safety team, assisted by the local HSEQ team and the site manager, prepares a memo summarizing how risk exposure is managed. Once finalized, the memos are presented to the Economic and Labor Relations Council (CES). They summarize all of the static and dynamic results measured, and conclude with a progress action plan, which is updated with each new version. Among the factors considered:

- Hazards identified at the site in terms of chemical risks related to the waste, products, and substances processed or generated at the site;
- Work situations exposed to chemical risk and the results of measurements taken in a work environment;
- The organizational, preventive and precautionary measures put in place;
- Biological monitoring agreed with the occupational physician, if appropriate.

One of the key steps of this methodology, which is unique to Séché Group, is identifying zones in which the waste to be treated and the waste generated is likely to be held, treated, stored, or recovered. A map of the site is prepared before reviewing the work situations whether they actually entail exposure or not, taking into account the zones defined above, the most hazardous waste (by hazard phrase), and the site's organizational rules. This third step makes it possible to achieve a classification of "work situation/zone" pairs and strengthen instructions if need be.

In addition, the Group also analyzes the extent to which positions involve difficult working conditions. Accordingly, it organizes action and monitoring plans including targets for:

- Reducing multiple exposures to difficult working conditions;
- Adapting and adjusting workstations;
- Improving working conditions, especially on an organizational level;
- Developing skills and qualifications and ensuring access to training;
- Keeping employees on staff and dissuading them from leaving.

1.3.5.2.2 Organization of risk prevention

Under a central structure dedicated to occupational health and safety, site managers are responsible for risk prevention, assisted by the expertise of:

- An HSEQ manager who adapts the Group's policy to each site;
- A network of seven regional incident prevention officers created in 2019 and operational from 2020 to assist with day-to-day safety management and implement the Group's improvement plan;
- Economic and Labor Relations Councils (CSE) set up by the 2018 French Labor law;
- Each site trains first-aid officers as part of its training program.

The improvement plan includes an action program based on the following five priorities drawn from the MASE standard, which are already implemented by several subsidiaries and are expected by certain Group clients.

- Priority 1: Management commitment and setting of objectives based on safety assessments.
- Priority 2: Skills and qualifications. In 2020, several initiatives were taken to develop employee skills in four areas: Knowledge of workplace risks; Management of risks specific to the position, particularly through training; Training in safety management tools; and Group feedback
- Priority 3: Organization of work for the operational management of day-to-day safety
- Priority 4: Effectiveness of the safety management system. The solutions developed for the first priorities will allow the effectiveness to be assessed
- Priority 5: Continuous improvement

In accordance with the law (Article L.4644-1 of the French Labor Code) amending the organizational structure of occupational health monitoring and prevention, the Group has named a “Professional risk officer” for each of its constituent companies. These employees act as liaisons with the occupational physicians to make their interventions more effective in terms of medical monitoring and complementary/multidisciplinary skills.

1.3.5.2.3 Training

Special training is provided: Managing and optimizing safety behaviors, with the goal of reducing risky behavior that could result in accidents. Supervisors speak to operators on the ground during regular field visits and establish whether the safety measures in place are suitable or not. The goal is to implement corrective measures if need be and to report feedback.

Since 2018, the Group has been experimenting with “self-learner” training materials intended for new arrivals or as a prerequisite for actions known to be hazardous. These materials are being developed and submitted to those concerned. They include an individual assessment quiz that determines whether or not the operator is permitted to do the task.

Associated key performance indicators (KPIs)

Workplace accidents	2018	2019	2020	
	France		France	International
Number of workplace accidents with absence[1]	66	66	76	28
Number of days' absence[1]	2,655	3,298	3,178	1,035
Frequency of workplace accidents with absence (FR)				
FR – Employees	17.1	16.5	20.89	n/a
FR – Employees and temporary staff	20.0	19.8	21.71	5.0
Severity rate (SR)				
SR – Employees	0.81	1.03	0.97	n/a
SR – Employees and temporary staff	0.88	0.99	0.91	0.19

With this approach, the Group has undertaken to gradually improve the workplace accident frequency rate in France, with a decline of at least two points per year, while maintaining its medium term target of five. This target was set by Executive Management at the 2019 Health and Safety seminar and was formally accepted by all site and business line managers.

Occupational illness (France scope due to specific regulations in this area)

- In 2020, there were nine applications to recognize musculoskeletal disorders (MSDs) (one of which is disputed and another of which was disputed and not recognized as such). These figures are similar to previous years.

1.3.5.3 Comments on associated key issues (France)

1.3.5.3.1 Frequency rate of workplace accidents with absence

- 57% of sites had no workplace accidents (44% in 2014, 51% in 2015, 48% in 2016, 67% in 2017, 62.5% in 2018, 57% in 2019);
- 44% of sites have had no workplace accidents for two years or more.

The accident frequency rate is higher among temporary staff than among employees. This emphasizes the need to improve training for temporary workers and to monitor their understanding. However, the severity rate is much lower for temporary staff (0.38 compared with 0.97), which suggests that the accidents are less serious but that temporary workers may be more inclined to stop working.

1.3.5.3.2 Analysis of risks and difficult working conditions

Since measurements of noise risk management and the risk of chemical exposure were made in 2016, methodologies have been enhanced to take regulatory developments into consideration, confirming that residual exposure levels are insignificant. All sites completed an analysis of difficult working conditions in 2020. Six types of exposure

(1) Full-time employees and temporary staff

were measured and reported by the employer to complete the new "professional risk prevention account" for relevant employees. The 2020 analysis showed that 14% of the workforce are exposed to difficult working conditions, as in previous years:

- Workers exposed:
  - 247 employees for shift work (vs. 265 in 2019);
  - 20 for repetitive work (vs. 25 in 2019);
  - 1 for night work (vs. 5 in 2019).
- No workers are exposed to:
  - Noise;
  - Extreme temperatures;
  - Compressed air (not applicable to the Séché scope).

These figures are constantly improving. Fifteen sites have no difficult working conditions. At other entities, we are now reaching the limits and basic requirements of our activities, some of which are required to function around the clock. There is therefore no alternative to shift work. Sorting centers have always required human intervention, and operators are exposed to repetitive movements. The number of operators in these two situations is now at its optimal level.

1.3.6 Ethics and compliance risk

Associated key issues

- Respect for human rights and fundamental freedoms;
- Prevention of corruption.

1.3.6.1 Type of material non-financial risk

Corporate ethics is the application of ethical principles or values when doing business. It concerns all discretionary decisions and behavior that are not subject to regulations. Corporate ethics apply to individual behavior by a company's employees and the behavior of the company itself, as a legal person, in its strategy and conduct on a daily basis, both of which are interlinked.

Ethical risk also involves a financial risk as the company's brand image could be tarnished by scandals, in particular relating to its financial, social or environmental practices. While ethical risk is difficult to measure due to the absence of objective elements that can be used to calculate the value of a brand or the real impact a scandal would have on a company, the risk is nonetheless sufficiently tangible to be one of the main reasons why companies take preventive measures.

The main ethical risks to which the Group is exposed are:

- Corruption;
- Tax avoidance;
- Respect for human rights;
- Influence and lobbying.

1.3.6.2 Recognizing and managing the risk

1.3.6.2.1 Appointment of a Group Head of Compliance

Compliance involves applying procedures within the company to comply with hard rules (local and international laws and regulations) and soft rules (Universal Declaration of Human Rights, ILO conventions, rules specific to the company's business sector, etc.).

The Group is particularly attentive to promoting and respecting ethical values. Adherence to the values expressed in its Codes of Ethics, the first edition of which dates from 2003, is essential both in the company's own internal relations and in its relationships with its clients, suppliers, authorities, local communities, and more generally speaking, all of its outside stakeholders.

To that end, the Group has been a signatory to the ten principles of the United Nations Global Compact since 2003, and annually reports its accomplishments through the Communication on Progress submitted on the UN's website. Subject to peer review, Séché Environnement has held "Advanced" status since 2013.

Séché Environnement's Board of Directors appointed a Group Head of Compliance who reports to Executive Management, on October 1, 2019. His duties are to ensure the Group observes compliance obligations in terms of its civil and/or criminal liability and to protect its reputation. His remit covers all activities and all geographical areas. He is responsible for ensuring compliance with regulations and the ethics and rules of conduct set by the company. He is supported by a network of compliance officers in the various support departments and international subsidiaries to ensure the compliance program is correctly implemented across the Group.

1.3.6.2.2 Whistleblowing procedure

All members of staff or external service providers may use the internal whistleblowing procedure to report any problems with the interpretation of rules set out in the Codes of Ethics or the Anti-Corruption Code of Conduct, or doubts regarding the application of said rules in any given situation which could mean the Group is held liable or which could harm its reputation and/or image.

The whistleblowing procedure covers acts that violate laws and regulations, acts which seriously imperil the company's operational rules in general, or the rules of a particular community to which the whistleblower belongs. This alert system has been strengthened to adapt to the requirements of the Sapin II law, particularly in the event of alerts that relate to actions considered to involve corruption or influence peddling.

The alert may be reported by name or anonymously. Reports are treated confidentially and whistleblowers are protected from any kind of reprisal. The whistleblowing procedure meets the criteria required by the Sapin II law, in particular regarding the protection of whistleblowers. A new whistleblowing system implemented in 2020 allows employees to raise an alert via an online form hosted by an independent service provider or via a free helpline available 24/7 in all the Group's languages.

No alerts were reported over the period.

1.3.6.2.3 Corruption

To prevent corruption and influence peddling, the Group has taken a series of measures to comply with the requirements of the Sapin II law, which took effect in June 2017.

Séché Environnement's management bodies reiterated their commitment to fighting corruption in a message from the Chairman to all the Group's employees which set out their strict obligation to respect the Anti-Corruption Code of Conduct and the Group's zero-tolerance policy regarding such behavior and invited them to use the whistleblowing procedure with confidence.

In 2019, the Group updated its corruption risk map by holding interviews with over 20 managers representing various activities and subsidiaries and reviewing procedures and methods to determine the residual risk incurred by the Group. This update of the identification and ranking of residual risks aimed to set new targeted priorities and to adapt the anti-corruption program to the Group's development, in particular to take into account the new scope following recent acquisitions.

In 2019, classroom-based training was organized in international subsidiaries to roll out the anti-corruption program. This approach also aimed to identify local regulations on corruption applicable in its international subsidiaries and to create a network of compliance officers serving as local contacts for the Head of Compliance, for example to implement the third party assessment procedures laid out by the head office. In France, the sales, human resources and communications teams also received training – remotely due to the health crisis – followed by a quiz to test their knowledge.

The countries in which Séché Environnement operates were ranked by Transparency International in its 2020 Corruption Perceptions Index, which spans 180 countries. Scores range from 0 (country perceived as being highly corrupt) to 100 (country perceived as being very clean). The average score for the countries in which Séché Environnement does business is 52, which is similar to France's score of 69.

1.3.6.2.4 Tax evasion

In accordance with French law no. 2018-898 regarding the combating of fraud, Séché Environnement declares that it does not practice tax evasion and does not employ tax havens, but rather pays its taxes in the countries where it does business, primarily France. In 2020, its international subsidiaries paid €6.807 million in income tax in their countries of operation.

1.3.6.2.5 Human rights

This relates to promoting and complying with the provisions of the International Labor Organization's conventions on:

Freedom of association and the right to collective bargaining

The Group is concerned by respect for human rights in its different forms (right to collective bargaining, elimination of forced labor and/or the abolition of child labor and respect for indigenous peoples).

However, it regards itself as having little experience with or exposure to these risks, since the Group conducts its activities largely in France, where all salaried employees are covered by a collective bargaining agreement and where trade union meetings and the representation of employees take place under regulations governing industrial relations, and where the application of the law prohibits behaviors that violate human dignity. Internationally, six subsidiaries are covered by collective bargaining agreements and have employee representation bodies.

Elimination of discrimination in employment

The Group prohibits discrimination of any kind (racial, ethnic, religious, sexual or other) against its employees, in the recruitment or hiring process, during or at the end of their employment contract. The Group observes the rules set out in the French Equality and Citizenship law of January 27, 2017, which requires companies with over 300 employees to train recruitment managers in non-discrimination in the hiring process.

Séché Environnement is committed to respecting privacy and has never received a complaint in this area, either from its employees or from any other parties.

Elimination of forced labor and abolition of child labor

Séché Environnement prohibits child labor, forced or mandatory labor, either directly or indirectly through subcontractors working in Group facilities. It does not purchase supplies from, or invest in, countries that fail to meet this rule.

Neutrality in public life

The Group's position is expressed in Point 4 of its Code of Practice, 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 patronage operations under current legislation, provided that such operations respect the framework of values and priorities defined by the Group".

1.3.6.2.6 Influence and lobbying

Lobbying

Séché Environnement does not carry out any lobbying of its own. The Group expresses its views through the professional associations that it belongs to. The person in charge of this is the Group's Director of Public Affairs, who reports directly to Executive Management. Declarations of interests have been made to France's High Authority for the Transparency of Public Life (www.hatvp.fr/le-repertoire).

Séché Environnement shares its experience within professional associations and workgroups that interact with its activities. The highly technical nature of the subjects covered and the diversity of their areas of influence entail great specialization.

The topics covered are very technical and require the involvement of experts. The purpose of this work is to reduce this complexity to make it understandable to all people from all backgrounds without distorting it, in order to enable them to have an informed opinion and make decisions with full knowledge of the facts.

This work is essential in order to be able to clearly communicate to decision makers in an informed way so as to establish a transparent, lasting dialog aimed at influencing future regulations that encourage sustainable growth in a preserved environment.

Taking public positions

Because changes in regulations are largely the result of consultations between national or European authorities, professional representatives in the environmental sector participate in numerous working groups to help draft future provisions.

While promoting themselves and defending their positions to government authorities and elected leaders, these professional organizations contribute their expertise and technical knowledge to the debate, positioning themselves as sources of ideas, out of a spirit of transparency and dialog with all stakeholders, with an eye to sustainable development.

1.3.7 Cross-business risks

1.3.7.1 Country risk

1.3.7.1.1 General risks arising from international activities

The main material risks relating to operations are the same internationally as they are in France. However, specific local features (national regulations, the country's level of development, economic situation, etc.) also come into play. For activities that export waste to the Group's French waste treatment facilities, the issues are more complex due to the risk of not obtaining permits to export the waste and/or transport it through the territorial waters passed through by authorized transporters on the journey.

1.3.7.1.2 Specific features of the Group's countries of operation

The Group generates 77% of its contributed revenue from subsidiaries that carry on their business in France, and 9.7% in Western Europe, where country risk is low. Revenue generated internationally essentially comes from Latin America and South Africa, where the specific risks, based on the COFACE[1] classification (September 2020) and comments by the Ministry for Europe and Foreign Affairs[2] (extracts) are:

(1) *https://www.coface.com/fr/Actualites-Publications/Publications/Carte-des-evaluations-pays-septembre-2020*
(2) *https://www.diplomatie.gouv.fr/fr/dossiers-pays/*

South Africa		2020 estimate	
Country risk assessment	Business climate assessment	GDP growth (%)	Inflation (%)
C High	A4 Reasonable	-9.0	3.3

With GDP of USD 370 billion (62% of GDP in Southern Africa; 21% of GDP in Sub-Saharan Africa), South Africa – the only African country member of the BRICS countries and the G20 – is the continent's second largest economy, behind Nigeria and ahead of Egypt.

It boasts the most modern and most diversified economy in Africa (despite its heavy dependence on mining, which accounts for 7% of GDP), with a strong services sector (in particular in financial services, 21% of GDP), a high level of exports, political stability and reliable institutions, especially judicial institutions, abundant natural resources, high quality infrastructure, a growing middle class, and a sophisticated financial sector.

Argentina		2020 estimate	
Country risk assessment	Business climate assessment	GDP growth (%)	Inflation (%)
D Very high	B Fairly high	-11.0	45.4

Argentina has been in economic crisis since the start of 2018 due to a slump in commodities prices and poor harvests. The Argentine peso has fallen sharply, despite central bank intervention. To face the crisis, the government has negotiated a $56.3 billion aid package to cover Argentina's external funding needs, with a requirement to balance the budget by 2019. The austerity measures introduced, combined with the sharp rise in official interest rates, have severely slowed economic activity.

Spiraling inflation and currency devaluations, together with the IMF program have sent public debt, which is mostly in dollars, skyrocketing. However, the trade balance began to pick up in 2019, and the budget deficit improved.

Chile		2020 estimate	
Country risk assessment	Business climate assessment	GDP growth (%)	Inflation (%)
A4 Reasonable	A3 Satisfactory	-6.2	2.9

As Latin America's fourth largest economy, behind Brazil, Argentina, and Colombia, in recent years, Chile has become one of the continent's strongest economies. However, the country has some weaknesses, in particular its strong dependence on commodities (especially copper, which accounts for half of its exports), high energy dependence and recent unrest due to the cost of living and rising social inequality.

While Chile has a competitive market with high standards, the solidity and strength of its economy and its overall political stability make it an attractive destination for both exporters and investors.

Mexico		2020 estimate	
Country risk assessment	Business climate assessment	GDP growth (%)	Inflation (%)
C High	A4 Reasonable	-9.0	3.4

As the world's 15th largest economy, a member of the G20 and the OECD, Mexico is Latin America's second largest economy. Mexican growth, which was previously moderate but steady, is slowing sharply.

Its economic fundamentals are solid, despite a steady rise in debt and uncertainties surrounding Donald Trump's policies on trade, immigration and tariffs. The tripartite agreement signed by the United States, Canada and Mexico on December 10, 2019 (the United States-Mexico-Canada Agreement, or USMCA), aims to replace the existing North American Free Trade Agreement (NAFTA).

Peru		2019 estimate	
Country risk assessment	Business climate assessment	GDP growth (%)	Inflation (%)
A4 Reasonable	A4 Reasonable	-12.0	1.8

Peru is a mid-sized economy, which has maintained strong economic growth since the end of the "golden decade" for commodity exporters (2005-2014), unlike most of its neighbors. The country is dependent on the strength of the mining industry, in particular copper.

Despite the disproportionate informal economy and major social, ethnic and geographical disparities, the country has a high Human Development Index score, and has seen a rapid drop in poverty.

Its economic outlook is good, but the international situation is slightly less favorable (terms of trade, slowdown in global trade, growth of its major trading partners such as China, commodity prices). Overall, Peru's macroeconomic fundamentals (public debt, budget and current account deficit, currency stability, etc.) remain excellent. Peru is the only country in Latin America whose financial rating has not been downgraded by the major agencies in the past two years. It probably has the lowest country risk in the region.

To allow comparison, France's country risk assessment is A3 (Satisfactory) and its business climate assessment is A1 (Very low risk). The Covid-19 pandemic impacted all countries in 2020 and is reflected in GDP growth and inflation.

1.3.7.2 Image risk (media risk)

1.3.7.2.1 Key issues for stakeholders

A company's reputation is a strategic asset. Reputation risk has become a major risk, corresponding to the impact a management error could have on a company's image. A company's reputation is highly dependent on its relations with its stakeholders. Adopting an ethical approach inspires confidence among clients (economic capital), suppliers (industrial capital), employees (human capital), shareholders (financial capital) and society in general (corporate capital).

Séché Environnement is not currently aware of any controversy concerning it.

1.3.7.2.2 Communications policy

Welcoming visitors to our sites is not just a way of getting to know the people and communities we work with, it is also about openness, which drives Séché Environnement's culture. It is also a concrete information and awareness-raising initiative. Showing the pride that employees have in their workplace and how waste is processed, and the resources it contains provided it is correctly processed upstream are examples of education put into action.

Visitors are invited to see the methods used and the specific steps taken to protect public health, the environment as a whole and biodiversity, particularly at waste storage sites which, being in the countryside, tend to be most suitable for this purpose.

	2018	2019			2020
	France	France	International	Worldwide	n/a
Number of visitors	8,600	8,247	633	8,880	n/a

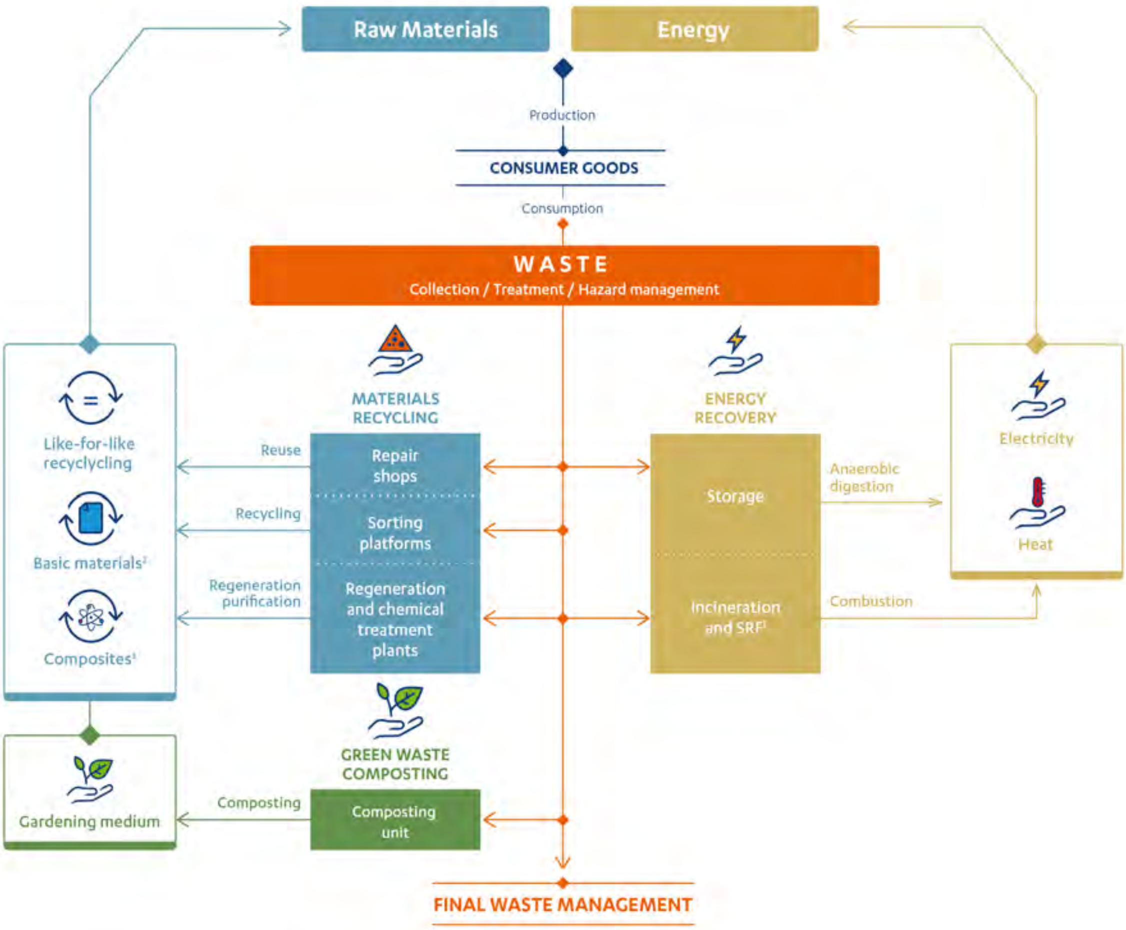
Visitor numbers peaked in 2017 due to a period of public consultations for the renewal of operating permits. Since then, strict regulations on Seveso sites and restrictions under France's Vigipirate national security alert system have led to a drop in visitor numbers. Evidently, the measures introduced to prevent the spread of Covid-19 meant that site visits were inappropriate. This indicator was therefore deemed irrelevant in 2020.

1.4

KEY ISSUES FOR STAKEHOLDERS IN THE BUSINESS MODEL

1.4.1 Driving the circular economy

1.4.1.1 Recycling materials: a priority – review of materials



1. Solid Recovered Fuel 2. Paper, cardboard, metals and plastics 3. Solvents, synthetic chemical intermediaries, hydroxide sludges and bromine

Séché Environnement is involved in different areas of the circular economy, often as a link in a longer circular economy chain with its clients – waste producers. The Group works indirectly with waste producers by facilitating the orientation of their waste to solutions where they become secondary raw materials (e.g. sorting platforms for non-hazardous waste including household packaging on behalf of local communities).

Whenever the Group invests in recycling operations on its own behalf, it is generally to meet demand for a rare material, one which requires technical knowledge and expertise to extract it and ensure that it fulfills the future user's specifications (zinc, nickel, or molybdenum extracted from metal hydroxide sludges, or bromine recovered from industrial chemical effluents). Historically, the Group has recovered solvents, copper and magnetic plates after decontaminating PCB-contaminated transformers.

1.4.1.1.1 Recycling household waste

Via separate collection:

Séché Environnement's sorting centers are equipped with the latest available technologies, combining the mechanical preparation of waste, ballistic separation, and optical sorting, in order to automatically separate the various components to be recycled. With an eye to the future, their modular design makes it possible to sort materials that are not yet being recovered, such as food trays, yogurt cups, and plastic wrap.

Via recovery of ash and metals:

At three of its sites (La Dominelais, La Croix-Irtelle and Sénerval), Séché Environnement operates facilities to remove ferrous materials and allow the maturing of ash produced in household waste incinerators. The metals are recovered for use in steelmaking and the ash is used in roadbeds as a substitute for quarry aggregates.

1.4.1.1.2 Recycling molecules of interest drawn from industrial waste

This recovery effort is primarily focused on noble metals, which exist in small quantities but have high value added and are sought-after by geostrategically important markets. Recycling these rare elements (zinc, nickel, lead, molybdenum, bromine, rare metals, etc.) provides a response to the depletion of natural resources, and to the difficulty of accessing them for technical or political reasons.

Solvents and chemical synthesis intermediates:

Through distillation, Séché Environnement purifies chemical synthesis intermediates that certain industries need and serves as a production backup for them. It is one of only a few international players to master the technique of high vacuum rectification. It also regenerates cleaning solvents. Its competitiveness relies on the unique versatility of its production facilities which employ distillation columns with a variety of diameters and tray numbers.

Metals from transformer decontamination:

Polychlorobiphenyls or PCBs, more commonly known by their brand names of Pyralene or Askarel, were widely used as dielectric agents in transformers and capacitors in the past because they are chemically stable and non-flammable.

The impact of these non-degrading chemicals on health and the environment eventually required their production to cease in the 1980s. Originally, a European directive arranged for the disposal of transformers containing PCB concentrations greater than 500 ppm. Since the start of 2011, concentrations lower than 500 ppm have represented the majority of contaminated transformers which are in the second disposal phase, while at the same time the market outside Europe still includes heavy concentrations. The Group applies two recovery methods in this market:

- Reuse: restoring transformers to serviceability after diagnosing those with low PCB content;
- Recycling: selling copper from the coils, magnetic plates, and steel from tanks of decontaminated electrical transformers on the secondary commodities market.

Thermal bromine recovery:

The Research & Development teams have put their expertise to use converting a hazardous waste incinerator into a bromine regeneration facility, which now offers chemical firms the opportunity to benefit from the resources contained in their waste and incorporate recycled bromine into their production processes. This process, the only one of its kind in France, combines bromine concentration cycles with technology to thermally purify bromine-containing brine contaminated by organic pollutants. This constitutes an innovative, effective capture system that can recover more than 99% of the bromine in the form of brine.

Physico-chemical treatment of metals:

Physico-chemical treatment is reserved for liquid hazardous industrial waste, often in mineral form, oil-contaminated waste and toxic waste (heavy metals, cyanide, arsenic or chromium), waste with an extreme pH level (basic or acid) or where hydrocarbons are present.

A series of chemical reactions is aimed at transforming the solution-soluble pollutants into precipitates. Sludge derived from treating waste rich in zinc or nickel, after concentration, is recovered in the form of matte in the pyro-metallurgical industry. Conversely, that sludge is accepted at final waste storage centers, if materials recovery proves impossible or not economically viable.

1.4.1.1.3 Séché Environnement's materials recovery review

Production of secondary raw materials and waste:

As Séché Environnement's business is waste treatment, the Group produces final waste, which is what remains after the treatment of 2,936 kilotons of waste.

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 are based on the European distinction in waste terminology (R = Recycling and D = Disposal). They only relate to waste from activity and do not encompass tons recovered for clients (recycling solvents, household package sorting platforms, etc.).

Waste production in kt (criterion D)	2018	2019	2020		
	France		France	International	Worldwide
Hazardous waste (HW)	121.4	111.0	118.4	4.9	123.3
Non-Hazardous Waste (NHW)	26.4	41.9	78.5	-	78.5
o/w tonnage transferred to another Group center					
Hazardous waste (HW)	83.6	82.9	89.0	-	89.0
Non-Hazardous Waste (NHW)	18.9	18.7	21.9	-	21.9

Waste recovery in kt (criterion R)	2018	2019	2020		
	France		France	International	Worldwide
Hazardous waste (HW)	21.2	23.4	15.5	8.9	24.4
Non-Hazardous Waste (NHW)	244.7	186.5	176.4	0.5	176.9
Total	**265.9**	**209.9**	**191.9**	**9.4**	**201.3**

The Group has no activities related to the production, consumption, or sale of foodstuffs, and as such is not subject to the disclosure required by Article 173 of the French law on the Energy Transition for Green Growth.

Consumption of raw materials and efficiency in their use:

The operations with the highest material consumption per ton of waste treated are first storage and stabilization, followed by treatment processes (physico-chemical treatment and incineration). Consumption of raw materials varies based on the nature of the waste being treated (reagents or "chemicals") or the work being done (storage cells for construction or "public works materials"). Some of the raw material needs are covered by the Group's internal recycling of sorted and treated waste that can be used as raw materials for its own operations.

The list of materials comprising this consumption incorporates products involved in calculating Scope 3 greenhouse gas emissions.

Consumption in kt	2018	2019	2020		
	France		France	International	Worldwide
Raw materials purchased (chemicals)	34	28	30	2	32
Raw materials purchased (public works)	138	147	145	21	166
Total raw materials purchased	172	175	175	23	198
Secondary raw materials (chemicals)	5	4	3.2	-	3.2
Secondary raw materials (public works)	88	77	79.6	128.1	207.7
Total secondary raw materials	**93**	**81**	**82.8**	**128.1**	**210.9**
Total consumption	265	256	257	152	409
Percentage from waste					
Chemical usage	12.8%	12.5%	9.6%	-	9.1%
Public works usage	28.9%	34.4%	35.4%	85.9%	55.6%

1.4.1.2 Energy recovery: one of the Group's key strengths – energy use and production

Energy recovery is a method of treatment preferred over disposal but reserved for waste that cannot be reused or recycled. The Group is positioned in the businesses of renewable energy and energy recovered from waste in the form of heat and electricity.

1.4.1.2.1 Methane recovery in rural facilities

Storage of household and similar waste is only used for final waste, that is the portion that cannot be recycled or recovered under current technical or economic conditions. As such, it constitutes a form of storing secondary raw materials that may be sought out later when doing so becomes economically viable. An initial experiment of this type (landfill mining) was carried out at the Opale Environnement site (Pas-de-Calais) as part of a European research program.

Biogas (mainly methane) resulting from the fermentation of the organic fraction of waste is captured throughout the life of the landfill and is recovered in the form of renewable energy. Biogas is converted into electrical power using turbines (Changé, Montech) and generator sets (Calais, Le Vigeant, and Montech) and the heat is recovered using a boiler.

1.4.1.2.2 Incineration in cities and industrial areas

The primary function of an incinerator is to process waste to reduce its toxicity (which is particularly true for hazardous waste) and its volume (about 70% of the mass of the incoming waste and 90% of the volume of household waste). Energy recovery is only performed as a supplemental function. The facility is therefore scaled to the size of the waste deposit being treated, not the quantity of energy to be produced (unlike a biomass thermal reactor, for instance, which will be supplied with only enough wood to produce the heat that will be injected into a district heating system). Improved energy efficiency is achieved through cogeneration (heat and electricity). The incinerator runs constantly without interruption except for maintenance. As heat usage is seasonal, the proportions of steam and electricity produced vary over the course of a year.

The process involves the direct oxidation of waste in a furnace which fully transforms its organic content into a totally inert form. There only remains a limited quantity of final residues for landfill storage with controlled toxicity (purification residue, combustion residue and ash).

The technical design of the Group's plants depends on the type of waste to be incinerated at each site. In particular, the type and size of the furnace (rotary, fluidized bed or grate technology) for a given capacity are a function of the solid-to-liquid ratio and their calorific value. The principle of this energy recovery is based on:

- Self-combustion of waste (no extra fossil fuels burned during operation, only when raising the temperature of the oven);
- Raising the temperature of the flue gas to very high levels (850°C to 1100°C for 2 seconds depending on the nature of the waste) to destroy toxic molecules;
- Collecting heat from the flue gas through thermal exchange in a boiler; the gas is then scrubbed using various technologies;
- Recovering electricity from the superheated steam produced in the boiler by running it through a turbine and using a generator;
- Recovering heat by sending the steam coming out of the turbine into industrial or district heating systems or to agricultural cooperatives.

1.4.1.2.3 Solid recovered fuel (SRF)

Energy recovery from non-recyclable combustible waste (solid recovered fuel, SRF) is a major part of the French law on the Energy Transition for Green Growth insofar as it is indissociable from the stated aim of reducing the volume of waste sent to landfill by 50% by 2025.

The goal is to take advantage of the calorific value of certain waste that cannot be recovered in material form, while lowering the environmental impact of its thermal oxidization in light of its chemical composition. SRF can only be prepared after a prerequisite waste sorting operation with a view to recovering materials in order to adhere to the hierarchy of waste processing methods set by the Waste Framework Directive.

The waste streams eligible for SRF preparation are economic activity waste sorting by-products, residual household waste sorting by-products, homogeneous industrial waste (stable composition) that cannot be recovered in material form, which have calorific value and which are not an identified source of pollution. SRF is mainly comprised of sorting rejects, as well as very mixed waste that cannot be reused for its materials (recycling) because it is physically too small to be recycled (wood, paper, cardboard, plastic wrap) or multilayer materials, dark plastics, bulk packaging, granulates, etc. SRF is easy to store and can therefore be used later as needed for energy.

The facility installed in 2017 at the Changé site was the first unit in France dedicated to recovering heat from SRF to cover the energy needs of a district heating network. It was designed and built with an industrial ecology approach. To optimize the use of the SRF, the furnace is used alongside biogas recovery to cover the needs of the agricultural cooperative Déshyouest (animal feed dehydration) in summer and to heat water for Laval's municipal heating system in winter via a 10 km pipe.

1.4.1.2.4 *Energy use and production*

Growth prospects stem from the volume and mix of waste to be received from customers.

Energy use and production in GWh/year	2018	2019	2020		
	France		France	International	Worldwide
Energy generation	**769.4**	**733.5**	**1,046.7**	**-**	**1,046.7**
Outside energy sales	679.2	647.2	874.3	-	874.3
Own use	90.2	86.3	172.4	-	172.4
Percentage of renewable energy[(1)]	29.9%	31.1%	34.5% ☑	-	34.5%
Energy consumption	**313.1**	**314.0**	**454.5**	**77.6**	**532.1**
Own use	90.2	86.3	172.4	-	172.4
Energy purchased	222.9	227.7	282.1	77.6	359.7
Energy independence as a %	**246%**	**234%**	**230% ☑**	**-**	**197%**

(1) *Energy from biomass is considered to be renewable and is interpreted in the industry as being energy produced from biogas or 50% from domestic waste incineration (percentages set by ADEME).*

There are several reasons for the decline in the rate of energy independence in France in 2020. First, the removal from the consolidation scope of Béarn Environnement (energy recovery unit under a public service concession). This was offset by the restarting of the Salaise 2 incinerators (after their full revamping) and the Triadis Rouen incinerator (following the fire at the Lubrizol chemicals plant located nearby). The entry into the scope of Séneral (energy recovery unit under a public service concession and an ash and metals recovery platform) may also generate variations in both production and energy consumption.

1.4.2 Greenhouse gas emissions and climate change

Waste treatment generates greenhouse gas emissions representing 2.6% of total emissions in France (2.8% worldwide). However, this figure masks a more complex carbon footprint. Waste occurs at the end of a product's life and it is only possible to measure the overall impact by taking a life cycle approach. Reducing the volume of raw materials that will ultimately be transformed into waste avoids greenhouse gases caused by the extraction, transformation, transport and end-of-life treatment of materials. These different types of emissions are not recorded as "waste" in national inventories but in other items, in particular "manufacturing industries", "energy sector" and "transport".

1.4.2.1 The regulatory environment

1.4.2.1.1 *No carbon tax for waste*

Regulatory changes found in tax and environmental legislation in France (Grenelle II, law no. 2015-992 of August 17, 2015 on the Energy Transition for Green Growth), in Europe (Energy-Climate Package) and at the international level (Increasing the markets for greenhouse gas emission allowances) do not seem to put the inclusion of the waste sector in an emissions taxing mechanism back on the agenda.

However, although other taxes on waste such as the General Tax on Polluting Activities in France are not directly intended to reduce greenhouse gas emissions, they may mitigate the impact of waste management on climate change by fostering the circular economy.

While the emission trading scheme (ETS) does not apply to incineration and neither the national low carbon strategy nor the Green Deal mention incineration, the European Effort Sharing Regulation (ESR) sets member states emission reduction targets, and they can apply domestic taxes if appropriate.

1.4.2.1.2 Obligation to publish information on the resulting financial risks

Article 173 of the French law for the Energy Transition for Green Growth, and particularly its paragraph 3, call for businesses to disclose information regarding the financial risks that stem from climate change and the measures that the company is taking to reduce them by implementing a low carbon strategy in all aspects of its activities. The primary operational risks identified relate to:

- Intense outbreaks of cold weather which, if they are exceptional in scale or continue for long periods, could limit access to our sites (blocked highways, roads, or railways – inability for heavy vehicles to travel), as well as the costs of upkeep, maintenance, and additional energy consumption at our incineration facilities to ensure optimal operating conditions. The Group might not be able to pass along all of these costs in its treatment prices or by finding new sources of productivity;
- Intense rainfall, which may negatively impact the Group's profitability due to the water management obligations that affect its classified facilities.

1.4.2.1.3 Mandatory performance disclosures – scope: France

Article 75 of French law no. 2010-788 of July 12, 2010 requires companies to produce a greenhouse gas emissions report (BEGES). Since 2011 (reference year), Séché Environnement has applied the BEGES methodology for its greenhouse gas emissions report, supported by the Bilan Carbone® V8 initiative set up by the French environment agency, ADEME, which is now run by the Bilan Carbone® nonprofit. In accordance with regulatory requirements, the operational scope is all direct and indirect sources of greenhouse gas (GHG) emissions associated with energy, i.e. Scope 1 emissions (GHG whose source, whether stationary or mobile, is controlled by the corporation) and Scope 2 emissions (GHG resulting from the generation of electricity, heat or steam imported and consumed by the corporation for its activities).

There are no similar reporting requirements in the countries in which Séché Environnement does business abroad.

1.4.2.2 Waste carbon cycles (short and long-term)

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

1.4.2.2.1 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_2 and CH_4 naturally releases the carbon stored: this is the short, or biogenic carbon cycle. In this natural, balanced cycle, the impact of biogenic CO_2 on the greenhouse effect is considered to be close to zero. For this reason, biogenic carbon must be quantified separately, since it is considered not to have an impact on climate change. For waste management activities, biogenic carbon originates in the fermentable component of waste (biodegradable matter, cardboard, organic household waste, etc.) and is re-emitted as CO_2 during treatment. The global warming potential (GWP) of CH_4, however, is much greater, and often attributable to human activity, for example the partly anaerobic landfill of waste, and must therefore be taken into account.

1.4.2.2.2 The very long-term fossil carbon cycle

The carbon contained in fossil matter was trapped in "geological reservoirs" in cycles spanning several million years, practically without any further exchange with the atmosphere over several 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_2 and CH_4 into the atmosphere. It is a net addition of carbon to the atmosphere over a time scale of around 100 years. Over this time scale, carbon of fossil origin contributes to increasing the concentration of CO_2 in the atmosphere and has a decisive impact on climate change.

1.4.2.3 The Group's greenhouse gas emissions (scopes 1 and 2)

In $ktCO_2eq$	2018	2019	2020	
	France		France	International
Bilan Carbone® – fossil	576.0	566.6	594.0 ☑	32.3
Bilan Carbone® – biogenic	332.4	310.3	405.8 ☑	6.3
Bilan Carbone® – total	**908.5**	**876.9**	**999.8 ☑**	**38.6**
Uncertainty in the Bilan Carbone® measurement	56.6	57.2	82.5	3.3

For the French scope, uncertainty increased in 2020 due to the inclusion in the scope of an energy recovery unit whose stack emissions have an emission factor that lies between fossil and biogenic CO_2 emissions and have greater uncertainty.

2019 values have been corrected for a material error in figures reported for the Opale non-hazardous waste storage facility. A deviation of 2% was observed in relation to the value published in the Bilan Carbone – Total indicator (figure reported in 2019: 894.4) and a deviation of 5.4% for biogenic CO_2 (figure reported in 2019: 327.9).

1.4.2.4 The Group's greenhouse gas emissions (scope 3) – France

1.4.2.4.1 Purchasing products and services

The main sources of scope 3 emissions (source 9) relate to materials purchased, which generated emissions of 103.1 $ktCO_2eq$, with an uncertainty of 21.0 $ktCO_2eq$ (20%) for the French scope. The scope 3 emissions of international sites only represent 2% of emissions and their impact was considered negligible, especially as data uncertainty is over 60%.

Raw materials used for public works, mainly for the construction of storage sites (clay, stones, etc.) and for inerting hazardous waste (hydraulic binders) contributed 77.4 ktCO_2eq with an uncertainty of 15.9 ktCO_2eq (21%). When calculating the impact of raw materials used for public works, those which originate from recycled waste treated within the Group are not included in the indicated figures. This is because the impact of their production (by recycling) is already accounted for in scopes 1 and 2.

Chemical raw materials primarily include reagents for treatments of incinerator flue gases, water treatment sites, or physico-chemical treatments. The tons received (lime, soda, nitrogen, acids, etc.) are listed annually in terms of weight on delivery, but it is impossible to know their exact levels of active ingredients (dilution for liquids, for example), which varies greatly based on their source; the uncertainty applied is therefore higher.

In the Bilan Carbone® review only four emission factors corresponding to purchasing lines (hydrochloric acid, sulfuric acid, lime, soda) could be identified, with some uncertainty regarding the concentration of those materials, as indicated above. The assumption is therefore "majority-based" due to the dilution of some of these elements. These four lines, however, cover most of the weight of chemical raw materials. The results were extrapolated to the remaining portion (assigning a 100% uncertainty factor for this extrapolated portion: 100%).

Overall, raw materials for chemical use are estimated to emit 25.7 ktCO_2eq with an uncertainty of 13.7 ktCO_2eq (54%).

1.4.2.4.2 Waste and end-of-life of products sold

As the Group does not sell products, this section does not apply. Additionally, it may be assumed to be the cause of avoided greenhouse gases for recycled secondary commodities like metals (copper in particular).

1.4.2.5 Measures taken to adapt – transport in France

Scope 1 greenhouse gas emissions are calculated for all the transportation carried out by Séché Environnement's own means (diesel consumed by vehicles). For the remainder – client or leased trucks – it is very difficult to know the exact type of trucks used, their route or their fill rate. Those sources in scope 3 are very uncertain and therefore of little relevance. However, they are a subject of attention for the implementation of an emissions reduction plan.

1.4.2.5.1 Transporters' CO_2 charter

Séché Transport has signed the "Objectif CO_2 – Les transporteurs s'engagent" charter. Under this initiative, its fleet of trucks is gradually being renewed with the acquisition of vehicles meeting the Euro 6 emissions standard (tractors and straight trucks) with full regeneration of exhaust gases. Drivers also receive ongoing training.

The third triennial commitment period began in 2017 (with emissions of 4,171 tCO_2eq). In 2019, emissions had been cut to 3,110 tCO_2eq, an improvement of 25%. In 2020, the Group's transport subsidiary renewed its commitment for a new three-year period. Emissions were estimated at 3,291 tCO_2eq (an improvement of 5.8%).

1.4.2.5.2 Choice of multimodal transport

Rail or river transport is prioritized over road transport whenever possible, but there are significant constraints in terms of the infrastructure and its availability (in particular during major rail strikes). However, in 2020, there were no major incidents in this area.

In recent years, Séché Environnement has been transferring ash produced in Salaise-sur-Sanne to the Changé site (850 km away) by a dedicated rail flow, loading sealed containers onto rail cars which are then taken by a rail operator to its transit center in Longuefuye south of Laval before being transported to the storage site (about 30 km). Other regular transport links between the Group's sites are made by rail or river depending on the market, using containers that range from simple ones to ISO tanks for liquids.

In 2020, 39 trains and 1,503 containers, representing 22.8 million freight ton kilometers, were removed from the roads and transported by rail. CO_2 emissions per ton transported by rail are only 12% of what they are by road.

1.4.2.6 Greenhouse gas emissions avoided

1.4.2.6.1 Principle

Atmospheric emissions in waste treatment depend on the type of waste and on the process used. Examples:

- Storage with methane production: regulations only require methane flaring to abate its global warming potential, which is 28 times greater than carbon dioxide. The Group recovers that methane by producing electricity and steam; the abatement is the same, but the Group becomes the source of the greenhouse gases avoided through that energy production, which would have otherwise required fossil fuel consumption. In the Bilan Carbone® methodology, biogenic carbon emissions avoided will no longer be recorded as such;
- Incineration with energy production: first and foremost, the Group has flue gas treatment facilities to comply with regulations. Energy production is the cause of avoided greenhouse gases. Research & development activities have also helped to abate other greenhouse gases (nitrogen oxides) by injecting urea into flue gas treatment. In addition, CO_2 capturing solutions in flue gases using membrane-based techniques have recently been patented;
- Industrial gas recycling: certain industrial gases, in particular refrigerants (R134a, in this case) are recycled. When this occurs, the avoided greenhouse gases are the difference between "New R134a production emissions" and "Recycled R134a production emissions".

1.4.2.6.2 GHG emissions avoided through energy recovery and gas recycling

GHG avoided in $ktCO_2eq$	2018	2019	2020
Scopes 1 and 2 GHG avoided through energy recovery, excluding own energy consumption	92.7	69.7	72.6 ☑
Scope 3 GHG avoided through the recycling of R134a gas (refrigerant gas)	0.5	2.3	1.2

In 2019, the wrong unit was used to report greenhouse gases avoided by R134a gas recycling operations (data reported: 0.2 ktCO_2eq)

The usual way of calculating GHG emissions avoided through energy recovery from waste is to estimate the volume of CO_2 that would have been emitted to obtain the same volume of secondary energy (electricity, heat) based on the energy mix in the country in question (France in this instance).

Several factors can explain the change in GHG emissions in 2020. First, the removal from the consolidation scope of Béarn Environnement (energy recovery unit under a public service concession). This was offset by the restarting of the Salaise 2 incinerators (after their full revamping) and the Triadis Rouen incinerator (following the fire at the Lubrizol chemicals plant located nearby). The entry into the scope of Séneval (energy recovery unit under a public service concession and other activities) may also generate variations in both indicators.

1.4.2.7 Greenhouse gases abated by the treatment of industrial gases with high global warming potential (GWP)

Gases with high global warming potential such as CFCs, Halons, SF6, etc. (23,900 times the GWP of CO_2) are abated in the Group's facilities.

GHG abated in ktCO_2eq	2018	2019	2020
GHG abated, e.g. industrial gases treated	2,612	4,002	2,857

Among the various gases, a higher proportion were alkanes. However, databases contain no abatement factor (global warming potential) for these gases, so they are not counted as avoided GHGs. These figures vary from year to year depending on the volumes abated and the type of gases treated.

1.4.2.8 ECOCERT Climate Commitment Management System certification

Séché Environnement has held Climate Commitment certification from ECOCERT Environnement since 2015. It was the first company in its sector to obtain certification for all its sites in France.

This standard is the result of an initiative by ECOCERT Environnement, a certifying body that specializes in the environment and sustainable development, committed to fighting climate change in order to address the following issues:

- The quality, monitoring, and verification of accounting for actions to reduce and offset GHG emissions;
- Recognition of a comprehensive approach to fighting climate change;
- Structuring communication regarding the company's GHG-related policies;
- The need for efforts to be recognized by an independent body.

The "Engagement Climat" standard evaluates the consistency, relevance, and effectiveness of the actions taken by the organization to reduce its carbon footprint. The approach relies on:

- Having the organization regularly measure its GHG emissions, thereby raising awareness of its own climate impact and allowing it to determine how dependent it is on energy price fluctuations;

- Gradually reducing GHG emissions. This action is central to the approach: eco-design, energy efficiency, alternative transportation, processes, sourcing. It gradually builds awareness among all of its stakeholders so that each one can act based on its own responsibilities.

1.4.3 Biodiversity

1.4.3.1 Rebuilding biodiversity is in the Group's DNA

1.4.3.1.1 Longstanding commitments and organization of the DNA initiative

Aware of the role that business can play, Séché Environnement's Dedicated to Nature through Action (DNA) program will supply tools for structuring and measuring the preservation of territorial biodiversity, in a concrete, sustainable, and measurable way. DNA extends the Group's continued voluntary involvement in France's National Biodiversity Strategy which was recognized by the Ministry of Ecology for the 2013-2016 period.

The link which unites the Group with the biodiversity surrounding its sites is all the stronger because, as a significant landowner, the Group is able to implement coherent actions for the preservation and monitoring of animal and plant species. The Group has used its own indicators to measure its performance for several years:

- Biodiversity indicators (amphibians, birds, bats) at storage sites;
- Bat monitoring protocol with the French National Museum of Natural History;
- Inventory of plantings and/or flower meadows;
- Sustainable management, such as grazing by goats or sheep;
- Creation or restoration of ponds, building of insect hotels, installation of birdhouses and bird feeders.

Land use has helped encourage and increase biodiversity. The progress has been notable, particularly through the biodiversity actions taken at small sites. The inventories produced may also be used as communication materials for building awareness of local biodiversity preservation.

The fruits of these actions go beyond the neighborhoods of its own sites because of the ecological corridors that exist between territories. The team of in-house environmentalists improves management in the field (maintaining a nursery of endemic plant species combined with safeguarding the character of the landscape) and enshrines it into the corporate culture. Some processes are also direct uses of ecosystem services such as methanization.

All sites in France have a biodiversity coordinator, and the Group's international sites are signing up to the initiative. Preserving biodiversity involves all members of staff, with tangible protection initiatives and efforts to raise awareness of the importance of biodiversity through simple, information campaigns.

1.4.3.1.2 Confirmation and reiteration of public commitments

The reorganization of government departments, in particular with the creation of the French Office for Biodiversity and the rollout of three parallel commitments for local authorities, businesses and partners, temporarily slowed the momentum of the national biodiversity strategy.

The act4nature initiative set up by the EpE nonprofit in 2018 offset this shortfall by giving companies the opportunity to maintain, or ramp up, their efforts towards biodiversity and to continue promoting them via the new setup. Séché Environnement is involved in the act4nature initiative. Overseen by the EpE association, since 2018 it has brought together 65 businesses that are committed to integrating biodiversity into their overall strategy, to create a genuine collective dynamic, with both shared and individual commitments.

On December 12, 2019, the Ministry of the Ecological and Inclusive Transition (MTES) launched a new system of commitments for businesses, based on two organizations which share the same goals but cover different geographical areas:

- EEN – act4nature France, overseen by the MTES and financed by the French Office for Biodiversity (OFB), whose remit is limited to France;
- act4nature international, sponsored by EpE, with the support of MEDEF and AFEP, associations of mostly large international corporations.

Séché Environnement joined both schemes, which provide support in rolling out the initiatives in both France and around the world. Séché Environnement is one of the eleven leading French companies whose commitments have been recognized by EpE and the partners of the act4nature international alliance.

1.4.3.1.3 DNA plan and review of 2020 action – act4nature

Séché Environnement's DNA commitments are defined Group-wide, but action plans are co-developed in a decentralized way, so as to promote field initiatives for better adaptation to local issues and high levels of appropriation by the players involved. Coverage is national, and the different businesses are all represented. International sites have recently joined.

A steering committee acts as the link between local initiatives and Executive Management, which sets the general targets and action principles. Each of the sites involved in the initiative has a biodiversity coordinator whose mission is to deploy the four DNA commitments, under the responsibility of the local management team.

1. Situate biodiversity actions on a space-time continuum of improvement

Actions taken under this commitment must be ongoing. The biodiversity coordinator assesses areas of biodiversity at the site and chooses a theme related to the flora/fauna or habitat issues identified. A set of adjustments or actions will be implemented based on this theme. Biodiversity monitoring protocols will then be introduced to measure the improvements in biodiversity arising from the action taken. The conclusions will allow the action to be intensified or a new theme to be selected.

2. Make biodiversity a cause that will bring people together within the Group

The first step under this commitment is to encourage employees to become more interested in biodiversity, for example by:

- Publishing a diary of local "Nature" events for employees;
- Promoting subsidiaries' "Biodiversity news" across the Group using all available communications channels.

The second phase consists in choosing at least one theme to be developed:

- Selecting, organizing and implementing a theme to raise awareness of biodiversity;
- Analyzing employee awareness;
- Monitoring participation and restoring momentum.

3. Use biodiversity as a lever to inspire stakeholders

To implement this project, the biodiversity coordinator takes the following steps:

- Identifying stakeholders in line with the site's activity and biodiversity;
- Creating a partnership with a stakeholder on a joint project;
- Completing the project with the stakeholder and communicating to promote its achievements;
- Monitoring participation and restoring momentum.

4. Develop awareness of how peoples' lifestyles can impact our planet's biodiversity

The biodiversity coordinator organizes a working group to address a shared theme in three stages:

Inform:

- Facilitate access to information and share knowledge about the consequences of our consumption habits and ways to protect biodiversity;
- The idea is to show that our choices can have an impact on nature and our health.

Show:

- Foster contact between staff members and organizations with good environmental practice;
- Suggest simple ways of establishing good habits via exhibitions, meetings, outings, etc.

Act:

- Organize demonstration workshops to encourage good habits.
- Examples: set a challenge, organize a biodiversity day, create a workshop on saving water, invite local farmers to sell their produce in the company, etc.

Séché Environnement's DNA plan is being deployed in a renewable four-year cycle from 2019. Some actions are continuous or span several years. The goal was to achieve an average of 25% of the commitments at the end of the first year of the program. In 2020, the objective was to achieve an average of 50% of the commitments.

1.4.3.1.4 Biodiversity policy – one of the criteria of the ESG impact loan

By incorporating biodiversity in its business strategy, Séché Environnement was able to use the execution of its biodiversity action plan as one of the three ESG (environmental, social, and governance) criteria used to set the interest rate reduction/penalty applied on its ESG impact loan taken out in 2018. This is an example of "green finance".

The assessment criteria to be met is progress of 50% in terms of the act4Nature commitments. The achievement of this goal was confirmed in an audit by KPMG, which issued a certificate to this end.

17 sites (15 in France, 1 in Spain and 1 in Peru) have 86 commitments ongoing.

18 sites in 2019 – the Béarn Environnement site was removed from the scope in 2020

Number of commitments	Progress rate 25%	50%		100%
Commitment 1	5	12	2	-
Commitment 2	3	27	3	-
Commitment 3	-	9	7	1
Commitment 4	-	14	3	-

1.4.3.1.5 Patronage of science and nonprofits

In June 2019, Séché Environnement concomitantly signed two partnership and patronage agreements in a joint session at the French National Museum of Natural History (MNHN), reflecting a shared commitment to preserve biodiversity by three types of players – scientists, NGOs, and business:

- With the MNHN, to reduce pollution, and marine pollution in particular, with the Marinarium in Concarneau, through sponsorship of its educational program;
- With the bird protection association Ligue de Protection pour les Oiseaux, in support of daily life, food choices, cultural techniques, and land occupation, under the "De la terre et des ailes" program.

1.4.3.1.6 Biodiversity management certification by ECOCERT Environnement

In 2015, Séché Environnement was awarded "Biodiversity Commitment" certification for all its sites covering more than 10 hectares (storage sites), by ECOCERT Environnement. This certification defines and structures a framework for meeting the needs and expectations of the "biodiversity" challenge in standards (ISO 14001, ISO 26000), non-financial rating systems, and other regulations (Article 225 of the French Commercial Code).

The seven characteristics of Biodiversity Commitment certification are as follows:

1. Universal certification that can be adjusted to all types of organizations worldwide (small or large company, community, territory, natural park, or conservation area);
2. Certification that treats local biodiversity as being affected throughout the organization's value chain, in places directly and indirectly related to its operations;
3. Certification that strives to encourage awareness of the role and dependency that organizations have with respect to biodiversity;
4. Certification that gets stakeholders involved in order to connect the organization with its local area to share information and learn from experience;
5. Certification focused on measuring the biodiversity footprint through regular evaluation of the pressure exerted on biodiversity by the organization's activities rather than focusing solely on the biodiversity inventory at a given moment. This approach encourages ecosystem resiliency and helps to strengthen the durability of those ecosystems' ecological functions; Certification that prioritizes avoiding and reducing the pressure exerted on biodiversity when carrying on business, by anticipating impacts from as early as the project design phase, not to mention ecological development of infrastructure;

6. Certification that promotes continual improvement in biodiversity performance, enabling each organization, based on its own analysis, to grow more mature and take greater routine action on tools for reducing pressure on ecosystems while generating positive impacts in local areas.

1.4.3.2 Review of water resources and consumption

Aside from water used for washing and cleaning, some treatment techniques require significant amounts of water. This is the case for example of wet treatment purification systems for gases generated by incineration, and the stabilization of final waste before storage. Large-scale water-saving and recycling programs have been implemented over the last few years, leading to a continuous decrease in the volume of water used.

1.4.3.2.1 Water removal, in particular in France, which accounts for the most of the Group's water consumption

Water is taken either from water supply or impoundment systems, or by pumping it from wells, none of which are situated in a RAMSAR protected wetland area.

The amount of water removed from aquifers is negligible (<5%) compared with the reserves contained in them, and has not caused any risk of lowering groundwater levels. Water is removed mainly at Saint-Vulbas and at Salaise from the large non-fossil aquifers fed by Alpine runoff. In the absence of industrial water, taking water from aquifers under these conditions has less environmental impact than using water from the water supply, which has been treated for consumption – a process not needed for industrial uses.

Recovery initiatives have been launched at certain sites, for example the recycling of rainwater or the use of waste storage leachates as process water, particularly for the stabilization of waste to be admitted into hazardous waste storage facilities.

Concerning the management of water (runoff 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 landscaped areas.

1.4.3.2.2 Water returned to natural environment

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).

A portion of the water released is in the form of steam used in thermal processes. Other water is released (in liquid form) from the Group's various facilities after treatment and specific monitoring for its chemical content. The parameters taken into account include heavy metals, chemical oxygen demand (COD) and matter in suspension (see Civil and criminal liability risk, in particular relating to health and safety and the environment).

1.4.3.2.3 *Water used and returned to the natural environment*

In thousands of m³	2018	2019	2020	
	France		France	International
Consumption by origin				
Drawn from water tables	2,684	2,806	3,089	25
Purchased from water supply system	515	471	477	46
Other (surface water + demineralized water purchased)	144	130	182	8
Total water consumption	3,343	3,430	3,759	84
Proportion extracted from groundwater	80.3%	81.8%	82.2%	30%
Consumption by use				
Used in incineration	3,196	3,017	3,113	2
Other business lines	147	413	646	82
Total water consumption	3,343	3,430	3,759	84
Recycled water (avoiding drawdowns)	162	131	147	6
Return to natural environment				
Total return via wastewater treatment site	2,397	2,782	2,463	10
Percentage of consumption	71.7%	81.1%	65.5%	12%
Net consumption (consumed – returned)	**946**	**648**	**1,296**	**74**

In 2019, in the Consumption by origin section, the Total water consumption line contained a typing error (figure reported: 3,405, a difference of 8.2%). The proportion of water consumed that is returned to the environment has declined, but the sites recycled water more internally.

1.5

HOW R&D HELPS MANAGE THE KEY ISSUES

1.5.1 Research & Development Strategy

1.5.1.1 Scientific goals and partnerships

Since its creation, Séché Environnement has applied a strategy of anticipation and technological innovation in order to reaffirm and strengthen its positioning as a specialist in waste markets, particularly hazardous waste, which has strict technical constraints. Séché Environnement uses this strong culture of innovation to strengthen its technical and environmental performance for its clients by correctly anticipating their needs, and to meet any major challenges that might arise in the short or medium term with respect to the circular economy and the environment.

The multidisciplinary hands-on R&D approach applied within the Group aims to:

- Ensure constant improvements to existing processes in terms of productivity, safety, and regulatory compliance;
- Provide a response to clients' specific requirements in terms of waste recovery and treatment by drafting and implementing ad hoc procedures;
- Anticipate new regulations and changing expectations in society by exploring new areas of eco-development.

Besides its proprietary projects, Séché Environnement also pursues a collaborative R&D strategy with partners in industry or Besides its proprietary projects, Séché Environnement also pursues a collaborative R&D strategy with partners in industry and the academic world. For example, in 2020 it worked with industrial players including Arkema, GRTgaz, Enosis, and Sairem, and technological or scientific universities such as BRGM, ANDRA, IMT Atlantique, INSA Lyon, INSA Toulouse, as well as Bordeaux and Ghent universities. These partnerships covered what happens to mercury and its behavior during incineration (Esseva project), the recycling of methacrylate (MMAtwo project), the development of regional green energy production solutions (Plainénergie project) and the selective extraction of the constituents of concrete waste (CYBER Project).

1.5.1.2 Research resources and results

To maximize synergies between its different areas of development, since 2018, Séché Environnement has centralized its R&D activities within a single division, which has a new research center equipped with the most recent facilities at its site in Saint-Vulbas (Ain). This site currently employs around ten highly qualified experienced scientists (graduates from universities or engineering schools) with expertise in chemicals, chemical physics, biology and scientific processes.

Séché Environnement estimates that in 2019, 5% of consolidated revenue was directly or indirectly generated by its research and development activities, via the implementation of new processes and industrial applications and innovation brought to existing processes. The Group has received research tax credits totaling €5.2 million since 2009, including €0.7 million in 2020 for several development projects that are not yet mature enough to envisage their industrial rollout in the near term.

No research and development expenses were booked under assets in the Group's financial statements. The Group may be awarded operating or investment subsidies to develop its waste treatment activities.

1.5.2 Industrial risk management

1.5.2.1 A research program to assess the performance of a spray scrubber in removing nanoparticles from incinerator flue gases: NanoCap

Although nanoparticles or nanomaterials are now widely used in various forms in all business sectors, there are currently no French or European regulations on managing the associated waste, at the manufacturing, use, or end-of-life stage. The NanoFlueGas and NanoWet programs examined the treatment of nano-structured waste by incineration with combustion of the gas produced at 850°C and 1,100°C respectively. The scientific and technical objectives of these programs were to characterize particle emissions in post-combustion solid and gas effluents, to measure the effectiveness of flue gas treatment, and to issue recommendations on minimizing the associated risk.

IMT Atlantique & Séché Environnement wished to continue working together and developed a research project aimed at assessing the performance of a spray scrubber in removing nanoparticles from incinerator flue gases. The project involves studying how the operating parameters of spray columns influence the capture efficiency of sub-micronic and nanometric particles. In particular, it will focus on the influence of the flue gas temperature on entering the spray column, the solution, and the relative gas-droplet velocity.

This project is co-financed by ADEME and the Pays de la Loire region.

1.5.2.2 Study on the measurement, behavior, and treatment of mercury in energy recovery centers for municipal and similar waste: ESSEVA

The ESSEVA project was set up ahead of the reduction in mercury emission limits for waste-to-energy (WtE) plants, including the obligation to provide constant measurements by 2023. It is part of the MIMOSA program being carried out at the Alcéa plant serving Nantes Métropole. The project was led by members of the SVDU (municipal WtE syndicate), which includes the operators of 108 of the 119 WtE plants treating municipal and similar waste in France and Monaco, and *of which Séché Environnement is a member*. Its administrative management has been entrusted to FEDENE Service. ESSEVA has several complementary objectives, namely, to list all the constant measurement devices available on the market, identify available solutions for taking mercury samples over the long term, review referencing methods and apply them at the various measurement points, and compare the values obtained by the different systems and assess their accuracy with the different concentrations observed.

ADEME financed 45% of this study and the rest was funded by SVDU members.

1.5.3 Contributing to the circular economy

1.5.3.1 PMMA recycling, an important process for society: MMAtwo

Polymethyl methacrylate (PMMA) is a polymer widely used for its optical properties. Approximately 300,000 metric tons of PMMA worth around €1 billion are produced each year in Europe. It is currently estimated that only 30,000 tons of PMMA waste are collected for recycling each year in Europe, or 10% of annual production, although PMMA can be transformed into its monomer by thermal depolymerization, thereby saving precious resources and avoiding CO_2 emissions.

The majority of PMMA recycling in Europe currently uses a lead-based process that does not allow the treatment of low-grade PMMA. The MMAtwo project aims to transform post-industrial PMMA waste and end-of-life waste into a high quality raw material and thereby contribute to the circular economy.

At its midway point, MMAtwo is starting to have a lasting impact on the way in which PMMA waste is treated in the European Union. Three campaigns testing MMAtwo's innovative technology have been successfully completed. The technology has already shown it can offer solutions to convert all types of PMMA waste, including end-of-life PMMA waste which is difficult to recycle, into virgin MMA.

MMAtwo will ultimately be in a position to create a viable competitive company while saving resources.

1.5.3.2 Transforming residual waste into renewable gas, an innovative project at the heart of the circular economy and the energy transition: PLAINÉNERGIE

The Communauté de Communes de la Plaine de l'Ain (CCPA), Syndicat Mixte du Parc Industriel de la Plaine de l'Ain (SMPIPA), GRTgaz, Séché Environnement, ENOSIS, PROVADEMSE (technological innovations platform of INSAVALOR), and laboratories DEEP and LISBP at INSA Lyon and Toulouse signed a partnership agreement to carry out the PLAINÉNERGIE project. This is the first project in Europe to transform non-recovered waste into a renewable source of gas by combining pyro-gasification and biological methanation. This innovative project lies at the heart of the energy transition and the circular economy.

PLAINÉNERGIE aims to produce an experimental industrial facility to allow the treatment and conversion into energy of a wide range of residual waste collected by the CCPA community of towns and the PIPA industrial park to produce renewable gas that will ultimately be injected into the existing gas network.

The project combines two key innovative waste recovery technologies: pyro-gasification and, for the first time, biological methanation. Pyro-gasification involves various techniques that have been specifically adapted and are particularly effective in converting waste that cannot be recycled into energy. It breaks the waste down into different molecules to form syngas. A biological methanation process converts this syngas into synthetic methane, which can replace natural gas for all uses (residential, industrial, fuel).

1.5.3.3 CYBER: Selective extraction of the constituents of concrete waste

The decommissioning of nuclear power plants is a major source of radioactive wastes involving the above-ground storage sector. Given the volume of such wastes, storage capacity must be preserved whenever possible. This data led to the creation of the CYBER research program, overseen by ANR and ANDRA and coordinated by Séché Environnement, in partnership with BRGM and the SME Sairem (a manufacturer of industrial microwave equipment). The program seeks to develop a very low level (VLL) waste treatment solution that allows recycling in the nuclear sector, to make new concrete, through the selective separation of its components: granulate, sand, and cement paste, the phase that causes radioactivity. This separation may be achieved by first breaking down the concrete with microwaves, soft selective crushing, and grain-size/densitometric sorting.

Laboratory trials have shown the positive effect of microwaves on this selective separation. A continuous pre-industrial pilot study was set up to confirm the feasibility at 100 kg/h. A technical and economic study confirmed the economic viability of the process. Tests on radioactive samples will be conducted in 2021 to confirm the decontaminating effect of the process and the concentration of radioactivity in the cement paste.

1.6

SPECIFIC NON-FINANCIAL PERFORMANCE DISCLOSURES REQUIRED BY THE FRENCH COMMERCIAL CODE – SCOPE: FRANCE

1.6.1 Social dimension

1.6.1.1 Social dialog

Séché Environnement believes that the quality of social dialog between management and employee representatives is an ethical requirement and a sign of effectiveness and performance because it improves feedback and employee engagement and commitment. To this end, the Group encourages the negotiation and signing of company-wide agreements that reflect its requirements and those of workers on the ground.

Two lawsuits were brought against the Group in 2020.

1.6.1.2 Law of September 5, 2018 on the freedom to choose one's future career

The law of September 5, 2018 on the freedom to choose one's future career introduced a system to reduce the pay gap between men and women.

This obligation provided the opportunity to consider new ways of promoting gender equality in our subsidiaries. Working groups comprising HR teams and operational staff were set up to address this matter in 2019. in units with more than 50 and more than 250 employees.

In 2020, we conducted a review to monitor the effects of our actions and consider new initiatives for 2021. Séché Environnement is committed to the principle of non-discrimination. In France, all subsidiaries had already incorporated this principle in their agreement on gender equality, which applies to hiring, mobility and training:

- In line with the commitments taken under this agreement on gender equality, Séché Environnement has reaffirmed that it will foster equal opportunities, fair treatment, and diversity;
- Regarding recruitment, Séché Environnement ensures the traceability of applications from internal and external candidates. Candidates are selected based on objective criteria (training, professional experience, technical and behavioral skills, etc.). At the end of the recruitment process, the chosen candidate is offered a position. If necessary, Séché Environnement diversifies its recruitment channels during the recruitment process;
- In addition, it ensures that all employees have equal access to professional training.

1.6.1.3 Collective agreements

% of workforce	2018	2019	2020
Union des Industries Chimiques (UIC)	32	31	30
Waste activities	53	53	56
FG3E	7	7	5
Road transport	5	6	7
Public works	3	3	2

1.6.1.4 Company-wide agreements

The economic impacts and consequences on working conditions were taken into account during the negotiation and signing of the agreements.

In 2020, certain agreements related to the health crisis were signed (Covid-19 bonus, maintaining the remuneration of furloughed workers, amendments to incentive/profit-sharing agreements regarding the impact of absences for exceptional reasons).

	2020
Number of agreements signed during the year	
Gender equality	6
Mandatory annual negotiations	8
Purchasing power	20
Maintaining remuneration during furlough	20
Incentives	6
Equity investments	15
Other subjects	3
Number of subsidiaries covered by an agreement	
Strategic Workforce Planning	7
Mandatory annual negotiations	8
Equity investments	15
Incentives	6
Prevention of exposure to professional risks	2
Gender equality	10
Frequency of agreements	3
The right to disconnect after hours	17
Purchasing power	19
Maintaining remuneration during furlough	19
Other	3

1.6.1.5 Profit-sharing and incentive schemes

The Group fosters employees' commitment to delivering results with incentive bonus schemes negotiated with labor unions.

For most people, employee savings schemes are an essential complement to individual rainy-day savings and long-term investments.

- Profit-sharing bonuses are mainly calculated based on each company's taxable profits;
- Incentive bonuses depend on each subsidiary's net income, operating income or current operating income calculated under IFRS accounting rules. Trigger levels and maximum limits also apply.

In € thousands or no. of employees	2018	2019	2020
Total profit-sharing pool	1,407	1,259	1,793
Number of beneficiaries	832	1,015	1,176
Total incentive bonus pool	911	608	685
Number of beneficiaries	1,079	1,073	839

The Group does not distribute free shares, nor award stock options. The Group savings plan allows employees to invest in the Séché Croissance employee savings plan and to share in their company's growth. Outstanding amounts held in these plans are as follows:

Séché Croissance employee savings plan	2018	2019	2020
No. of Séché Environnement shares held	36,149	34,469	42,338
Share of Séché Environnement's capital	0.46%	0.44%	0.54%
Share of Séché Environnement's voting rights	0.70%	0.67%	0.66%

1.6.1.6 Measures for people with disabilities

Séché Environnement and all of its subsidiaries have been committed since 2010 to a policy to assist people with disabilities. A survey was conducted to highlight the strengths and weaknesses of each subsidiary. A Disability officer is present within each scope in order to optimize best practices for the inclusion of staff with disabilities. Multiple disability awareness documents have been put together as part of this policy, and the company enlists service providers specialized in this field when hiring (CAP Emploi, a temp agency focused on inclusion, etc.). Each year in November, the Company actively participates in Disability Employment Week, particularly by organizing job awareness days. 2020 was a particular year due to the pandemic.

In full-time equivalents	2018	2019	2020
Within the company	50	64.8	82.8
Subcontracted from specialized associations	10	8.6	9.5
Number of beneficiaries	60	73.4	92.3

1.6.2 Laws not applicable to the Group's scope of activity – "Food" laws

French law no. 2018-938 governing the balance of trade relations in the agricultural and food sector and for healthy, sustainable, universally accessible food, adopted on October 30, 2018 and enacted on November 1, calls for the disclosure of information regarding the company's social commitments to fighting food poverty, respect for animal welfare, and responsible, fair, sustainable food (Art L.225-102-1 of the French Commercial Code). Likewise, French law no. 2016-138 of February 11, 2016 governing food waste calls for reporting on it as part of the circular economy.

As Séché Environnement is not active in this sector and the Group has no company restaurant, it is not concerned by this regulation and such indicators are irrelevant.

1.7 METHODOLOGY

1.7.1 Reference regulatory texts

Séché Environnement has been listed on the EURONEXT Paris exchange since 1997, and as such publishes non-financial performance indicators in accordance with the requirements derived from:

- Article 116 of the French Commercial Code requiring consolidated environmental and social indicators from publicly traded companies (2002);
- Articles L.225-102-1 and R.225-104 to R.225-105-3 of the French Commercial Code initially instituted by Article 225 of law no. 2010-788 of July 12, 2010 relating to a national commitment for the environment, and its 2012 application decree including societal information;
- Decree no. 2016-1138 of August 19, 2016, adding to the system by rephrasing items related to the circular economy and also incorporating food waste and an expanded definition of measurements of climate change impacts;
- Ordinance no. 2017-1180 of July 19, 2017 and decree no. 2017-1265 of August 9, 2017 relating to the enactment into French law of the European directive of October 22, 2014 regarding the disclosure of non-financial information. These last two texts have applied to Séché Environnement since its 2018 fiscal year.

1.7.2 Definition of scopes

1.7.2.1 Legal scope

The consolidation scope consists of the parent company Séché Environnement SA and its majority-controlled French and international subsidiaries that were fully consolidated at year-end 2020.

The rules for adding entities to the scope or removing them are based on consolidation definitions (IFRS 10/IFRS 5). The reporting scope is updated in line with the consolidation scope governed by the Group's consolidation service. The collection of environmental and HR data is annual (calendar year).

Nearly all of the subsidiaries in France are classified environmental protection facilities subject to operating permits (including 16 Seveso or Seveso upper tier sites). No subsidiaries exceed an average permanent workforce of 500 people, and due to their consolidation within Séché Environnement's Global reporting, they are not individually reported.

1.7.2.2 Special scopes for environmental indicators

The scope for tracking environmental indicators – unlike social ones – is defined for Séché Environnement as being all classified environmental protection facilities of which it is the operator, meaning those for which it holds the locally granted operating permit (whether directly or by means of a subsidiary). This rule based on accountability to authorities has been applied within the Group since 2013.

In the case of public service concessions:

- Environmental data are, in principle, reported with those of Séché Environnement whenever the legal structure that received the public service concession and is a subsidiary of the Group holds the local permit: this is true of Alcéa, Sénerval, and Gabarre Énergies (Guadeloupe); the latter two, however, are exceptions:
  - Sénerval – the operator of the Strasbourg incinerator – and Eurométropole – its owner – decided to fully close the site for asbestos removal and revamping for three years from the end of summer 2016. Because Sénerval has been shut down for the last two fiscal years, its environmental data (unlike its HR data) are not relevant. Consequently and as a special exception, its 2014 to 2019 environmental data (air, water, energy, greenhouse gases, waste, etc.) have not been consolidated;
  - Gabarre Énergies (51% owned), which is only the energy recovery portion of the biogas produced by the non-hazardous waste storage facility, which in turn is owned by the delegating local authority that holds the main operating permit.
  - Please note that Béarn Environnement (Lescar) left the scope when its concession ended in 2020.
- Environmental data are not consolidated when the operating permits are in the name of the local authorities in question. This is the case, for instance, of the Scherwiller composting site, which is managed by Séché Éco-Industries.

For the same reason, the facilities operated by Séché Éco-Services (in France) and Solarca (internationally) at industrial sites are not included in Séché Environnement's environmental reporting data because they are reported by the industrial firms in question, which hold the operating permits.

1.7.2.3 Particular case of international work

In recent years, decontamination work was performed outside of national borders, without specific local structures, primarily with international funding (FAO, UNEP, etc.). This work led to the importing of waste after it was made safe, to be treated in France. The environmental impacts are therefore included in the "France" scope, as are the corresponding staff.

1.7.3 Measurements and data processing

1.7.3.1 Types of indicators

The Group uses three types of indicators:

- Structural or stock data derived from documented work (for example, land surface areas or counting company-wide agreements signed);
- Simple operational indicators produced from direct measurements, divided into two sub-categories:
  - Standardized data such as pollutant flows based on official, measurement protocols recognized by government agencies for the reporting of classified environmental protection facilities;
  - Group-specific definitions like the use of lichens for air quality, biodiversity wealth measurements, etc.
- Complex indicators derived from calculations that involve choices in terms of scope assumptions, conversion factors, consolidation protocols, etc., such as energy, greenhouse gases, or the Bilan Carbone®, to name a few examples.

1.7.3.2 Origin of data

Human resources data are taken from the Human Resources Department's database, based on definitions commonly used in France, particularly when preparing social audits (for legal structures that require them). They correspond to the regulatory disclosures made to various government agencies and human resources organizations.

Environmental data in this report are extracted from declarations (including GEREP reporting) made regularly by industrial sites to the competent government agencies (DREAL, Regional Health Agencies, Water Agencies) that oversee and control them. These data are either produced from internal measurements (self-audits) or by certified agencies.

At the international level, environmental and human resources data are collected by the appropriate departments. Since the 2020 reporting process, they have entered their data into an SaaS solution (Tennaxia).

Economic data come from accounting figures prepared in accordance with professional standards and audited as such by the Statutory Auditors. Accounting data related to environmental aspects in companies' individual and consolidated accounts are presented based on recommendation no. 2003-r02 of the French National Accounting Council (CNC) of October 21, 2003.

1.7.3.3 Consolidation techniques

The consolidation of entities or sites is treated similarly to accounting data, i.e. using the full consolidation method, in this case the arithmetic sum of the elementary data for the sites that were part of the scope all year-round.

For entities that enter the scope of consolidation during the year:

- HR data are fully integrated as of the end of the year (headcount at year-end by age, gender, duties, status, etc.);
- Environmental flow indicators (consumption, discharges) and HR indicators (training hours, wage pyramid, etc.) are not counted, as data for less than twelve months are not significant.

1.7.3.4 Comparability

For several years, the results of environmental measurements have regularly been recorded in environmental reporting software (Tennaxia) and are monitored for each site and nationwide. The methodologies for inputting information and for consolidation use the same definitions across the entire period.

Greenhouse gas emissions calculations changed in 2015 to adapt to changes in the configuration of the Bilan Carbone® following the publication of the IPCC Fifth Assessment Report. Faced with the challenge of regularly updating the emission factors in the Base Carbone® database to be used as a priority for regulatory GHG reporting in France, ECO2 Initiative designed an entirely original tool specially for Séché Environnement and dedicated to its needs.

This tool includes:

- Dynamic consultation of the Base Carbone® database to allow for updates. The version of the Base Carbone® database integrated into the model is version 19.0 of December 4, 2020;
- Emissions calculations based on regulatory methods (V4 published in October 2016);
- A method for calculating the uncertainties relating to emissions, based on IPCC recommendations;
- Calculation methods that relate exclusively to scope 1 and 2 emissions under the regulatory method.

1.7.3.5 Materiality

Environmental indicators deemed relevant in light of the activity carried out are those retained in the requirements set out in operating permits issued by local prefects.

Certain inaccuracies or reporting errors in previous years (particularly for environmental indicators) have been detected during completion of the current year reporting. A materiality threshold of 5% of the value of the indicator is used by default for adjustments to data from past years identified during the year under review. Above that threshold, a comment explains the correction.

In the particular case of the greenhouse gas emissions report (BEGES), which is a complex indicator derived from calculations, an uncertainty calculation is performed based on the elementary data sources:

- 1% Data recorded by legal measurements (metrology control)
- 10% Data from invoices;
- 30% Data obtained by calculation / extrapolation;
- 80% Data estimated because they are unavailable.

For biodiversity-related indicators, besides the special protection status granted to certain lands (Natura 2000, ZNIEFF, ZICO, etc.), the Group has for several years deployed monitoring programs for various species or groups of wildlife at its sites, particularly birds and amphibians, species which are bioindicators of air and runoff water quality. The counting particles are derived from the work of participatory science by the French National Museum of Natural History (Natural Wealth Inventory – IPN).

1.7.3.6 Traceability

Numerous controls may be implemented as needs dictate as early as the data input stage so as to avoid input errors and facilitate traceability, by using a set of features that manage the process of collecting and validating the quality of the information included in reporting: controls at source, approval, data blocking, alert management, proof request management.

Environmental data for France are validated internally by the Group's regulatory audit unit (Progrès unit) for integration into the Group's reporting (Tennaxia tool) before final transmission to the government (GEREP reporting of polluting emissions and waste). The operators' declarations are then validated by the inspection department with authority over the facility in question (DREAL/DDASS: local environmental/health authorities, police, water inspectors, Nuclear Safety Authority, etc.). Thus, this mandatory declaration under government oversight serves for the Group's environmental reporting.

Until 2019, international data were reported using electronic spreadsheets, which were consolidated by the International division. From 2020 onwards, with a view to harmonizing non-financial reporting, environmental and human resources data have been reported in Tennaxia, with the possibility of requiring internal validation of the data collected.

1.7.3.7 Transparency – data auditing

In accordance with the ministerial order stating the terms of audit set out by law no. 2010-788, Séché Environnement has assigned KPMG the task of verifying all environmental, social, and societal information presented in this chapter, beginning in 2013. Since 2014, KPMG has verified a selection of indicators marked by the symbol ☑ to a reasonable assurance level.

1.8

REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE REPORT PUBLISHED IN THE MANAGEMENT REPORT.

Séché Environnement SA

Registered office: Les Hêtres – CS20020 , 53811 Changé Cedex 09

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial performance statement

Year ended December 31, 2020

To the shareholders,

In our capacity as Statutory Auditor of your company (hereafter referred to as the "entity") appointed as an independent third party and accredited by COFRAC under number 3-1049[1], we hereby report to you on the consolidated non-financial performance report for the year ended December 31, 2020 (hereinafter the "Report"), presented in the Group management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the entity

It is the responsibility of the Board of Directors to establish a Report in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with respect to those risks, and the results of those policies, including key performance indicators.

The Report was prepared by applying the company's procedures (hereinafter the "Guidelines"), which are summarized in the Report and available on request from its headquarters.

Independence and quality control

Our independence is defined by the provisions set out in Article L.822-11-3 of the French Commercial Code and our professional Code of Ethics. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the applicable legal and regulatory requirements, rules of ethics, and French professional standards.

(1) Cofrac Inspection Accreditation No. 3-1049, available on the website www.cofrac.fr

Responsibility of the Statutory Auditor appointed as an independent third party

It is our responsibility, based on our own work, to issue a reasoned opinion expressing a conclusion of moderate assurance as to:

- The Report's compliance with the provisions set out in Article R.225-105 of the French Commercial Code;
- The fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

It is our responsibility to express, at the company's request, and outside the scope of accreditation, a conclusion of reasonable assurance that the information selected (2) by the entity[1] and identified by the symbol ☑ in chapter 1 - Non-financial performance report, was established, in all significant aspects, in accordance with the Guidelines.

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to anti-corruption and tax avoidance measures, or on the compliance of products and services with the applicable regulations.

Nature and scope of our work

We performed our work in accordance with Articles A. 225-1 et seq of the French Commercial Code and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000[2]:

- We familiarized ourselves with all the entities included in the scope of consolidation, and with the report on the main risks;
- We assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- We verified that the Report covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs and the information required under 2 of Article L.22-10-36 regarding respect for human rights and the fight against corruption and tax evasion;
- We verified that, when relevant to the main risks or policies presented, the Report presents the information stipulated in section II of Article R.225-105 and that, where appropriate, it includes an explanation of the reasons why information required under the second paragraph of section III of Article L.225-102-1 is not presented;
- We verified that the Report presents the business model and describes the main risks relating to the Group's business activity, including, where relevant and proportionate, the risks generated by its business relations, products or services as well as policies, measures and outcomes, including key performance indicators for the main risks;

(1) *Total headcount at December 31 and breakdown by age, Average number of training hours per employee, Percentage of women in the total headcount, Percentage of women managers, Water returned to nature as a percentage of total water consumption, Renewable energy produced as a percentage of total energy production, Energy independence rate, Scopes 1 and 2 greenhouse gas emissions, Greenhouse gas emissions avoided due to energy recovery or gas recycling.*

(2) *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

- We consulted documents and conducted interviews to:
  - assess the process of selecting and validating the main risks and the consistency of the results and key performance indicators used with regard to the main risks and policies presented;
  - corroborate the qualitative information (action and results) we deemed to be the most significant[1]. For some risks[2], we performed our work at the level of the consolidating entity, while for other risks, we carried out our work at the level of the consolidated entity and in a selection of entities[3].
- We verified that the Report covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L.233-16, with the limits specified in the Report;
- We reviewed the internal control and risk management procedures implemented by the entity and assessed the collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that in our judgment were of most significance[4], we carried out:
  - analytical procedures to verify that the data collected were correctly consolidated and that changes were consistent;
  - detailed tests on a sampling basis, consisting of verifying the proper application of the definitions and procedures, and of reconciling the data with the supporting documents. These procedures were conducted for a selection of contributing entities[5] and covered between 46% and 92% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Report in relation to our knowledge of all the entities included in the consolidation scope.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a conclusion of limited assurance; a higher level of assurance would have required us to apply more extensive procedures.

Means and resources

Our work was performed by a team of six people over a period of five weeks between December 2020 and March 2021.

To aid us in carrying out our work, we enlisted our specialists in the areas of sustainable development and social responsibility. We conducted about ten interviews with the people responsible for preparing the Report.

(1) *Collective bargaining agreements signed: Employee awareness of discrimination; Safety prevention plan; Covid-19 crisis management; Participation in waste management research programs; Estimates of Scope 3 CO_2 emissions; Employee awareness of anti-bribery measures; Biodiversity impact studies.*

(2) *Civil and criminal liability relating to health and the environment: Ethical and compliance risks; Regulatory risks, Specific risks inherent to the operation of industrial facilities.*

(3) *SEI Changé (France), Sénerval (France), Trédi Salaise (France), Trédi Saint Vulbas (France), SPP Saint Vulbas (France), Drimm (France).*

(4) *Reasonable assurance: See footnote on page 2 of this report*
Moderate assurance: Frequency of workplace accidents with employee absence, Absenteeism, Women as a percentage of the Board of Directors.

(5) *SEI Changé (France), Sénerval (France), Trédi Salaise (France), Trédi Saint Vulbas (France), SPP Saint Vulbas (France), Drimm (France).*

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the consolidated non-financial performance report does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Report of reasonable assurance for a selection of non-financial information

Nature and scope of our work

For the information selected by the entity and identified by the symbol ☑ in chapter 1 - Non-financial performance report, we performed work of the same type as described in the paragraph entitled "Nature and scope of our work" above, for information we judged to be the most significant as well as a more detailed review, in particular in terms of the number of tests.

As such, the selected sample represents between 46% and 92% of the CSR information identified by the symbol ☑.

We believe that this work allows us to express reasonable assurance as to the information selected by the company and identified by the symbol ☑.

Conclusion

In our opinion, the information selected by the entity and identified by the symbol ☑ in chapter 1 - Non-financial performance report, was prepared, in all its material aspects, in accordance with the Guidelines.

Paris-La Défense, March 8, 2021

KPMG SA

Anne Garans Partner Sustainability Services	Gwenaël Chédaleux Partner


2
2020
ACTIVITY
REPORT

2.1.1 Highlights of the period

In 2020, the global pandemic affected Séché Environnement's organization and operations in France and in the countries where the Group operates to varying degrees. Against this backdrop, Séché Environnement confirmed the resilience of its activities, operating margins, and cash generation, validating its profitable growth strategy.

There was no significant change in the Group's scope, and Séché Environnement successfully completed the integration of its recently acquired international subsidiaries.

Internally, Séché Environnement was able to draw on its solid customer base, a significant increase in waste volumes, and favorable price trends, which over the full year offset the contraction in certain activities during the health crisis in the second quarter in most of the Group's regions.

With its agile and responsive organizational structure, the Group also demonstrated the resilience of its operating margins, which equaled or outstripped the previous year's figures, while its financial position remained solid.

Drawing on its strong business momentum, in particular in circular economy businesses, and benefiting from continued financial flexibility, Séché Environnement is confident in its ability to achieve the objectives set out in the Group's economic, operational and financial roadmap through to 2022[1].

2.1.1.1 Effects of the Covid-19 health crisis

The health crisis that peaked in the second quarter of 2020 cut short a promising start to the year for Séché Environnement in all the countries in which it operates. However, when the lockdowns were removed, activity rebounded very strongly in most of its regions, allowing Séché Environnement to return to strong growth and high profitability in the second half of the year.

The impacts of the health crisis on Séché Environnement's organization and its stakeholders are described in Chapter 1.3 of this document.

Varying impacts depending on the Group's activities and regions

After a first quarter that showed a strong growth trend in the Group's markets, lockdowns affected certain activities to varying degrees, unevenly affecting all of the Group's regions.

By immediately adapting its organization as soon as the health crisis appeared, Séché Environnement was able to continue its waste treatment and recovery activities, with limited impacts on both.

(1) See Investor Day, December 17, 2019.

Séché Environnement nonetheless saw declines in activity in some of its business lines, such as services in France and internationally (decontamination, chemical cleaning), which suffered project delays, sorting/recovery operations and final waste management, which faced lower levels of waste from economic activity (WEA) due to the slowdown in industrial activities and the services sector, particularly distribution.

The Group's profitability was mainly affected in the first half of 2020 by negative business mix effects, which were offset in the second half by the return to a high level of activity, while one-off operational costs related to these organizational measures were absorbed by savings and productivity gains.

The situation also evolved differently in the Group's various countries. For example, the downturns in Chile and Peru were much stronger than those recorded in Europe or South Africa.

In March, the global spread of the pandemic caused certain currencies to fall sharply against the euro, in particular in South Africa and Chile, which reduced the contributions to consolidated activity of subsidiaries in those countries. In total, the foreign exchange effect had a negative impact of around €10 million on consolidated revenue in 2020.

Preserving cash and managing the financial situation

Since the pandemic began, Séché Environnement has paid close attention to preserving the quality of its balance sheet and its liquidity position.

Séché Environnement has strived to protect its cash flow by controlling its investments and expenditures, and the change in its working capital requirement through an active billing and collection policy. In addition, the Group has obtained six-month deferrals on its current bank loans and overdrafts.

Finally, as a precautionary measure, Séché Environnement suspended certain development investments in France and abroad, particularly in South Africa (€11 million initially planned for 2020) and Chile (€6 million initially planned for 2020), but continued its growth investments in Italy (Mecomer) and productivity investments in France (ERP).

Limited effect over time and confirmed resilience of activity and operating margins

From June, with the end of lockdown restrictions, Séché Environnement saw a sharp recovery in waste volumes in France, Europe and South Africa and activities returned to pre-crisis, or even higher, levels (catch-up effects). However, the later onset of the health crisis in Latin America, particularly in Peru and Chile, delayed the return of these countries' activities to normal levels until at least the end of the third quarter.

Similarly, Solarca (industrial maintenance throughout the world) was affected by health constraints restricting travel in the countries where this subsidiary operates, leading to significant project delays.

The return of a good level of activity in most geographical regions in the second half of the year helped offset the negative effects of the business mix in the first half, while the implementation of the cost savings plan initiated in 2019 and the one-off savings linked to the reduction of certain overheads, such as travel or marketing expenses (trade fairs, etc.) enabled the Group to exceed its EBITDA margin target set for 2020[(1)].

(1) *See Investor Day, June 26, 2018.*

2.1.1.2 Confirmed sales momentum and quality organic growth

Excluding the one-off impact of the health crisis, Séché Environnement benefited from strong activity among industrial clients and local authorities in France and most of its regions, which underpinned its organic growth over the period.

In particular, the Group recorded significant business successes in France, expanding and bolstering its presence among local authorities in the circular economy segment.

Solena project

Solena, which is 60% owned by Séché Environnement and 40% owned by its local partner, Sévigné, received the operating permit for its future waste recovery site in Aveyron in late August 2020[1].

This circular economy project involves deploying a complete system for recovering and treating non-hazardous household and business waste from across Aveyron and will greatly reduce volumes of residual waste. It will be developed in Viviez, Aveyron, as part of a 25-year public service concession worth €189 million.

The estimated €50 million investment will cover the creation of a sorting center for processing waste into materials (recycling) or energy (producing biomethane for the public grid and producing fuels for industrial facilities).

Taking into account the preliminary design phase, the anticipated length of construction, and possible appeals, the Solena site is expected to begin operation in 2023.

Montauban public service concession: Mo'Uve project

By submitting an ambitious project, in December 2020, Séché Environnement won the public service concession for the modernization and operation of Mo'Uve – a household waste to energy unit in Montauban – effective January 1, 2020. The contract amounts to around €140 million over 20 years.

The Group will carry out significant work to modernize the facility in order to better meet the environmental expectations of the local authority and its population. The investment, representing around €43 million over two and a half years, involves the installation of a new boiler furnace, the optimization of energy recovery and the improvement of the flue gas treatment system, which will incorporate the most recent technology to ensure the best environmental performance. The facility's thermal energy production capacity will be increased to 40 GWh/year and electricity generation capacity will rise to 18 GWh/year.

This optimized energy performance will allow the facility to obtain ISO 50001 certification and will make Mo'Uve a key contributor to the region's energy strategy.

The architecture of the building will also be remodeled to build a harmonious, modern complex that fits perfectly into its environment.

Séché Environnement will also draw on the presence of its nearby site, DRIMM, located in Montech / Escatalens, to generate new synergies for the local environment.

(1) See press release from August 27, 2020.

2.1.1.3 Other significant events

New B-BBEE partner in South Africa: M53 Investments

The Group began to implement the principles set out in the Broad-Based Black Economic Empowerment (B-BBEE) regulation in South Africa in the first half of 2020 in order to observe its business and regulatory commitments via its subsidiary Interwaste. These principles promote equality in South Africa.

This process led to the selection of a partner that fully complies with the B-BBEE principles, namely M53 Investments. In terms of its capital structure, the Group set up new companies in South Africa and performed various transactions in the shares of its subsidiaries in favor of M53 Investments.

Following these transactions, Séché South Africa is now 83.17% owned by Séché Holdings SA and M53 Investments. At December 31, 2019, it was wholly owned by Séché Environnement.

This partnership will improve Interwaste’s rating under the BEE regulation and, together with other BEE initiatives organized by Interwaste (including training, support for black communities, etc.), will also shore up the Group’s long-term future in this country.

Acquisition of an additional 10% stake in Solarca

Simplification of the business and industrial organizational structure in Peru

In early 2020, Séché Environnement acquired 10% of Solarca's share capital from its founder, Joan Enric Carreres, under the terms set out in the purchase agreement in 2017, for less than €3 million.

Séché Environnement now owns 86% of Solarca's capital, while Joan Enric Carreres retains 14% and remains the company's Chief Executive Officer.

Séché Environnement also finalized the merger of Taris and Kanay in Peru in early 2020. This simplification in the organizational structure will have a positive effect in terms of business and industrial integration.

Non-renewal of the public service concession for the Pau-Béarn incinerator

The Valor Béarn public authority joint venture notified Séché Environnement of its intention not to renew the concession for the Lescar incinerator in Pau. As a result, the contract ended on June 30, 2020.

In 2020, this contract contributed €4.3 million to Séché Environnement's consolidated revenue (vs. €8.8 million in 2019).

2.1.1.4 Confirmed resilience of the Group's activity and earnings capacity

With contributed revenue[1] of €672.5 million in 2020, down by -2.2% on 2019 as reported and by -2.8% at constant scope and exchange rates, Séché Environnement confirmed the resilience of its activities in France and in most of its international businesses.

In France (77% of contributed revenue), consolidated revenue was stable against the previous year (+0.1% to €517.4 million), as the Group enjoyed a strong rebound in waste volumes – in particular non-hazardous waste – from the second half of the year, and a sharp upturn in service activities.

International revenue (€155.1 million, down -9.4% in reported data) included Mecomer's contribution over one more quarter than in 2019 (+€13.6 million), and suffered a significant foreign exchange loss (-€10.2 million). The pace of recovery in activity at the end of lockdowns varied between regions, with Europe and South Africa posting robust activity, while the health crisis had more lasting consequences in Latin America and for International Services (Solarca).

Operating income also confirmed its resilience, with figures equal to or higher than last year on the most significant items:

- EBITDA totaled €137.0 million, up by +1.2% on 2019, reflecting a sharp improvement in gross operating profitability, which rose to 20.4% of contributed revenue (vs. 19.7% in 2019).

  The second half of the year made a significant contribution, even in relation to the second half of 2019, benefiting from full capacity availability, the increased contribution from investments made last year and the positive effects of the industrial efficiency policy and the savings plan.

  As a result, Séché Environnement exceeded its initial gross operating profitability target of 20% of contributed revenue in 2020[2];
- Current operating income was virtually unchanged against 2019, at €47.5 million (vs. €47.8 million in 2019), reflecting a slight improvement in current operating income to 7.1% of contributed revenue (vs. 7.0% in 2019).
- Operating income included various expenses in the amount of -€3.3 million, notably related to changes in the Group's international structure (amounts spent on the search for acquisition targets, expenses relating to the entry of a B-BBEE partner in South Africa and other restructuring costs, mostly in Latin America). Operating income came to €44.2 million, 6.6% of contributed revenue (vs. €46.8 million at December 31, 2019, or 6.8% of contributed revenue).

Net financial income came to -€20.4 million, versus -€17.5 million one year earlier, reflecting, among other things, an increase in the cost of gross debt due to the rise in average financial debt compared to 2019 and a foreign exchange loss of -€1.7 million.

After recognizing a tax expense of -€8.4 million, net income (Group share) amounted to €13.9 million, or 2.1% of contributed revenue (vs. €18.9 million, or 2.8% of contributed revenue, at December 31, 2019).

(1) *Contributed revenue refers to reported revenue minus IFRIC 12 revenue and diversion compensation collected by Sénerval (net of variable cost savings on metric tons not incinerated, collected to cover the costs laid out to ensure continuity of public service). IFRIC 12 revenue corresponds to investments in service concessions, which are booked as both intangible fixed assets and as revenue in accordance with the recommendations of IFRIC 12.*

(2) *See press release from June 26, 2018.*

In 2020, industrial investments were limited to €63.6 million, including €0.6 million in "IFRIC 12" investments in concessions (vs. €72.5 million, including €0.1 million in IFRIC 12 investments a year earlier), representing 9.4% of contributed revenue, in line with the Group's medium-term objectives (between 10% and 11%[1]).

Excluding IFRIC 12 investments, maintenance investments totaled €43.2 million (vs. €48.3 million in 2019), while development investments were more selective in light of the economic environment in certain regions, which became even more uncertain due to the health crisis.

Development investments (€19.8 million vs. €24.1 million in 2019) were limited to strategic investments and mainly concerned the development of new capacity for Mecomer (Italy) and the continued rollout of the new ERP.

At December 31, 2020, the Group's operating free cash flow totaled €63.3 million (vs. €48.8 million a year earlier), reflecting an increase of 30% over the period. The ratio of free cash flow to EBITDA stood at 46%, well above the target of 35% set by the Group for 2020[2].

Available cash amounted to €105.2 million at December 31, 2020 (vs. €92.3 million one year earlier), helping to strengthen the Group's liquidity position to €275.3 million (vs. €287.3 million at December 31, 2019). The cash facility drawn in the first half of 2020 was fully repaid in the second half of the year.

Net financial debt (IFRS) totaled €450.2 million at December 31, 2020 (vs. €456.2 million one year earlier).

The financial leverage ratio, calculated according to the definition provided in the banking contract, was unchanged at 3.1x EBITDA (vs. 3.1x the previous year), a level substantially below the 3.95x set out in the financial covenant – which could be raised to 4.25x in the event of any acquisitions.

(1) *See press release from December 17, 2019.*
(2) *See press release from December 17, 2019.*

2.1.2 Comments on 2020 activity and results

2.1.2.1 Selected financial information on the Group's results

Simplified consolidated income statement

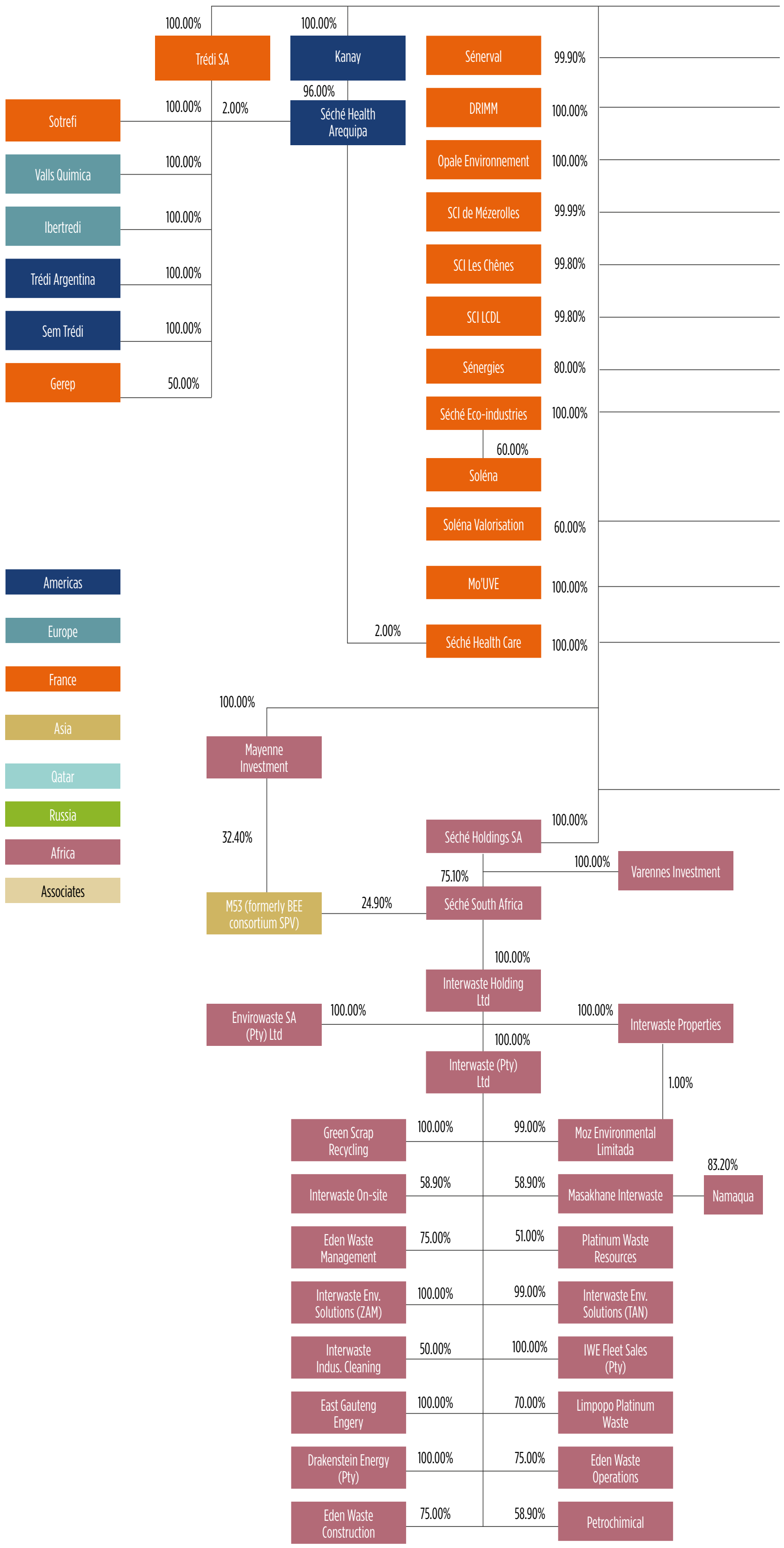
(in millions of euros)	2019	2020	Gross change
Revenue	704.4	673.1	-4.4%
o/w contributed revenue	***687.8***	**672.5**	**-2.2%**
EBITDA	135.4	137.0	+1.8%
% of revenue (1)	*19.7%*	*20.4%*	-
Current operating income	47.8	47.5	-0.6%
% of revenue (1)	*7.0%*	*7.1%*	-
Operating income	46.8	44.2	-4.9%
Net financial income	(17.5)	(20.4)	-
Taxes	(10.4)	(8.5)	-
Net income from consolidated companies	**18.9**	**15.4**	**-18.5%**
Share of income of associates	ns	(1.5)	-
Net income before minority interests	**18.9**	**13.9**	**-26.5%**
Minority interests	(1.1)	(0.1)	
Net income (Group share)	**17.8**	**13.8**	**-22.5%**
Recurring operating cash flow(1)	113.3	111.1	-1.9%
Industrial investments (excl. IFRIC 12)	69.1	63.6	-8.0%
Free operating cash flow(2)	**48.6**	**63.3**	**+30.0%**
Net financial debt (IFRS)	**456.2**	**450.2**	**-1.3%**

(1) EBITDA plus dividends received from subsidiaries and the balance of other cash operating income and expenses, minus site maintenance and rehabilitation expenses, major maintenance and renewal costs for sites under concession arrangements, and investments in concessions (IFRIC 12).

(2) Free cash flow before non-recurring industrial investments, financial investments, dividends, and debt repayment.

CONSOLIDATION ORGANIZATIONAL CHART

Consolidation organizational chart



For all subsidiaries in the scope of consolidation, the percentage of voting rights is equal to the percentage of ownership.

In 2020, the scope of consolidation included 80 companies, compared with 77 in 2019. This change primarily reflects simplification and restructuring operations performed within the consolidation scope.

Voting rights are equal to the percentage of ownership. The percentage interest in Solarca SL increased from 76% in 2019 to 86% in 2020 as Séché Environnement purchased an additional 10% of the subsidiary's share capital from the founding shareholder.

2.1.2.2 Comments on business activity in 2020

At December 31, 2020, Séché Environnement reported consolidated revenue of €673.1 million, vs. €704.4 million at December 31, 2019. Reported consolidated revenue includes non-contributed revenue of €0.6 million (vs. €16.6 million in 2019).

Net of non-contributed revenue, contributed revenue totaled €672.5 million at December 31, 2020 (vs. €687.8 million a year earlier), down by -2.2% on 2019 as reported, and by -2.8% at constant scope and exchange rates.

Unless explicitly stated otherwise, the analysis and comments relate to contributed revenue.

Breakdown of revenue by geographic region

At December 31	2019		2020		Gross change
	In €m	As a %	In €m	As a %	As a %
Subsidiaries in France (excl. IFRIC 12 revenue and compensation)	516.7	75.1%	517.4	76.9%	+0.1%
o/w scope effect	-	-	-	-	
International subsidiaries	171.1	24.9%	155.1	23.1%	-9.4%
o/w scope effect	*102.5*	-	13.6	-	
Total contributed revenue	**687.8**	**100.0%**	**672.5**	**100.0%**	**-2.2%**
IFRIC 12 revenue	-	-	0.6	-	-
Diversion compensation	16.6	-	-	-	-
Total reported consolidated revenue	**704.4**	**-**	**673.1**	**-**	**-4.4%**

Consolidated data at current exchange rates. At constant exchange rates, contributed revenue at December 31, 2019 came to €677.6 million, reflecting a foreign exchange loss of -€10.2 million.

After the second quarter marked the peak in the health crisis in most of the Group's regions, activity overall proved resilient. In France, business was underpinned by the strong performance of industrial markets (82% of contributed revenue in 2020) and by regulations on the circular economy, while for International activities, the situation was more varied by geographical area:

- In France, contributed revenue was stable (+0.1%) compared to 2019, at €517.4 million vs. €516.7 million at December 31, 2019.

  After a good start to the year, which was cut short by the health crisis, most businesses returned to or even outperformed pre-crisis activity levels once the first lockdown was removed.

In its industrial markets, Séché Environnement boasts a core client base of large companies in strategic sectors which maintained a high level of waste generation, including during the lockdowns, bolstering the performance of waste recovery and treatment activities, in particular for hazardous waste. Service activities (decontamination and environmental emergencies in particular) also experienced a strong second half of the year, which made up for the delays incurred during the first lockdown.

Business was strong on the Local Authorities market, with a major catch-up effect in non-hazardous waste volumes (in particular waste from economic activities, WEA) from the end of the first lockdown and, more generally, a bullish environment arising from local authorities' circular economy strategies. However, energy recovery activities declined sharply in the first half of the year due to the incident affecting the Sénerval alternator (negative impact of €9.3 million).

Revenue earned in France accounted for 76.9% of contributed revenue in 2020 (vs. 75.1% in 2019);

- Internationally, revenue totaled €155.1 million at December 31, 2020, vs. €171.1 million a year earlier, a decrease of -9.4% (reported data).

  International revenue included a scope effect of +€13.6 million linked to the contribution by Mecomer over a full year (vs. 9 months in 2019). It included a significant foreign exchange loss of -€10.2 million, mainly due to the decline in the South African currency over the period.

  At constant scope and exchange rates, international revenue fell by -12.1% over the period. While Europe and South Africa proved resilient, this decline mainly reflects the reduced contribution from Latin America and Solarca (Services in the Rest of the World).

  Over the period, international activity was mainly driven by the strength of business in Europe (Mecomer in Italy and Valls Quimica in Spain) and by the resilience of Interwaste's activities in South Africa, where turnover increased by +3.5% at constant exchange rates over the year, despite the sharp contraction in activity in Q2 (-23.8%).

  Latin America contracted sharply over the year (-36% at current exchange rates) and the signs of recovery seen in the fourth quarter were not enough to offset the effects of the health crisis in the second and third quarters.

  Finally, Solarca saw a significant decline in activity (-38%), as government restrictions on cross-border travel led to significant project delays.

  Revenue earned by the international subsidiaries accounted for 23.1% of contributed revenue in 2020 (vs. 24.9% in 2019).

Breakdown of revenue by division

At December 31	2019		2020		Gross change
	In €m	As a %	In €m	As a %	
Hazardous Waste division	450.5	65.5%	411.5	61.2%	-8.7%
o/w scope effect	*75.1*	-	13.6	-	-
Non-Hazardous Waste division (excl. IFRIC 12 revenue and compensation)	237.3	34.5%	261.0	38.8%	+10.0%
o/w scope effect	*27.4*	-	-	-	-
Total contributed revenue	**687.8**	**100.0%**	**672.5**	**100.0%**	**-2.2%**
IFRIC 12 revenue			0.6	-	-
Diversion compensation	16.6		-	-	-
Total consolidated revenue	**704.4**		**673.1**	-	**-4.4%**

Consolidated data at current exchange rates.

The waste recovery and treatment businesses overall confirmed their resilience, with the Non-Hazardous Waste (NHW) division posting strong growth throughout the year, while the Hazardous Waste (HW) division continued to suffer from the delayed resumption of activities in Latin America.

The HW business, which accounted for 61.2% of consolidated contributed revenue, recorded revenue of €411.5 million, down by -8.7% compared with 2019.

At constant scope and exchange rates, this business declined by -11.0%, with contrasting performances between France and Europe on the one hand, and Latin America and Solarca on the other:

- In France, the division brought in €304.7 million in revenue, a slight contraction of -1.8% compared to last year.

  Over the period, recovery and treatment activities were underpinned by industrial markets, which remained strong in both volume and price terms, while decontamination activities, strengthened by the rise in environmental emergency contracts, overall made up for the delays incurred during the health crisis at the beginning of the year;

- Internationally, the division's revenue totaled €106.8 million at December 31, 2020 (vs. €140.1 million one year earlier).

  This revenue includes a scope effect of +€13.6 million linked to the contribution by Mecomer over a full year (vs. 9 months in 2019).

  At constant scope and exchange rates, International revenue contracted by -30.0% against 2019. This decline reflects the more pronounced consequences of the health crisis caused by the cyclical gap between regions, with Latin America and the rest of the world (Solarca) being worse hit than Europe and South Africa, which demonstrated their resilience.

With contributed revenue of €261.0 million, up +10.0% compared to December 31, 2019 (€237.3 million), the NHW Division accounted for 38.8% of contributed revenue:

- In France, this division generated €212.7 million in revenue, an increase of +3.1% from the previous year. After the first lockdown, the non-hazardous waste division benefited from a strong catch-up effect in a market driven by the expansion of the circular economy. As a result, it recorded brisk business, often stronger than before the crisis, especially in storage and decontamination activities. In contrast, energy recovery activities were penalized by the industrial incident at the Sénerval facility at the start of the year, in the amount of -€9.3 million;

- Internationally, revenue totaled €48.3 million at December 31, 2020 (vs. €31.0 million a year earlier), with a very strong increase of +55.9% at current exchange rates and +73.4% at constant exchange rates, mainly due to the contribution by Interwaste in South Africa.

Breakdown of revenue by activity

At December 31	2019		2020		Gross change
	In €m	As a %	In €m	As a %	
Treatment	339.8	49.4%	335.0	49.8%	-1.4%
o/w scope effect	*46.1*	-	*13.4*	-	-
Recovery	102.4	14.9%	85.5	12.7%	-16.4%
o/w scope effect	*2.5*	-	*0.1*	-	-
Services	245.6	35.7%	252.0	37.5%	+2.6%
o/w scope effect	*54.0*	-	*0.1*	-	-
Total contributed revenue	**687.8**	**100.0%**	**672.5**	**100.0%**	**-2.2%**
IFRIC 12 revenue	-	-	0.6	-	-
Diversion compensation	16.6	-	-	-	-
Total consolidated revenue	**704.4**	**-**	**673.1**	**-**	**-4.4%**

Consolidated data at current exchange rates.

Waste treatment activities recorded contributed revenue of €335.0 million at December 31, 2020 (vs. €339.8 million a year earlier).

This increase includes a scope effect of €13.4 million due to the consolidation of Mecomer over 12 months (vs. 9 months in 2019).

At constant scope and exchange rates, waste treatment activities were down -4.5%, with contrasting performances between France and the International business, especially outside Europe:

- In France, these volumes were up by +1.8% to €281.2 million. This division benefited from favorable price and volume effects and high available capacity for hazardous waste incineration and storage facilities, while non-hazardous waste treatment continued to be buoyed by a favorable market environment and the enactment of regulations associated with the circular economy;

- Internationally, waste treatment activities contracted sharply (to €53.8 million, down -15.2% in reported data and -36.6% at constant scope and exchange rates), mainly due to the decline in business in Latin America.

Treatment activities accounted for 49.8% of contributed revenue in 2020 (vs. 49.4% in 2019).

Recovery activities brought in €85.6 million in contributed revenue at December 31, 2020 (vs. €102.4 million in 2019), down -16.4% over the period in reported data and -16.2% at constant exchange rates (with an insignificant scope effect of €0.1 million). This decline was mainly due to energy recovery activities in France:

- In France, revenue from recovery activities totaled €65.5 million (vs. €78.7 million in 2019, a fall of -16.8%). This contraction was due to the reduced contribution from energy recovery activities in the non-hazardous waste sector, which recorded a decline of -€9.3 million due to an industrial incident at the Séneval energy recovery unit in the first half of the year. Hazardous waste material and energy recovery confirmed their good performance, particularly with the ramp-up of the new Salaise facilities after their revamping in 2019 which, among other things, led to a 30% increase in the production of green energy from this facility;

- Internationally, revenue was down 15.3% in reported data and 14.1% at constant scope and exchange rates, at €20.0 million vs. €23.6 million a year earlier. This was mainly attributable to PCB activities in Latin America, as Spain confirmed the resilience of its regeneration activities with a strong second half of the year.

Recovery activities accounted for 12.7% of contributed revenue in 2020 (vs. 14.9% in 2019).

Service activities recorded contributed revenue of €252.0 million at December 31, 2020 (vs. €245.6 million a year earlier, an increase of +2.6% in reported data and +5.5% at constant scope and exchange rates, after taking into account a negligible scope effect of +€0.1 million and a foreign exchange loss of -€6.8 million).

Service activities benefited from:

- In France, the recovery in decontamination activities, which largely offset the delays incurred during the first lockdown and confirmed the strong momentum in environmental emergency services. Revenue was up sharply, by +5.6% to €170.7 million;

- Internationally, revenue stood at €81.2 million, marking a slight contraction of -3.3% at current exchange rates but an increase of +5.1% at constant exchange rates, with Solarca's contraction more than offset by the strong growth recorded by Interwaste in South Africa.

Service activities accounted for 37.5% of contributed revenue in 2020 (vs. 35.7% in 2019).

2.1.3 EBITDA

As at December 31, 2020, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) were up by +1.2% from 2019, to €137.0 million, representing 20.4% of contributed revenue (vs. €135.4 million, 19.7% of contributed revenue, in 2019).

This increase of +€1.6 million from 2019 included a scope effect linked to the consolidation of Mecomer over an additional quarter, representing +€2.6 million, and a negative exchange rate effect of -€1.2 million.

At constant scope and exchange rates, EBITDA margin came out at a similar level, at 20.3% of contributed revenue.

This strong gross operating margin reflects:

- Negative volume effects (particularly for the International scope), for -€33.5 million, which were offset by:
- Significantly positive price effects (+€27.0 million), in line with strong waste treatment capacity use in France; and
- The significant decrease in
  - certain operating expenses resulting from the industrial efficiency policy and the cost savings plan;
  - personnel expenses, following measures taken to adjust costs at some international sites;
  - certain overheads such as travel and marketing expenses - trade fairs, receptions, etc. - due to the pandemic. Some of this decline in expenses will be non-recurring.

Breakdown of EBITDA by geographic scope

In €m	2019			2020		
	Consolidated	France	International	Consolidated	France	International
Contributed revenue	687.8	516.7	171.1	672.5	517.4	155.1
EBITDA	135.4	104.5	30.9	137.0	111.3	25.7
% of contributed revenue	*19.7%*	20.2%	18.1%	20.4%	21.5%	16.5%

Consolidated data at current exchange rates

For each geographic scope, the main changes were:

In France, EBITDA totaled €111.3 million, or 21.5% of contributed revenue, compared to €104.5 million (20.2% of contributed revenue) in 2019, marking a sharp increase of +6.5%.

This increase (+€6.8 million) over the year primarily reflects:

- Positive volume and price effects, with volumes returning to their usual level in the second half of the year, while prices continued their favorable trend in line with high facility utilization rates;
- Tightly controlled operating expenses, in line with the industrial efficiency policy and the cost-saving plan;
- Non-recurring income and expenses such as those resulting from the industrial incident that occurred at the Séneval facility in the first half of the year, which had a negative impact of -€7.6 million, and the temporary reduction in certain expenses due to restrictions linked to the pandemic (travel costs, marketing expenses, etc.).

International EBITDA totaled €25.7 million, or 16.5% of contributed revenue (vs. €30.9 million, or 18.1% of contributed revenue, in 2019). This €5.2 million decline reflects:

- A scope effect (+€2.6 million) related Mecomer's contribution over an additional quarter compared to 2019;
- A foreign exchange effect totaling -€1.2 million.
- At constant scope and exchange rates: a decrease of -€6.6 million linked to the decline in activity in certain regions, despite measures to reduce operating expenses.

2.1.4 Current operating income

At December 31, 2020, current operating income stood at €47.5 million, or 7.1% of contributed revenue (vs. €47.8 million, or 7.0% of contributed revenue, in 2019).

This almost flat performance (-€0.3 million, or -0.6% compared 2019) includes:

- A scope effect of +€2.5 million related to the consolidation of Mecomer over an additional quarter compared to 2019;
- A foreign exchange effect totaling -€0.3 million;
- At constant scope, the decrease of -€2.5 million, reflecting the reduced contribution of the international scope, which was partially offset by the solid contribution of activities in France.

Breakdown of current operating income by geographic scope

In €m	2019			2020		
	Consolidated	France	International	Consolidated	France	International
Contributed revenue	687.8	516.7	171.1	672.5	517.4	155.1
Current operating income	47.8	32.2	15.6	47.5	41.0	6.5
% of contributed revenue	*7.0%*	6.2%	9.1%	7.1%	7.9%	4.2%

Consolidated data at current exchange rates

For each geographic scope, the main changes were:

In France, current operating income totaled €41.0 million, or 7.9% of contributed revenue (vs. €32.2 million, 6.2% of contributed revenue, in 2019).

This good performance reflects the increased contribution of EBITDA (+€6.8 million) and stable amortization and provisions in line with the tight control of investments and the industrial efficiency policy.

Internationally, current operating income totaled €6.5 million, or 4.2% of contributed revenue (vs. €15.6 million, or 9.1% of contributed revenue, in 2019).

This decline of €9.1 million reflects:

- A scope effect of +€2.5 million on Mecomer;
- A foreign exchange effect totaling -€0.3 million;
- At constant scope and exchange rates, the reduced contribution of international EBITDA, in the amount of -€6.6 million, less amortization and provision expenses and other operating expenses totaling -€4.7 million.

2.1.5 Operating income

At December 31, 2020, operating income came to €44.2 million, 6.6% of contributed revenue (vs. €46.8 million, or 6.8% of contributed revenue, a year earlier).

This change essentially reflects expenses incurred in respect of possible acquisition targets, in the amount of -€1.1 million, and other miscellaneous expenses for €3.3 million, including expenses related to acquisitions in South Africa (€0.6 million) and the performance plan (€0.4 million).

2.1.6 Net financial income

At December 31, 2020, net financial income came to -€20.4 million compared to -€17.5 million one year earlier. This change is attributable to:

- An increase in the cost of net debt to €17.0 million (vs. €15.7 million last year) linked to the rise in average net financial debt combined with a fall in the cost of gross debt to 2.87% (vs. 3.04% in 2018);
- The balance of other financial income and expenses, which stood at -€3.4 million vs. -€1.7 million in 2019, due to:
  - A foreign exchange loss of -€1.7 million;
  - Various financial expenses in the amount of €1.7 million, including €0.9 million in bank fees for the revolving credit facility and an expense of €0.7 million related to the accretion of provisions for 30-year monitoring.

2.1.7 Income tax

In 2020, the income tax expense was €8.4 million (vs. €10.4 million in 2019). The effective tax rate stood at 35.3% (35.4% in 2019) due in particular to the prudent activation of tax loss carryforwards, especially those arising in 2020 for certain international subsidiaries.

2.1.8 Share of income of associates

The share of net income of associates primarily includes the Group's share in the income of GEREP and SOGAD, which amounted to -€1.4 million at December 31, 2020 (compared with a non-material amount in 2019).

2.1.9 Consolidated net income

At December 31, 2020, net income before minority interests was €13.9 million (vs. €18.9 million in 2019), reflecting a fall of 26.5% compared to last year and standing at 2.1% of contributed revenue (vs. 2.8% one year ago).

After recognizing minority interests in net income, in the amount of -€0.1 million vs. -€1.1 million in 2019, representing in particular minority interest holdings in Solarca and Mecomer, net income (Group share) came to €13.8 million, or 2.1% of contributed revenue (vs. €17.9 million for 2019, or 2.6% of contributed revenue).

Net earnings per share amounted to €1.77 vs. €2.27 for 2019.

CONSOLIDATED FINANCIAL POSITION

Simplified consolidated balance sheet	2019	2020
In millions of euros	Actual	Actual
Non-current assets	787	771
Current assets (excluding cash and cash equivalents)	239	219
Cash and cash equivalents	92	105
Assets held for sale	-	-
Share capital (including minority interests)	263	258
Non-current liabilities	535	535
Current liabilities	319	301
Liabilities held for sale	-	-

2.2.1 Non-current assets

Non-current assets are primarily fixed assets (property, plant and equipment and intangible assets – including goodwill – and long-term investments) and deferred tax assets.

Total non-current assets decreased by -€16.0 million, mainly due to:

- "Property, plant and equipment and intangible assets": -€8.4 million, mostly reflecting the €8.0 million decline in intangible assets due to the end of the Pau-Béarn incinerator concession;
- "Other non-current financial assets": -€6.7 million, mainly due to changes in the amounts receivable from Eurométropole Strasbourg in compensation payments for the incinerator. This amount receivable is recoverable over the remaining term of the concession (until June 2030).

2.2.2 Current assets (excl. cash and cash equivalents)

Current assets excluding cash amounted to €219.1 million, down by -€19.7 million in relation to December 31, 2019.

This change mainly reflects:

- The €11.2 million decrease in "Other operating assets" arising from the €8.8 million fall in tax receivables;
- The €8.5 million decrease in "Client accounts receivable".

2.2.3 Shareholders' equity

The change in shareholders' equity (Group share) over the period breaks down as follows:

(in millions of euros)	Group	Minority interests
Share capital at January 1, 2020	**255.4**	**8.1**
Other comprehensive income	(9.3)	(0.4)
Net income (Group share)	13.8	0.1
Capital increase	-	0.4
Dividends paid	(7.4)	(0.9)
Treasury stock	(0.2)	-
Business combinations	-	-
Transactions between shareholders	0.6	(3.0)
Other changes	ns	ns
Share capital at December 31, 2020	**252.9**	**4.3**

2.2.4 Current and non-current liabilities

Current liabilities cover liabilities with a maturity of less than one year. Non-current liabilities represent all liabilities with a maturity of more than one year.

Current and non-current liabilities break down as follows:

	12/31/2019			12/31/2020		
(in millions of euros)	Non-current	Current	TOTAL	Non-current	Current	TOTAL
Hedging instruments	0.2	-	0.2	-	0.1	0.1
Provisions	40.1	5.4	45.5	44.8	1.8	46.6
Other liabilities	9.7	244.0	253.7	2.4	231.4	233.8
Income tax payable	-	6.4	6.4	-	1.4	1.4
Total (excl. financial debt)	**50.0**	**255.8**	**305.8**	**47.2**	**234.7**	**281.9**
Financial debt	485.2	63.2	548.4	487.7	67.8	555.5
Total	**535.2**	**319.0**	**854.2**	**534.9**	**302.5**	**837.4**

Current and non-current liabilities excluding financial debt amounted to €281.9 million, down by -€23.9 million, reflecting mainly:

- A -€10.3 million change in liabilities on the acquisition of fixed assets, including -€9.0 million in payments made in 2020 following the acquisition of Mecomer in 2019;
- Changes in other liabilities, in particular "Supplier accounts payable" for -€8.0 million and income tax totaling -€5.0 million.

Changes in the Group's net financial debt are presented in chapter 2.3.2.

2.3.1 Cash flow

2.3.1.1 Cash flows relating to operating activities

In 2020, the Group generated €121.4 million in cash flows from operating activities (vs. €110.4 million in 2019), an increase of €11.0 million.

This change reflects the combined effect of:

- Stable cash flows from operating activities before taxes and financing costs, at €121.3 million (vs. €121.4 million one year earlier);
- The change in WCR of +€11.3 million over the year, representing an improvement of +€16.3 million compared to the change recorded in 2019;
- €11.2 million in net taxes paid in 2020, compared with €5.9 million in 2019 (a cash flow loss of €5.3 million);

2.3.1.2 Cash flows relating to investments

(in millions of euros)	2019	2020
Industrial investments	72.5	63.6
Financial investments	1.1	0.0
INVESTMENTS RECORDED	**73.6**	**63.6**
Industrial investments	69.0	64.2
Financial investments	-	4.1
Acquisition of subsidiaries - Net cash flow	69.8	9.0
INVESTMENTS PAID OUT	**138.8**	**77.3**

In 2020, industrial investments amounted to €63.6 million, including €0.6 million in investments in "IFRIC 12" concessions (vs. €72.5 million, including €0.1 million in investments in concessions, in 2019).

Excluding investments in concessions, industrial investments include:

- Recurrent investments totaling €43.2 million, representing 6.4% of contributed revenue (vs. €48.4 million, or 7.0% of contributed revenue, in 2019).
- Non-recurrent investments totaling €19.8 million, or 2.9% of contributed revenue (vs. €24.1 million, or 3.5% of contributed revenue, in 2019).

These investments broke down as follows:

- €18.7 million in storage facilities (vs. €16.4 million in 2019);
- €9.8 million in category two expenses (vs. €8.1 million in 2019);
- €14.2 million in thermal treatment facilities, platforms and other treatment facilities (vs. €26.5 million in 2019);
- €6.1 million for materials and energy recovery facilities (vs. €2.8 million in 2019);

- €8.5 million for eco-service facilities (vs. €10.8 million in 2019);
- €5.7 million for holding company activities (mostly for IT systems (vs. €6.9 million in 2019).

By business division, industrial investments (excluding IFRIC 12 investments) broke down as follows:

	2019		2020	
	€m	%	€m	%
HW division	46.8	64.6%	40.3	63.8%
NHW division	26.7	35.4%	21.7	36.2%
Total	**72.5**	**100.0%**	**63.0**	**100.0%**

By geographical region, industrial investments (excluding IFRIC 12 investments) broke down as follows:

	2019		2020	
	€m	%	**€m**	%
France	**57.5**	**79.3%**	52.5	83.4%
Germany	0.5	0.7%	0.1	0.2%
Spain	2.2	3.1%	1.0	1.6%
Italy	0.9	1.2%	2.9	4.5%
Argentina	ns	ns	0.0	0.0%
Chile	1.3	1.8%	1.1	1.7%
Mexico	ns	ns	ns	ns
Peru	2.6	3.6%	0.4	0.6%
South Africa/Mozambique	7.1	9.8%	4.0	6.3%
Rest of world	0.4	0.6%	1.0	1.6%
International total	**15.0**	**20.7%**	**10.5**	**16.6%**
Consolidated total (excl. IFRIC 12)	**72.5**	**100.0%**	**63.0**	**100.0%**

In terms of future investments, management only makes firm commitments for investments in concessions, which are financed by bank loans take out by the entity that holds the public service delegation.

Besides Solena and Mo'Uve – two concessions won by the Group in the second half of 2020, and for which construction or renovation work will begin in 2021 at the earliest – investments in concessions under public service delegations operated by the Group are now complete and no future commitments have been made.

The Group's use of cash to self-finance its investments (excluding investments in concessions, which are fully funded by bank loans) is presented below:

(in millions of euros)	2019	2020
Cash flow (before taxes and financial expenses) (A)	121.4	121.3
Industrial investments (B)	72.5	63.6
Concession investments (IFRIC 12)	-	0.6
(A) / (B)	**168%**	**191%**
Financial investments (C)	69.8	11.9

Note that investments in concessions are financed by specific secured financing lines.

2.3.1.3 Cash flows relating to financing activities

Total net cash relating to financing activities amounted to -€27.1 million in 2020, essentially reflecting:

- Flows relating to new borrowings: +€64.4 million vs. €111.1 million in 2019;
- Flows relating to loan repayments: -€65.3 million vs. -€43.8 million in 2019;
- Interest expense: -€17.1 million vs. -€15.8 million in 2019;
- Flows relating to dividends paid to shareholders and minority interests: -€8.3 million vs. -€8.1 million in 2019;
- Cash flows without gain of control (including the acquisition of 10% in Solarca): -€1.1 million vs. -€1.6 million in 2019.

2.3.2 Debt and funding structure

The table below presents changes in net debt over the past two fiscal years:

(in millions of euros)	12/31/2019	12/31/2020
Bank debt (excl. non-recourse bank loans)	203.7	241.5
Non-recourse bank debt	32.2	29.6
Bonds	254.0	229.3
Lease liabilities	42.9	45.0
Miscellaneous financial debt	4.2	3.1
Short-term bank borrowings	11.5	7.1
Equity investments	-	-
TOTAL FINANCIAL DEBT (current and non-current)	**548.5**	**555.5**
Cash balance	(92.3)	(105.3)
NET FINANCIAL DEBT	**456.2**	**450.2**
of which due in less than one year (1)	61.0	60.7
o/w due in more than one year	395.1	389.5
NET BANK DEBT (2)	**399.4**	**395.2**

(1) *The cash balance is considered over less than one year*
(2) *Calculated according to the definition provided in the banking contract.*

Gross financial debt amounted to €555.5 million at December 31, 2020, compared with €548.5 million one year earlier.

This +€7.0 million increase mainly reflects changes in:

- Bank loans: +€35.3 million;
- Bond debt: -€24.7 million;
- Financial leases: +€2.1 million;
- Various items: -€5.6 million, including short-term bank borrowings for -€4.5 million.

At December 31, 2020, 80% of gross financial debt, including finance leases and after recognizing hedging instruments, was hedged at fixed rates (vs. 94% in 2019).

The breakdown of gross financial debt by currency is as follows:

At December 31	2019		2020	
	€m	%	€m	%
Euros	516.3	94.1%	528.3	95.0%
ZAR (South Africa)	11.4	2.1%	10.1	1.8%
PEN (Peru)	15.4	2.8%	13.4	2.4%
CLP (Chile)	1.3	0.2%	0.9	0.2%
USD (Peru)	2.4	0.4%	2.4	0.4%
GBP (Rest of the world)	0.2	>0.1%	0.2	>0.1%
QAR (Qatar)	0.2	>0.1%	0.2	>0.1%
SGD (Singapore)	1.3	0.2%	-	-
Consolidated total	**548.5**	**100.0%**	**555.5**	**100.0%**

At December 31, 2020, the cash balance stood at €105.3 million, up +14.1% compared to the previous period, reflecting a further improvement in balance sheet liquidity. The cash facility drawn in the first half of 2020 was fully repaid in the second half of the year.

At this date, the Group's net financial debt amounted to €450.2 million (vs. €456.2 million one year earlier).

According to the definition provided in the banking contract, which specifically excludes some categories of debt (including non-recourse debt) and the effects of IFRS 16, net debt stood at €395.2 million at December 31, 2020 (€399.4 million one year earlier), producing a stable financial leverage ratio of 3.1x EBITDA (vs. 3.1x one year earlier).

2.4

EXPECTED DEVELOPMENTS, FUTURE PROSPECTS AND SIGNIFICANT POST-BALANCE SHEET EVENTS

2.4.1 Post-balance sheet events

2.4.1.1 Acquisition of Spill Tech in South Africa

On January 18, 2021, Séché Environnement announced plans to acquire the South African company Spill Tech.

Spill Tech specializes in hazardous waste management and offers high value-added services for industrial cleaning, site decontamination, marine decontamination and polluted soil treatment.

Through its network of 16 sites and 1,300 highly qualified employees, Spill Tech responds at all times, throughout South Africa, to environmental emergencies in order to protect people, equipment and the environment from the consequences of industrial accidents or historical pollution.

Thanks to its rapid response capacity (usually in less than an hour), Spill Tech provides solutions that are perfectly adapted to the risks posed by environmental accidents and their consequences, such as the spillage of hazardous materials on land and at sea. Spill Tech also offers high value-added services for cleaning or decontamination of industrial sites, soil decontamination and hazardous waste management.

The Spill Tech business lines therefore offer seamless industrial, geographical and commercial synergies with the offering of Interwaste, a Séché Environnement subsidiary since 2019 and 2nd largest waste management operator in South Africa, complementing its upstream value chain.

Based on certification procedures meeting the highest international standards, including ISO 9001, ISO 14001, and OHSAS 18001, Spill Tech is active among an industrial clientele of major South African and international companies in the oil extraction and petrochemical sectors, with accreditation from Sasol, Total, BP, Engen and Shell, among others.

A company with a strong culture of social responsibility, Spill Tech also fully meets the requirements of Level 1 of the B-BBEE government program.

Spill Tech is a fast-growing company (with average revenue growth of +40% per year between 2018 and 2020) and in 2021 it is expected to generate some €29 million in revenue, around €7.9 million in adjusted EBITDA, and approximately €4.6 million in net income.

The acquisition will be financed by drawing on the existing bank credit facility.

Subject to the removal of the conditions precedent and in particular the approval of the competent authorities, this acquisition is expected to be finalized in March 2021.

2.4.1.2 Other post-balance sheet events

At the time of writing, the Group was not aware of any other significant event occurring after the closing date likely to have a significant impact on its assets, financial position or operating income.

As far as the Group is aware, there were no legal disputes, arbitration or exceptional events occurring after the closing date that are liable to have or to have had in the recent past a significant effect on the financial position, earnings, activity or assets of the Company or the Group.

2.4.2 Outlook

Séché Environnement expects the effects of the health crisis on the economy to gradually ease in 2021, in France and in most of the countries in which the Group operates.

Based on this assumption, and given the resilience of its activities and margins in 2020, Séché Environnement is confident in its ability to return to its revenue growth path and continue improving its operating margins in 2021, thus confirming the sales, operating and financial roadmap the Group has set out through 2022.

2.4.2.1 Outlook for 2021

Drawing on its economic, operating, financial and non-financial achievements in 2020, Séché Environnement is confident in the resilience and long term future of its activities in France and internationally.

Resilience of business lines with regard to the economic risks arising from the pandemic

Séché Environnement fully understands how waste can be harmful, and how it is a strategic concern for the continuity of economic and social life. As such, it operates in business lines that are critical to public sanitation, the protection of human health, and the remediation of environmental risks.

Its positioning on the waste markets, particularly hazardous waste, makes it essential to the continuity of its industrial clients' output. The majority of these clients operate in strategic sectors such as energy, chemicals, health care, or pharmaceuticals. Séché Environment is also a committed partner to its Local Authority and Hospital customers, enabling them to continue their public service missions.

Moreover, its strong presence in markets focused on the circular economy, the ecological transition and the fight against climate change, all of which are major societal issues, gives its activities long term growth momentum, boosted by ever more demanding public opinion both in France and internationally, which is reflected in increasingly stringent environmental regulations and calls for increasingly complex solutions from industrial and public clients.

Bullish markets

In 2021, Séché Environnement expects to continue to benefit from strong industrial markets, with industrial output set to remain high, particularly among its core client base.

Local authority markets, which mainly involve non-hazardous waste, should continue to benefit from the positive effects of the implementation of the circular economy.

In particular, the prospect of a gradual and significant increase in the general tax on polluting activities (TGAP), paid by the waste producer, between 2021 and 2025 is likely to strengthen waste recovery by shifting the economic balance of waste businesses towards recovery activities. At the same time, restrictions on cross-border transfers of waste, both within the European Union and to countries in Asia such as China are gaining momentum with new categories of waste banned from 2021.

Return to growth in contributed revenue

These positive trends, both in France and on its main international markets, allow Séché Environnement to anticipate renewed growth in its revenue in France and abroad in 2021.

The current financial year will compare with the lower economic performance recorded in the first half of 2020, which was affected by the health crisis, while the Group is expected to benefit from the full availability of its energy recovery and waste treatment facilities throughout the year, as well as the contribution of new business generated in 2020, such as the Mo'Uve concession in Montauban, and the acquisition announced in 2021 (Spill Tech).

Continued improvement in operating performance

At the operating level, Séché Environnement will pursue its industrial efficiency strategy, which is based on being increasingly selective in its investments and achieving €10 million in savings over the 2020-2021 period. For at least part of the year, the Group should also continue to benefit from savings arising from the health crisis (reduction in travel expenses, trade fairs, etc.). These factors should improve the Group's gross operating profitability (EBITDA/contributed revenue) compared to 2020, with a target of achieving EBITDA equal to 21% of contributed revenue.

Séché Environnement has a major investment program for 2021, with projects to expand international capacity, in particular in Italy (finalization of investments begun in 2020 and doubling of capacity for Mecomer).

In France, the Group will make capacity investments in its hazardous and non-hazardous waste incineration facilities and investments related to regulatory changes.

In organizational terms, it will continue to invest in a new ERP solution over three years (2020-2022), which, among other benefits, will better structure oversight of its operations in line with the operational optimization policy.

All of these development projects should total around €20 million in 2021, in addition to the Group's standard maintenance and development investments (estimated at around 10% of contributed revenue). Investments will be made in line with the objective of free cash flow generation(1) (35% of EBITDA) and flexibility, with an improvement in the financial leverage ratio to around 2.9x EBITDA at the end of 2021 (at constant scope(2)).

2.4.2.2 Roadmap through to 2022

Moving towards 2022, Séché Environnement reaffirms its confidence in its main strategic objectives, which it announced on December 19, 2019, in terms of market positioning, growth, and its industrial and organizational policy:

Development strategy:

In France, Séché Environnement intends to continue expanding in the high added value businesses of the circular economy, in particular in the recovery of scarce resources from hazardous waste and energy recovery from non-hazardous waste, as well as in added value service activities.

Internationally, the Group plans to take significant positions in emerging economies offering solid volume and value growth prospects, buoyed by the tightening of local environmental standards and rising barriers to entry. To achieve this, the strong organic growth expected on these markets could be enhanced by small-scale acquisitions if opportunities arise.

Activity growth:

Séché Environnement expects contributed revenue to reach between €750 million and €800 million at the end of 2022, with around 30% generated internationally (compared with around 23% in 2020) – at constant scope.

Operating profitability and cash flow generation:

Profitable growth, industrial efficiency and productivity gains enable Séché Environnement to set a target EBITDA of between 21% and 22% of contributed revenue.

The free cash flow generation target(3) of 35% of 2022 EBITDA is fully confirmed, with an improved financial leverage ratio (net financial debt / EBITDA) of below 3.0x 2022 EBITDA – excluding acquisitions – (vs. a mid-cycle ratio of around 3.0x).

(1) See above.
(2) Compared with an initial target of around 3.0x EBITDA (see press release of June 26, 2018).
(3) See below.

2.5.1 Presentation of Séché Environnement SA's income statement

(in thousands of euros)	12/31/2019	12/31/2020	Change
Revenue	12,434	11,466	-7.8%
Operating income	(5,732)	(6,407)	-
Net financial income	35,417	8,206	-76.8%
Non-recurring income	(5,450)	33,330	-
Income tax (incl. tax consolidation)	9,153	(10,386)	-
Net income	**33,388**	**45,516**	**+36.3%**

Séché Environnement SA's net income for 2020 came to €45.5 million, up €12.1 million in relation to the previous year (€33.4 million).

This increase was mainly due to:

- the €27.2 million decline in financial income due to the impairment of investments in subsidiaries totaling €30.8 million; and
- the €38.9 million increase in non-recurring income due to the reversal of extraordinary provisions to correct an accounting error in the amount of €34.3 million.

2.5.2 Payment terms

Pursuant to the provisions of Article 441 of the French Commercial Code, information about client and supplier payment deadlines is as follows:

	Invoices received and due but not settled at the balance sheet date						Invoices issued and due but not settled at the balance sheet date					
	0 day (indication)	1-30 days	31-60 days	61-90 days	91 days and more	Total (1 day and more)	0 day (indication)	1-30 days	31-60 days	61-90 days	91 days and more	Total (1 day and more)
(A) Late payment details												
Number of invoices concerned	-					24	-					34
Amount incl. tax of invoices concerned (€k)	-	19	2	0	42	63	-	212	48	48	1,446	1,754
Percentage of total amount of purchases incl. tax made during the year (€k)	-	0.1%	0.0%	0.0%	0.2%	0.3%						
Percentage of revenue incl. tax for the year							-	1.3%	0.3%	0.3%	8.9%	10.8%
(B) Invoices excluded from (A) concerning disputed liabilities or receivables or those not recognized												
Number of invoices excluded	5						NONE					
Total amount of excluded invoices (€k)	30						NONE					
The payment deadlines used as reference are those set out in contracts or legal deadlines.												

2.5.3 Appropriation of income

After noting the profit for the period of €45,515,574.21, the Board of Directors proposed the following appropriation:

- Dividend payout of €7,464,845.40.

  The dividend payment for the year would therefore be set at €0.95 per share.

  The ex-dividend date is set at July 8, 2021 and the dividend will be paid from July 12, 2021.

When paid to natural persons domiciled in France for tax purposes, the gross dividend amount is subject to a withholding tax at the flat rate of 12.8% (Article 200 A of the French General Tax Code) and social security contributions at the rate of 17.2%.
This flat rate withholding tax does not discharge the income tax liability but constitutes an interim income tax, charged to the tax due the following year. On the taxpayer's express, irrevocable request, applicable to all dividends, the dividend may be taxed according to the progressive income tax scale after application of a 40% allowance (Article 200 A, 2, and 158 3-2° of the French General Tax Code).

- Allocation of €38,050,728.81 to retained earnings, taking the total amount of retained earnings to €82,072,169.20. The amount corresponding to dividends not paid on shares held by the Company on the ex-dividend date will be allocated to retained earnings on the payment date.

2.5.4 Five-Year Financial Summary

(In euros)	2016	2017	2018	2019	2020
SHARE CAPITAL AT YEAR-END					
Share capital	1,571,546	1,571,546	1,571,546	1,571,546	1,571,546
Number of ordinary shares outstanding	7,857,732	7,857,732	7,857,732	7,857,732	7,857,732
OPERATIONS AND INCOME FOR THE YEAR					
Pre-tax revenues	12,450,229	12,304,289	12,152,145	12,434,447	11,466,046
Income before tax, employee profit-sharing, depreciation, amortization, and provisions	19,000,414	9,670,887	15,227,544	19,280,638	31,341,958
Income taxes	-7,497,925	-7,843,492	-9,041,219	-9,153,472	-10,385,595
Employee profit-sharing for the year					
Income after tax, employee profit-sharing, depreciation, amortization, and provisions	19,474,371	8,288,347	12,461,360	33,387,735	45,515,574
Dividend paid to shareholders	7,464,845	7,464,845	7,464,845	7,464,845	7,464,845
EARNINGS PER SHARE					
Income after tax, and employee profit-sharing, but before depreciation, amortization and provisions	3.37	2.23	3.09	3.62	5.31
Income after tax, employee profit-sharing, depreciation, amortization, and provisions	2.48	1.05	1.59	4.25	5.79
Dividend per share (1)	0.95	0.95	0.95	0.95	0.95
PERSONNEL					
Average headcount for the period	28	27	29	28	28
Payroll for the period	3,072,478	3,078,141	3,227,442	3,183,525	3,062,385
Amounts paid for employee benefits during the period (social security, social works)	1,307,350	1,323,973	1,281,416	1,307,225	1,244,415

2.6

INFORMATION ON DIVIDENDS

Dividends are paid annually at the time and locations stipulated by the Annual General Meeting, within nine months of the close of the 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 is prohibited by law. Dividends remaining unclaimed within five years of their allocation for payment are transferred to the State.

Dividends per share paid in respect of the past three years and the corresponding tax credit are shown below:

	Income eligible for the 40% allowance		Income not eligible for the 40% allowance
Year	Dividends	Other distributed income	
2017	€7,464,845.40 or €0.95 per share	None	-
2018	€7,464,845.40 or €0.95 per share	None	-
2019	€7,464,845.40 or €0.95 per share	None	-

3

2020 CONSOLIDATED FINANCIAL STATEMENTS

3.1.1 Consolidated financial position

(In thousands of euros)	12/31/2019	12/31/2020	Notes
Goodwill	309,714	309,079	3.2.4.1.a
Intangible fixed assets under concession arrangements	49,441	41,419	3.2.4.1.b
Other intangible fixed assets	35,712	39,156	3.2.4.1.b
Property, plant and equipment	316,735	313,768	3.2.4.2
Investments in associates	431	180	3.2.4.3
Non-current financial assets	7,996	7,209	3.2.4.4.a
Non-current derivatives - assets	-	-	3.2.4.4.c
Non-current operating financial assets	42,889	35,930	3.2.4.4.a
Deferred tax assets	24,300	23,438	3.2.4.7
Non-current assets	**787,218**	**770,179**	
Inventories	14,553	15,009	
Trade and other receivables	179,480	171,023	
Current financial assets	3,586	974	
Current derivatives - assets	-	-	3.2.4.4.c
Current operating financial assets	40,765	32,103	3.2.4.4.a
Cash and cash equivalents	92,276	105,265	3.2.4.4.a
Current assets	**330,660**	**324,374**	
Assets held for sale	-	-	
TOTAL ASSETS	**1,117,878**	**1,094,554**	
Share capital	1,572	1,572	
Additional paid-in capital	74,061	74,061	
Reserves	161,918	163,479	
Net income	17,825	13,815	
Shareholders' equity (Group share)	**255,376**	**252,927**	**3.2.4.9**
Minority interests	8,096	4,302	
Total shareholders' equity	**263,472**	**257,230**	
Non-current financial debt	485,238	487,729	3.2.4.4.b
Non-current derivatives - liabilities	189	0	3.2.4.4.c
Employee benefits	14,358	16,497	3.2.4.5
Non-current provisions	18,891	22,185	3.2.4.6
Non-current operating financial liabilities	9,681	2,377	3.2.4.4.b
Deferred tax liabilities	6,883	6,076	3.2.4.7
Non-current liabilities	**535,240**	**534,865**	
Current financial debt	63,228	67,809	3.2.4.4.b
Current derivatives - liabilities	83	75	3.2.4.4.c
Current provisions	5,442	1,756	3.2.4.6
Tax liabilities	6,439	1,440	
Current operating financial liabilities	243,974	231,379	3.2.4.4.b
Current liabilities	**319,166**	**302,459**	
Liabilities held for sale	-	-	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,117,878**	**1,094,554**	

3.1.2 Consolidated income statement

(In thousands of euros)	12/31/2019	12/31/2020	Notes
Revenue	**704,419**	**673,076**	
Other business income	8,137	780	3.2.1.21
Transfers of expenses	3,644	(0)	
Income from ordinary activities	**716,200**	**673,856**	**3.2.4.10**
Purchases used for operational purposes	(95,662)	(85,007)	
External expenses	(266,375)	(240,026)	3.2.4.11
Taxes and duties	(46,268)	(47,663)	3.2.4.11
Employee expenses	(172,522)	(164,154)	3.2.4.11
EBITDA	**135,373**	**137,007**	
Expenses for rehabilitation and/or maintenance of sites under concession arrangements	(10,855)	(12,488)	3.2.2.2 a
Depreciation & amortization, impairment, and provisions	(73,058)	(76,840)	3.2.4.12
Other operating items	(3,657)	(144)	3.2.4.12
Current operating income	**47,803**	**47,535**	
Other non-current items	(1,040)	(3,292)	3.2.4.13
Operating income	**46,763**	**44,243**	
Cost of net financial debt	(15,736)	(17,020)	
Other financial income and expenses	(1,737)	(3,419)	
Financial income	**(17,473)**	**(20,439)**	**3.2.4.14**
Income tax	(10,358)	(8,404)	3.2.4.15
Share of income of associates	(45)	(1,477)	3.2.4.16
Net income from continuing operations	**18,888**	**13,923**	
Income from discontinued operations	-	-	
Net income	**18,888**	**13,923**	
o/w attributable to minority interests	(1,063)	(107)	
o/w Group share	**17,825**	**13,815**	
Non-diluted earnings per share (in euros)	*2.27*	1.77	
Diluted earnings per share (in euros)	*2.27*	1.77	

3.1.3 Consolidated statement of other comprehensive income

(In thousands of euros)	12/31/2019	12/31/2020
Other comprehensive income not subsequently reclassified to profit or loss:		
Actuarial gains/losses on employee benefit liabilities	(6,689)	(979)
Income tax effects	2,121	39
Amount before income tax (A)	**(4,568)**	**(939)**
o/w share of income of associates	*(41)*	*(3)*
Other comprehensive income subsequently reclassified to profit or loss:		
Change in net investments	(1,125)	(5,622)
Change in fair value of derivatives	100	250
Tax effect on the items listed above	193	89
Foreign exchange rate adjustments	274	(3,513)
Amount before income tax (B)	**(558)**	**(8,796)**
o/w share of income of associates	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**(5,126)**	**(9,735)**
Net income	**18,888**	**13,923**
TOTAL COMPREHENSIVE INCOME	**13,762**	**4,187**
o/w Group share	*12,687*	4,503
o/w attributable to minority interests	*1,075*	(316)

The decrease in the impact of actuarial gains and losses on employee commitments (-€1 million at December 31, 2020 versus -€6.7 million at December 31, 2019) is linked to the fact that changes in actuarial assumptions were limited at December 31, 2020 compared with those of the previous fiscal year[1].

The "Change in net investment" line for -€5.6 million at December 31, 2020 can be attributed to the impact of the deterioration of the South African rand for -€4.6 million [2].

The "Foreign exchange rate adjustments" for -€3.5 million is linked to the impact of the deterioration of the Peruvian currency for -€3 million [2].

(1) See Note 3.2.4.5
(2) See Note 3.2.4.9 c)

3.1.4 Statement of changes in consolidated shareholders' equity

(In thousands of euros)	Share capital	Additional paid-in capital	Treasury stock	Consolidated reserves	Foreign exchange rate adjustments	Fair value reserves	Group share	Share of non-controlling interests	Total shareholders' equity
At December 31, 2018	**1,572**	**74,061**	**(3,260)**	**185.861**	**(6.516)**	**(462)**	**251,255**	**3,515**	**254,769**
Other comprehensive income	-	-	-	(4,562)	257	(832)	(5,137)	12	(5,126)
Net income	-	-	-	17,825	-	-	17,825	1,063	18,888
Total comprehensive income	**-**	**-**	**-**	**13,263**	**257**	**(832)**	**12,687**	**1,075**	**13,762**
Dividends paid	-	-	-	(7,409)	-	-	(7,409)	(710)	(8,119)
Treasury stock	-	-	51	-	-	-	51	-	51
Business combinations	-	-	-	-	-	-	-	4,609	4,609
Transactions between shareholders	-	-	-	(1,203)	-	-	(1,203)	(392)	(1,595)
Other changes	-	-	-	-	-	-	-	-	-
At December 31, 2019	**1,572**	**74,061**	**(3,209)**	**190,512**	**(6,259)**	**(1,294)**	**255,376**	**8,096**	**263,472**
Other comprehensive income	-	-	-	(991)	(9,362)	1,040	(9,313)	(422)	(9,735)
Net income	-	-	-	13,816	-	-	13,816	107	13,923
Total comprehensive income	**-**	**-**	**-**	**12,825**	**(9,362)**	**1,040**	**4,503**	**(316)**	**4,187**
Capital increase	-	-	-	-	-	-	-	407	407
Dividends paid	-	-	-	(7,412)	-	-	(7,412)	(903)	(8,315)
Treasury stock	-	-	(393)	184	-	-	(209)	-	(209)
Business combinations	-	-	-	-	-	-	-	-	-
Transactions between shareholders	-	-	-	639	-	-	639	(2,947)	(2,308)
Other changes	-	-	-	30	-	-	30	(35)	(5)
At December 31, 2020	**1,572**	**74,061**	**(3,602)**	**196,778**	**(15,621)**	**(254)**	**252,927**	**4,302**	**257,230**

"Other comprehensive income" at December 31, 2020 is explained in Note 3.1.3.

"Transactions between shareholders" at December 31, 2020 includes the impacts of the additional acquisition without taking control of the Spanish subsidiary Solarca SL and the implementation of the Broad-Based Black Economic Empowerment program in South Africa described in Note 3.2.2.1.

3.1.5 Consolidated statement of cash flows

(In thousands of euros)	12/31/2019	12/31/2020	Notes
Net income	**18,888**	**13,923**	
Share of income of associates	45	1,477	3.2.4.16
Dividends from joint ventures and associates	325	-	
Depreciation & amortization, impairment, and provisions	75,239	76,210	
Income from disposals	835	829	
Deferred taxes	1,106	201	3.2.4.15
Other income and expenses	58	3,904	
Cash flows from operating activities	**96,496**	**96,544**	
Income tax	9,252	8,204	3.2.4.15
Cost of gross financial debt before long-term investments	15,611	16,532	
Cash flows from operating activities before taxes and financing costs	**121,359**	**121,279**	
Change in working capital requirement	(5,045)	11,310	3.2.4.18
Tax paid	(5,893)	(11,233)	
Net cash flows from operating activities	**110,421**	**121,356**	
Investments in property, plant and equipment and intangible assets	(71,769)	(66,392)	
Disposals of property, plant and equipment and intangible assets	2,719	2,171	
Increase in loans and financial receivables	(1,083)	(543)	
Decrease in loans and financial receivables	1,085	473	
Takeover of subsidiaries net of cash and cash equivalents	(69,794)	(9,003)	3.2.4.18
Loss of control over subsidiaries net of cash and cash equivalents	5	52	
Net cash flows from investments	**(138,837)**	**(73,242)**	
Dividends paid to equity holders of the parent	(7,408)	(7,412)	3.1.4
Dividends paid to holders of minority interests	(710)	(861)	
Capital increase or decrease by controlling company	-	407	
Cash and cash equivalents without loss/gain of control	(1,593)	(4,066)	3.2.4.18
Change in shareholders' equity	35	(168)	
New loans and financial debt	111,078	64,431	3.2.4.4.b
Repayment of loans and financial debt	(27,483)	(51,013)	3.2.4.4.b
Interest paid	(13,750)	(15,115)	3.2.4.4.b
Repayments of lease liabilities and associated financial expenses	(18,385)	(16,245)	3.2.4.4.b
Net cash flows from financing activities	**41,785**	**(30,043)**	
Total cash flow for the period, continuing operations	**13,369**	**18,072**	
Net cash flows from discontinued operations	-	(1)	
TOTAL CASH FLOWS FOR THE PERIOD	**13,369**	**18,071**	
Cash and cash equivalents at beginning of year	66,806	80,741	
Cash and cash equivalents at end of year	80,741	98,184	
Effect of changes in foreign exchange rates	566	631	

(1) of which:

Cash and cash equivalents	*92.276*	*105,265*	
Short-term bank borrowings (current financial debt)	*(11.535)*	*(7,081)*	

3.2.1 Accounting principles and valuation methods

3.2.1.1 Basis for preparing and presenting the financial statements

The consolidated financial statements at December 31, 2020 reflect the accounting position of SECHE ENVIRONNEMENT and its subsidiaries (hereinafter, the "Group") and the Group's interests in joint ventures and associates.

The consolidated financial statements were approved by the Board of Directors on March 5, 2021, and submitted to the General Shareholders' Meeting for approval on April 30, 2021.

Information is disclosed only when it is of material importance. Figures are expressed in thousands of euros with no decimal point. Figures rounded up to the nearest million may, in some cases, lead to insignificant disparities with respect to the totals and sub-totals presented in the tables.

Pursuant to Regulation (EC) No 1606/2002 of July 19, 2002, the consolidated financial statements of the Group at December 31, 2020 are compliant with the IFRS standards and interpretations as adopted by the European Union at December 31, 2020 (available at the following URL: *https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en*).

A. New standards and interpretations applicable on or after January 1, 2020

The standards and rulings that came in force and became mandatory as of January 1, 2020 had no material impact on the Group's consolidated financial statements at December 31, 2020. They mainly concerned:

- Amendments to references to the Conceptual Framework in the IFRS Standards;
- Amendment to IFRS 3 "Business combinations – Definition of a business";
- Amendments to IAS 1 and IAS 8 "Definition of Material";
- Amendments to IFRS 9, IAS 39 and IFRS 7 on the Interest Rate Benchmark Reform.

The Euribor continues to be used as a benchmark in the financial markets and is used to measure financial instruments maturing after the expected end of this rate. The Group does not hedge interbank rates.

B- Standards and interpretations adopted by the IASB but not yet applicable at December 31, 2020

Standards	Applicable from	Subject
Amendments to IFRS 16	June 1, 2020	Rent concessions granted due to Covid-19
Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16	January 1, 2021	Interest Rate Benchmark Reform - Phase 2
Amendments to IFRS 3	January 1, 2022	Update of Reference to the Conceptual Framework
Amendments to IAS 37	January 1, 2022	Onerous contracts - Cost of fulfilling a contract
Amendments to IAS 1	January 1, 2023	Classification of Liabilities as Current or Non-current
Amendments to IAS 16	January 1, 2022	Property, Plant and Equipment - Proceeds before Intended Use
IFRS 17 and amendments	January 1, 2023	Insurance Contracts
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022	Annual improvements to standards, 2018-2020 cycle

The assessment of the impact of the application of these standards and amendments is under consideration, with the exception of the amendment to IFRS 16 which has no impact on the Group's consolidated financial statements.

3.2.1.2 Use of estimates

In order to prepare interim 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 carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources.

In the context of the Covid-19 pandemic, the consolidated financial statements for the period closed on December 31, 2020 were drawn up with reference to the immediate environment, in particular with regard to the following estimates (See Note 3.2.1.3):

- The recoverable value of goodwill and intangible assets with an indefinite lifespan;
- Customer receivables;
- Revenue;
- Assessment of tax loss carryforwards and potential future tax savings.

The other main estimates and assumptions used relate to the assessment of the following line items:

Assessment used for provisions:

The variables likely to cause a material change in the amount of provisions are described in Note 3.2.1.14, "Provisions":

- Provisions for 30-year monitoring;
- Provisions for major maintenance and the renewal of facilities under delegated management agreements;
- Provisions for miscellaneous litigation.

Assessment used for retirement obligations:

The Group's defined contribution and defined benefit retirement plans are measured using the projected unit credit method based on assumptions such as the discount rate, the rate of mobility, the rate of wage increases and the mortality table. These obligations are therefore likely to change when and if the assumptions change. The calculation method and the assumptions used are described in Note 3.2.1.14 d) "Employee benefits".

These assumptions, estimates or assessments on the basis of information or situations existing on the date the financial statements are drawn up may later be proven to deviate from reality.

3.2.1.3 Impact of the Covid-19 pandemic

3.2.1.3.1 Impact on the Group's activity and performance in 2020

2020 was marked by the Covid-19 pandemic, which affected Séché Environnement's businesses and the geographical regions where the Group is present, albeit in different ways.

After a first quarter that showed a strong growth trend in the Group's markets, lockdowns affected certain activities to varying degrees, unevenly affecting all of the Group's regions.

By immediately adapting its organization as soon as the health crisis appeared, Séché Environnement was able to continue its waste treatment and recovery activities, with limited impacts on both.

Séché Environnement has nonetheless seen declines in activity in some of its business lines, such as services in France and the International scope (Decontamination; Chemical Cleaning), which have suffered project delays, or sorting/recovery operations and final waste management equipment that have faced lower levels of Waste from Economic Activity (WEA) in conjunction with the slowdown in certain industrial activities and the service sector, particularly distribution.

Thus, the Group's profitability was mainly affected in the first half of 2020 by negative business mix effects, which were offset in the second half of 2020 by the return to a high level of activity, while one-off operational costs related to these organizational measures were absorbed by savings measures and productivity gains.

Situations have also changed in varying ways in the different countries where the Group operates. For example, the downturns in Chile and Peru were much stronger than those in Europe or even South Africa.

Note that in March, the global spread of the pandemic resulted in significantly worsening exchange rates for certain currencies against the euro, specifically in South Africa and Chile, which reduced the contributions to consolidated activity of subsidiaries in those countries. In total, the foreign exchange effect had a negative impact of around €10 million on consolidated revenue in 2020.

Additional current operating expenses incurred due to the crisis were limited. The Group recorded no non-current operating expenses.

As part of the Group's partial activity in 2020, the State aid received is marginal and has been deducted from personnel expenses in accordance with the presentation used by the Group for the application of IAS 20 (see Note 3.2.1.10).

Preserving cash flow and managing the financial situation

Since the pandemic began, Séché Environnement has paid close attention to preserving the quality of its balance sheet and its liquidity position.

Cash flow from operating activities amounted to €121 million for the year, up 10% on the previous year.

Séché Environnement has strived to protect its cash flow by controlling its investments, expenditures, and change in working capital requirement through an active billing and collection policy.

Due to the Covid-19 crisis, during the first half of 2020, the Group secured a six-month repayment deferral on part of its financial debt and drew €100 million on its €150 million revolving credit facility. These amounts were fully repaid at December 31, 2020. The Group also repaid its €25 million bond line early, due to mature in 2021, financed by drawdown of tranche B of the syndicated loan for the same amount.

The Group observed its financial ratios at December 31, 2020 and does not have any major financial debt repayment deadlines until 2023.

Finally, as a precautionary measure, Séché Environnement suspended certain development investments in France and abroad, particularly in South Africa (€11 million initially planned for 2020) and Chile (€6 million initially planned for 2020), but continued its growth investments in Italy (Mecomer) and productivity investments in France (ERP).

Limited effect over time and confirmed resilience of activity and operating margins

In June, with the end of lockdown restrictions, Séché Environnement saw a sharp recovery in waste volumes in France, Europe and South Africa and the return of activities to pre-crisis levels, or even higher levels (catch-up phenomena).

However, the late entry of Latin America into the health crisis, particularly in Peru and Chile, has delayed the return of the activities of these countries to normalized levels until at least the end of the third quarter.

Similarly, Solarca (industrial maintenance throughout the world) was affected by health constraints restricting the transportation of people in the countries where this subsidiary operates, leading to significant project delays.

The return of a good level of activity in most geographical regions helped smooth out, over the second half of the year, the negative effects of the business mix in the first half, while the implementation of the savings plan initiated in 2019 and the one-off savings linked to the reduction of certain overheads, such as travel expenses or commercial expenses (trade fairs, etc.) enabled the Group to exceed its EBITDA margin target set for 2020.[1]

Séché Environnement remains confident in its ability to meet its 2022 goals (see press release of September 14, 2020).

3.2.1.3.4 Impact on Group estimates and judgements for the financial year

The Covid-19 pandemic led the Group to review some of its estimates and judgments, as described below.

a. Impairment tests on goodwill and intangible fixed assets

Annual impairment tests relating to goodwill and non-amortizable intangible assets did not result in any additional impairment compared to December 31, 2019 (see Note 3.2.4.1.a).

b. Recoverable nature of customer receivables

The Group has not identified any risk of default by its customers and has not recorded any additional impairment for expected losses on receivables as a result of the Covid-19 crisis.

c. Measurement of revenue

None of the Group's contracts were amended or terminated in such a way as to have a negative impact on the consolidated financial statements as a result of the health crisis.

d. Recoverable nature of deferred tax assets

The Group has identified no facts or circumstances that could call into question the recoverable nature of its deferred tax assets.

3.2.1.4 Consolidation methods

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. Companies with no activities are excluded from this scope.

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.

(1) See Investor Day, June 26, 2018

Companies over which the Séché Group exercises exclusive control, either directly or indirectly, are fully consolidated. In compliance with IFRS 10 Consolidated Financial Statements, control is determined based on the Group's ability to exercise power over the entities in question to influence the variable returns to which it is exposed or has rights to on the basis of its links with said entities.

In compliance with IFRS 11 Joint Arrangements, the Group classifies each of its interests in partnerships either as a joint arrangement, or as a joint venture, depending on its rights to the assets and obligations for the liabilities relating to the arrangement. When determining this, the Group takes account of the structure of the arrangement, its legal form, 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, these joint ventures are consolidated by the equity method, in accordance with IFRS 11.

3.2.1.5 Translation of the foreign currency financial statements of consolidated entities

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

The accounts of foreign companies are drawn up in the operational currency of each subsidiary.

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 rate for the year.

Foreign exchange rate adjustments 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 the 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".

When a foreign subsidiary is sold, the related foreign exchange rate adjustments are recognized in income.

3.2.1.6 Translation of foreign currency transactions

In accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, transactions in foreign currencies are converted into euros at the exchange rate in force at 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. Foreign exchange gains and losses arising from this conversion are booked in the income statement.

Foreign exchange gains and losses resulting from conversion and from the elimination of intra-Group transactions or receivables expressed in a currency different from the accounting currency are recorded in the income statement unless they originate from intra-Group long-term financing transactions which may be regarded as equity transactions.In this case they are recognized in consolidated equity (as a foreign exchange rate adjustment), then reclassified to profit or loss where a company is removed from the scope of consolidation or in the event of a change in the nature or purpose in financing granted.

3.2.1.7 Segment reporting

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 waste (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.

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 not differentiated by legal entity, and which present the same economic characteristics across all legal entities.

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

3.2.1.8 Intangible assets and property, plant and equipment

a. 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 contingent 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 contingent liabilities exceeds the purchase price, the difference is immediately recognized in 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 the case of impairment, the difference between book value and recoverable value is recognized as an operating expense, under "asset depreciation", and is irreversible.

b. Other intangible fixed assets

The Group's other intangible fixed assets, booked as assets in compliance with IAS 38 Intangible Assets, 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 Service Concession Agreements. 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 expected useful life.

Intangible assets with indefinite useful lives are reassessed for impairment under the procedure described in Note 3.2.1.8 d) "Recoverable value of tangible and intangible assets".

c. 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 depreciation and amortization and any impairment. 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.

Depreciation and amortization is determined on a straight-line basis according to the useful life of each component of property, plant or equipment.

Depreciation and amortization is calculated based on the book value of the asset, where appropriate net of any residual value.

Property, plant and equipment	Amortization period
Buildings	5-25 years
Complex plant	1-20 years
Other equipment	1-25 years

The depreciation of landfill cells is recognized as they are filled.

Leased assets that meet the criteria of IFRS 16 are restated on the assets side of the balance sheet and a financial liability is recognized for the amounts payable in respect of their initial value.

d. Recoverable value of tangible and intangible 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 are indications of impairment.

Fixed assets (tangible and intangible) which are submitted to impairment tests are booked as cash-generating units (CGU), groups of similar assets that generate independent cash flows:

- In France, due to the ever-increasing integration of the Group's activities, the development of its Comprehensive Services offering, and the corresponding increase in 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 eight CGUs outside France, representing the eight countries in which it operates: Italy, South Africa, Spain, Mexico, Argentina, Chile, Peru 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 sales costs.

Useful value 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 three fiscal years excluding the current fiscal year, with years four and five being projected as identical to year three. 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;
- Projected cash flows are expected to return to normal levels in 2021 despite the COVID-19 environment;
- A terminal value is calculated for the sixth year, using year five flows on the basis of an annual perpetual growth rate. In Europe, the annual perpetual growth rate used was 0.2% at December 31, 2020, the same as that used at December 31, 2019; For the other scopes, the growth rate used was 1.67% at December 31, 2020, also unchanged from December 31, 2019.
- Discount rates differentiated by country are used. These discount rates are after-tax rates applied to after-tax cash flows. These rates reflect the current market assessment of the average cost of capital in each country. Their use results in the same recoverable values as those calculated by applying pre-tax rates to pre-tax cash flows as recommended by IAS 36 Impairment of Assets.

Discount rate	2019	2020
France/Germany	4.90%	4.90%
Spain	5.13%	5.13%
Italy	5.99%	5.99%
Argentina	13.31%	13.31%
Mexico	10.70%	10.70%
Chile	8.64%	8.64%
Peru	9.29%	9.29%
South Africa	10.52%	10.52%

Goodwill impairment is not reversible, unlike impairment of property plant and equipment and intangible assets. Both types of impairment are recognized in operating income, under impairment of assets.

3.2.1.9 Concession contracts

The Group is developing the portion of its business carried out as an operator of public services. The contracts concerned are currently held by Béarn Environnement, Séneval 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 granted 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 also provide for payment of a commission or indemnity to the authority, based on the resultsderived from business from other users of the service;
- The contracts also normally provide for the transfer of the facilities to the grantor authority at the end of the concession period, 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 granted.

Concession contracts are accounted for according to the interpretation IFRIC 12 Service Concession Arrangements:

- Infrastructures received free of charge from the grantor are not booked as assets in the balance sheet;
- 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 the provisions of IFRS 15 described in Note 2.1.16 “Accounting treatment of revenue”;
- Costs of maintenance and repair are booked under expenses. They may be booked as accrued expenses if there is a time lag between the contractual commitment and its realization.

The main features of the various contracts in operation areas follows:

Contract	Type of service	Duration	Price revision clause	Contractual revision of contract	Renewal option	Cancellation option
Sénerval	Construction	Until 2030		No	No	Yes, in case of serious failure or public interest
	Operation		Monthly, according to index			
ALCEA	Construction	Until 2024		No	No	Yes
	Operation		Annual, according to index			

The joint owners of Valor Béarn, a public sector waste treatment joint venture, decided not to renew the delegated management contract for the Béarn incinerator held by Séché Environnement. The delegated management agreement ended on June 30, 2020. The costs and commitments incurred on the end of the current contract were reflected in the consolidated financial statements at December 31, 2019.

The Sénerval contract has been the subject of several riders since November 7, 2014, when DIRECCTE, the regional competition and employment authority, closed down the plant after asbestos was detected in all the furnaces during renovation work. These riders establish the liability of the local authority, as owner of the plant, for the extra costs and loss of business suffered by the operator during the closure period. This resulted in the payment of direct indemnities and an increase in the proportionate fee charged. Correspondingly, a receivable is recognized over the residual duration of the contract. The local authority decided on September 3, 2016, to cease incineration activities for 29 months to allow the removal of the asbestos. The terms of the indemnity due to the operator are prescribed by amendment no. 7, signed in December 2016, amendment no. 9, signed on December 18, 2018, amendment no. 10 signed on July 12, 2019, and amendment no. 11 signed on December 18, 2020.Production restarted at this facility in late August 2019.

3.2.1.10 Government subsidies

The subsidies booked by the Group are mainly related to assets. Government investment grants are deducted from the gross carrying amount of the asset and are recognized in income over the useful life of the depreciable asset as a reduced depreciation expense.

3.2.1.11 Financial assets and liabilities

Financial instruments used by the Group include:

- Non-derivative financial assets;
- Non-derivative financial liabilities;
- Derivatives.

The Group recognizes these instruments in accordance with IFRS 9 Financial Instruments. On initial recognition, financial assets are recorded at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. According to IFRS 9, this classification is determined based on:

- the type of instrument (debt or equity),
- the characteristics of their contractual cash flows,
- the business model (the manner in which an entity manages its financial assets).

The classification and measurement rules applied to financial assets and liabilities are as follows:

IFRS 9	
Category	**Séché Environnement**
Assets at fair value through profit or loss	- Cash and cash equivalents: demand deposits, money-market SICAV - Non-consolidated, non-transferable securities - UCITS units (*)
Option: Assets at fair value through other comprehensive income not subsequently reclassified to net income	Not applicable: irrevocable option by asset category not used by the Group
Assets at amortized cost	- Receivables on non-consolidated equity investments - Deposits and guarantees - Trade and other receivables - Other operating receivables (tax, social security, etc.)
Liabilities at amortized cost	- Bank loans - Trade and other payables
Liabilities at fair value through profit or loss	Not applicable to the Group

(*) Not meeting the criteria to qualify as cash equivalents.

a. Non-derivative financial assets

Non-derivative financial assets include equity instruments (previously classified as Available-for-sale assets under IAS 39), loans and receivables tied to non-consolidated equity interests, operating receivables, and cash and cash equivalents.

Equity instruments:

Equity instruments mainly include:

- Shares in non-consolidated companies, whose fair value is determined by taking into account the last known Group share in the shareholders' equity;
- Units held in UCITS invested short-term that do not satisfy the criteria of cash equivalents set out in IFRS 7.

By default, equity instruments are measured at fair value through profit or loss unless the Group irrevocably elects to classify them at fair value through other comprehensive income on the date of initial recognition (except instruments held for trading) without the possibility of recycling gains or losses to profit and loss. If the option is applied, dividends continue to be recognized in income.

At this time, the Group has not elected to use this option for its non-consolidated equity investments and UCITS units that do not meet the qualification criteria as cash equivalents.

These financial assets are measured at fair value through profit and loss and booked under “Other financial income and expenses”.

Loans and receivables:

This category includes loans, deposits and guarantees, receivables on non-consolidated equity investments and operating receivables.

This asset category is recorded at fair value on initial recognition (which in most cases corresponds to their nominal value), then at amortized cost (under the effective interest rate method) less any impairment.

The Group exercises its judgment to measure expected credit losses over the entire expected lifetime of some of its financial assets.

Impairment of trade receivables:

The Group applies the IFRS 9 simplified approach, which consists of calculating the expected credit loss based on the life of the trade receivable. Risk assessment is conducted on the basis of historical data pertaining to actual losses, the aging balance of receivables and, based on the assessment of the expected risk of default, taking due account of the guarantees and credit insurance taken out. Expected credit losses are reported in the income statement under “Net allocations to provisions and impairment”.

Impairment of others loans and receivables:

Impairment is measured on a case-by-case basis taking into consideration any potential deterioration of counterparty credit risk on a 12-month horizon.

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 SICAV (open-ended mutual funds). They are recorded at fair value, and any changes in fair value are taken to income.

Term deposits are available at any time, with minimum guaranteed interest for each successive six-monthly period. Withdrawal 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.

b. Non-derivative financial liabilities

Non-derivative financial liabilities include borrowings and other forms of financing, overdrafts and operating liabilities.

The Group's financial liabilities are recorded initially at their fair value less transaction costs, then at amortized cost using the effective interest rate method.

c. Derivatives

Derivatives include call options and cash flow 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 onits financing commitments:

- Swaps are used by the Group to switch from a variable rate to a fixed rate. 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. As such, the difference between interest payable and interest receivable is booked as interest income or interest expense over the life of the hedged liabilities;
- Swaptions are used by the Group to switch from a variable rate to a fixed rate on an option. 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 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 above-mentioned cash flow hedging transactions, the Group measures its derivative instruments at fair value.

Effectiveness is demonstrated where there is an economic relationship between the hedged item and the hedging instrument and they offset each other either partially or fully.

Only the effective portion of a hedging relationship may be taken into account for hedge accounting and it is booked as other comprehensive income. The ineffective portion is recognized in profit or loss under the heading "Gross financial borrowing costs". Variations in the time value of options are booked to other comprehensive income.

Accumulated gains or losses on hedging instruments recorded in equity are reclassified to profit or loss under "Gross financial borrowing costs", as a cost of the hedged transaction but only if the transaction occurs.

3.2.1.12 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.

3.2.1.13 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.

3.2.1.14 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 meet said obligation.

A provision is booked to the Group's financial statements only on the condition that the amount of the resources 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 the claim in question, no provision is booked to the balance sheet. Any such information is presented in Note 2.4.6 "Current and non-current provisions".

The main provisions booked by the Group relate to 30-year monitoring expenses, costs of major maintenance and the renewal of facilities under delegated management, and other risks and disputes.

a. Provisions for thirty-year monitoring

The European Parliament adopted a new European Directive onApril 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 30-year monitoring of its final waste landfill sites.

Expenses for 30-year monitoring mostly include treatment costs for leachates and biogas and site monitoring and upkeep. The operator must hold financial guarantees (bank bonds) to cover these costs in case it fails. The costs are estimated when the financial guarantees are set up, using an estimate of leachates to be treated (based on the tonnage of waste stored and rainfall patterns) and standard average costs recommended by ADEME (French environment and energy management agency). The amount of these financial guarantees is assessed every three years based on the costs that would be incurred by the Group if the site ceases to operate.

The provision recorded is based on the amount of these financial guarantees. It is booked progressively over the operating term, and will be written back over the thirty-year monitoring period.

As 30-year monitoring provisions cover more than 12 months, they are recalculated using an appropriate financial discount rate.

b. Provisions for major maintenance and renewal of facilities under delegated management

A provision for major maintenance and renewal is recognized to cover the costs of maintenance and renewal of facilities at sites under delegated management, which are necessary for returning the facilities to working condition at the end of the contract.

c. Provisions for miscellaneous litigation

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.

d. Employee benefits

The Group participates in certain supplementary retirement plans or other long-term benefits schemes for its employees. The Group offers these benefits either through defined contribution plans or through defined benefit plans.

Defined contribution plans:

With respect to defined contribution plans, the Group's liabilities are limited to the payment of the defined contributions. Contributions paid into plans are recorded as expenses for the period.

Where applicable, provisions are recognized for any contributions still to be paid for the period.

Within the Group, defined contribution plans mainly include social insurance and medical coverage.

Defined benefit plans:

Defined benefit plans are plans through which the employer guarantees its employees or certain categories of employees the future level of benefits or supplemental income defined in the collective bargaining agreement, most often based on the employee's salary and years of service (using the accrual method of accounting). Defined benefit plans may be funded by contributions to external specialist funds or managed in-house.

Within the Group, defined benefit plans include termination benefits and long-service awards.

Retirement and related obligations arising from defined benefit plans are subject to a provision using the projected unit credit method on the basis of actuarial valuations carried out on the balance sheet date each year. Each period of service gives rise to an additional unit of benefit entitlement and each of these units is measured separately to build up the obligation to the employees. The actuarial assumptions (retirement date, career development, salary increases, the probability that the employee will still be working in the Group at his/her age of retirement) used to determined benefit liabilities vary depending on the economic conditions in the country where the plan operates. These assumptions are described in Note 3.2.4.5 "Employee commitments."

The benefit liability is discounted on the basis of the interest rates on the long-term bonds of prime issuers.

In accordance with the provisions of IAS 19 Employee Benefits (amended), the Group applies the following principles:

- Actuarial gains and losses (change in assumptions or experience adjustments) are recognized in “Other comprehensive income”;
- All impacts due to new changes to the plan are recognized in “Current operating income”;
- All post-employment benefits granted to the Group’s employees are recognized in the consolidated balance sheet;
- Interest income from retirement plan assets is calculated using the same rate as the discount rate applied to liabilities under defined benefit plans.

The expense for the period includes:

- The cost of services rendered during the period and the effects of any change, reduction or liquidation of the plan are recognized in operating income under “Net allocations to provisions and impairment”;
- The impact of the accretion of actuarial liabilities and interest income from retirement plan assets is recognized in financial income under “Other financial expenses” and “Other financial income”;

For defined benefit plans funded by pension funds, the assets of such plans are measured at fair value.

The main retirement commitments and similar liabilities concern the Group’s French subsidiaries.

Other employee and related benefits are subject to a provision covering the payment of additional bonuses to employees who have a record of long service with the company. Where previously accumulated contributions exceed the amount of the liability at the balance sheet date, a prepaid expense for the difference is recorded in the financial statements.

The liability is reported on the balance sheet net of plan assets measured at fair value, where appropriate.

3.2.1.15 Borrowing costs

Interest on loans is expensed in the fiscal year in which it was accrued.

- 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 reclassified to the income statement using the effective interest rate method.

3.2.1.16 Income tax

a. 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 Séché Environnement owns at least a 95% interest come under the scope of this regime.

b. 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 per 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, with due regard for the prospects for its activities and the tax regulations in force.

3.2.1.17 Recognition of income

IFRS 15 Revenue from Contracts with Customers describes when revenue should be recognized, in what amount and when.

The standard recommends recognizing revenue at the time the customer obtains control of the goods and services purchased. Some degree of judgment is required to determine when transfer of control occurs (at a given time or progressively).

Séché Environnement Group's customer contracts are divided into contracts signed with local authorities and contracts with industrial companies:

- Contracts with local authorities:
  Contracts signed with local authorities generally cover several years (3-5 years, automatically renewable). As they cover categories of waste that remain relatively stable over time and are produced fairly recurrently, tariffs are set based on the type of waste and are weighted by volume.
  The portfolio of local authority clients currently includes two public service delegation agreements for the management of household waste incinerators, which have specific features and involve significant amounts.
  Exceptions to these multi-year contracts notably include decontamination contracts, which are necessarily one-time contracts (generally covering a few days to a few months). They can vary in size, and are sometimes significant for the Group (ranging from several hundred thousand euros to several million euros) depending on the extent of the work required.

- Contracts with industrial companies:
  Contracts with industrial clients are generally spot or short-term contracts (less than one year). As they cover extremely varied categories of waste, tariffs depend highly on the chemical composition of the waste, how hazardous it is, the complexity of treatment methods, capacity availability, etc. Each "batch" of waste produced by an industrial client therefore has a separate tariff, since a single client may produce

different types of waste at different times. The services proposed include landfill, incineration, sorting or transport, as appropriate.
This tariff policy also applies to decontamination contracts with industrial clients, which bear the same features as such contracts signed with local authorities.

Exceptions to this include:

- Waste outsourcing agreements signed with major industrial clients, which are generally initially signed for an average of between 18 months and 5 years.
- Energy supply contracts relating to energy recovery activities, some of which fall within a regulated contractual framework, cover long periods or include contracts covering several years, with variable terms.

A description of these types of contracts under IFRS 15 is provided below:

	Type of contract	Contracts and service obligations identified	Transaction cost	Revenue recognition method
Public service delegation	These contracts, entered into with local authorities, may include construction services (incinerator, platform) and the operation of facilities for the treatment of waste generated by the local authorities. They may also provide an option for the facility operator to use the facilities' residual capacities for the treatment of third-party waste and resell the final waste or any energy generated by treatment.	Contracts with local authorities sometimes including two performance obligations: - Construction - Waste treatment Facility maintenance and obligations to perform major maintenance and renewal, regarded as costs incurred to deliver the service and not as a performance obligation	The price generally includes a fixed portion and an amount per ton of treated waste. No significant variable consideration was identified.	For the Construction portion: progress of the work For the Waste Treatment portion: a fixed portion relating to the period + progress of work on the basis of treated waste tonnage
		Contracts with third parties (use of residual capacity) including a performance obligation linked to waste treatment	The price is generally set on the basis of an amount per ton of treated waste.	Progress of work subtracting income paid to the local authority as required by the contract
		Contract with third parties including a performance obligation tied to the sale of final waste or energy	The price is generally set on the basis of an amount relating to the quantity of final waste or energy generated.	Progress of work subtracting income paid to the local authority as required by the contract
Landfills	These contracts include the storage of hazardous and non-hazardous waste.	Contract involving a performance obligation linked to the storage of waste	The price is usually set on the basis of an amount per ton of stored waste.	Progress of work on the basis of stored waste tonnage
Incineration	These contracts cover thermal treatment (such as incineration) for hazardous and non-hazardous waste.	Contract involving a performance obligation linked to the thermal treatment of waste	The price is generally set on the basis of an amount per ton of treated waste.	Progress of work on the basis of waste tonnage treated

	Type of contract	Contracts and service obligations identified	Transaction cost	Revenue recognition method
Sorting/platform	These contracts provide a service to collect and pre-treat recoverable waste (mechanical/ biological sorting, maturing, business waste, solid recovered fuel, wood), sorting services carried out at the Group's sorting centers and the management of destruction solutions.	Contract with a performance obligation for waste sorting and/or treatment	The price is generally set on the basis of an amount per ton of treated waste.	Progress of work on the basis of waste tonnage treated
All-inclusive offers	These contracts relate to a comprehensive service offering which may involve decontamination, collection, sorting, transport and radiation protection.	Contract involving a performance obligation linked to the overall decontamination service.	The price is usually set on the basis of a comprehensive flat rate for the entire service	As work progresses based on the completion of phases of work defined contractually
Decontaminatio n - Dehydration - Asbestos removal - Pyrotechnics - Radioprotection	These contracts are entered into for soil decontamination and polluted building solutions (decommissioning, removal, maintenance).	Contract involving a decontamination performance obligation	The price is generally set on the basis of an amount per ton of treated waste. For decontamination, asbestos removal, pyrotechnics and dehydration, the price is generally set on the basis of a flat rate for the entire service	Progress of work on the basis of waste tonnage treated. Progress depending on completion of the service
Transportation	These contracts are concluded for the transport of waste, residues from the purification of incineration fumes from household or industrial waste, and ash.	Contract involving a performance obligation linked to the transport of waste	The price is generally set on the basis of a rate schedule per ton and per kilometer traveled taking account of the department of departure/arrival and the type of vehicle used	On completion of the service

	Type of contract	Contracts and service obligations identified	Transaction cost	Revenue recognition method
Material recovery	These contracts are concluded for services covering the regeneration of used products, the purification of synthesis intermediates, the decontamination of metals and the treatment of gas.	Contract involving a performance obligation linked to the treatment of pollutants	The price is generally set on the basis of the amount per ton of treated product or product obtained.	On delivery on the basis of quantities produced
Energy recovery	The purpose of these contracts is to supply electricity and steam based on biogas, solid recovered fuel, or wood.	Contract including a performance obligation tied to the sale of energy	The price is generally set on the basis of an amount of energy produced.	On delivery on the basis of quantities produced

As regards multi-year contracts, when it appears likely that total cost of the contract will be higher than the total of the products, a loss at completion is recognized as an expense for the period representing the entire difference. The onerous nature is assessed at the level of the contract according to the provisions of IAS 37. An onerous contract is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group recognizes any impairment loss that has occurred on assets dedicated to that contract before a separate provision for the onerous contract.

Lastly, the consideration received as revenue generated in the framework of a public service concession is booked in accordance with the IFRIC 12 Interpretation (See Note 3.2.1.9, Public service delegation (concession) contracts).

The notion of Comprehensive Services:

The notion of Comprehensive Services is, in reality, an offer of services in its own right, which is monitored separately from other services.

It includes a waste management solution offered to industrial firms that wish to receive an integrated service, generally provided on the client's premises (for the waste generated by that client). The offering covers the collection and sorting of waste at the site as well as its transport and treatment. We consider that this offering represents a unique service obligation.

It is by nature a recurrent service (it is provided continuously, on a daily basis), over the long term and is covered by multi-year contracts with an initial term of between 18 months and 5 years.

These services are invoiced on a mixed basis:

- A flat rate for the recurrent management service (remuneration of the Group's teams working directly at the industrial client's site);
- And a variable amount depending on the tonnage actually treated.

In both cases, the Comprehensive Services offering is invoiced on the basis of an ongoing transfer of control of the service, based on units consumed (invoicing based on time actually spent by teams on site and a variable portion based on tonnage actually collected/removed).

As the Comprehensive Services offering is provided on an ongoing basis, revenue is recognized on the basis of progress towards completion. Insofar as invoicing reflects the rate at which the service is provided to the client, under the practical expedient available under IFRS 15 paragraph B16, revenue from the Comprehensive Services offering is recognized based on the amount it has the right to invoice.

Accordingly, the progress towards completion measurement of revenue for the Comprehensive Services offering does not use the stage of completion method as provided for in IAS 11.

3.2.1.18 Leases

a. Provisions of the standard

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize right-of-use assets for the duration of the lease term and a liability to pay lease rentals. In the income statement, the lease expense is replaced by the amortization of the asset and by interest on the lease liability.

b. Analysis criteria

In accordance with the provisions of the standard, on the transition date and after its application, the Group has excluded short-term leases and contracts involving assets of low value for the purposes of simplification.

The following assumptions are also used:

The lease term used for each contract is determined on the basis of the non-cancellable period established contractually and any option to extend or cancel the lease if the Group is reasonably certain to exercise that option. With regard to standard “3/6/9” leases, following the publication by the ANC of the statement of findings of July 3, 2020, the Group undertook a review of its contracts to determine the period during which it is reasonably certain to continue the lease, without this analysis resulting in significant changes to the end dates used.

The Group has not identified any service agreements with a lease component within the meaning of IFRIC 4.

Variable lease payments linked to the use or performance of the asset were not included in lease payments to determine the lease liability. For instance, this involves the lease of facilities invoiced per ton of waste.

3.2.1.19 Financial items on the income statement

a. Income from cash and cash equivalents

Income from cash and cash equivalents mainly covers incomefrom 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.

b. 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.

c. 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 of financial assets.

3.2.1.20 Earnings per share

Basic earnings per share are calculated by dividing net income (Group share) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing net income (Group share) by the weighted average number of ordinary shares outstanding during the period, plus the effects of dilutive options.

3.2.1.21 Change in accounting method and accounting estimates

A. Change in accounting and presentation method

In accordance with IAS 1 Presentation of Financial Statements, at December 31, 2020, the Group reclassified capitalized production costs as a deduction from operating expenses by nature under EBITDA, instead of presenting them under "income from ordinary activities" as in previous reporting periods. This change in accounting presentation had no impact on the comparison of EBITDA for 2020 against that for 2019.

The impact on the accounts closed at December 31, 2020 is provided here for information purposes:

(In thousands of euros)	12/31/2019	12/31/2020
Purchases used for operational purposes	893	423
Personnel expenses	587	750
External expenses	5,560	5,281
Capitalized production	**7,040**	**6,454**

In addition, the Group complies with the changes to standards set out in Note 3.2.1.1 "Basis for preparing and presenting the financial statements".

b. Change in accounting estimates

The Group did not apply any changes in accounting estimates.

3.2.2 Main changes in consolidation scope and other significant events

The list of the Group's subsidiaries and associates is presented in Note 3.2.3 "Consolidation scope".

3.2.2.1 Main changes in the consolidation scope

A. Acquisition of an additional stake in the Spanish company Solarca SL, without taking control

On February 11, 2020, Séché Environnement exercised options allowing it to acquire an additional 10% stake in Solarca SL for €2.9 million. This acquisition impacted the item "Cash and cash equivalents without gain of control" in the consolidated cash flow statement.

The Group's ownership interest increased from 76% to 86%.

The acquisition impacted the Group's equity by the amount of -€2.2 million and minority interests by -€0.7 million (See Note 3.1.4).

b. Implementation of the Broad-Based Black Economic Empowerment principles in South Africa

The Group began to implement the principles set out in the Broad-Based Black Economic Empowerment (B-BBEE) regulation in South Africa in the first half of 2020 in order to observe its business and regulatory commitments. These principles promote equality in South Africa. Accordingly, the Group set up new companies in South Africa and performed various transactions in the shares of its subsidiaries in favor of partners meeting B-BBEE criteria.

- Creation of Séché Holdings SA, wholly owned by Séché Environnement;
- Creation of Mayenne Investments, wholly owned by Séché Environnement;
- Creation of M53 Investments, 32.40% owned by Mayenne Investments.

Following these transactions, Séché South Africa is now 83.17% owned by Séché Holdings SA and M53 Investments. At December 31, 2019, it was wholly owned by Séché Environnement. The ownership interest in companies owned by Séché South Africa was adjusted accordingly, with no impact on their consolidation methods (see Note 3.2.3).

These changes in ownership interest were transactions between shareholders not involving a loss of control. They impacted the Group's consolidated equity by the amount of +€2.3 million, and minority interests by the amount of -€2.3 million (see Note 3.1.4).

Following on from this transaction, two fully-consolidated South African companies were set up in June 2020:

- Namaqua, 40.76% owned by Masakhane Interwaste Pty Ltd;
- Interwaste Petrochemicals, 48.99% owned by Interwaste Pty. Costs relating to these transactions, totaling €0.6 million, were recorded in "Other non-current items" (see Note 3.2.4.13). It should be noted that through a preference share mechanism in favor of Interwaste, Petrochemicals' total income and equity are charged to the Group Share for a specified period.

The last transaction concerning the Mozambique-based company Moz Environmental Limitada will be finalized in the first half of 2021; it will be wholly owned by Séché Holdings SA.

c. Legal restructuring

- Kanay absorbed the Peruvian company Taris on January 15, 2020, with retroactive effect from January 1, 2020;
- Solarca SL absorbed the Spanish company Solarca Castilla La Mancha on June 2, 2020, with retroactive effect from January 1, 2020;
- French company Sodicome transferred all its assets and liabilities to Séché Healthcare on January 1, 2020;
- French company Transval, which was fully consolidated, was wound up in February 2020.

d. Creation of subsidiaries

- Solena Valorisation was set up on July 27, 2020 with the agreement of the Aveyron Departmental Environmental and Health Risks and Technologies Council; the company is 60% owned by Séché Environnement and is fully consolidated. The plant will be operated under a public service delegation on behalf of Sydom Aveyron, and includes the financing, design, construction and operation of a facility for the recovery and treatment of household and similar waste (non-hazardous waste).

- Sovatrise, Société de Valorisation et de TRI Séché Eiffage, was set up on July 22, 2020 to operate a platform for sorting and recovery of excavated materials. Séché Eco Services holds 65% of the company and is fully consolidated. Activity did not start in 2020.

- Mo'UVE was set up on November 23, 2020 following the call for tenders which was awarded to Sirtomad; the company is wholly owned by Séché Environnement and is fully consolidated. The Montauban incineration plant will be operated and modernized as part of a 20-year public service delegation contract. As of January 1, 2021, Séché Environnement will manage the energy recovery unit.

- Varenne Investments Pty Ltd was set up on June 4, 2020 to create a non-hazardous waste landfill in the Cape Town area. The South African company is wholly owned by Séché Holdings SA and is fully consolidated.

e. Disposals of subsidiaries

No significant disposals, whether or not leading to loss of control, were made in 2020 or 2019.

3.2.2.2 Other highlights of the period

a. End of the delegated management contract for the Béarn incinerator

The joint owners of Valor Béarn, a public sector waste treatment joint venture, decided not to renew the delegated management contract for the Béarn incinerator held by Séché Environnement. The delegated management agreement ended on June 30, 2020.

The costs and commitments related to the end of the current contract amounting to €2.9 million included in "restoration expenses/maintenance expenses on treatment sites and leased assets" had already been recognized in the consolidated financial statements at December 31, 2019; the provision reversal is under "depreciation, impairment and provisions" (see Note 3.2.4.6).

b. Consequences of interruption to the operation of the Sénerval site

In the context of the interruption to the operation of the Sénerval site, which ended at the end of August 2019, a new amendment no. 11 was authorized by the Strasbourg Eurometropole Council on December 18, 2020.

Expenses for the operation of the facility in 2020 led to additional costs impacting EBITDA by €8 million.

3.2.3 Consolidation scope

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
			12/31/2019	12/31/2020	12/31/2019	12/31/2020
PARENT COMPANY						
Séché Environnement	Changé	France	Parent	Parent	Parent	Parent
CONSOLIDATED SUBSIDIARIES						
Alcéa	Changé	France	100.00	100.00	Full	Full
Béarn Environnement	Pau	France	100.00	100.00	Full	Full
Ciclo	Quilicura	Chile	70.00	70.00	Full	Full
Depo	Milan	Italy	90.00	90.00	Full	Full
Drakenstein Energy Pty (1)	Gauteng	South Africa	100.00	83.17	Full	Full
Drimm	Montech	France	100.00	100.00	Full	Full
Earth 2 Earth Pty Ltd (1)	Gauteng	South Africa	100.00	-	Full	-
East Gauteng Energy Pty Ltd (1)	Gauteng	South Africa	100.00	83.17	Full	Full
Ecosite de la Croix Irtelle	Changé	France	100.00	100.00	Full	Full
Eden Waste Construction Ltd (1)	Gauteng	South Africa	75.00	62.38	Full	Full
Eden Waste Management Ltd (1)	Gauteng	South Africa	75.00	62.38	Full	Full
Eden Waste Operations Ltd (1)	Gauteng	South Africa	75.00	62.38	Full	Full
Energécie	Changé	France	74.60	74.60	Full	Full
Envirowaste SA Pty Ltd (1)	Gauteng	South Africa	100.00	83.17	Full	Full
Gabarre Energies	Les Abymes	France	51.00	51.00	Full	Full
Gerep	Paris	France	50.00	50.00	Equity	Equity
Greens Scrap Recycling Pty Ltd (1)	Germiston South	South Africa	100.00	83.17	Full	Full
IberTrédi Medioambiental	Barcelona	Spain	100.00	100.00	Full	Full
Interwaste Environmental Solutions Ltd	Gauteng	South Africa	100	-	Full	-
Interwaste Environmental Solutions Pty Ltd	Lusaka	Zambia	99.00	82.33	Full	Full
Interwaste Holding Ltd (1)	Gauteng	South Africa	100.00	83.17	Full	Full
Interwaste Industrial Cleaning Pty Ltd (1)	Gauteng	South Africa	50.00	41.59	Equity	Equity
Interwaste On-site Pty Ltd (1)	Gauteng	South Africa	49.00	48.99	Full	Full

Company name	City	Country	% interest 12/31/2019	% interest 12/31/2020	Consolidation method 12/31/2019	Consolidation method 12/31/2020
Interwaste Petrochemicals [1]	Gauteng	South Africa	-	48.99	-	Full
Interwaste Properties Pty Ltd [1]	Gauteng	South Africa	100.00	83.17	Full	Full
Interwaste Pty [1]	Gauteng	South Africa	100.00	83.17	Full	Full
IWE Fleet Sales Pty [1]	Gauteng	South Africa	100.00	83.17	Full	Full
Kanay	Lima	Peru	100.00	100.00	Full	Full
Karu Energy	-	Guadeloupe	24.00	24.00	Equity	Equity
La Barre Thomas	Rennes	France	40.00	40.00	Equity	Equity
Limpopo Platinum Waste Pty Ltd [1]	Gauteng	South Africa	70.00	58.22	Full	Full
M53 [1]	Gauteng	South Africa	-	32.40	-	Equity
Mayenne Investment [1]	Gauteng	South Africa	-	100.00	-	Full
Masakhane Interwaste Pty Ltd [1]	Gauteng	South Africa	65.00	48.32	Full	Full
Mecomer	Milan	Italy	90.00	90.00	Full	Full
Mo'UVE	Montauban	France	-	100.00	-	Full
Moz Environmental Limitada [1]	Maputo	Mozambique	100.00	100.00	Full	Full
Namaqua [1]	Gauteng	South Africa	-	40.20	-	Full
Opale Environnement	Calais	France	100.00	100.00	Full	Full
Platinum Waste Resources Pty Ltd [1]	Gauteng	South Africa	51.00	42.42	Full	Full
Sabsco Asia [2]	Singapore	Singapore	76.00	86.00	Full	Full
Sabsco Limited [2]	Kent	United Kingdom	76.00	86.00	Full	Full
Sabsco Malaysia [2]	Petaling Jaya	Malaysia	76.00	86.00	Full	Full
SAEM Transval	St Georges les Baillargeaux	France	35.00	-	Equity	-
SCI LCDL	Changé	France	99.80	99.80	Full	Full
SCI Les Chênes Secs	Changé	France	99.80	99.80	Full	Full
SCI Mézerolles	Changé	France	99.99	99.99	Full	Full
Séché Alliance	Changé	France	99.94	100.00	Full	Full
Séché Chile Spa	Las Condes	Chile	100.00	100.00	Full	Full
Séché Développement	Changé	France	100.00	100.00	Full	Full
Séché Eco-Industries	Changé	France	99.99	100.00	Full	Full
Séché Éco-Services	Changé	France	99.98	100.00	Full	Full
Séché Environnement Ouest	Changé	France	100.00	100.00	Full	Full
Séché Holdings SA [1]	Gauteng	South Africa	-	100.00	-	Full
Séché Health Arequipa	Lima	Peru	100.00	100.00	Full	Full
Séché Healthcare	Changé	France	100.00	100.00	Full	Full
Séché South Africa [1]	Claremont	South Africa	100.00	83.17	Full	Full

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
			12/31/2019	12/31/2020	12/31/2019	12/31/2020
Séché Transports	Changé	France	99.50	100.00	Full	Full
Séché Urgences Interventions	La Guerche-de-Bretagne	France	100.00	100.00	Full	Full
Sem Trédi	Mexico City	Mexico	100.00	100.00	Full	Full
Sénergies	Changé	France	80.00	80.00	Full	Full
Sénerval	Strasbourg	France	99.90	99.90	Full	Full
Singapore MTT (2)	Singapore	Singapore	76.00	86.00	Full	Full
Sodicome	Saint-Gilles	France	100.00	0.00	Full	-
Sogad	Le Passage	France	50.00	50.00	Equity	Equity
Solarca Castilla (3)	Puertollano	Spain	76.00	-	Full	-
Solarca France (2)	Marseille	France	71.03	80.38	Full	Full
Solarca Portugal (2)	Setubal	Portugal	76.00	86.00	Full	Full
Solarca Qatar (2)	Doha	Qatar	37.24	42.14	Full	Full
Solarca Russia (2)	Moscow	Russia	76.00	86.00	Full	Full
Solarca SL (2)	La Selva Del Camp	Spain	76.00	86.00	Full	Full
Solena	Viviez	France	60.00	60.00	Full	Full
Solena Valorisation	Viviez	France	-	60.00	-	Full
Soluciones Ambientales Del Norte	Antofagasta	Chile	100.00	100.00	Full	Full
Sotrefi	Etupes	France	100.00	100.00	Full	Full
Sovatrise	Chassieu	France	-	65.00	-	Full
Speichim Processing	Saint-Vulbas	France	100.00	100.00	Full	Full
Taris (3)	Lima	Peru	100.00	-	Full	-
Therm-Service	Seevetal	Germany	76.00	86.00	Full	Full
Trédi Argentina	Buenos Aires	Argentina	100.00	100.00	Full	Full
Trédi SA	Saint-Vulbas	France	100.00	100.00	Full	Full
Triadis Services	Etampes	France	100.00	100.00	Full	Full
UTM	Lübeck	Germany	100.00	100.00	Full	Full
Valls Quimica	Valls	Spain	100.00	100.00	Full	Full
Varenne Investments (Pty) LTD	Gauteng	South Africa	-	100.00	-	Full

(1): See Note 3.2.2.1.b
(2) See Note 3.2.2.1.a
(3) See Note 3.2.2.1.c

Non-consolidated subsidiaries

Some companies were not included in the consolidation scope, due to their inactivity.

(In thousands of euros)	% held by Group	Shareholders' equity	Income from past year	Fair value of the stake
Solarca Chile	85.24%	218	220	NS
Solarca Maroc	86.00%	1	3	NS
Solarca South Africa	86.00%	16	20	NS

NP: Not provided NS: Not significant

Solarca Brazil and Solarca Italy were wound up in 2020.

3.2.4 Notes to the consolidated financial statements

3.2.4.1 Intangible fixed assets

a. Goodwill

Goodwill by CGU breaks down as follows:

Gross value								
(In thousands of euros)	**France**	**Germany**	**Spain**	**Chile**	**Peru**	**South Africa**	**Italy**	**Total**
At December 31, 2019	**257,255**	**3,582**	**12,050**	**6,398**	**25,302**	**2,073**	**28,947**	**335,607**
Change in consolidation scope	-	-	-	3,697	-	-	-	3,697
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(44)	(4,029)	(258)	-	(4,332)
Other	-	-	1	-	(0)	(0)	-	0
At December 31, 2020	**257,255**	**3,582**	**12,051**	**10,051**	**21,273**	**1,815**	**28,947**	**334,973**

Impairment								
(In thousands of euros)	**France**	**Germany**	**Spain**	**Chile**	**Peru**	**South Africa**	**Italy**	**Total**
At December 31, 2019	**(20,220)**	**-**	**(5,674)**	**-**	**-**	**-**	**-**	**(25,894)**
Change in consolidation scope	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Other	-	-		-	-	-	-	-
At December 31, 2020	**(20,220)**	**-**	**(5,674)**	**-**	**-**	**-**	**-**	**(25,894)**

Net value								
(In thousands of euros)	**France**	**Germany**	**Spain**	**Chile**	**Peru**	**South Africa**	**Italy**	**Total**
At December 31, 2019	**237,035**	**3,582**	**6,376**	**6,398**	**25,302**	**2,073**	**28,947**	**309,714**
Change in consolidation scope	-	-	-	3,697	-	-	-	3,697
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(44)	(4,029)	(258)	-	(4,332)
Other	-	-	1	-	-	-	-	1
At December 31, 2020	**237,035**	**3,582**	**6,377**	**10,051**	**21,273**	**1,815**	**28,947**	**309,079**

"Change in consolidation scope" corresponds to the final determination in 2020 of the goodwill of Chilean company Ciclo acquired on October 3, 2019.

Following the impairment test carried out at December 31, 2020 (using the methods described in Note 3.2.1.8 d) "Recoverable value of tangible and intangible 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 reduce the fair value of the Group's cash flow by €140.3 million. This would not lead the Group to recognize an impairment. A 0.2 point decrease in the perpetual growth rate would reduce the fair value of the Group's cash flow by €63.8 million. A 1 point annual decrease in the revenue growth rate would reduce the fair value of the Group's goodwill by €65.5 million. No impairment would be booked in this respect.

It is also specified that the sensitivity analysis did not reveal a probable scenario according to which the recoverable value of the CGUs would fall below their net book value, with the exception of the risk of prolonged impact of Covid-19 on our operations in Peru, whose development plan was significantly impacted in 2020 by this health crisis. The valuation of the Peru CGU depends on the ability to carry out the development projects provided for in the business plan. A time delay in this program could lead to a subsequent depreciation of around €2 million.

b.Other intangible fixed assets

(In thousands of euros)	Software, patents	Intangible fixed assets under concession arrangements	Other intangible fixed assets	Total
		Gross value		
At December 31, 2018	**11,717**	**69,496**	**21,602**	**102,816**
Acquisitions	1,111	-	3,036	4,147
Disposals	(510)	-	(36)	(546)
Change in consolidation scope	99	-	24,416	24,515
Currency translation differences	23	-	359	381
Change in accounting method	-	-	(4,355)	(4,355)
Other	8	-	(241)	(233)
At December 31, 2019	**12,448**	**69,496**	**44,781**	**126,726**
Acquisitions	1,468	(222)	5,614	6,861
Disposals	(561)	-	288	(273)
Change in consolidation scope	(0)	-	-	-
Currency translation differences	(129)	(1)	(1,087)	(1,217)
Change in accounting method	-	-	-	-
Other	74	(4,210)	2,716	(1,420)
At December 31, 2020	**13,300**	**65,063**	**52,312**	**130,676**

(In thousands of euros)	Software, patents	Intangible fixed assets under concession arrangements	Other intangible fixed assets	Total
Depreciation & amortization and impairment				
At December 31, 2018	**(10,054)**	**(15,908)**	**(6,387)**	**(32,349)**
Allocations	(1,180)	(4,147)	(4,136)	(9,463)
Impairment	-	-	61	61
Disposals	570	-	(371)	199
Change in consolidation scope	(6)	-	21	15
Currency translation differences	(1)	-	(50)	(51)
Other	15	-	2	17
At December 31, 2019	**(10,656)**	**(20,055)**	**(10,860)**	**(41,571)**
Allocations	(1,535)	(3,990)	(4,050)	(9,576)
Impairment	-	-	-	-
Disposals	675	-	(365)	310
Change in consolidation scope	-	-	-	-
Currency translation differences	33	-	183	216
Other	(29)	401	149	521
At December 31, 2020	**(11,512)**	**(23,644)**	**(14,944)**	**(50,100)**
Net amounts				
At December 31, 2019	**1,792**	**49,441**	**33,920**	**85,154**
At December 31, 2020	**1,789**	**41,419**	**37,368**	**80,575**

No intangible fixed assets were generated internally.

Acquisitions made in 2020 were mainly IT projects and licenses for €4.9 million.

The line "Other" with a net amount of -€1 million corresponds to reclassifications to property, plant and equipment (see Note 3.2.4.2).

The net impact of currency translation differences of €1 million was due to the deterioration of the South African and Peruvian currencies at December 31, 2020.

3.2.4.2 Property, plant and equipment

(In thousands of euros)	Land	Buildings	Techn. Inst.	Transportation equipment	Fixtures & Office Equipment	Fixed assets under construction	Leases	Total
Gross value								
At December 31, 2019	**39,930**	**194,725**	**433,711**	**50,831**	**119,757**	**34,669**	**78,076**	**951,697**
Acquisitions	1,303	3,165	22,011	1,833	5,753	21,873	18,674	74,612
Disposals	(154)	(7,616)	(15,483)	(4,565)	(6,249)	(301)	(2,137)	(36,505)
Change in consolidation scope	-	0	-	0	0	0	0	0
Currency translation differences	(328)	(2,444)	(1,249)	(3,837)	(2,261)	(532)	(3,292)	(13,944)
Other	6,561	9,075	7,385	3,316	(2,567)	(21,789)	(4,113)	(2,130)
At December 31, 2020	**47,311**	**196,906**	**446,375**	**47,578**	**114,432**	**33,919**	**87,208**	**973,730**
Depreciation & amortization and impairment								
At December 31, 2019	**(7,508)**	**(133,432)**	**(349,257)**	**(35,686)**	**(79,313)**	**-**	**(29,762)**	**(634,960)**
Allocations	(859)	(15,204)	(24,801)	(3,163)	(8,645)	-	(14,811)	(67,482)
Impairment	-	-	(242)	(1)	-	-	-	(243)
Disposals	113	7,246	15,305	3,975	6,076	-	1,761	34,476
Change in consolidation scope	-	0	-	(0)	0	-	0	0
Currency translation differences	(95)	896	718	2,336	1,304	-	1,190	6,349
Other	(2,360)	(612)	1,002	(1,792)	(2,924)	-	2,733	1,898
At December 31, 2020	**(10,708)**	**(141,105)**	**(357,275)**	**(34,330)**	**(77,655)**	**-**	**(38,889)**	**(659,962)**
Net value								
At December 31, 2019	**32,422**	61,293	84,454	15,145	40,444	34,669	48,314	316,737
At December 31, 2020	**36,603**	**55,800**	**89,100**	**13,248**	**36,778**	**33,919**	**48,319**	**313,768**

"Other" items excluding leases for €1.1 million correspond to account-to-account reclassifications under "Other intangible assets" for €1 million(see Note 3.2.4.1).

The net impact of translation adjustments of €7.6 million was due to the deterioration of South African and Peruvian currencies at December 31, 2020.

Lease contracts break down as follows:

(In thousands of euros)	Land	Buildings	Techn. Inst.	Transportation equipment	Fixtures and fittings	Other fixed assets	Total Leases
Gross value							
At December 31, 2019	**1,727**	**29,602**	**22,258**	**24,196**	**191**	**103**	**78,076**
Acquisitions	24	2,263	5,487	10,702	198	-	18,674
Disposals	-	(671)	(625)	(841)	-	-	(2,137)
Change in consolidation scope	-	(0)	-	-	-	-	(0)
Currency translation differences	(7)	(381)	(814)	(2,062)	(29)	-	(3,292)
Other	(86)	824	(1,979)	(2,817)	48	(103)	(4,113)
At December 31, 2020	**1,658**	**31,636**	**24,328**	**29,178**	**408**	**-**	**87,208**
Depreciation & amortization and impairment							
At December 31, 2019	**(285)**	**(9,692)**	**(10,420)**	**(9,262)**	**(59)**	**(42)**	**(29,762)**
Allocations	(239)	(4,299)	(5,494)	(4,689)	(90)	-	(14,811)
Impairment	-	-	-	-	-	-	-
Disposals	7	317	795	643	-	-	1,761
Change in consolidation scope	-	-	-	-	-	-	-
Currency translation differences	1	115	313	752	10	-	1,190
Other	0	613	341	1,755	(20)	42	2,733
At December 31, 2020	**(516)**	**(12,947)**	**(14,465)**	**(10,802)**	**(159)**	**-**	**(38,889)**
Net value							
At December 31, 2019	**1,442**	**19,910**	**11,838**	**14,934**	**132**	**61**	**48,314**
At December 31, 2020	**1,141**	**18,690**	**9,862**	**18,377**	**249**	**-**	**48,319**

The lease expense is analyzed in Note 3.2.4.11.a.

3.2.4.3 Investments in associates

a. Summary of investments in associates

The investments held by the Group in associate companies are as follows:

(In thousands of euros)	December 31, 2019	December 31, 2020
La Barre Thomas	50	-
Transval	45	-
Gerep	-	-
Sogad	336	180
Karu Energy SAS	-	-
Total	**431**	**180**

b. Changes to investments in associates

The changes in the Group's investments in associate companies were as follows:

(In thousands of euros)	December 31, 2019	December 31, 2020
Balance at start of period	3,276	431
Changes in consolidation scope	(2,589)	(45)
Impairment	-	-
Share in net income for the period (1)	(44)	(1,477)
Investments in associates	-	-
Change in other comprehensive income	-	-
Dividends received / paid	(325)	-
Other (1)	113	1,271
Balance at end of period	**431**	**180**

(1): See Note 3.4.16. The negative share of investments in associates was reclassified as non-current provisions (see Note 3.2.4.6).

c. Financial information on associates

The information summarized below represents the full financial position and income statements of associate companies.

In accordance with IAS 28 Investments in Associates and Joint Ventures, the summary statement of financial position and income statement at December 31, 2020 correspond to the most recent accounts available.

(In thousands of euros)	La Barre Thomas	Gerep (*)	Sogad
Non-current assets	6	1,087	1,618
Current assets	1,098	888	1,381
Total assets	**1,104**	**1,975**	**3,000**
Shareholders' equity	(13)	(2,878)	481
Non-current liabilities	-	584	386
Current liabilities	1,117	4,270	2,133
Total liabilities and shareholders' equity	**1,104**	**1,975**	**3,000**
Revenue	2,264	2,661	3,864
EBITDA	(136)	47	150
Current operating income	(137)	(2,488)	(241)
Operating income	(137)	(2,488)	(241)
Net income	**(137)**	**(2,490)**	**(230)**

(*): A provision for estimated costs until business stopped for an amount of €2.5 million was recognized in 2020.

d. Transactions with associates

The Group did not carry out any significant transactions with associate companies.

3.2.4.4 Financial assets and liabilities

(In thousands of euros)	December 31, 2019			December 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Equity instruments	742	-	742	594	-	594
Financial loans and receivables	7,254	1,078	8,332	6,614	974	7,588
Financial assets	**7,996**	**1,078**	**9,074**	**7,209**	**974**	**8,183**
Trade and other receivables	42,457	179,480	221,937	35,736	171,023	206,759
Other operating financial assets	432	43,272	43,704	194	32,103	32,297
Operating loans and receivables at amortized cost	**42,889**	**222,752**	**265,641**	**35,930**	**203,126**	**239,056**
Derivatives - Assets	-	-	-	-	-	-
Other instruments at FV through profit or loss	-	-	-	-	-	-
Financial instruments at FV through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**-**	**92,276**	**92,276**	**-**	**105,265**	**105,265**
Total financial assets	**50,885**	**316,106**	**366,991**	**43,139**	**309,365**	**352,504**
Financial debt	485,238	63,228	548,466	487,729	67,809	555,538
Derivatives - Liabilities	189	83	272	0	75	75
Other operating financial liabilities	9,681	250,412	260,093	2,377	232,819	235,196
Total financial liabilities	**495,108**	**313,723**	**808,831**	**490,106**	**300,702**	**790,809**

Non-current financial assets primarily include the amounts payable to Sénerval by Eurométropole Strasbourg in respect of amendments to the public service delegation agreement and the major maintenance and renewal contract (see Note 3.2.1.9). These amounts are recoverable over the remaining term of the delegation contract, scheduled to end in June 2030. They cover payment for services provided and shortfalls incurred during the periods when the waste treatment and steam generation facilities were unavailable.

a. Financial assets

i. Equity instruments

(In thousands of euros)	December 31, 2019	Acquisitions	Disposals / redemptions	Impairment	Other	December 31, 2020
Solarca Maroc	9	-	-	-	-	9
Solarca Italia	-	-	(10)	-	10	-
Solarca Brazil	17	-	(17)	-	-	-
Solarca Chile	7	3	-	-	-	10
Other	11	9	-	-	(10)	10
Non-consolidated securities	**44**	**12**	**(27)**	**-**	**-**	**30**
Emertec	370	-	(5)	(128)	-	237
Other UCITS	328	-	-	-	-	328
UCITS	**698**	**-**	**(5)**	**(128)**	**-**	**565**
Equity instruments	**742**	**13**	**(32)**	**(128)**	**-**	**594**

ii. Loans and receivables at amortized cost

(In thousands of euros)	December 31, 2019			December 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Deposits and guarantees	3,165	276	3,441	2,793	227	3,020
Loans	2,070	122	2,192	2,349	66	2,415
Concession operating receivables	2,019	680	2,699	1,473	680	2,153
Financial loans and receivables	**7,254**	**1,078**	**8,332**	6,614	**974**	7,588
Trade and other receivables	**42,457**	**179,480**	**221,937**	**35,736**	**171,023**	**206,759**
Government	-	29,712	29,712	-	20,938	20,938
Tax receivables	425	2,508	2,933	84	2,778	2,862
Prepayments	-	3,721	3,721	-	1,284	1,284
Social insurance receivables	-	315	315	-	388	388
Amounts receivable on disposal of fixed assets	-	4	4	-	5	5
Other receivables	7	6,689	6,696	110	6,423	6,533
Current account receivables	-	323	323	-	288	288
Other operating assets	**432**	**43,272**	**43,704**	**194**	**32,103**	**32,297**
Operating loans and receivables	**42,889**	**222,752**	**265,641**	**35,930**	**203,126**	**239,056**
Loans and receivables at amortized cost	**50,143**	**223,830**	**273,973**	**42,544**	**204,100**	**246,645**

On December 28, 2020, the Group sold, without recourse, receivables of €24.2 million, with accompanying insurance. It completed a similar transaction for €24.2 million on December 31, 2019.

Impairment of loans and receivables at amortized cost breaks down as follows:

(In thousands of euros)	December 31, 2019			December 31, 2020		
	Gross	Impairment	Net	Gross	Impairment	Net
Financial loans and receivables	8,339	(7)	**8,332**	7,841	(253)	**7,588**
Trade and other receivables	227,182	(5,245)	**221,937**	212,018	(5,259)	**206,759**
Other operating assets	43,732	(28)	**43,704**	32,323	(25)	**32,297**
Loans and receivables at amortized cost	**279,253**	**(5,280)**	**273,973**	**252,182**	**(5,537)**	**246,645**

iii. Cash and cash equivalents

(In thousands of euros)	December 31, 2019	December 31, 2020
Cash	77,214	98,194
Cash and cash equivalents	15,062	7,071
Cash and cash equivalents	**92,276**	**105,265**

Cash equivalents correspond to SICAV (open-ended mutual funds).

b. Financial liabilities

i. Financial debt

Changes in debt over the fiscal year break down as follows:

(In thousands of euros)	December 31, 2019	Change	New	Repayments	Currency translation differences	Other	December 31, 2020
Bank loans	235,847	-	64,391	(25,901)	(1,717)	(1,506)	271,114
Bonds	254,013	-	-	(25,000)	-	291	229,304
Leases	42,895	-	18,803	(14,303)	(1,680)	(755)	44,960
Other financial debt (incl. accrued interest)	4,176	(526)	38	13	(33)	(589)	3,078
Short-term bank borrowings	11,535	(3,458)	-	-	(995)	(1)	7,081
Changes in debt	**548,467**	**(3,984)**	**83,232**	**(65,191)**	**(4,426)**	**(2,561)**	**555,538**

The lease expense is analyzed in Note 3.2.4.11.a.

At December 31, 2020, the Group's financial debt broke down as follows:

(In thousands of euros)	December 31, 2020	Less than 1 year	1-5 years	More than 5 years	Fixed rate	Variable rate
Bank loans	271,114	42,609	198,691	29,814	138,811	132,303
Bonds	229,304	-	139,349	89,955	229,304	-
Leases	44,960	15,078	26,491	3,391	32,963	11,998
Other financial debt (incl. accrued interest)	3,078	3,040	14	24	333	2,743
Short-term bank borrowings	7,081	7,081	-	-	7,080	0
Total	**555,538**	**67,809**	**364,545**	**123,184**	**408,490**	**147,045**

Exposures to liquidity risk mentioning bank ratios and interest rate risk are set out in Notes 3.2.4.17.d) and 3.2.4.17.e) respectively.

Financial debt is 95% contracted in euros (see Note 3.2.4.17.f).

ii. Operating liabilities

(In thousands of euros)	December 31, 2019			December 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Trade payables	-	123,185	**123,185**	-	115,150	**115,150**
Debts on acquisition of fixed assets	9,511	26,056	**35,567**	2,334	22,957	**25,291**
Prepayments received	6	2,931	**2,937**	-	6,876	**6,876**
Social insurance payables	-	29,451	**29,451**	-	28,663	**28,663**
State (excluding corporation tax)	-	37,387	**37,387**	-	39,436	**39,436**
Income tax	-	6,438	**6,438**	-	1,440	**1,440**
Current account credit balances	-	1,472	**1,472**	-	1,153	**1,153**
Expenses payable	-	2,005	**2,005**		1,912	**1,912**
Other debts	-	1,549	**1,549**	4	440	**444**
Other equity	164	-	**164**	39	-	**39**
Liabilities for renewal of assets under concession arrangements	-	7,679	**7,679**	-	7,053	**7,053**
Prepaid income	-	12,260	**12,260**		7,738	**7,738**
Operating liabilities	**9,681**	**250,413**	**260,094**	**2,377**	**232,819**	**235,196**

The decrease in "Liabilities on acquisition of fixed assets" corresponds for €9 million to payments made in 2020 following the acquisition of the Italian Mecomer group in 2019 (see Note 3.2.4.18.b).

The line "Debt on acquisition of fixed assets" includes €9.5 million in additional prices related to takeovers made in 2019 in Italy and Chile, of which €2.3 million are classified as non-current. (See Note 3.2.2.2.a)

The increase in the "Loans and advances received" line of nearly €4 million is due to the annual advance of €2 million received from the Béarn trade union contract not charged to invoicing due to the end of the delegated management contract for the Béarn incinerator at June 30, 2020 (see Note 3.2.2.2.a), and due to an advance of €2 million received from Métropole Grand Paris for the new construction site of the Olympic pool.

The "Corporation tax" line decreased by €5 million following the effects of the Covid-19 health crisis.

The decrease in the "Advanced income" line of €4.5 million is mainly due to the new Amendment No. 11 of December 18, 2020 between the Board of the Strasbourg Eurometropole and Sénerval.

c. Derivatives

(In thousands of euros)	December 31, 2019			December 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Derivatives - Assets	-	-	-	-	-	-
Derivatives - Liabilities	189	83	272	-	75	75

The derivatives used by the Group are for hedging cash flow related to its financing. These instruments, which are traded on organized markets, are managed by the Group's Finance Department.

(In thousands of euros)	December 31, 2019		December 31, 2020	
	Nominal	Fair value	Nominal	Fair value
Swaps	10,000	(51)	-	-
Collars	80,000	(221)	35,000	(75)
Total	**90,000**	**(272)**	**35,000**	**(75)**

At December 31, 2020, the maturity of the cash flow hedging instruments was the following:

(In thousands of euros)	Less than 1 year	1-5 years	More than 5 years	Total
Swaps	-	-	-	-
Collars	35,000	-	-	**35,000**
Total	**35,000**	**-**	**-**	**35,000**

Gains and losses recorded in other comprehensive income amounted to €0.2 million over the period.

The cumulative amount of other comprehensive income before deferred tax at December 31, 2020 totaled €0.3 million. The ineffective portion of these hedges was recorded in gross financial borrowing costs in the amount of -€0.1 million for 2020.

No other comprehensive income was recycled and booked in the income statement for the period.

3.2.4.5 Employee benefits

The average actuarial assumptions used to measure the actuarial liabilities of retirement plans and other post-employment benefits in France are the following:

	December 31, 2019	December 31, 2020
Discount rate (*)	0.70%	0.60%
Wage increases	Between 1.60% and 2%	Between 1.60% and 2%
Mortality table	INSEE 2013-2015 by gender	INSEE 2014-2016 by gender
Retirement age:		
Executives	*depending on date of birth aged between 60 and 67*	*depending on date of birth aged between 60 and 67*
Non-executives		
Mobility rate	Depending on age: 6.5% to 0% from 60 years old with executive/non-executive distinction	Depending on age: 6.5% to 0% from 60 years old with executive/non-executive distinction
Social security contributions:		
Executives	*46%*	*46%*
Non-executives	*41%*	*41%*

(*): The discount rate used is set with reference to the issue rate of high-quality euro-denominated corporate bonds (meaning AA or AAA rated companies) for terms equivalent to the term of the commitments. At December 31, 2020, the maturity of the commitments was 13.2 years.

The main collective bargaining agreements applicable to France are the following:

- National collective agreement for the chemical and allied industries;
- National collective agreement for the waste handling industry.

(In thousands of euros)	December 31, 2019	December 31, 2020
Actuarial liabilities at year-end (a)	19,028	19,887
Fair value of hedge assets (b)	(6,876)	(5,827)
Net retirement obligations – France (a) + (b)	***12,152***	***14,060***
Retirement obligations – International	***1,199***	1,385
Retirement obligations	***13,351***	**15,445**
Long-service awards	***920***	**942**
Total commitment at start of year	**14,272**	**16,387**
Provision recognized under balance sheet liabilities	14,358	16,497
Overfunded plans recognized under balance sheet assets	86	110

The tables below present the details of provisions for retirement benefits and other post-employment benefits for France:

i. Change in the amount of retirement obligations

The change in actuarial liabilities and plan assets for France is the following:

(In thousands of euros)	December 31, 2019	December 31, 2020
Actuarial liabilities at start of year	**12,177**	**19,028**
Service cost	770	1,266
Interest on actuarial liabilities	137	128
Plan amendments	-	(11)
Reductions/Terminations of plans	-	(473)
Contributions paid	-	-
Benefits paid	(847)	(912)
Acquisitions/Disposals of subsidiaries	24	-
Actuarial gains (losses)	6,766	862
Other	-	-
Actuarial liabilities at year-end (a)	**19,028**	**19,887**
Fair value of plan assets at start of year	**(6,962)**	**(6,876)**
Interest income from plan assets	(77)	(48)
Reductions/Terminations of plans	-	-
Contributions received	-	-
Benefits paid	283	980
Management fees	-	-
Acquisitions/Disposals of subsidiaries	-	-
Actuarial gains (losses)	(119)	117
Fair value of plan assets at year-end	**(6,875)**	**(5,827)**
Net retirement liabilities (a) + (b)	**12,152**	**14,060**

Details of the Mexican and Italian subsidiaries' retirement obligations are not provided in the Notes to the financial statements as they are not significant.

A 0.5% increase in the discount rate would reduce actuarial liabilities by €1.2 million. A 0.5% decline in the discount rate would increase actuarial liabilities by €1.3 million.

ii. Change in long-service award liabilities

The Group's liabilities related to long-service awards have changed as follows:

(In thousands of euros)	December 31, 2019	December 31, 2020
Amount of commitment at start of year	**871**	**920**
Service cost	78	106
Interest on actuarial liabilities	8	6
Benefits paid	(99)	(108)
Acquisitions/Disposals of subsidiaries	-	-
Actuarial gains (losses)	60	26
Other	2	(8)
Amount of commitment at year-end	**920**	**942**

iii. Impact on comprehensive income

(In thousands of euros)	December 31, 2019	December 31, 2020
Cost of services	78	98
Interest on actuarial liabilities	8	6
Interest income from plan assets	-	-
Management fees	-	-
Actuarial gains (losses)	(118)	19
Changes in assumptions	178	7
Net cost of benefits in the income statement	**146**	**130**
Net cost of benefits in the income statement	**146**	**130**

3.2.4.6 Current and non-current provisions

Current and non-current provisions break down as follows:

(In thousands of euros)	December 31, 2019	Allocations	Write-backs used	Write-backs not used	Other compre-hensive income	Currency translation differences	Other	December 31, 2020
Employee benefits[1]	14,358	1,481	-	(221)	975	(6)	(89)	16,497
Other non-current provisions [2]	18,891	1,411	(144)	(5)	-	(884)	2,916	22,185
NON-CURRENT PROVISIONS	**33,249**	**2,891**	**(144)**	**(226)**	**975**	**(890)**	**2,827**	**38,682**
Provisions for litigation [3]	540	656	(138)	(634)	-	-	190	614
Provisions for other costs [4]	4.902	1,008	(3,145)	(574)	-	(1)	(1,048)	1,142
CURRENT PROVISIONS	**5,442**	**1,664**	**(3,284)**	**(1,208)**	**-**	**(1)**	**(857)**	**1,756**
TOTAL	**38,691**	**4,556**	**(3,428)**	**(1,434)**	**975**	**(891)**	**1,969**	**40,439**

(1): See Note 2.4.5.

(2): Provisions for thirty-year monitoring: €18.5 million at December 31, 2020, compared with €17.6 million at December 31, 2019.

Provisions for other risks: €2.7 million at December 31, 2020 versus €1.2 million at December 31, 2019, an increase of €1.5 million following the negative share of investments in associates (see Note 3.2.4.3.b).

Provisions for social risks: €1 million at December 31, 2020 versus €0.5 million at December 31, 2019, an increase of €0.5 million following reclassifications from current to non-current provisions.

(3): corresponds to litigation for tax risks at December 31, 2020

(4): primarily covers risks relating to the environment and business risks. The provision for asbestos risk of the French subsidiary Trédi recorded at December 31, 2019 for €1.1 million was reversed for €0.4 million. The balance of the provision was reclassified to "Other non-current provisions" for €0.6 million.

Furthermore, the provision for major maintenance and the renewal of facilities under the delegated management of Béarn Environnement was reversed for €2.9 million at December 31, 2020 following the end of the Group's delegated management contract for the incinerator as of June 30, 2020. The corresponding expense is recorded in "restoration expenses/maintenance expenses on treatment sites and leased assets". (See Note 3.2.2.2.a).

The allocations and write-backs shown above are broken down as follows in the consolidated income statement:

(In thousands of euros)	Net (write-backs)/allocations 2019	Net (write-backs)/allocations 2020
Current operating income	200	(306)
Operating income	-	-
Other financial expenses	585	657
TOTAL	**785**	**351**

3.2.4.7 Deferred taxes

Breakdown of deferred taxes by type:

(In thousands of euros)	December 31, 2019	December 31, 2020
Tax loss carryforwards	27,308	25,929
Employee benefits	3,370	3,636
Provisions for tax purposes	(4,539)	(3,270)
Difference between the tax and accounting values of fixed assets	(2,438)	(1,884)
Fair value measurement of assets	(5,437)	(5,090)
Restated provision for thirty-year monitoring	(1,098)	(803)
Industrial repairs and maintenance	(3,801)	(3,758)
Provisions not deducted	3,960	3,252
Other	92	(651)
Total	**17,417**	**17,361**
Of which deferred tax assets	*24,300*	*23,438*
Of which deferred tax liabilities	*6,883*	*6,076*

Deferred taxes on tax loss carryforwards are recognised for €25.9 million and concern France for €22.8 million and the International scope for €3.1 million, including:

- France: €22.2 million for the activation of deficits arising from the tax consolidation, dating back to 2012 and 2013, linked to the full provisioning of Séché Environnement's exposure to HIME; The amount of this tax receivable takes into account the gradual decline in the corporate tax rate in France from 32.02% to 25.83% by 2022 as announced in the 2021 Finance Act, and the probability of using the tax consolidation deficit; Moreover, use of the tax consolidation deficit was recognized at December 31, 2020 for a base amount of €13.4 million and deferred tax of €3.7 million. Séché Environnement's tax consolidation loss carryforward is expected to be fully offset during 2024. International: €3.1 million of which €1 million related to the activation of deficits arising during the 2020 financial year in Spain, €1.4 million following the activation of 50% of previous losses given the confirmation of a return to profit of the Chilean subsidiary Soluciones Ambientales Del Norte in recent years and its expected future operating performance, and to a lesser extent €0.4 million in Mexico.

At December 31, 2020, unused deferred tax assets relating to tax loss carryforwards amounted to €6 million, compared with €7.4 million a year earlier.

Deferred tax assets on tax losses were not recognized for €6 million and mainly concern Peru (€1.7 million), Chile (€1.4 million for 50% of the previous losses of the subsidiary Soluciones Ambientales Del Norte and €0.8 million for the subsidiary CICLO given the planned start of operations in 2023) and South Africa (€1.2 million).

Changes in deferred tax assets can be analyzed as follows:

(In thousands of euros)	Deferred tax assets	Deferred tax liabilities	Total
At December 31, 2018	**23,729**	**60**	**23,668**
Income	(364)	742	(1,106)
Change in fair value of other comprehensive income	2,314	24	2,290
Change in consolidation scope	912	8,516	(7,604)
Currency translation differences	84	147	(63)
Other	13	(217)	230
Offsetting of deferred taxes	(2,389)	(2,389)	-
At December 31, 2019	**24,300**	**6,883**	**17,416**
Income	10,612	10,813	(201)
Change in fair value of other comprehensive income	(979)	(1,108)	129
Change in consolidation scope	5	6	(1)
Currency translation differences	(68)	(358)	290
Other	6	12	(6)
Offsetting of deferred taxes	(10,438)	(10,172)	(266)
At December 31, 2020	**23,438**	**6,076**	**17,361**

3.2.4.8 Off-balance sheet commitments

(In thousands of euros)	December 31, 2019	December 31, 2020
Commitments given in the ordinary course of business	161,676	137,736
Commitments given in connection with Group debt	47,056	46,479
Commitments given in relation to the management of interest rates	-	-
Commitments given	**208,732**	**184,215**
Commitments received	**-**	**-**
Off-balance sheet commitments	**208,732**	**184,215**

a. Off-balance sheet commitments arising from normal operations

(In thousands of euros)	December 31, 2019	December 31, 2020
Financial guarantees (1)	98,465	80,401
Guarantees and bonds	63,211	57,335
Commitments given in the ordinary course of business	**161,676**	**137,736**

(1) Refers to sureties pledged to a financial institution on the setting up of guarantees granted by it under the Ministerial Order of February 1, 1996. Of which -€6 million following the end of the Béarn incinerator delegated management contract (see Note 3.2.2.2.a).

b. Off-balance sheet commitments given or received in connection with Group debt

(In thousands of euros)	December 31, 2019	December 31, 2020
Sureties and letters of intent	27,836	33,308
Property, plant and equipment and intangible assets pledged as guarantees and collateral	19,220	13,170
Commitments given in connection with Group debt	**47,056**	**46,479**

As part of its asset financing operations, the Company signed commitments not to sell the shares it holds in Sénergies and Séché Éco-Industries.

All the off-balance sheet commitments shown above cover debts carried in the balance sheet.

In connection with its public service delegation contracts, Séché Environnement issues a performance guarantee to the contracting authorities.

c. Other off-balance sheet commitments

This breakdown of the Group's off-balance sheet commitments includes all significant off-balance sheet commitments in line with current accounting standards.

3.2.4.9 Shareholders' equity

a. Breakdown of share capital

The share capital of Séché Environnement is composed of 7,857,732 shares with a par value of €0.20 each, fully paid up as at December 31, 2019 and December 31, 2020.

The number of shares with a double voting right at December 31, 2020 was 3,567,553, versus 2,173,269 at December 31, 2019.

b. Additional paid-in capital

Additional paid-in capital is made up exclusively of additional paid-in capital from the different capital increases, net of charges.

c. Foreign exchange rate adjustments

Foreign exchange rate adjustments decreased by -€9.8 million, including -€3.5 million resulting from the translation of the equity of subsidiaries outside the euro zone, and a -€5.5 million impact from changes in net investments (see Note 3.1.3).

The main exchange rates used (euro/currency) for the translation of balance sheet items (closing rate) and income statement items (average rate) are the following:

For 1 euro	PEN	CLP	ARS	MXN	ZAR
2019					
Average rate	3.74	792.49	54.12	21.68	16.19
Closing rate	3.72	844.85	67.23	21.22	15.78
2020					
Average rate	4.00	900.11	80.96	24.46	18.67
Closing rate	4.42	868.89	102.85	24.42	18.02

d. Treasury stock

By virtue of the authorizations granted by the General Shareholders' Meetings of April 27, 2018 and 2017, the Board of Directors repurchased Group shares in 2018 as part of a liquidity contract, the management of which was entrusted to an independent organization. The Director is recorded as making an initial contribution of €1.4 million and owns 4,862 shares.

At December 31, 2020, share buybacks (for the whole of 2020) broke down as follows:

	December 31, 2019	December 31, 2020
Number of shares held as treasury stock (1)	53,802	57,856
Percentage of shares held as treasury stock	0.68%	0.74%
Net book value of shares held as treasury stock (€)	1,894,903	2,305,558
Market value of shares held as treasury stock at the end of the period (€)	2,022,955	2,311,347
Based on the closing price of Séché Environnement's shares at the end of December (€)	37.60	39.95

(1) including Group shares acquired under previous share buyback programs

e. Earnings per share

The earnings and the shares used for calculating basic earnings per share and dilution per share are presented below:

Earnings per share	December 31, 2019	December 31, 2020
Net income attributable to ordinary shareholders used to calculate basic earnings per share	**17,825**	13,815
Weighted average number of ordinary shares used to calculate basic earnings per share	7,857,732	7,857,732
Weighted average number of treasury shares used to calculate basic earnings per share	53,802	57,856
Weighted average number of shares used to calculate basic earnings per share	7,803,930	7,799,876
Earnings per share (€)	**2.27**	1.77
Diluted earnings per share (€)	**2.27**	**1.77**

f. Dividends

In 2020, Séché Environnement paid out €7,464,845.40 in dividends, or €0.95 per share, regardless of the type of share. Payment was made in July 2020.

On March 5, 2021, the Board of Directors decided to propose to the General Shareholders' Meeting a dividend payout of €7,464,845.40 (or €0.95 per share).

3.2.4.10 Income from ordinary activities

a. Breakdown of revenue by type

(In thousands of euros)	December 31, 2019	December 31, 2020
Waste treatment activities	356,379	335,527
Recovery activities	102,388	85,551
Other services	245,652	251,998
Revenue	**704,419**	**673,076**
Other business income	8,137	780
Transfers of expenses	3,644	-
Income from ordinary activities	**716,200**	**673,856**

"Transfers of expenses" declined because of the change in how capitalized production is presented in the financial statement in the first half of 202 (see Note 3.2.1.21 a).

b. Breakdown of revenue by type of waste

(In thousands of euros)	December 31, 2019	December 31, 2020
Hazardous waste treatment	450,521	411,469
Non-hazardous waste treatment	253,898	261,607
Total	**704,419**	**673,076**

c. Breakdown of income from ordinary activities by geographical region

(In thousands of euros)	December 31, 2019	December 31, 2020
France	546,820	520,176
Europe (outside France)	74,343	73,357
South America	25,021	15,786
South Africa	64,443	58,808
Rest of world	5,573	5,729
Total	**716,200**	**673,856**

d. Performance obligations remaining to be satisfied

Performance obligations remaining to be satisfied represent the amount of the transaction price allocated to performance obligations not yet satisfied or partially satisfied on the balance sheet date ("order book"). Au December 31, 2020, total revenue not yet recognized from the Group's long-term contracts was around €64.2 million. The Group believes that most of this revenue should be booked in the next 12 to 36 months.

e. Contract assets and liabilities

Under IFRS 15, the amounts of contract assets and liabilities included in “Other current assets” and “Other current liabilities” on the consolidated statement of financial position must be detailed.

(In thousands of euros)	December 31, 2019	December 31, 2020
Contract assets	23,381	25,143
Contract liabilities	12,261	7,738

3.2.4.11 EBITDA

a. External expenses

(In thousands of euros)	December 31, 2019	December 31, 2020
Subcontracting	(145,092)	(137,254)
Lease expenses	(20,164)	(18,137)
Maintenance and repairs	(36,355)	(35,172)
Insurance	(8,624)	(9,735)
Other external expenses	(56,140)	(39,727)
External expenses	**(266,375)**	**(240,026)**

“External expenses” declined because of the change in how capitalized production is presented in the financial statement in the first half of 2020 (see Note 3.2.1.21 a).

Lease expenses break down as follows:

(In thousands of euros)	December 31, 2019	December 31, 2020
Amortization of right-of-use assets	(13,287)	(14,895)
Interest on lease liabilities	(1,945)	(1,660)
Expenses on lease payments restated under IFRS 16	**(15,232)**	**(16,555)**
Variable, short-term and/or low value lease payments	(20,164)	(18,137)
Lease payments recorded as external expenses	**(20,164)**	**(18,137)**
Total	**(35,396)**	**(34,691)**

b. Taxes and duties

(In thousands of euros)	December 31, 2019	December 31, 2020
Tax, duties and related payments	(9,753)	(9,778)
TGAP (tax on polluting activities)	(32,667)	(34,032)
Property ownership tax	(3,167)	(3,232)
Other	(681)	(620)
Taxes and duties	**(46,268)**	**(47,663)**

c. Payroll costs

(In thousands of euros)	December 31, 2019	December 31, 2020
Wages and salaries (including social security expenses)	(169,900)	(161,554)
Profit sharing and incentive schemes	(2,622)	(2,679)
Contributions towards end-of career payments	-	79
Employee expenses	**(172,522)**	**(164,154)**

3.2.4.12 Current operating income

a. Operating income and expenses

(In thousands of euros)	December 31, 2019	December 31, 2020
Losses on bad debts	(2,024)	(508)
Other	(1,824)	(526)
Operating expenses	**(3,848)**	**(1,034)**
Other	191	889
Operating income	**191**	**889**
Other operating items	**(3,657)**	**(144)**

Losses on bad debts at December 31, 2020 were mainly located in Spain, for €0.3 million.

At December 31, 2019, losses on bad debts were mainly located in France, for €0.3 million, Spain, for €0.6 million, and South Africa, for €0.2 million.

The "Other" line of operating expenses at December 31, 2020 is not material. At December 31, 2019, this line item mostly reflects €1 million in operating expenses recorded in France for social and asbestos risks, which were covered by provisions at December 31, 2018 which were written back in 2019.

Operating income for €0.9 million was related to insurance and transactional repayments of €0.4 million, and €0.4 million following the balance of asbestos risk mentioned above for which the Group gained ground in 2020.

b. Net allocations to depreciation & amortization, provisions and impairment

(In thousands of euros)	December 31, 2019	December 31, 2020
Amortization of intangible fixed assets	(9,509)	(9,576)
Depreciation of property, plant and equipment	(64,653)	(67,579)
Amortization of deferred expenses	(9)	(9)
Net allocations to depreciation & amortization	**(74,171)**	**(77,164)**
Net impairment of fixed assets	61	(280)
Net impairment of inventories, business loans and other assets	1,252	298
Net change in current and non-current provisions	(200)	306
Net allocations to provisions and impairment	**1,113**	**324**
Depreciation & amortization, impairment, and provisions	**(73,058)**	**(76,840)**

The line “Net change in current and non-current provisions” is explained in Note 3.2.4.6.

3.2.4.13 Operating income

(In thousands of euros)	December 31, 2019	December 31, 2020
Intangible fixed assets	(80)	38
Property, plant and equipment	(7)	180
Consolidated securities	(677)	7
Non-consolidated securities	-	(27)
Income on disposal of fixed assets	**(764)**	**198**
Property, plant and equipment	-	-
Other assets	-	-
Impairment	**-**	**-**
Business combination effects	**(777)**	**(1,148)**
Other	**501**	**(2,341)**
Other non-current items	**(1,040)**	**(3,292)**

Income from the sale of fixed assets was not material at December 31, 2020.

In 2019, the €0.7 million loss on the disposal of consolidated securities was due to the impact of the change in accounting method applied to Peruvian company Kanay following its acquisition, for -€1 million, and the winding-up of Solarca USA and Séché Energies, for €0.3 million.

The effects of business combinations correspond to:

- In 2020: amounts incurred as part of the target acquisition project.
- In 2019: amounts committed for the acquisition of the Italian Mecomer group (€0.5 million), the South African Interwaste group (€0.2 million) and the Chilean company Ciclo SA. (€0.1 million).

The amounts booked under the heading, “Other”, mainly refer to:

- In 2020:
  - The recognition of costs related to the South African BBBEE operation (see Note 3.2.2.1 b) in the amount of -€0.6 million;
  - -€0.2 million in costs incurred by the Group for the management of the Strasbourg-Sénerval public service delegation contract, which became more complex due to the presence of asbestos in the delegated facilities;
  - Expenses incurred or committed in respect of performance plans for -€0.4 million.

- In 2019:
  - +€1.8 million euros corresponding to the contested TGAP tax reassessment on Séché Eco-industries, which was written off by the tax authorities;
  - -€0.3 million in costs incurred by the Group for the management of the Strasbourg-Sénerval public service delegation contract, which became more complex due to the presence of asbestos in the delegated facilities;
  - Expenses incurred or committed in respect of performance plans for -€0.8 million.

3.2.4.14 Financial income

a. Breakdown of the cost of net financial debt

(In thousands of euros)	December 31, 2019	December 31, 2020
Interest income from cash and cash equivalents	371	300
Income from cash and cash equivalents	**371**	**300**
Interest expenses on borrowings (1)	(15,490)	(17,066)
Income from derivatives(2)	(617)	(255)
Cost of gross financial debt	**(16,107)**	**(17,320)**
Cost of net financial debt	**(15,736)**	**(17,020)**

(1) : o/w €10.7 million at Séché Environnement versus €9.2 million at December 31, 2019.
(2) : See Note 3.2.4.16.a)

b. Breakdown of other financial income and expenses

(In thousands of euros)	December 31, 2019	December 31, 2020
Net income on the sale of long-term investments (1)	(26)	(5)
Accretion of 30-year provisions (2)	(585)	(657)
Impairment of equity instruments (1)	(389)	(122)
Other impairment losses and provisions	2	-
Foreign exchange gain (loss) (3)	(321)	(1,743)
Other (4)	(418)	(892)
Other financial income and expenses	**(1,737)**	**(3,419)**

(1) Corresponds to the net impact of the disposal of other long-term investments in Emertec, which was negligible.
(2) See Note 3.2.4.6
(3) The foreign exchange loss was due to the impact of the deterioration of the South African currency and the bank loans taken out in USD in Peru, which ended during the year.
(4) These are fees for the use and non-use of liquidity lines in France.

3.2.4.15 Taxes

(In thousands of euros)	December 31, 2019	December 31, 2020
Income tax payable	(9,252)	(8,204)
Deferred tax	(1,106)	(201)
Total	**(10,358)**	**(8,404)**

The net tax expense for the financial year is broken down between:

- a tax expense of €7.5 million for the French subsidiaries (€5.2 million in 2019), mainly related to Séché Environnement SA's consolidated tax group comprising 19 subsidiaries;
- a tax expense of €0.9 million for foreign subsidiaries (€5.2 million in 2019).

The Group's effective tax rate stood at 35.3% in 2020, compared with 35.4% in 2019.

The difference between the level of tax resulting from the application of the tax rate under ordinary law in force in France and the amount of tax actually recorded during the year is analyzed as follows:

(In thousands of euros)	December 31, 2019	December 31, 2020
Profit before tax and income from associates	29,290	23,804
Theoretical tax rate in force in France	34.43%	32.02%
Expected theoretical tax	**(10,085)**	**(7,622)**
Re-estimate of deferred taxes due to changes in tax rates	706	283
Impact of subsidiaries' different tax rates	1,027	75
Tax assets not recognized in losses for the period	(2,536)	(1,865)
Use of previous losses not carried forward	707	18
Tax assets recognized on past losses	-	1,658
Effect of permanent differences between parent company results and tax results and other	(713)	(451)
Impact of permanent differences between parent company results and consolidated income	536	(500)
Tax actually recognized	**(10,358)**	**(8,404)**
Nominal tax rate	**35.4%**	**35.3%**

The Group's tax rate excluding social security contributions stands at 31%. Including social security contributions on income, the Group's tax rate is 32.02 %.

In the first half of 2020, the tax loss carryforwards applied at December 31, 2019 were not impacted by the health crisis (see Note 3.2.1.3.2 d).Within Séché Environnement's tax consolidation scope, a cap of €3.7 million in net opening deferred tax assets was recorded following the consumption of a share of previous losses. Deferred tax assets on new deficits observed in 2020 were not recognized for an overall amount of €1.9 million, including €1.5 million internationally (South Africa and Peru) and €0.4 million in France.*

On the other hand, 50% of the deferred tax assets on the previous losses of the Chilean subsidiary Soluciones Ambientales del Norte was activated for an amount of €1.4 million given the confirmation of the subsidiary's recurring return to profit in recent years and its expected future operating performance.

3.2.4.16 Share of income of associates

(In thousands of euros)	December 31, 2019	December 31, 2020
Gerep (*)	(109)	(1,266)
Karu Energy	(7)	-
La Barre Thomas	6	(55)
Sogad	68	(156)
Transval	(2)	-
M53 Investments	-	-
Total	**(45)**	**(1,477)**

(*): See Note 3.2.4.3.c

3.2.4.17 Financial risk management

a. Financial assets and liabilities measured at fair value

Financial assets and liabilities measured at fair value break down into the following levels in the fair value hierarchy:

(In thousands of euros)	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equity instruments	-	357	237	594
Derivatives	-	-	-	-
Other financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets	**-**	**357**	**237**	**594**
Financial debt	-	555,538	-	555,538
Hedging instruments	-	75	-	75
Other financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities	**-**	**555,613**	**-**	**555,613**

For the sake of comparison, the fair value allocation of the Group's financial instruments on the closing date of the previous period breaks down as follows:

(In thousands of euros)	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equity instruments	-	371	371	742
Derivatives	-	-	-	-
Other financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets	**-**	**371**	**371**	**742**
Financial debt	-	548,466	-	548,466
Hedging instruments	-	272	-	272
Other financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities	**-**	**548,738**	**-**	**548,738**

Equity instruments:

- Listed securities measured at the quoted share price on the balance sheet date are considered to be Level 1 assets;
- Unlisted securities whose fair value can be determined based on observable inputs, such as an assessment by an independent expert, are considered to be Level 2 assets;
- Unlisted securities whose fair value can be determined based on a pricing model (discounting of future cash flows, multiples, etc.) are considered to be Level 3 assets.

Derivatives:

The fair value of hedging instruments used by the Group (swaps, collars, swaptions, mixed instruments) is determined on the basis of a pricing model using observable data (principally interest rates), and is therefore considered to be Level 2.

Financial liabilities:

The fair value of financial liabilities can be determined based on observable inputs (interest rates), and is considered to be Level 2.

b. Exposure to credit risk

Credit risk is the risk of financial loss incurred by the Group in the event a client or counterparty to a given asset fails to meet its contractual obligations.

This risk comes mainly from trade receivables.

The Group manages credit risk associated with trade receivables via an active payment collection policy implemented at each of its French subsidiaries. This policy is implemented using a centralized software program which issues formal reminders and provides real-time information on the various counterparties. An analysis of payment deadlines is also carried out on a monthly basis, and any incidents are subject to corrective initiatives.

Furthermore, the Group has taken out credit insurance to cover the credit risks of its principal subsidiaries.

The book value of financial assets represents the Group's maximum exposure to credit risk (see Note 3.2.4.4).

Income, expenses, profits and impairment recognized at December 31, 2020 as financial assets on the financial statements were almost exclusively comprised of losses on trade receivables (see Note 3.2.4.13).

c. Exposure to counterparty risk

Counterparty risk corresponds to the loss that the Group could incur if one or more counterparties failed to fulfill their contractual obligations. It concerns loans and receivables at amortized cost (financial or operating loans and receivables) and short-term investments of excess cash.

The balance of receivables at amortized cost by maturity breaks down as follows:

(In thousands of euros)	December 31, 2020				
	Net value	o/w not due	0-6 months	o/w due 6 months-1 year	More than 1 year
Non-current trade and other receivables	35,736	35,736	-	-	-
Current trade and other receivables	171,023	132,749	28,001	5,487	4,786
Trade and other receivables	**206,759**	**168,485**	**28,001**	**5,487**	**4,786**

The balance of receivables at amortized cost by maturity at the close of the previous year breaks down as follows:

(In thousands of euros)	December 31, 2019				
	Net value	o/w not due	0-6 months	o/w due 6 months-1 year	More than 1 year
Non-current trade and other receivables	42,457	42,457	-	-	-
Current trade and other receivables	179,480	140,063	33,024	2,586	3,807
Trade and other receivables	**221,937**	**182,520**	**33,024**	**2,586**	**3,807**

The Group has also taken out a credit insurance policy to cover its consolidated revenue.

The Group considers that it is not exposed to any significant counterparty risk. The receivables due in more than 12 months listed above were analyzed and no impairment loss was recognized.

d. Exposure to liquidity risk

Liquidity risk is the risk that the Group may have difficulty honoring its debts when they become due.

The Group manages its financing centrally. Cash management reporting is in place with the aim of providing an up-to-date overview of the Group's short-, medium- and long-term financing requirements. Nearly all the Group's financing is managed centrally, as is the balancing of its sources of financing (capital markets, banks).

At December 31, 2020, the remaining contractual maturities of the Group's financial liabilities broke down as follows:

	December 31, 2020				
(In thousands of euros)	**Book value**	**Contractual cash flows**	**< 1 year**	**1-5 years**	**> 5 years**
Bank loans	500,418	-	-	-	-
Lease finance liabilities	45,043	-	-	-	-
Other financial debt	2,995	2,995	2,995	-	-
Short-term bank borrowings	7,081	7,081	7,081	-	-
Trade and other payables	228,143	228,143	225,809	2,334	-
Liabilities for renewal of assets under concession arrangements	7,053	7,053	7,053	-	-
Non-derivative financial liabilities	**790,734**	**245,272**	**242,938**	**2,334**	**-**
Derivatives	75	75	75	-	-
Derivative financial liabilities	**75**	**75**	**75**	**-**	**-**

For the sake of comparison, the remaining contractual maturities relating to the Group's financial liabilities broke down as follows at December 31, 2019:

	December 31, 2019				
(In thousands of euros)	**Book value**	**Contractual cash flows**	**< 1 year**	**1-5 years**	**> 5 years**
Bank loans	489,556	-	-	-	-
Lease finance liabilities	43,199	-	-	-	-
Other financial debt	4,176	4,176	4,176	-	-
Short-term bank borrowings	11,535	11,535	11,535	-	-
Trade and other payables	252,415	252,415	250,898	1,517	-
Liabilities for renewal of assets under concession arrangements	7,679	7,679	7,679	-	-
Non-derivative financial liabilities	**808,561**	**275,805**	**274,288**	**1,517**	**-**
Derivatives	272	272	83	189	-
Derivative financial liabilities	**272**	**272**	**83**	**189**	**-**

Financial ratios:

Further to the debt refinancing completed in July 2018 and May 2019, the Group benefits from a single and more flexible leverage ratio with a limit of 3.95x EBITDA. This limit can be further increased to 4.25x EBITDA should any acquisitions take place.

The financial ratio is calculated, excluding the impacts of the application of IFRS 16 "Leases" since January 1, 2019, based on:

- net financial debt with the exception of non-recourse financing;
- and EBITDA (earnings before interest, tax, depreciation and amortization).

At December 31, 2020, the Group had a leverage ratio of 3.13 vs. 3.14 at December 31, 2019.

This refinancing contract contains early repayment clauses in the event of non-compliance with the financial ratio; they were respected at December 31, 2020.

e. Exposure to interest rate risk

Séché Environnement's corporate debt, excluding hedging, is subject to a variable and fixed rate of interest.

The Group uses derivatives to hedge against any rise in interest rates and optimize the cost of its debt. The instruments used can include swaps, caps, floors and collars. Their use is managed directly by the Group Finance Department.

Sensitivity analysis consists of calculating the impact of any upward or downward movement of the interest rate prevailing on the balance sheet date:

- **Impact on income after taking interest rate derivatives into account :**
  A 1% increase in interest rates on the nominal amount of net debt would generate an additional expense of €0.3 million on the cost of financial debt. A 1% decrease in interest rates on the nominal amount of debt would would have no impact (as negative Euribor rates are floored at Zero).

- **Impact on equity after taking interest rate derivatives into account:**
  A 1% decline in all interest rate curves would generate a loss in equity of €0.1 million linked to a change in fair value of the derivatives used as cash flow hedges. Conversely, a 1% rise would have no impact.

f. Exposure to exchange rate risk

The exchange rate risk to which the Group is exposed stems from:

- The translation in its balance sheet and income statement of the contributions from foreign subsidiaries outside the eurozone, mainly in Peru and South Africa.However, this risk is limited.

- Bank debt denominated almost exclusively in euros being used to finance the investments of its foreign subsidiaries in local currencies (for subsidiaries not considered as long-term foreign investments).

The change in foreign exchange loss was €1.4 million due to the negative impact of South African rand debt in France, and the end of dollar debt in Peru:

(In thousands of euros)	December 31, 2019	December 31, 2020
Europe	16	(1,025)
Americas	(189)	(503)
Rest of world	(148)	(215)
Total	**(321)**	**(1,743)**

To date, this risk is not subject to separate hedging at the Group level.

3.2.4.18 Breakdown by region

a. Non-current assets by geographical region

At December 31, 2020

(In thousands of euros)	France	Europe (outside France)	Rest of the world	Total
Goodwill	237,035	38,905	33,139	309,079
Intangible fixed assets under concession arrangements	41,392	-	27	41,419
Other intangible fixed assets	20,626	13,817	4,713	39,156
Property, plant and equipment	227,492	25,309	60,967	313,768
Investments in associates	180	-	0	180
Non-current financial assets	6,624	187	397	7,209
Non-current derivatives - assets	-	-	-	-
Non-current operating financial assets	35,919	-	11	35,930
Deferred tax assets	19,747	1,675	2,015	23,438
Total	**589,016**	**79,894**	**101,270**	**770,179**

At December 31, 2019

(In thousands of euros)	France	Europe (outside France)	Rest of world	Total
Goodwill	237,035	38,906	33,773	309,714
Intangible fixed assets under concession arrangements	49,441	-	-	49,441
Other intangible fixed assets	15,909	16,788	7,369	40,066
Property, plant and equipment	219,171	23,353	69,857	312,381
Investments in associates	431	-	-	431
Non-current financial assets	7,085	126	785	7,996
Non-current derivatives - assets	-	-	-	-
Non-current operating financial assets	42,889	-	-	42,889
Deferred tax assets	23,018	906	376	24,300
Total	**594,979**	**80,079**	**112,160**	**787,218**

3.2.4.19 Additional notes to the consolidated statement of cash flows

a. Change in working capital requirement

(In thousands of euros)	December 31, 2019	December 31, 2020
Change in working capital requirement	**(5,045)**	**11,310**
Net change relating to operations	**(2,521)**	**12,475**
Change in inventories	**(819)**	**(581)**
Change in operating receivables	**(4,837)**	**19,982**
o/w change in accounts receivable	**10,238**	*10,360*
o/w change in other operating receivables	**(15,075)**	*9,621*
Change in operating liabilities	**3,135**	**(6,926)**
o/w change in trade payables	**10,529**	*(4,688)*
o/w change in other operating liabilities	**(7,394)**	*(2,240)*
Net change excl. operations	**(2,524)**	**(1,165)**
Change in non-operating receivables	**(1,769)**	**(137)**
o/w change in other debtors	(1,001)	*(165)*
Change in non-operating liabilities	**(755)**	**(1,029)**
o/w change in other debts	(727)	*(632)*

The improvement in the working capital requirement at December 31, 2020 of €16.4 million was due to the repayment of a receivable vis-à-vis the French State in the amount of €5 million in 2020 following a surplus payment in 2019, and also to an amount of €4 million in advances received; the change in trade payables was impacted by optimized control of costs and the end of the delegated management for the Béarn incinerator (see Note 3.2.2.2.a).

b. Other income and expenses

Other income and expenses increased by €3.2 million at December 31, 2020 due to the impacts of:

- acquisition costs of target projects reclassified under cash flow from financing activities for €1.1 million,
- amortized cost using the effective interest rate method and expenses according to IFRIC 12 for €1.4 million,
- costs related to the South African BBBEE operation (see Note 3.2.2.1 b) in the amount of -€0.6 million.

c. Takeovers of subsidiaries net of cash and cash equivalents

In 2020, the balance of the price in connection with the acquisition of the Mecomer Group was paid for €6.5 million, as well as the first earnout for an amount of €2.5 million.

During the year ended December 31, 2019, the impacts primarily include:

- Acquisition of Mecomer group -€28 million, including a positive cash position of €5.4 million;
- Acquisition of Interwaste group -€27.9 million, including a positive cash position of €5.9 million;
- Takeover of Ciclo SA. -€6.6 million, including a positive cash position of €0.8 million;
- Takeover of Kanay -€6.6 million, including a negative cash position of -€5.4 million;
- And fees relative to acquisitions, for -€0.8 million.

d. Cash and cash equivalents without gain of control

The impact of €4.1 million at December 31, 2020 corresponds to the disbursement of the price for the additional acquisition of 10% of the Spanish company Solarca SL securities for €2.9 million (see Note 3.2.2.1.a) and the acquisition costs for target projects for €1.2 million.

3.2.4.20 Disputes and contingent liabilities

The Group's companies are occasionally parties to disputes in connection with their activities. The related risks were assessed by Séché Environnement and the subsidiaries concerned based on their knowledge of the issues and were subject, if warranted, to appropriate provisions. The Group believes that the provisions recognized on the balance sheet for these known or ongoing disputes on the closing date are of an amount that would not impact the consolidated financial position in a material manner in the event of an unfavorable outcome.

There are no other government, legal or arbitration procedures, including any procedures of which the Company is aware, which are pending or threatened, that are likely to have or, during the last six months, have had significant impacts on the financial situation or the profitability of the Company and/or the Group.

3.2.4.21 Transactions with related parties

The Group maintains relations with the following related parties:

- Non-consolidated Group subsidiaries, associates and the company, Séché Group: the Group maintains no significant relationship with these related parties;
- The remuneration of the senior executives and Directors (and all benefits) is presented in Note 3.2.4.22.

3.2.4.22 Average headcount

The consolidated average headcount (excluding subsidiaries accounted for by the equity method) breaks down as follows:

By region	December 31, 2019	December 31, 2020
France	1,995	2,008
Europe (outside France)	283	240
Rest of world	2,356	2,176
Total	**4,634**	**4,424**

3.2.4.23 Remuneration of senior management

Remuneration of the senior executives and Directors breaks down as follows:

(In euros)	December 31, 2019	December 31, 2020
Short-term benefits	1,150,878	1,531,506
Post-employment benefits	-	-
Share-based payments	-	-
Total	**1,150,878**	**1,531,506**

3.2.4.24 Key events since the closing of accounts

Acquisition of Spill Tech in South Africa

On January 18, 2021, Séché Environnement announced plans to acquire the South African company Spill Tech.

Spill Tech specializes in hazardous waste management and offers high value-added services for industrial cleaning, site decontamination, marine decontamination and polluted soil treatment.

A company with a strong culture of social responsibility, Spill Tech also fully meets the requirements of Level 1 of the B-BBEE government program aimed at reducing racial inequality in South Africa.

Spill Tech is a fast-growing company (with average revenue growth of +40% per year between 2018 and 2020). It is expected to generate consolidated revenue of around €29 million and consolidated net income of around €4.6 million in 2021.

The acquisition will be financed by drawing on the existing bank credit facility line.

Subject to the removal of the conditions precedent and in particular the approval of the competent authorities, this acquisition is expected to be finalized in March 2021.

Other post-balance sheet events

At the time of writing, the Group was not aware of any other significant event occurring after the closing date likely to have a significant impact on its assets, financial position or operating income.

3.2.4.25 Fees of the Statutory Auditors

Fees paid by the Group to its statutory auditors and members of their networks:

(In thousands of euros)	Mazars		KPMG	
	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020
Certification of the financial statements and limited six-month audit of the individual and consolidated financial statements				
Séché Environnement	138	119	138	119
Fully consolidated subsidiaries	131	218	207	166
Services other than certification of financial statements				
Séché Environnement	-	-	108	263
Fully consolidated subsidiaries	-	-	5	-
Total	**269**	**337**	**458**	**548**

3.3

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2020

Séché Environnement SA

A French public limited company (société anonyme)

Registered in the Laval Trade and Companies register under number 306 917 535

Report of the Statutory Auditors on the consolidated financial statements

Year ended December 31, 2020

To the General Meeting of Shareholders of Séché Environnement SA

Opinion

In accordance with the terms of our appointment by your General Meetings of Shareholders, we have audited the accompanying consolidated financial statements of Séché Environnement, for the year ended December 31, 2020, as published in this Report.

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, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of this report entitled “Responsibilities of the Statutory Auditors in respect of the audit of the consolidated financial statements”.

Independence

We conducted our audit assignment in compliance with the rules of independence provided by the French Commercial Code and the French Code of Ethics (Code de Déontologie) for statutory auditors, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments – Key Audit Matters

The global crisis linked to the COVID-19 pandemic creates special conditions for the preparation and audit of the financial statements for this financial year. This crisis and the exceptional measures taken in the context of the state of health emergency have many consequences for companies, particularly on their business and financing, as well as increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and the way in which audits are implemented.

It is in this complex and changing environment that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill

Risk identified

In the course of its development, the Group has made certain external acquisitions, and to recognize goodwill in respect of the companies acquired.

This goodwill, representing the difference between the price paid and the net fair value of the assets acquired, presented on the Assets side of the consolidated financial statements in the amount of €309,079,000, is allocated to cash-generating units (CGUs) of the businesses into which the acquired companies were integrated, as described in the Notes relating to accounting guidelines and policies in Section 3.2.1.8.a. “Goodwill” and 3.2.1.8.d. “Recoverable value of tangible and intangible assets” in the Notes to the consolidated financial statements.

Management ensures on each balance sheet date and whenever there is an indication of an impairment loss that the carrying amount of such goodwill is not greater than its recoverable value. Recoverable value corresponds to the higher of value in use and fair value minus sales costs.

Value in use is calculated based on discounted forecast cash flows determined on the basis of the consolidated business plan of each CGU, covering a period of three fiscal years, with years four and five being projected as identical to year three, and using a discount rate and an annual perpetual growth rate as described in Notes 3.2.1.8.d. and 3.2.4.1.a. to the consolidated financial statements. In the particular context of the Covid-19 crisis, the Group built its business plans on the assumption of a return to normal activity in 2021. However, any unfavorable variations in the expected profitability of the activities to which these goodwill items were allocated (for example, because of internal or external factors linked to the economic or financial environment in which the activity is pursued) could significantly affect their recoverable value, and could in certain cases necessitate recognition of an impairment. Such a development would imply a need to reassess the relevance of all the assumptions used to determine this value, and whether the calculation inputs are reasonable and coherent.

Analyses of the sensitivity of recoverable values of goodwill to the assumptions used were carried out by management as indicated in Note 3.2.4.1.a. to the consolidated financial statements.

The determination of the recoverable value of goodwill relies on the judgment of management, which must take decisions concerning projections of future cash flows, the growth rate of the activity during the first three years of the business plan, and the perpetual growth rate used to determine the value-in-use. We therefore considered that valuation of goodwill is a Key Audit Matter.

Our response

We analyzed whether the methods employed by the Company were compliant with accounting standards currently in force.

We also undertook a critical examination of how those methods are implemented. Our work consisted mainly in:

- Corroborating, in particular by means of interviews with management, the main business assumptions used in the budget N+1 approved by the Board of Directors and in the business plans prepared by the Management, and analyzing the discrepancies between actual achievements at December 31, 2020, and the budgets which form part of the 2020 Business Plans;
- Corroborating actuarial hypotheses such as the discount rate applied to expected cash flows, taking account of the different discounting parameters making up the average weighted cost of capital of the CGUs;
- Testing the arithmetical accuracy of the valuations carried out by management.

Lastly, we assessed the appropriateness of the information provided in the notes on accounting principles and policies in the notes to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations regarding the information on the Group provided in the Board of Directors' management report.

We have no comment to make on the truthfulness of this information or its conformity with the consolidated financial statements.

We certify that the Non-Financial Performance Report provided for by Article L.225-102-1 of the French Commercial Code is included in the Group management report, it being specified that, in accordance with the provisions of Article L.823-10 of said Code, we have not verified the information contained in this report with respect to its fair presentation or consistency with the consolidated financial statements and the information must be the subject of a report by an independent third body.

Other verifications or information required by French law and regulations

Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with paragraph III of Article 222-3 of the AMF General Regulation, the management of your company informed us of its decision to postpone the application of the single electronic reporting format as defined by Delegated European Regulation No. 2019/815 of December 17, 2018 to financial years beginning on or after January 1, 2021. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Séché Environnement SA by vote of the 2018 General Meeting for Mazars and by the 1997 General Meeting for KPMG S.A.

As of December 31, 2020, KPMG SA was in its 24th successive year in office and Mazars in its third year.

Responsibilities of management and the persons in charge of corporate governance in respect of the consolidated financial statements

Management is responsible for preparing true and fair consolidated financial statements in compliance with the International Financial Reporting Standards (IFRS) as adopted in the European Union and for setting up the internal controls it deems necessary to ensure the preparation of consolidated financial statements that are free of material misstatements, be they caused by fraud or by error.

In preparing the consolidated financial statements, management must assess the Company's ability to continue as a going concern, present information relating to the continuity of operations in the financial statements, as appropriate, and apply the going concern accounting principle, unless the Company is to be wound up or cease trading.

The Audit Committee is responsible for monitoring the process used to prepare the financial information and for verifying the effectiveness of internal control and risk management systems, and of the internal audit, as applicable, regarding the procedures for the preparation and treatment of accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors in respect of the audit of the consolidated financial statements

Objectives and audit process

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit and furthermore:

- They identify and assess the risks that the consolidated financial statements contain material misstatements, caused by fraud or by error, establish and implement audit procedures to address these risks and gather sufficient and appropriate information to be able to form an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- They are informed of relevant internal controls for the audit in order to establish appropriate audit procedures, and not for the purposes of expressing an opinion on the effectiveness of the internal control system;
- They assess the appropriateness of the accounting policies used and whether the accounting estimates made by management are reasonable, and verify the information contained in the consolidated financial statements;
- They verify that management applies the going-concern accounting principle appropriately, and, based on the information gathered, establish whether or not there is significant uncertainty arising from events or circumstances that may undermine the Company's ability to continue its operations. This assessment is based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the auditors conclude that there is material uncertainty, they will draw the attention of readers of the report to the information provided in the consolidated financial statements regarding this uncertainty, or, if such information is not provided or is not relevant, they will issue a qualified opinion or refuse to issue an opinion;;
- They assess the overall presentation of the consolidated financial statements and decide whether they reflect the underlying transactions and events in such a way as to present a fair view thereof;
- For the financial information of persons or entities included in the scope of consolidation, they collect sufficient and appropriate information to be able to express an opinion on the consolidated financial statements. The auditors are responsible for the management, supervision and completion of the audit of the consolidated financial statements and for the opinion issued.

Report to the Audit Committee

We submit a report to the Audit Committee setting out our audit work and the audit plan followed, as well as the conclusions of our work. We also draw its attention, if need be, to any significant internal control weaknesses we identified in the procedures used for the preparation and treatment of accounting and financial information.

The information contained in the report to the Audit Committee includes the biggest risks of significant misstatements that we identified during our audit of the consolidated financial statements for the period, which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de Commerce) and in the French Code of Ethics (Code de Déontologie) for statutory auditors. If need be, we discuss the risks relating to our independence and the safeguards applied with the Audit Committee.

Statutory Auditors

KPMG Audit Nantes, March 8, 2021	Mazars Rennes, March 8, 2021
Gwenaël Chedaleux Partner	Ludovic Sevestre Partner

3.4.1 BALANCE SHEET

3.4.1.1 Balance Sheet Assets

	12/31/2020			12/31/2019
	Gross	Amortization Depreciation Provisions	Net	Net
Uncalled part of subscribed capital				
Intangible fixed assets				
Start-up costs				
Development costs	164,350	13,771	150,579	
Concessions, patents and similar rights	197,440	195,109	2,331	20,631
Goodwill (1)				
Other intangible fixed assets				
Prepayments on intangible fixed assets				
Total intangible fixed assets	**361,790**	**208,880**	**152,910**	***20,631***
Property, plant and equipment				
Land				
Buildings	3,000	912	2,088	2,688
Technical installations, equipment and industrial tools	28,233	28,139	84	348
Other equipment	672,818	658,885	13,933	34,403
Fixed assets under construction				24,277
Prepayments				
Total property, plant and equipment	**704,041**	**687,937**	**16,104**	***61,716***
Long-term investments (2)				
Equity interests valued using the equity method				
Other equity interests	523,296,700	178,471,671	344,825,029	357,802,766
Investment-related receivables	57,196,213		57,196,213	45,759,119
Other long-term investments	2,317,708	1,933,175	384,533	518,732
Loans	57,391		57,391	57,391
Other long-term investments	3,454,418	505,809	2,948,608	2,537,953
Total long-term investments	**586,322,430**	**180,910,655**	**405,411,775**	***406,675,962***
FIXED ASSETS	**587,388,261**	**181,807,472**	**405,580,789**	**406,758,308**
Inventories				

	12/31/2020			12/31/2019
Raw materials, supplies				
Goods in process				
Services in progress				
Intermediate and finished products				
Goods				
Total inventories				
Receivables (3)				
Advances and prepayments on orders	334,050		334,050	432,459
Trade and accounts receivable	4,309,543		4,309,543	5,067,089
Other receivables	154,441,832	25,000	154,416,832	135,610,719
Subscribed and called capital, unpaid				
Total receivables	**159,085,425**	**25,000**	**159,060,425**	***141,110,267***
Cash and other assets				
Transferable securities o/w own shares:	7,010,012		7,010,012	15,004,000
Cash and cash equivalents	53,369,100		53,369,100	45,556,283
Total cash and other assets	**60,379,112**		**60,379,112**	***60,560,283***
CURRENT ASSETS	**219,464,537**	**25,000**	**219,439,537**	**201,670,551**
Prepaid expenses	2,216,031		2,216,031	9,875
Amortized debt issuance costs	1,609,841		1,609,841	2,153,904
Bond redemption premiums				
Unrealized exchange losses	14,948		14,948	603,426
TOTAL	**810,693,618**	**181,832,472**	**628,861,146**	**611,196,064**

(1) o/w lease rights
(2) o/w less than 1 year
(3) o/w more than 1 year

3.4.1.2 Balance Sheet Liabilities

	12/31/2020	12/31/2019
Share capital o/w paid up: 1,571,546	1,571,546	1,571,546
Issue, merger, acquisition premiums, etc.	74,061,429	74,061,429
Revaluation reserve		
Legal reserve	172,697	172,697
Statutory or contractual reserves		
Regulatory reserves		
Other reserves		
Retained earnings	44,021,440	18,044,640
Profit or loss for the year	**45,515,574**	**33,387,735**
Total shareholders' equity	**165,342,687**	***127,238,048***
Investment subsidies		
Regulated provisions	1,196	1,279
SHAREHOLDERS' EQUITY	**165,343,883**	**127,239,327**
Income from issues of non-voting shares		40,434
Advances subject to conditions		
OTHER EQUITY CAPITAL		**40,434**
Provisions for risks	14,948	33,908,382
Provisions for contingencies	153,945	184,745
PROVISIONS FOR RISKS AND CONTINGENCIES	**168,893**	**34,093,127**
Financial debt		
Convertible bonds		
Other bonds	230,000,000	255,000,000
Bank loans	172,010,053	136,430,392
Sundry loans and financial liabilities	45,566,686	38,664,163
Total financial debt	**447,576,739**	***430,094,556***
Operating liabilities		
Advances and prepayments received on outstanding orders	78,294	2,299
Trade and other accounts payable	5,932,017	4,219,874
Tax and social security accounts payable	9,728,539	8,979,025
Total operating liabilities	**15,738,850**	***13,201,198***
Other debts		
Asset liabilities and related expenses	1,430	6,491,354
Other debts		
Total other debts	**1,430**	***6,491,354***
Accruals and deferred expenses		
Prepaid income	31,251	31,280
LIABILITIES	**463,348,270**	**449,818,388**
Unrealized exchange gains	100	4,788
TOTAL	**628,861,146**	**611,196,064**

3.4.2 Income Statement

			12/31/2020	12/31/2019
	France	Export	Total	
Sale of goods				
Production sold: - goods				
Production sold: - services	9,939,579	1,526,468	11,466,046	12,434,447
NET REVENUE	**9,939,579**	**1,526,468**	**11,466,046**	**12,434,447**
Ending inventory				
Capitalized production				
Operating subsidies			15,635	11,853
Reversals of amortization, depreciation and provisions, transfers of expenses (9)			72,196	421,824
Other income (1) (11)			13	70
TOTAL OPERATING INCOME (2)			**11,553,890**	**12,868,194**
External expenses				
Purchase of goods (including customs duties)				988
Change in inventories (goods)				
Purchase of raw materials and other supplies (including customs duties)				5
Change in inventories (raw materials and supplies)				
Other purchases and external expenses (3) (6 bis)			12,776,284	12,620,214
Total external expenses			**12,776,284**	***12,621,207***
Tax, duties and related payments			104,281	**675,733**
Employee expenses				
Wages and salaries			3,062,385	3,183,525
Social security expenses (10)			1,244,415	1,307,225
Total employee expenses			**4,306,800**	***4,490,750***
Operating provisions				
Depreciation and amortization of fixed assets			600,469	615,128
Provisions for fixed assets				
Provisions for current assets				
Provisions for risks and contingencies			746	57,876
Total operating provisions			**601,215**	***673,004***
Other expenses (12)			**171,888**	**139,176**
TOTAL OPERATING EXPENSES			**17,960,467**	**18,599,871**
OPERATING INCOME			**(6,406,577)**	**(5,731,677)**
Joint operations				
Allocated gain or transferred loss				
Sustained loss or transferred gain				
Financial income				

	12/31/2020	12/31/2019
Financial income from equity interests (5)	49,953,605	38,097,154
Income from other transferable securities and fixed asset receivables (5)		
Other interest and similar income (5)	3,274,074	2,660,680
Reversals of provisions and transfers of expenses	849,447	6,504,580
Exchange rate gains	3,034	70,906
Net income from sales of marketable securities		
TOTAL FINANCIAL INCOME	**54,080,160**	**47,333,320**
Financial expenses		
Depreciation and amortization allowance and provisions	30,795,664	1,003,033
Interest and similar expenses (6)	13,294,239	10,863,116
Exchange rate losses	1,784,037	50,212
Net expenses on sales of marketable securities		
TOTAL FINANCIAL EXPENSES	**45,873,940**	**11,916,361**
FINANCIAL INCOME	**8,206,220**	**35,416,960**
OPERATING INCOME BEFORE EXTRAORDINARY ITEMS AND TAX	**1,799,643**	**29,685,282**

	12/31/2020	12/31/2019
Extraordinary income		
Extraordinary income on management transactions		
Extraordinary income on equity transactions	3,868,749	4,413,477
Reversals of provisions and transfers of expenses	34,300,679	123,284
TOTAL EXTRAORDINARY INCOME	**38,169,428**	**4,536,761**
Extraordinary expenses		
Extraordinary expenses on management transactions	83	92,911
Extraordinary expense on equity transactions	4,838,738	9,894,514
Extraordinary depreciation, amortisation and provisions	271	355
TOTAL EXTRAORDINARY EXPENSES	**4,839,092**	**9,987,781**
EXTRAORDINARY INCOME	**33,330,336**	**(5,451,019)**
Employee profit-sharing		
Income taxes	(10,385,595)	(9,153,472)
TOTAL INCOME	**103,803,478**	**64,738,275**
TOTAL EXPENSES	**58,287,904**	**31,350,540**
PROFIT or LOSS	**45,515,574**	**33,387,735**

(1) o/w partial net income from long-term transactions	
(2) o/w real estate rental income	258,573
(2) o/w operating income from prior years	
(3) o/w equipment leasing	
(3) o/w real estate leasing	
(4) o/w operating expenses from prior years	
(5) o/w income related to affiliates	52,908,857
(6) o/w interest related to affiliated companies	393 051
(6 bis) o/w donations made to general interest organizations	88,200
(6 ter) o/w amortization of subscriptions in innovative SMEs	
(6 ter) o/w exceptional amortization of 25% of new buildings	
(9) o/w transfers of expenses	37,150
(10) o/w operator's personal contributions	
(11) o/w royalties for patent concessions, licenses (income)	
(12) o/w royalties for patent concessions and licenses (expenses)	

3.4.3 Notes to the balance sheet and income statement

The annual financial statements were approved in accordance with ANC (French accounting standards authority) regulation no. 2014-03 of September 8, 2014 on the General Chart of Accounts updated in accordance with the various additional regulations in force at the date of preparation of said annual financial statements.

3.4.3.1 Accounting rules and valuation methods

The financial year ended 12/31/2020 covers the 12 months from 01/01/2020 to 12/31/2020.

The balance sheet total before appropriation of income is €628,861,146 and the income statement for the year, presented as a list, shows income of €45,515,574.

The notes or tables below form an integral part of the annual financial statements.

Accounting principles, valuation methods, comparability of the financial statements

Valuation principles and methods

General accounting conventions have been prudently applied in compliance with the following basic assumptions:

- the principle of going concern,
- consistency of accounting methods from one year to the next,
- independence of financial years,

and in compliance with the general rules governing the preparation and presentation of financial statements.

Accounting items are valued based on the historical cost method.

Comparability

There were no changes in the valuation and accounting presentation method during the year.

As part of the implementation of a new tax consolidation agreement, the company has been required to review the accounting methods within the Group. In the absence of an obligation to return losses in the event of an exit from tax consolidation, the provision for the return to profit of subsidiaries amounting to €33 million was fully reversed. This reversal constitutes an error correction and is recognized in non-recurring income.

Change in estimate

None

Change in presentation method

None

Highlights of the period

The emergence and spread of Covid-19 in early 2020 impacted economic and trade activities nationally and globally. In order to limit the impact of the health crisis, the Group put in place an approach consisting of benefiting from the support measures proposed by the government.

In this context, the Group benefited from the following measures:

- Minimal use of the wage subsidy scheme for reduced activity,

- Postponement of repayment deadlines by 6 months on some financial debts,

- Deferred payment of certain social security contributions.

In this respect, the assets and liabilities, expenses and income mentioned in the balance sheet and income statement at 12/31/2020 are recognized and valued taking into account these events and their consequences.

As the situation continues to evolve, there may be new impacts on activity, but they should not:

- Call into question the business continuity agreement insofar as the additional operational expenses related to the health crisis are limited.

- Have a significant impact on the balance sheet and/or income statement items for the financial year ended 12/31/2020.

The main desire of our company's management is to preserve the health of its employees; measures have been taken to ensure this and change with the situation.

In April 2020, Séché Environnement drew €100 million on the revolving credit facility, which was repaid in October 2020. The company also obtained a postponement of €6.5 million of its debt repayments and made an early repayment of a €25 million bond loan financed by a drawdown of tranche B of the syndicated loan for the same amount.

Over the year, Séché Environnement continued to manage its investments and:

- acquired an additional stake in Solarca SL (a subsidiary in Spain), increasing its stake from 75.99% to 85.99%.

- setup Mo'UVE, whose activity is focused on waste treatment. From January 1, 2021, the company will manage the Montauban energy recovery unit for 20 years.

Key events since the closing of accounts

None

Notes on balance sheet items.

Property, plant and equipment

Fixed assets are valued at acquisition cost (purchase price and related expenses), production cost or transfer value. Borrowing costs are excluded from the entry cost of fixed assets. In addition, acquisition costs of fixed assets are recognized as expenses.

Intangible fixed assets

Items included in the balance sheet under intangible fixed assets primarily represent set-up costs, goodwill, software and other intangible assets (patents, expertise).

Other intangible assets (patents, software, expertise) are amortized on a straight-line basis over the duration of their expected useful life with a maximum of 20 years;

Research and development costs, where applicable, are generally recognized as expenses. However, in the case of a project resulting in a patent application or industrial project, research and development costs are recognized as assets.

A provision for impairment may be recognized in income if the value-in-use of an intangible item were to lose value on a permanent basis. Their value is reviewed periodically using consistent methods.

Property, plant and equipment

Since January 1, 2005, the components method has been used in the accounting treatment of tangible fixed assets as much as possible.

Depreciation expenses are calculated using the straight-line or declining balance method according to the expected useful life of the asset:

Buildings	10-20 years
Technical installations	2-20 years
General installations, fixtures, fittings	2-20 years
Other equipment	1-20 years

A provision for impairment may be recognized in income if the value-in-use of an item of property, plant or equipment were to lose value on a permanent basis.

The difference between tax depreciation and depreciation expenses calculated using the straight-line method is included in regulated provisions.

Long-term investments

Long-term investments consist of deposits and guarantees and investment-related receivables.

A provision for impairment is applied where the inventory value of the receivables is below the book value.

"Equity investments" reflect the cost of purchasing shares in companies, minus any impairments deemed necessary. These impairments are determined by comparing the value-in-use of the shares and their book value.

The value-in-use is determined using a multi-criteria approach, namely the share of the subsidiary's net equity, EBITDA multiples or discounting of future cash flows net of debt. In the last case, the discounting of future cash flows expected for each company is done at the rate of 4.90% and is applied over a period of six years, with the value for the sixth year corresponding to a terminal value extrapolated using year five flows at a perpetual growth rate of 0.20%.

In 2020, impairments were recorded on the securities of certain subsidiaries, including Kanay (€10 million), Senerval (€9 million), Séché Healthcare (€6 million) and Béarn Environnement (€3 million).

Listed securities are recorded at their acquisition cost, and any provision for impairment is calculated on the basis of the average share price for the last month of the period. Conversion rights, commissions and fees associated with the acquisition of securities, as well as refinancing charges, are expensed.

"Other long-term investments" include treasury stocks, for a total of €2,811,368. These 57,856 shares held a market value of €2,302,669 on December 31, 2020 (based on the closing price of €39.80).

These treasury stocks were impaired in the amount of €505,809 at 12/31/2020.

"Investment-related receivables" are loans granted to entities in which Séché Environnement holds an equity interest and are recognized at their nominal value. In connection with the valuation of equity investments, impairment is recognized where applicable when the value-in-use of these receivables falls below their nominal value.

Receivables

Customer accounts receivable are booked at their nominal value. A provision for amortization is applied where the market value of the receivables is below the book value. A fixed rate is used to calculate provisions on accounts receivable, whereby those in arrears for over 6 months are booked at 30%, those over 9 months at 60% and arrears of over 12 months at 100%. An individual and historical analysis of each account is also carried out.

Other receivables are booked at their nominal value. A provision is made as soon as the debtor's situation is compromised.

Transferable securities

Transferable securities essentially consist of money market funds and term deposits:

- Money market funds are recorded at acquisition cost where the market value is close to the book value. A provision for impairment is booked where the book value is higher than the market value or probable trading price;
- Interest receivable on term deposits is calculated for the period between the subscription date and the balance sheet date.

Regulated provisions

Regulatory provisions that are booked to the balance sheet represent the difference between tax amortization and depreciation calculated using the straight-line method. Regulated provisions are offset in the income statement under extraordinary income and expenses.

Provisions for risks and contingencies

Provisions for risks and contingencies are designed to cover risks and expenses that particular past or ongoing events have rendered probable and are clearly specified as to their purpose but whose time horizon, outcome or amount is uncertain.

Provisions for employee disputes

Provisions are estimated on a case-by-case basis, as required.

Pension commitments and related obligations

Under French legislation, the Company's only obligation in terms of retirement commitments is the payment of an amount to employees on their retirement calculated in accordance with the collective bargaining agreement and company agreements applicable to the Company.

In accordance with this method, each period of service gives rise to an additional unit of benefit entitlement and each of these units is measured separately to calculate the final obligation, which is then discounted. These calculations primarily include:

a) An assumption regarding the age on retirement, between 60 and 67 years old, depending on the date of birth:

Year of birth	Length of contributions	Minimum retirement age	Age to receive full pension without conditions
1948 or earlier	40 years	60	65
1949	40¼ years		
1950	40½ years		
Before 7/1/1951	40¾ years		
From 7/1/1951	40¾ years	60 + 4 months	65 +4 months
1952	41 years	60 + 9 months	65 + 9 months
1953	41¼ years	61 + 2 months	66 + 2 months
1954	41¼ years	61 + 7 months	66 + 7 months
1955 - 1957	41½ years	62	67
1958 - 1960	41¾ years		
1961-1963	42 years		
1964 - 1966	42¼ years		
1967 - 1969	42½ years		
1970 - 1972	42¾ years		
1973 and after	43 years		

b) a discount rate of 0.60%
c) 2% salary increase assumption for executives and 1.60% for non-executives
d) life expectancy (INSEE table by sex)
e) staff turnover rate according to age, distinguishing between executive and non-executive, assessed in accordance with national collective bargaining agreement recommendations

	EXECUTIVES	NON-EXECUTIVES
Under 25	5.00 %	6.50 %
25 - 29 years	5.00 %	6.50 %
30 - 34 years	4.00 %	3.50 %
35 - 39 years	4.00 %	2.50 %
40 - 44 years	2.75 %	2.00 %
45 - 49 years	2.75 %	1.50 %
50 - 54 years	2.00 %	1.25 %
55 - 59 years	0.50 %	1.00 %
60 and older	0.00 %	0.00 %

f) social security contribution rate of 46% for executives and 41% for non-executives.

Under the possibility allowed under ANC recommendation 2013-02 of November 7, 2013 on the rules for measuring and recognizing retirement and similar benefits, the Company has chosen to recognize actuarial gains and losses using the corridor method. Actuarial gains and losses arise from changes to assumptions and experience adjustments (differences between projected and real figures) on commitments or plan assets. After applying a corridor of 10% of the maximum amount of the commitments and the value of plan assets, actuarial gains or losses are amortized from the following financial year over the probable average length of time employees will continue to work. As such, the provision represents the difference between the actuarial liability of the corresponding commitments and plan assets, net of actuarial gains and losses and the unrecognized service cost for prior periods.

If there is a surplus in plan assets, a prepaid expense is recorded in accordance with the conditions set in the ANC recommendation.

Actuarial gains and losses still to be amortized are specified in the Note on Off-Balance Sheet Financial Commitments.

At December 31 2020, retirement commitments amounted to €661,307, and plan assets totaled €468,137. In view of actuarial gains of €49,262, the provision for retirement commitments recorded in the balance sheet as a provision for expenses amounted to €143,908.

Long-service awards

Long-service awards reward some employees for the length of their service to the company. The assumptions and actuarial calculations used to measure the commitment in respect of long-service awards are similar to those applied for retirement obligations, with the exception of social security expenses (long-service awards are exempt from social security contributions).

The obligation to pay these benefits to employees in service at the end of the financial year is covered by a provision recorded under balance sheet liabilities for the full amount of the commitment.

At 12/31/2020, long-service award commitments amounted to €10,037.

Foreign currency transactions

Foreign currency assets and liabilities are recorded in the balance sheet at their equivalent amount at year end. Any difference arising on the conversion of foreign currency assets and liabilities at this exchange rate is recorded in the balance sheet under Foreign exchange rate adjustments.

Unrealized foreign exchange losses that are not offset are covered by a provision.

Financial instruments

In order to better manage its exposure to interest rate risk, Séché Environnement SA uses financial instruments that are listed on organized markets or governed by over-the-counter agreements with high-quality counterparties. Séché Environnement SA mainly uses interest rate swaps, swaptions, caps, floors and collars to hedge the interest rate risk related to its financing:

- Swaps are used 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.

As such, the difference between interest payable and interest receivable is booked as interest income or interest expense over the life of the hedged liabilities;

- Swaptions provide Séché Environnement with the option to switch from a variable rate to a fixed rate of interest. 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 on variable-rate debt. Gains or losses from these instruments are booked symmetrically to any gains or losses arising from the liabilities hedged.

At the end of the period, all balance sheet assets and liabilities that are directly or indirectly linked to these financial instruments are valued using the corresponding accounting principles.

At 12/31/2020, the fair value of the financial instruments shown below amounted to:

- Caps: -€75.26K

Notes on income statement items

Non-recurring income

Non-recurring income amounted to €33,330,336. Non-recurring income and expenses on the income statement are determined by applying the notion set out in the chart of accounts; they include exceptional items arising from ordinary activities and extraordinary items. Exceptional items arising from ordinary activities are defined as items that are not related to the Company's normal operations, either because they are unusual in their amount or scope or because they rarely occur.

See "Comparability" section

Employee profit-sharing and incentive schemes

A joint profit-sharing agreement covering the Non-Hazardous Waste and Services divisions of subsidiaries based in the Pays de Loire and Poitou-Charentes regions was signed on January 21, 2014 and applied from the 2013 fiscal period. It was concluded for an indefinite term and continues to apply.

Notes regarding the Group

Centralization of VAT payments

The Group opted to centralize the payment of VAT and related taxes starting on January 1, 2013, through an agreement dated December 10, 2012. All French commercial companies in which Séché Environnement SA owns at least a 50% interest come under the scope of this regime.

Tax Consolidation Scope

The Group opted for the tax consolidation scheme beginning January 1, 2000. All French commercial companies in which Séché Environnement SA owns at least a 95% interest come under the scope of this regime.

The parent company Séché Environnement retains any tax savings on losses generated by the Group which are regarded as an immediate gain for the period.

Over the financial year, the company fully reversed the provision for subsidiary return to profit for €33 million to comply with the tax consolidation agreement.

Group cash management

Séché Environnement has implemented a centralized cash flow management system in accordance with Article 12, chapter II of French law no. 84-46 of January 24, 1984 governing the activity and control of credit institutions.

Name of the consolidating company

Identity of the parent company consolidating our company's financial statements:

SÉCHÉ ENVIRONNEMENT

A French SA with share capital of €1,571,546.40

Registered office: Les Hêtres, CS 20020, 53811 Changé Cedex 09

Registered in the Laval Trade and Companies register under number B 306 917 535

Furthermore, the Séché Environnement Group is an entity consolidated by the Séché Group

A French SAS with share capital of €103,304,070.00

Registered office: Les Hêtres, CS 20020, 53811 Changé Cedex 09

Registered in the Laval Trade and Companies register under number B 413 957 804

Copies of the consolidated financial statements may be obtained at the address shown above.

3.4.3.5 Property, plant and equipment

	Opening gross value 01/01/2020	Increases	
		Revaluations during year	Acquisitions during year
Intangible fixed assets			
Start-up and development costs			164,350
Other intangible fixed assets	194,440		3,000
Total intangible fixed assets	**194,440**		**167,350**
Property, plant and equipment			
Land			
Buildings:			
- Buildings on own land	3,000		
- Buildings on others' land			
- General installations, fixtures and fittings of buildings			
Technical installations, equipment and industrial tools	28,223		
Other property, plant and equipment:			
- General installations, other fixtures and fittings	5,292		
- Transportation equipment	183,595		
- Office and IT equipment and furniture	507,580		
- Recoverable and sundry packaging			
Property, plant and equipment under construction	24,277		114,925
Prepayments			
Total property, plant and equipment	**751,967**		**114,925**
Long-term investments			
Equity interests valued using the equity method			
Other equity interests	551,397,815		42,710,504
Other long-term investments	3,317,708		
Loans and other long-term investments	3,331,765		3,821,079
Total long-term investments	**558,047,289**		**46,531,583**
TOTAL	**558,993,695**		**46,813,858**

	Write-backs		Gross value at end-December 2020	Initial value
	Transfers during year	Disposals during year		
Intangible fixed assets				
Start-up and development costs			164,350	
Other intangible fixed assets			197,440	
Total intangible fixed assets			**361,790**	
Property, plant and equipment				
Land				
Buildings:				
- On own land				
- On others' land			3,000	
- General installations, fixtures and fittings of buildings				
Technical installations, equipment and industrial tools			28,223	
Other property, plant and equipment:				
- General installations, sundry fixtures and fittings			5,292	
- Transportation equipment		23,649	159,946	
- Office and IT equipment, furniture			507,580	
- Recoverable and sundry packaging				
Property, plant and equipment under construction		139,202		
Prepayments				
Total property, plant and equipment		**162,851**	**704,041**	
Long-term investments				
Equity interests valued using the equity method				
Other equity interests		13,615,406	580,492,913	
Other long-term investments		1,000,000	2,317,708	
Loans and other long-term investments		3,641,036	3,511,809	
Total long-term investments		**18,256,441**	**586,322,430**	
TOTAL		**18,419,292**	**587,388,261**	

3.4.3.6 Amortization

Depreciable fixed assets	Opening amount 01/01/2020	Increases	Write-backs	Closing amount 12/31/2020
Intangible fixed assets				
Start-up, research and development costs		13,771		13,771
Other intangible fixed assets	173,809	21,300		195,109
Total intangible fixed assets	**173,809**	**35,071**		**208,880**
Property, plant and equipment				
Land				
Buildings:				
- Buildings on own land	312	600		912
- Buildings on others' land				
- General inst, fixt. and fittings bldgs				
Technical installations, equipment and ind. tools	27,875	264		28,139
Other property, plant and equipment:				
- General installations, sundry fixtures and fittings	5,096	188		5,284
- Transportation equipment	183,595		23,649	159,946
- Office and IT equipment, furniture	473,374	20,282		493,655
- Recoverable and sundry packaging				
Total property, plant and equipment	**690,251**	**21,334**	**23,649**	**687,937**
TOTAL	**864,060**	**56,406**	**23,649**	**896,81**

Depreciable fixed assets	ALLOCATIONS			WRITE-BACKS			Mvt net of deprec./ amort. at year-end
	Period adjustment	Declining balance method	Exceptional tax amort./ deprec.	Period adjustment	Declining balance method	Exceptional tax amort./ deprec.	
Intangible fixed assets							
Start-up costs							
Other intangible fixed assets							
Total intangible fixed assets							
Property, plant and equipment							
Land							
Buildings:							
- Buildings on own land							
- Buildings on others' land							
- Gen. inst., fixt. and fittings of bldgs.							
Technical inst., equipment and tools							
Other equipment							
- Gen. inst., sundry fixt. and fittings							
- Transportation equipment							
- Office and IT equipment, furniture		271			355		(83)
- Recoverable and sundry packaging							
Total property, plant and equipment		**271**			**355**		**(83)**
Acquisition costs of equity investments							
TOTAL		**271**			**355**		**(83)**
TOTAL not broken down			**271**			**355**	**(83)**

Expenses distributed over several years	Opening amount 2020/01	Increases	Allocations to amortization	Closing amount 2020/12
Amortized debt issuance costs	2,153,904		544,063	1,609,841
Bond redemption premiums				

3.4.3.7 Maturities of receivables and debts

RECEIVABLE	Gross	Less than 1 year	More than 1 year	N-1
Fixed assets				
Investment-related receivables	57,196,213	14,532,541	42,663,672	45,759,119
Loans (1) (2)	57,391		57,391	57,391
Other long-term investments	3,454,418		3,454,418	3,274,374
Total fixed assets	**60,708,022**		**46,175,481**	***49,090,884***
Current assets				
Doubtful receivables and litigation				
Other trade receivables	4,309,543	4,309,543		5,067,089
Receivables representing loaned securities				
Personnel and related accounts	3,525	3,525		
Social security and related contributions				
Income taxes	425,038	72,916	352,122	1,640,787
Value added tax	686,866	686,866		467,988
Other tax, duties and related payments	1,050	1,050		
Others	72,613	72,613		37,893
Group and associates (2)	153,227,654	153,227,654		126,284,288
Other debtors	25,087	25,087		7,208,264
Total current assets	**158,751,375**	**158,399,253**	**352,122**	***140,706,309***
Prepaid expenses	2,216,031	2,216,031		9,875
TOTAL RECEIVABLES	**221,675,428**	**175,147,826**	**46,527,603**	**189,807,068**

(1) Loans granted during the period

(1) Repayments obtained during the period

(2) Loans and advances granted to associates

LIABILITIES	Gross	Less than 1 year	1 to 5 years	More than 5 years	N-1
Convertible bonds (1)					
Other bonds (1)	230,000,000		140,000,000	90,000,000	255,000,000
Bank loans					
- less than 1 year	2,869,454	2,869,454			3,220,324
- more than 1 year	169,140,599	25,324,045	141,256,072	2,560,482	133,210,068
Sundry loans and financial liabilities (1) (2)	23,987			23,987	246,241
Trade and other accounts payable	6,010,311	6,010,311			4,222,173
Personnel and related accounts	226,480	226,480			262,816
Social security and related contributions	384,869	384,869			323,363
Income taxes	514,373	514,373			
Value added tax	8,456,858	8,456,858			7,972,439
Guaranteed bonds					
Other tax	145,959	145,959			420,407
Asset liabilities and related expenses	1430	1,430			6,491,354
Group and associates (2)	45,542,699	45,542,699			38,417,922
Other debts					
Debt representing borrowed securities					
Prepaid income	31,251	31,251			31,280
TOTAL LIABILITIES	463,348,270	89,507,730	281,256,072	92,584,468	449,818,388
(1) Loans taken out during the period:		50,001,864			
(1) Loans repaid during the period:		39,071,333			
(2) Amount of loans and debts due to associates					

3.4.3.8 Breakdown of share capital

Categories of securities	Number of securities			Total	Par value
	End of N-1	created during period N	repaid during period N		
Ordinary shares	7,857,732			7,857,732	0.2
Redeemed shares					
Priority dividend shares					
Preference shares					
Company shares					
Investment certificates					
Total	**7,857,732**			**7,857,732**	

3.4.3.9 Changes in shareholders' equity

Item		Amount
A	**Position at start of period**	
1	Shareholders' equity at end of period N-1 before allocations	93,851,592
2	Allocation of income to net position by AGM	33,387,735
3	Shareholders' equity at start of period N	127,239,327
B	**Contributions received retroactively at start of period N**	
1	Change in capital	
2	Change in other items	
C	**(= A3 + B) Shareholders' equity for the period after retroactive contributions**	**127,239,327**
D	**Changes during the period**	
1	Changes in capital	
2	Changes in premiums, reserves, retained earnings	
3	Changes in "provisions" relating to shareholders' equity	(83)
4	Revaluation counterparties	
5	Changes in regulated provisions and equipment subsidies	
6	Other changes	(7,410,935)
7	Income for period	45,515,574
E	**Shareholders' equity on closing balance sheet of period N before AGM (= C + or - D)**	**165,343,883**
W	**TOTAL CHANGE IN SHAREHOLDERS' EQUITY DURING THE PERIOD (= E - C)**	**38,104,556**
G	**of which: changes due to structural changes during the period**	
M	**Change in shareholders' equity during the period excluding structural transactions (F - G)**	**38,104,556**

3.4.3.10 Provisions

Nature of provisions	Opening amount 01/01/2020	Increases: Allocations for period	Write-backs: Used during period	Write-backs: Not used during period	Write-backs: Reversals for period	Closing amount 12/31/2020
Regulated provisions						
Depletion allowances						
Provisions for investments						
Provisions for price increases						
Other depreciation and amortization	1,279	271		355	355	1,196
O/w exceptional increases of 30%						
Provisions for installation loans						
Other regulated provisions						
TOTAL REGULATED PROVISIONS	**1,279**	**271**		**355**	**355**	**1,196**
Provisions for risks and contingencies						
Provisions for disputes						
Provisions for guarantees given to customers						
Provisions for losses on futures markets						
Provisions for fines and penalties						
Provisions for foreign exchange losses	603,426	14,948	603,426		603,426	14,948
Sub-total provisions for risks	***603,426***	**14,948**	**603,426**		**603,426**	**14,948**
Provisions for retirement and similar obligations	175,454			31,546	31,456	143,908
Provisions for taxes						
Provisions for renewal of fixed assets						
Provisions for major maintenance and overhauls						
Prov. for soc. sec. and tax expenses on accrued leave						
Sub-total provisions for expenses	***175,454***			**31,546**	**31,546**	**143,908**
Other provisions for risks and contingencies	33,314,247	746		33,304,956	33,304,956	10,037
TOTAL PROVISIONS FOR RISKS AND CONTINGENCIES	**34,093,127**	**15,694**	**603,426**	**33,336,502**	**33,939,928**	**168,893**
Provisions for impairment						
On intangible fixed assets						
On property, plant and equipment						
On investments in equity-accounted securities						
On equity investments	147,835,930	30,651,149		15,409	15,409	178,471,671
On other long-term investments	3,535,397	129,567	995,368	230,612	1,225,980	2,438,984
On inventories and work in progress						
On trade receivables						
Other impairment provisions	28,500		3,500		3,500	25,000
TOTAL IMPAIRMENT PROVISIONS	**151,399,827**	**30,780,716**	**998,868**	**246,021**	**1,244,889**	**180,935,655**
TOTAL	**185,494,234**	**30,796,681**	**1,602,294**	**33,582,877**	**35,185,171**	**181,105,744**
O/w operating allocations and reversals		746			35,046	
O/w financial allocations and reversals		30,795,664			849,447	
O/w extraordinary allowances and reversals		271			34,300,679	

3.4.3.11 Expenses payable

Nature of expenses	2020/12	2019/12
Financial debt		
Convertible bonds		
Other bonds		
Bank loans	2,863,133	3,204,870
Sundry loans and financial liabilities	77,273	63,944
Advances and prepayments received on orders in progress		
Total financial debt	**2,940,406**	***3,268,814***
Operating liabilities		
Trade and other accounts payable	1,857,891	986,873
Tax and social security accounts payable	504,303	745,885
Total operating liabilities	**2,362,193**	***1,732,758***
Other debts		
Asset liabilities and related expenses		
Other debts		
Total other debts		
Other		
Total other debts		
TOTAL	**5,302,599**	**5,001,573**

3.4.3.12 Deferred expenses

Nature of expenses	Net amount at start of year	Increases	Allocations to amortization	Net amount at end of year
Deferred expenses:				
Total deferred expenses				
Fixed asset acquisition costs:				
Total fixed asset acquisition costs				
Debt issuance costs:				
Costs of taking out loans	2,153,904		544,063	1,609,841
Total costs of taking out loans	**2,153,904**		**544,063**	**1,609,841**
Deferred expenses:				
Total deferred expenses				
TOTAL	**2,153,904**		**544,063**	**1,609,841**

Expenses are amortized using the effective interest rate method over the duration of the loan. Deferred expenses refer to the costs of taking out loans.

3.4.3.13 Accrued income

Accrued income	2020/12	2019/12
Long-term investments		
Investment-related receivables	75,831	94,727
Other long-term investments		
Total long-term investments	**75,831**	***94,727***
Receivables		
Trade and other accounts receivable		
Other receivables	2,963,424	2,123,388
Total receivables	**2,963,424**	***2,123,388***
Cash and other assets		
Transferable securities		
Cash and cash equivalents	32,582	20,261
Total cash and other assets	**32,582**	***20,261***
Other		
Total other		
TOTAL	**3,071,837**	**2,238,376**

3.4.3.14 Prepaid expenses and unearned income

Nature of expenses	12/31/2020	12/31/2019
Operating expenses:		
Other	2,216,031	9,875
Total operating expenses	**2,216,031**	***9,875***
Financial expenses:		
Other financial expenses		
Extraordinary expenses::		
Total extraordinary expenses		
TOTAL PREPAID EXPENSES	**2,216,031**	**9,875**
BALANCE SHEET comparison (Balance Sheet Assets: 2050 section CH)		
Nature of income		
Operating income:		
Others	31,251	31,280

Nature of expenses	12/31/2020	12/31/2019
Total operating income	31,251	*31,280*
Financial income:		
Total financial income		
Exceptional income:		
Total exceptional income		
TOTAL UNEARNED INCOME	**31,251**	**31,280**
BALANCE SHEET comparison (Balance Sheet Liabilities: 2051 section EB)		

3.4.3.15 Breakdown of revenue

Breakdown of revenue	12/31/2020			12/31/2019			Change
	France	Intracom exports and deliveries	Total	France	Intracom exports and deliveries	Total	%
Sales of goods							
Sales of finished products							
Works							
Waste treatment							
Transportation							
Technical support services	9,347,213	1,349,243	10,696,455	9,632,484	1,829,326	11,461,810	-6.68%
Income from ancillary activities	447,496	177,225	624,720	498,205	145,395	643,601	-2.93 %
Reinvoicing of taxes							
Other	144,870		144,870	102,525	226,511	329,036	-55.97%
TOTAL	**9,939,579**	**1,526,468**	**11,466,046**	**10,233,214**	**2,201,233**	**12,434,447**	**-7.79 %**

3.4.3.16 Breakdown of income tax

	12/31/2020					12/31/2019
	Income before loss carryforward	Loss carryforward	Income before tax	Tax payable	Net income	Net income
Operating income before extraordinary items and tax	1,799,643		1,799,643		1,799,643	29,685,282
Non-recurring income	33,330,336		33,330,336		33,330,336	(5,451,019)
Accounting income (excluding equity investments)	35,129,979		35,129,979		35,129,979	24,234,263
Tax consolidation income						
Employee profit-sharing						
Tax receivables				(85,567)	85,657	26,996
Total before tax	**35,129,979**		**35,129,979**	**(85,567)**	**35,215,636**	***24,261,259***
Other						
Allocation of prior-year losses against income						
Income tax audit and corrections				(43,314)	43,314	151,712
Tax consolidation				(10,256,624)	10,256,624	8,974,764
Total other				**(10,299,938)**	**10,299,938**	***9,126,476***
Grand total	**35,129,979**		**35,129,979**	**(10,385,595)**	**45,515,574**	**33,387,735**

3.4.3.17 Effect of overriding tax assessments

Subject	Amount
INCOME FOR THE YEAR	45,515,574
Income taxes	(10,385,595)
INCOME BEFORE TAX	35,129,979
Change in regulated provisions: - Other depreciation and amortization - Provision for price increases - Provision for price fluctuations	(83)
INCOME EXCLUDING OVERRIDING TAX ASSESSMENTS (before tax)	**35,129,896**

3.4.3.18 Change in future tax liability

Increase in future tax liability	Amount	Corresponding tax
Regulated provisions		
Other depreciation and amortization	1,196	
Provisions for price increases		
Provisions for price fluctuations		
Other regulated provisions:		
Investment subsidies		
TOTAL	**1,196**	

Reductions in future tax liability	Amount	Corresponding tax
Provisions not deductible in year of allocation:		
Provisions for paid leave		
Employee profit-sharing		
Contribution to housing		
Social solidarity contribution		
Taxes on commercial premises		
Provisions for risks and contingencies		
Provisions for impairment of inventories		
Other non-deductible provisions		
Provisions for retirement	143,908	
Other unrecognized expenses not deducted	570,991	
TOTAL	**714,899**	

Total loss carryforwards	**83,596,469**	
Total deferred depreciation and amortization		
Total long-term capital losses		

The total loss carryforwards corresponds to the tax consolidation deficits.

3.4.3.19 Breakdown of expense transfers

Subject	2020/12	2019/12
Transfers of operating expenses		378,510
Transfers of benefit in kind expenses	37,150	41,160
Transfer of retirement pay/bonus reimbursement expenses		
Other		
TOTAL	**37,150**	**419,670**

3.4.3.20 Non-recurring income

	2020/12			2019/12		
	Income	Expenses	Income	Income	Expenses	Income
Non-recurring income from management transactions					63,627	(63,627)
Income from prior years		83	(83)		29,284	(29,284)
Income from disposals of assets	215,484	1,191,702	(976,217)	1,481	6,080,103	(6,078,622)
Income from other exceptional items	3,653,265	3,647,036	6,229	4,411,996	3,814,411	597,585
Non-recurring income excluding impairment and provisions	3,868,749	4,838,821	(970,071)	**4,413,477**	**9,987,425**	**(5,573,948)**
Share of investment subsidies transferred to profit or loss						
Extraordinary impairment		271	(271)		355	(355)
Extraordinary reversals (1)	34,300,679		34,300,679	123,284		123,284
Other:						
TOTAL	**38,169,428**	**4,839,092**	**33,330,336**	**4,536,761**	**9,987,781**	**(5,451,019)**

(1) *see "Comparability" section*

3.4.3.21 Related-party transactions

A commercial lease with Séché Group was authorized by the Board of Directors on April 28, 2016. The lease was signed for nine years and covers a surface area of 840m² for private use and 400m² (measured according to the terms of the Carrez Act) shared with Séché Group on the 54th floor of the Montparnasse Tower as well as 25 parking spaces and 207.6m² in archiving space, for its exclusive use;

An administrative services agreement with Séché Group was authorized by the Board of Directors on April 28, 2016. This agreement was entered into for a period beginning on May 2, 2016 and ending on December 31, 2019, automatically renewable for three years.

Séché Group provides the company and its subsidiaries with services in a number of areas (strategy, sales, finance, legal).

The expense recognized for these agreements for 2020 was €2.8 million.

3.4.3.22 Average headcount

Categories	Average headcount	
	12/31/2020	12/31/2019
Executives	21	22
Supervisors		
Employees and technicians	6	6
Other:		
TOTAL	**27**	**28**

3.4.3.23 Remuneration of senior management

Categories	Amounts
Board members	913,146
Management Board members	
Supervisory Board members	
TOTAL	**913,146**

3.4.3.24 Financial commitments given

Commitments given	Total	Senior managers	Subsidiaries	Equity investments	Affiliated companies	Other
Financial guarantees	101,888,437		101,138,437			750,000
Actuarial losses/gains related to retirement commitments	49,262					49,262
Commitments receivables assigned to the factor						
Other						
In connection with Group debt						
- Endorsements						
- Sureties	15,511,486					15,511,486
- Guarantees	18,491,787		18,491,787			
In relation to the management of interest rates						
Swaps						
Caps	35,000,000					35,000,000
Collars						
TOTAL	**170,940,972**		**119,630,224**			**51,310,748**

3.4.3.25 Table of subsidiaries and equity investments

Company	Share capital	Reserves and retained earnings before appropriation of earnings	Share of capital held (as %)	Book value of capital held		Loans and advances granted by the Company and not yet repaid	Guarantees given by the Company	Revenue before tax for the last period ended	Income (profit or loss for the last period ended)	Dividends received by the Company in 2002
				change	Net					
ALCEA	2,500	(455)	100	4,710	4,105		598	14,691	668	
BARRE THOMAS	375	n/a	40	215	50			n/a	n/a	
BEARN ENVIRONNEMENT	500	304	100	5,243	1,843			5,477	1,008	
DRIMM	152	1,867	100	12,832	12,832	3,380	8,736	38,009	6,965	11,000
ECO SITE CROIX IRTELLE	100	3,282	99	13,339	13,339	1,450	1,975	10,799	471	990
GABARRE ENERGIES	600	(350)	51	306	306			1,442	(187)	
KARU ENERGY	8	n/a	24	2	2	146		n/a	n/a	
LA CROIX DES LANDES	8	304	100	87	87			82	41	100
LES CHENES SECS	8	(259)	100	66	66	639		15	(30)	
MEZEROLLES	160	1,650	100	1,099	1,099	1,202		926	531	2,000
MO'UVE	1,000		100	1,000	1,000			-		
OPALE ENVIRONNEMENT	1,000	730	100	8,278	8,278	2,336	2,917	12,375	(255)	100
SECHE 201	5		100	5	5			-		
SECHE 202	5		100	5	5			-		
SECHE ALLIANCE	48	270	100	2,873	2,873	4,250		19,495	633	
SECHE DEVELOPPEMENT	10	182	100	1,830	1,830			12,947	646	
SECHE ECO INDUSTRIES	2,011	10,421	100	27,987	27,987	14,501	38,080	117,081	20,761	24,891
SECHE ECO SERVICES	500	5,896	100	496	496	5,775	7,404	93,923	556	1,500
SECHE ENVIRONNEMENT OUEST	820	(397)	100	1,663		299		5,839	(180)	
SECHE HEATHCARE	250	(1,896)	100	8,798	2,625	4,955		10,167	(1,356)	
SECHE TRANSPORTS	192	967	100	531	1			34,194	304	480
SECHE URGENCES INTERVENTIONS	150	1,557	100	150	150			13,545	3,750	675
SENERGIES	400	510	80	320	320	401		1,815	97	160
Sénerval	4,000	(6,001)	100	19,743	10,543	58,128	5,636	28,250	(12,028)	
SOGAD	75	n/a	50	1,513	240			n/a	n/a	
SOLENA VALORISATION	1,000		60	600	600			-	(1)	
SPEICHIM	150	1,929	100	18,750	18,750	5,777	1,220	29,354	2,331	2,000
TREDI	15,000	(1,654)	100	268,753	139,426	35,442	31,958	133,870	2,918	
TRIADIS SERVICES	3,809	(2,165)	100	16,135		2,232	2,776	55,624	843	
Foreign subsidiaries										
DEPO	52	815	90	1,703	1,703	810		946	131	241
KANAY	3,932	(3,249)	100	18,752	8,752			9,878	(2,634)	
MECOMER	52	10,359	90	41,497	41,497			44,741	7,474	3,735
SECHE CHILE	6,307	(117)	100	5,974	5,974	1,224			(15)	
SECHE HOLDINGS	ns		100			41,801			4,285	
MAYENNE INVESTMENTS	ns		100							
SOLARCA SL	343	6,319	86	26,250	26,250	7,436		7,136	(1,630)	774
SOLUCIONES AMBIENTALES	7,627	(4,174)	100	7,668	7,668	6,646		4,897	69	
UTM TECHNIK METALLRECYCLING	100	915	100	4,122	4,122			2,933	182	70

Amounts in thousands of euros

ND: not disclosed.

NS: not significant

3.5

REPORT OF THE STATUTORY AUDITORS ON THE PARENT COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2020

Séché Environnement SA

Registered office: Les Hêtres - CS 20020 - 53811 Changé Cedex 09

Share capital: €1,571,546

Statutory Auditors' report on the parent company financial statements

Year ended December 31, 2020

To the Shareholders of Séché Environnement S.A.

Opinion

In accordance with the terms of our appointment by your General Meetings of Shareholders, we have audited the accompanying parent company financial statements of Séché Environnement SA, for the year ended December 31, 2020, as published in this Report.

In our opinion, the parent company financial statements, which comply with French accounting principles and methods, present fairly, in all material respects, the assets and liabilities and financial position of the company as at December 31, 2018.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the section of this report entitled "Responsibilities of the Statutory Auditors in respect of the audit of the parent company financial statements".

Independence

We conducted our audit assignment in compliance with the rules of independence provided by the French Commercial Code and the French Code of Ethics (Code de Déontologie) for statutory auditors, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Observation

Without prejudice to the opinion expressed above, we draw your attention to the paragraph "Accounting rules and methods - Comparability of the financial statements," which explains the correction of errors following the review of the accounting methods for the tax consolidation agreement.

Justification of Assessments – Key Audit Matters

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and auditing of the financial statements for this financial year. This crisis and the exceptional measures taken in the context of the state of health emergency have many consequences for companies, particularly on their business and financing, as well as increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and the way in which audits are implemented.

It is in this complex and changing environment that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the parent company financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of equity investments

Risks identified

Equity investments, shown on the balance sheet for a net amount of €344.8 million at December 31, 2020, represent one of the largest line items on the balance sheet. They are recognized on their date of entry at the acquisition cost and are amortized on the basis of their value in use, representing what the company might agree to spend to obtain them if they had to acquire them.

As indicated in the note "Long-term investments" to the rules and methods, the value in use is determined by management using a multi-criteria approach, namely the share of shareholders' equity of the subsidiary, EBITDA multiple method or discounted future cash flow net of debt.

Determining the value in use of these investments requires management to exercise judgment in its choice of the elements to be considered based on the equity investments concerned. Such elements may, depending on the circumstances, be historical information or projections.

We considered the evaluation of equity investments as a Key Audit Matter in the light of the potentially significant nature of any write-downs and the high degree of uncertainty as regards the estimates and judgment required of Management to assess the values in use. The elements of judgment primarily include assumptions about the estimated cash flows of these interests, as well as the determination of the appropriate discount rate and perpetual growth rate applied to these flows.

Auditing procedures implemented in the light of identified risks

To assess the reasonableness of the estimation of values in use of equity investments, on the basis of the information given to us, our work mainly involved verifying that the estimation of these values, determined by Management, was based on an appropriate justification of the evaluation method and the figures used and, based on the securities of interest, to:

For valuations relying on historical data:

- Check that the equity used matched the records of the entities which were subject to audit or analytical procedures.

For valuations relying on forward-looking data:

- Obtain forecasts of cash flow and operating activities of the entities concerned prepared by operational management and assess their consistency with forecast data drawn from their most recent strategic plans, prepared under the supervision of their executive management for each of these activities;
- Check the consistency of the assumptions used with the economic environment on the balance sheet date and the date the financial statements were drawn up;
- Compare the forecasts used for previous periods with the corresponding achievements in order to assess whether past objectives were met;
- Check that the value resulting from the cash flow forecasts was adjusted by the amount of debt carried by the entity of interest.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents on the financial position and the financial statements provided to shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents on the financial position and the financial statements provided to shareholders.

We certify the accuracy and the consistency of the information related to the payment deadlines referred to in Article D.441-6 of the Commercial Code with the parent company financial statements.

Information about corporate governance

We certify that the section of the Board of Directors' management report on Corporate Governance contains the information required by Articles L.225-37-4, L. 22-10-10 and L.22-10-9 of the French Commercial Code.

With regard to the information provided in accordance with the provisions of Article L.22-10-9 of the French Commercial Code on the remuneration and benefits paid to corporate officers and the commitments made in this respect, we verified its consistency with the financial statements and with the data used to prepare the financial statements and, where applicable, with the information gathered by your Company from the companies controlled by it that are included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Other information

In accordance with the law, we have verified that the information relating to shareholdings and controlling interests acquired together with the identity of the principal shareholders (in terms of capital or voting rights) has been disclosed in the management report.

Other verifications or information required by French law and regulations

Presentation format of the parent company financial statements to be included in the annual financial report

In accordance with paragraph III of Article 222-3 of the AMF General Regulation, the management of your company informed us of its decision to postpone the application of the single electronic reporting format as defined by Delegated European Regulation No. 2019/815 of December 17, 2018 to financial years beginning on or after January 1, 2021. Consequently, this report does not include a conclusion on compliance with this format in the presentation of the parent company financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Séché Environnement SA by vote of the 1997 General Meeting of Shareholders for KPMG SA, and by the 2018 General Meeting for Mazars.

As of December 31, 2020, KPMG SA was in its 24th successive year in office and Mazars in its third year. This represents, respectively, 23 years and 3 years since the Company's shares were admitted to trading on a regulated market.

Responsibilities of Management and the persons in charge of corporate governance in respect of the parent company financial statements

Management is responsible for preparing true and fair parent company financial statements in compliance with French accounting rules and principles and for setting up the internal controls it deems necessary to ensure the preparation of parent company financial statements that are free of material misstatements, be they caused by fraud or by error.

In preparing the parent company financial statements, management must assess the Company's ability to continue as a going concern, present information relating to the continuity of operations in the financial statements, as appropriate, and apply the going-concern accounting principle, unless the Company is to be wound up or cease trading.

The Audit Committee is responsible for monitoring the process used to prepare the financial information and for verifying the effectiveness of internal control and risk management systems, and of the internal audit, as applicable, regarding the procedures for the preparation and treatment of accounting and financial information.

The parent company financial statements were prepared by the Board of Directors.

Responsibilities of the Statutory Auditors in respect of the audit of the parent company financial statements

Objectives and audit process

Our role is to issue a report on the parent company financial statements. Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit and furthermore:

- They identify and assess the risks that the parent company financial statements contain material misstatements, caused by fraud or by error, establish and implement audit procedures to address these risks and gather sufficient and appropriate information to be able to form an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- They are informed of relevant internal controls for the audit in order to establish appropriate audit procedures, and not for the purposes of expressing an opinion on the effectiveness of the internal control system;
- They assess the appropriateness of the accounting policies used and whether the accounting estimates made by management are reasonable, and verify the information contained in the parent company financial statements;
- They verify that management applies the going-concern accounting principle appropriately, and, based on the information gathered, establish whether or not there is significant uncertainty arising from events or circumstances that may undermine the Company’s ability to continue its operations. This assessment is based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the auditors conclude that there is material uncertainty, they will draw the attention of readers of the report to the information provided in the consolidated financial statements regarding this uncertainty, or, if such information is not provided or is not relevant, they will issue a qualified opinion or refuse to issue an opinion;

- They assess the overall presentation of the parent company financial statements and decide whether they reflect the underlying transactions and events in such a way as to present a fair view thereof.

Report to the Audit Committee

We submit a report to the Audit Committee setting out our audit work and the audit plan followed, as well as the conclusions of our work. We also draw its attention, if need be, to any significant internal control weaknesses we identified in the procedures used for the preparation and treatment of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de Commerce) and in the French Code of Ethics (Code de Déontologie) for statutory auditors. If need be, we discuss the risks relating to our independence and the safeguards applied with the Audit Committee.

Statutory Auditors

Nantes and Rennes, March 8, 2021

KPMG Audit KPMG SA	Mazars
Gwenaël Chedaleux	Ludovic Sevestre
Partner	Partner

4 CORPORATE GOVERNANCE

4.1

ADMINISTRATIVE AND MANAGEMENT BODIES

Séché Environnement is a French limited company (société anonyme) with a Board of Directors.

For governance matters, it follows the recommendations of the AFEP-MEDEF Corporate Governance Code for Listed Corporations, as updated in January 2020, which is available for consultation at the head office.

Until December 10, 2019, Joël Séché served as Chairman of the Board of Directors and Chief Executive Officer.

At its meeting on November 12, 2019, the Board of Directors decided to change the Company's governance structure. The roles of Chairman of the Board and Chief Executive Officer were separated with effect from December 10, 2019. From this date, Joël Séché remained Chairman of the Board of Directors, and Maxime Séché was appointed Chief Executive Officer.

The Chief Executive Officer has exhaustive powers to act on behalf of the Company in all matters, within the limits of the corporate purpose and subject to the powers expressly granted by law to Annual General Meetings of Shareholders and the Board of Directors.

In 2020, the composition of Séché Environnement's Board of Directors changed as follows:

- Marina Niforos' directorship ended at the close of the Combined General Meeting of April 30, 2020.
- The Annual General Meeting of April 30, 2020 appointed Nadine Koniski-Ziadé to replace her as Director for a term of 3 years, until the Ordinary General Meeting called in 2023 to approve the 2022 financial statements.
- Guillaume Cadiou was called by the government to fulfil other duties as Inter-Ministerial Delegate for Corporate Restructuring, and resigned from his positions on the Board of Directors with effect from October 21, 2020.
- By decision of December 4, 2020, the Group Committee renewed the term of office of Philippe Guérin as Director representing the employees for a term of two years from the Ordinary General Meeting to be held in 2021 to approve the 2020 financial statements, until the Ordinary General Meeting held in 2023 to approve the 2022 financial statements.

4.1.1 Composition of the administrative and management bodies

4.1.1.1 Composition of the Board of Directors

The composition of the Board of Directors is set out below.

The rules applicable to the appointment and removal of members of the Board of Directors are the legal and statutory rules laid down in Articles 16 et seq of the Company's by-laws:

- The Board of Directors has between three and eighteen members, unless otherwise provided by law.
- The term of office of the Company's directors appointed by the Ordinary General Meeting was set at three years by the General Meeting of May 12, 2011. The Combined General Meeting of April 30, 2020 amended Article 16.II of the Company's by-laws to allow for the staggered renewal of directors' terms of office, in accordance with the recommendations of the AFEP-MEDEF Code. Article 16.II now stipulates that the Annual General Meeting may exceptionally set the terms of one or more Directors at one, two, or four years, for the sole purpose of staggering Directors' terms of office. The term of office of the Director representing employees, appointed in accordance with Article L.225-27-1 of the French Commercial Code, was set at two years by the General Meeting of June 29, 2018.
- A Director's term of office expires at the end of the Annual General Meeting called to approve the financial statements of the year preceding the year in which his or her term of office expires. Directors may be removed at any time by the Ordinary General Meeting, even if this removal does not appear on the agenda.

Article 1.3 of the Board of Directors' Internal Regulations stipulates that the Board may be assisted by up to three non-voting Directors, appointed by the Board for a period of three years.

At its meeting on April 27, 2018, the Board of Directors renewed Guillaume Séché as non-voting Director for a period of three years that will end at the Ordinary General Meeting called to approve the 2020 financial statements.

As of December 31, 2020, your Company's Board of Directors had the following members:

		Date first appointed	AGM that renewed the current term as of December 31, 2020	Term expires at end of AGM held in
Directors and corporate officers	Joël SéchéChairman of the Board of Directors	October 19, 1981	April 27, 2018	2021
	Maxime Séché Director and Chief Executive Officer	November 12, 2019 (*)	April 27, 2018 (*)	2021 (*)
Directors	Pascaline de Dreuzy	April 27, 2017	April 30, 2020	2023
	Nadine Koniski-Ziadé	April 30, 2020		2023
	Anne-Sophie Le Lay	April 27, 2018		2021
	Philippe Valletoux	May 11, 2007	April 26, 2019	2022
Director representing employees	Philippe Guérin	December 12, 2018		2021 (**)
Non-voting Director	Guillaume Séché	Board meeting of April 28, 2015	Board meeting of April 27, 2018	2020

(*) Co-opting of Maxime Séché by the Board of Directors' meeting of November 12, 2019 to replace Séché Group SAS, following its resignation, for Séché Group SAS' remaining term of office, which ends at the Ordinary General Meeting held in 2021 to approve the financial statements for the year ended December 31, 2020.

(**) By decision of December 4, 2020, the Group Committee renewed the term of office of Philippe Guérin as Director representing the employees for a term of two years from the Ordinary General Meeting to be held in 2021 to approve the 2020 financial statements, or until the Ordinary General Meeting held in 2023 to approve the 2022 financial statements.

4.1.1.2 Information about the Company's Directors

Pascaline de Dreuzy – Director

Business address: 7 rue du Laos - 75015 Paris

Offices and positions:

Current offices as of December 31, 2020		Terms expired over the last five fiscal years	
Séché Environnement SA	Director Member of the Audit Committee Member and Chair of the Compensation and Appointments Committee	Samu social international (non-profit under the 1901 law)	Director until June 2019
TF1 SA	Director Chairman of the Compensation and Appointments Committee Member of the Audit Committee	Navya SAS	Director until December 2018
Fondation Hugot du Collège de France	Director	Fondation Œuvre de la Croix Saint-Simon (Foundation acting in the public interest)	Director until June 2017
		Groupe Hospitalier Diaconesses–Croix Saint-Simon (ESPIC)	Director until June 2017
		Institut Français des Administrateurs (Association)	Director until May 2016

As of December 31, 2020, Pascaline de Dreuzy was a corporate officer of one listed company other than Séché Environnement SA: TF1 SA.

As of December 31, 2020, Pascaline de Dreuzy held 50 Séché Environnement shares.

Profile:

French citizen born on September 5, 1958.

Pascaline de Dreuzy has worked in a wide variety of sectors with far-reaching human impacts, enabling her to transfer her experience between sectors and establish synergies between seemingly different universes.

She is now the founding president of P2D Technology, a company that builds bridges between industry and healthcare through the selection of new technologies and the promotion of artificial intelligence in the fields of prevention, emergency medical diagnosis assistance, chronic disease management, patient care in the home and remote follow-up. Its products combine human and digital solutions to improve patient care and quality of life, while optimizing costs for our healthcare system.

She invests in connected healthcare startups and has been a member of the Committee of Experts of a fund investing in innovation (Life Sciences, Digital and Environmental Technologies) at Bpifrance since 2015.

From 2011 to 2013, she served as a doctor-manager at a number of strategy consulting firms (ANAP, Arthur Hunt).

She entered the business world early as a Director of one of the family holding companies controlling the PSA group. She is very involved in corporate governance: at the end of her term on the board of the Institut Français des Administrateurs (French Institute of Corporate Directors), she joined several of its groups of experts, covering ESG, integrated reporting, risk appetite, governance of family-owned businesses, the role of the Board of Directors in climate issues, and coordinated one of its teaching modules. Currently, she co-chairs the corporate social responsibility group and one of the environment groups.

As a doctor with the Hôpitaux de Paris, she managed innovative, cross-functional and pioneering projects in the Necker-Enfants Malades children's hospital for more than 25 years. There she developed her skills as a leader in crisis management (palliative care, pediatric emergencies, emergency services, etc.) and as a manager of resource-constrained environments with major human impacts.

She is also a graduate of EMBA-HEC, holds a Company Directors' certificate from Sciences-Po-IFA and completed the financial analysis and company valuation modules of the ICCF-HEC Corporate Finance diploma.

She is a knight of the French Legion of Honor.

Philippe Guérin – Director representing the employees

Business address: ZI Portuaire - 519 rue Denis Papin - 28150 Salaise-sur-Sanne

Offices and positions:

Current offices as of December 31, 2020		Terms expired over the last five fiscal years
Séché Environnement SA	Director representing employees	-

Profile:

French citizen, born on February 20, 1971.

Philippe Guérin has vast experience in the waste treatment industry.

He joined Trédi in 1991 under an Automation Command and Control internship and later became Assistant Manager of the Electrical Maintenance and Instrumentation & Control Department before joining the Production Department as Supervisor in 2010. Since the control rooms were merged, he has been a console operator.

Philippe Guérin was Secretary of the Works Council and a member of the Trédi Central Works Council. He was also the Secretary of the Group Works Council.

Nadine Koniski-Ziadé - Director

Business address: 28 Cours Albert 1er - 75008 Paris

Offices and positions:

Current offices as of December 31, 2020		Terms expired over the last five fiscal years
Séché Environnement SA	Director Member and Chairman of the Audit Committee Member of the Strategy Committee	-
Stakeholder Advisors SARL	Manager	

As of December 31, 2020, Nadine Koniski-Ziadé was not a corporate officer of any listed company other than Séché Environnement SA.

As of December 31, 2020, Nadine Koniski-Ziadé held one Séché Environnement share.

Profile:

Born on November 14, 1975, French and Lebanese nationalities.

A graduate of ESSEC, Nadine Koniski-Ziadé has over 24 years of experience in the financial sector, in France and internationally. She began her career at Goldman Sachs in 1997 and then joined the investment bank Rothschild & Co in 1998, first in London, then in Paris, where she worked for 13 years - mainly in Mergers & Acquisitions, but also in Private Placement as an expatriate to New York - as an advisory banker for multinationals, mid-caps/SMEs and financial sponsor in various sectors. During this time, she specialized in family-owned businesses and holding companies and their specific governance issues.

In 2011, she joined the Quilvest Group on the creation of the position of Head of Private Equity Investor Relations. For 5 years, she was in charge of raising funds from institutional and private investors (family offices) and business development in Europe for all of Quilvest's unlisted investment programs and global investor communications (Global Head of Investor Relations & Communication).

In 2016, she created her own company, Stakeholder Advisors, which is active in raising funds, development and seeking investment opportunities, interacting with investors, fund managers, company directors and other stakeholders in Europe and the Middle East. With considerable experience in family-owned groups and clients, she establishes investment strategies in line with the long term view taken by these "patient capital" investors, such as venture capital or impact investing centered on sustainable development and corporate social responsibility.

She is also Senior Advisor for TriSpan, an independent investment platform active in unlisted small & mid-caps in the United States and Europe.

Anne-Sophie Le Lay – Director

Business address: Air France-KLM 2, rue Robert Esnault-Pelterie - 75007 Paris

Offices and positions:

Current offices as of December 31, 2020		Terms expired over the last five fiscal years
Séché Environnement SA	Director Member of the Audit Committee Member of the Compensation and Appointments Committee	-
Air France-KLM SA group	Corporate Secretary Member of the Executive Committee Secretary of the Board of Directors.	
Big Blank SAS	President	
Air France-KLM International Mobility SA	Director	
Circle Montesquieu, a non-profit association	Vice-Chairman Education Director of Executive Master General Counsel	
ORANO SA	Director	

As of December 31, 2020, Anne-Sophie Le Lay was not a corporate officer of any listed company other than Séché Environnement.

As of December 31, 2020, Anne-Sophie Le Lay held 10 Séché Environnement shares.

Profile:

French citizen born on May 8, 1971.

She has been Corporate Secretary of the Air France-KLM Group since February 2018. She is a member of the group's Executive Committee and Secretary of the Board of Directors.

A legal practitioner at the Paris Bar and holding a Master's degree in Business and Real Estate Law, Anne-Sophie Le Lay began her professional career in 1996 as a specialist lawyer in business and real estate law in Paris. She later moved overseas to Toronto, Canada, where she worked as a consultant in a law firm.

In 2001, she joined the Legal Affairs Department at Renault Group, initially responsible for the legal arrangements for the sale of the land of Renault's former Billancourt plant site. In 2007 she took over the management of the Environment and Real Estate Law Department. A year later, for the Euromed region, she was a member of the negotiating team with the Kingdom of Morocco to set up the Tangier plant. At the same time, she managed a number of cross-cutting issues linked to the international development of the Renault Group within the context of the Renault-Nissan Alliance. From 2011 to February 2018, she was General Counsel for Renault Group.

Joël Séché – Chairman of the Board of Directors

Business address: Les Hêtres – CS20020 – 53811 Changé cedex 09

Offices and positions:

Current offices as of December 31, 2020		Terms expired over the last five fiscal years	
Séché Environnement SA	Chairman of the Board of Directors	Séché Alliance SAS	Chairman until February 4, 2020
SCI La Croix des Landes	Manager	Séché Éco-Services SAS	Chairman until February 4, 2020
SCI Les Chênes Secs	Manager	Séché Transports SAS	Chairman until February 4, 2020
SCI de Mézerolles	Manager	Séché Éco-Industries SAS	Chairman until February 4, 2020
SCI La Montre	Manager		
SCI de La Censie	Manager	Taris	Director until December 31, 2019
SCI Saint Kiriec	Manager	Séché Environnement SA	Chairman and Chief Executive Officer until December 9, 2019
SCI La Perrée	Manager	Trédi SAS	Director until October 1, 2019
SAN (Soluciones Ambientales del Norte - Chile)	Director	Altamir Ambroise SCA	Member of the Supervisory Board until April 23, 2015 Chairman of the Supervisory Board until March 3, 2015
Interwaste Holdings Pty Ltd (South Africa)	Non-Executive Director		
Solarca SL (Spain)	Director		
Mecomer (Italy)	Chairman of the Board of Directors		
Depo (Italy)	Chairman of the Board of Directors		
Ciclo SA (Chile)	Chairman of the Board		
Kanay SAC (Peru)	Director		
Séché Group SAS	Chairman		
Pari Mutuel Urbain EIG	Director		

As of December 31, 2020, Joël Séché was not a corporate officer of any listed company other than Séché Environnement SA.

As of December 31, 2020, Joël Séché held one Séché Environnement share.

Profile:

French citizen, born on February 2, 1955.

Born into a family of entrepreneurs in the Mayenne department of France, he founded his first company at the age of 20. After starting out in the hauling business, he took over his family's civil engineering business, which employed around ten people, and rapidly moved it to a sector that was gaining ground in the mid-1980s: waste treatment and recovery. Joël Séché has always been a frontrunner and he developed his company with a constant focus on environmental integration and the human aspect. His was the first company in the waste management business to obtain ISO 14001 certification for its environmental management. For more than three decades, he has made Séché Environnement one of the most innovative key players in the environmental sector. To obtain the financial resources needed to finance the company's growth, he listed Séché Environnement on the Paris stock exchange in 1997 and oversaw the Group's development in France then internationally from the late 2010s.

Joël Séché is the father of Guillaume Séché, who manages the Group's medical waste treatment business, and Maxime Séché, who has been Chief Executive Officer since December 10, 2019. Joël Séché is currently Chairman of Séché Environnement.

He is a knight of the French Legion of Honor and Officer of the National Order of Merit.

Maxime Séché – Director and Chief Executive Officer

Business address: Les Hêtres – CS20020 – 53811 Changé cedex 09

Offices and positions:

Current offices as of December 31, 2020		Terms expired over the last five fiscal years	
Séché Environnement SA	Chief Executive Officer Director Member and Chairman of the Strategy Committee	Séché Environnement SA	Deputy Chief Executive Officer and employee until December 10, 2019 Permanent representative of the director Séché Group SAS until December 10, 2019 Director until December 1, 2015
Sénergies SAS	Chairman Member of the Management Board	Trédi SAS	Director until October 1, 2019
		Séché Healthcare SAS	Permanent representative of the Chairman Séché Environnement until November 23, 2015
Solena SAS	Member of the Executive Committee	Sodicome SAS	Permanent representative of the Chairman Séché Environnement until April 13, 2016
Séché Environnement Ouest SAS	Permanent representative of the Chairman Séché Environnement	Séché Energies SAS	Permanent representative of the Chairman Séché Environnement until July 1, 2018
Écosite Croix Irtelle SAS	Permanent representative of the Chairman Séché Environnement	Taris (Peru)	Director until December 31, 2019
Trédi SAS	Permanent representative of the Chairman Séché Environnement		
Énergécie SAS	Permanent Representative of the Chairman of Ecosite Croix Irtelle Member of the Strategy Committee		
Sogad SA	Permanent representative of the Director Séché Environnement		

Current offices as of December 31, 2020		Terms expired over the last five fiscal years
Séché Group SAS	Chairman of the Supervisory Board	
SCI Pégase 1	Manager	
SCI Pégase 2	Manager	
Kanay SAC (Peru)	Director	
SAN SA (Soluciones Ambientales del Norte-Chile)	Director	
Séché South Africa (South Africa)	Director	
Interwaste Holdings Pty Ltd (South Africa)	Non-Executive Director	
Solarca SL (Spain)	Spokesperson of the Board of Directors	
Depo (Italy)	Director	
Ciclo SA (Chile)	Director	
Séché Chile SpA (Chile)	Legal representative	
Ecosys Group Limited (Uganda)	Director	
Mayenne Investments Proprietary Limited (South Africa)	Director	
Mecomer (Italy)	Director	
M53 Investments (South Africa)	Director	
Varenne Investments Pty limited (South Africa)	Director	
Séché Holding SA (South Africa)	Director	
Sem Tedi (Mexico)	Chairman	

As of December 31, 2019, Maxime Séché was not a corporate officer of any listed company other than Séché Environnement SA.

Profile:

French citizen, born on March 27, 1984.

A graduate of the EDHEC's "Grande Ecole" program specializing in entrepreneurship, Maxime Séché began his career in the financial sector, first at Societe Generale in Paris and London where he worked as a utilities sector analyst before moving on to the private equity department of Paris Orléans. He then became an entrepreneur, co-founding an investment fund dedicated to renewable energies, and a US software services company serving the renewable energies sector. He joined Séché Environnement as Head of Strategy in 2013 and then became Deputy Chief Executive Officer in 2015. He has been Chief Executive Officer since December 10, 2019.

Maxime Séché is Joël Séché's son.

Philippe Valletoux - Director

Business address: 28 boulevard Raspail – 75007 Paris

Offices and positions:

Current offices as of December 31, 2020		Terms expired over the last five fiscal years	
Séché Environnement SA	Director Member of the Audit Committee Member of the Compensation and Appointments Committee	Séché Environnement SA	Chairman of the Audit Committee and Chairman of the Compensation and Appointments Committee until May 11, 2019
		Société du parc du Futuroscope (SA)	Member of the Supervisory Board until 2018

As of December 31, 2020, Philippe Valletoux was not a corporate officer of any listed company other than Séché Environnement SA.
As of December 31, 2020, Philippe Valletoux held one Séché Environnement share.

Profile:

French citizen, born on July 24, 1943.

Philippe Valletoux successively held the positions of:

- Special Advisor to the Groupe Central des Villes Nouvelles (Central Agency for New Towns),
- Special Advisor to the Ministry of the Interior,
- Technical Advisor to the Office of the Minister in charge of Administrative Reform
- Head of Research in the Local Development Department of the Caisse des Dépôts et Consignations.

In 1987 he took charge of the Department of Local Financing at Crédit Local de France, where he was also advisor to the Chairman. In 2000, he joined Dexia Crédit Local as Vice Chairman of the Executive Committee, leaving in 2009.

From 1995 to 2009 he was President of Floral (bond issues for local authorities) and of the Fondation Dexia-Crédit Local corporate foundation.

From 2004 to 2010, Philippe Valletoux was a member of the French Economic, Social and Environmental Council (CESE), where he was rapporteur of four opinions put forward by the Finance Section.

Guillaume Séché – Non-voting Director

Business address: Les Hêtres – CS20020 – 53811 Changé cedex 09

Offices and positions:

Current offices as of December 31, 2020		Terms expired over the last five fiscal years	
Séché Environnement SA	Non-voting Director	Kanay SAC (Peru)	Director up to December 31, 2019
Séché Healthcare	Permanent representative of the Chairman Séché Environnement	Taris (Peru)	Directoruntil December 31, 2019
Interwaste Holdings Pty Limited (South Africa)	Non-Executive Director		
Ecosys Group Limited (Uganda)	Director		
SAN SA (Soluciones Ambientales del Norte-Chile)	Director		
Séché Group SAS	Member of the Supervisory Board		
Paris Foreign Trade Advisors Committee	Substitute member		

As of December 31, 2019, Guillaume Séché was not a corporate officer of any listed company other than Séché Environnement SA.

Profile:

French citizen, born on April 23, 1982.

A graduate of INSEEC and San Diego State University, Guillaume Séché began his career fifteen years ago in Societe Generale's Investment Banking department. Two years later, he joined Deutsche Bank, where he worked in corporate banking sales for two years. In 2008, Guillaume joined Séché Group for the first time, as International Head of Sales. In 2010, he joined Stereau group, where he spent four years in the international trade department for the Middle East, North Africa and Cyprus. Guillaume Séché returned to Séché Group as Head of International Development in 2014. In 2019, he became Head of the Medical Waste business.

Guillaume Séché is Joël Séché's son.

4.1.1.3 Independence of Directors

Directors are considered to be independent if they have no relations of any sort with the Company, its Group or its Management which might compromise the free exercise of their judgment.

The following criteria set out in the AFEP-MEDEF Code are used for assessing the independence of Directors:

1. Corporate officer employee within the past five years

Independent Directors may not be an employee or executive corporate officer of Séché Environnement or an employee, executive corporate officer or Director of one of its consolidated companies or its parent company, or of one of the companies consolidated by the parent, and may not have been in such a position for the previous five years.

2. Directorships in other companies

Independent Directors may not be an executive corporate officer of a company in which Séché Environnement holds, directly or indirectly, the position of Director or in which an employee holds such a position, or in which an executive corporate officer of Séché Environnement holds the office of Director (currently or within the previous five years).

3. Material business relationships

Independent Directors may not be, or be linked to, directly or indirectly (i) a significant customer, supplier, investment banker, corporate banker, or advisor to Séché Environnement or to its group of companies, or (ii) a customer, supplier, investment banker, corporate banker, or advisor for which Séché Environnement or its group of companies accounts for a substantial portion of its business.

4. Family ties

Independent Directors may not be a close family member of a corporate officer.

5. Statutory Auditor

Independent Directors may not have been a Statutory Auditor of Séché Environnement Group over the past five years.

6. Term of office of more than twelve years

Independent Directors may not be a Director of Séché Environnement for more than twelve years.

7. Non-executive corporate officers

Non-executive corporate officers may not be considered independent if they receive variable compensation in cash or in the form of shares or any compensation linked to the performance of Séché Environnement or the Group.

8. Major shareholders

Directors representing major shareholders of the Company or its parent (holdings of 10% or more) may be regarded as independent Directors where these shareholders play no role in controlling the Company.

As of December 31, 2020, three of the seven members of the Board of Directors may be regarded as independent Directors as per the criteria of the AFEP-MEDEF Code, which is the Group's point of reference. The percentage of independent Directors stood at 50% of members, since under the guidelines of the AFEP-MEDEF Code, the Director representing employees, Philippe Guérin, is not counted when calculating the independence of the Board of Directors.

A Director's status as an independent Director is reviewed once a year by the Compensation and Appointments Committee, which reports annually to the Board when it meets to approve the financial statements and each time an appointment is made.

AFEP-MEDEF Code independence criteria	1	2	3	4	5	6	7	8	I/NI*
Non-executive corporate officer Joël Séché, Director and Chairman of the Board of Directors					X		X		NI
Executive corporate officer Maxime Séché, Director and Chief Executive Officer					X	X	N/A		NI
Directors									
Pascaline de Dreuzy	X	X	X	X	X	X	N/A	N/A	I
Nadine Koniski-Ziadé	X	X	X	X	X	X	N/A	N/A	I
Anne-Sophie Le Lay	X	X	X	X	X	X	N/A	N/A	I
Philippe Valletoux	X	X	X	X	X		N/A	N/A	NI
Director representing employees** Philippe Guérin	-	-	-	-	-	-	-	-	-

X Independence criteria met

** Independent/Non-independent*

***The Director representing employees is not counted when assessing the degree of independence of the Board of Directors*

4.1.1.4 Board of Directors' diversity policy table

In accordance with Article L.22-10-10 of the French Commercial Code, the following table shows the diversity policy followed by the Board of Directors, including the criteria applied, the goals and methods for implementing the policy, as well as the results achieved in 2020.

Criteria	Objectives	Implementation and results
Composition of the Board of Directors*	Gender balance on the Board	Representation of women: women have comprised at least 40% of the Board since the AGM of April 27, 2017.
	Willingness of the Company to be guided by different, complementary experience, skill-sets and profiles	Diverse and complementary skills on the Board: Board members each have different skills, covering company management, human resources, project management, strategy, economics and finance, accounting, law, and expertise in the Company's business sector.
	Appointment of a Director representing employees	Since December 2018, a Director representing employees has been appointed to the Board in accordance with legal and statutory requirements.
Independence of Directors*	1/3 independent Directors (Article 9.3 of the AFEP-MEDEF Code)	50% independent Directors.
Directors' age	No more than 1/3 of Directors over 70 years old (Art. 1.1(c) of the Board's Internal Regulations)	One Director is over the age of 70.

* *In accordance with the law and the AFEP-MEDEF Code, the Director representing employees is not taken into account when calculating the gender balance or the percentage of independent members.*

4.1.2 Functioning of the administrative and management bodies

4.1.2.1 Board of Directors

Operation and responsibilities of the Board of Directors

The Board of Directors establishes the guidelines of the Company's business activities, in particular its strategy, and ensures that they are implemented. Subject to the powers expressly granted to Annual General Meetings, and in compliance with legal requirements and the exclusive power of representation and management conferred by law on the Chief Executive Officer, the Board addresses all issues relating to the functioning of the Company and makes decisions to settle matters concerning it.

In order to meet the objectives it has set itself, the Board of Directors has adopted a working method that guarantees a fluid decision-making process.

As such, the Board meets regularly to discuss all matters within its remit, and each Director is informed of the annual meeting schedule to ensure maximum attendance. Directors are informed as soon as possible of any change to the initial schedule. Directors also have the right to be represented.

Notices convening meetings are given by all appropriate written means (letter, e-mail or fax). The Board's Secretary is authorized to send out these notices. Barring unusual circumstances, they are sent out at the initiative of the Chairman within a reasonable time frame before each meeting. The Chairman sets the agenda for Board meetings. The Chief Executive Officer can ask the Chairman to call a Board meeting to discuss a particular agenda.

Prior to each meeting of the Board of Directors, the Directors receive, within a reasonable time frame and subject to the need for confidentiality, a detailed agenda and a set of documents on the items on the agenda that require review and thought beforehand. Furthermore, based on the business on the agenda, the Chairman may decide to invite any person he deems necessary, whether or not an employee of the Company, to submit documentation or to participate in the preparatory discussions prior to deliberation. If a non-member is admitted to the Board of Directors meeting, the Chairman must remind him or her that all the information obtained during the meeting is strictly confidential.

The Board meets at least four times a year, in particular to review and approve the interim financial statements, examine the budgets and deliberate on any matter within its remit. The duration of Board meetings must be sufficient to allow for analysis and in-depth discussion of matters within its remit.

The Statutory Auditors are invited to Board of Directors' meetings under the conditions laid down in the law and regulations. They are invited by recorded delivery letter at the same time as the members of the Board of Directors.

In accordance with applicable legal provisions, the tasks of the Board are primarily the following:

- To call Annual General Meetings and to set the agenda,
- To prepare and approve the parent company and consolidated financial statements, drawing on the conclusions of the Audit Committee, to prepare and approve the annual management report and forward-looking management documents,
- To authorize related-party agreements,
- To determine the rules of operation of General Management (separation or not of the roles of Chairman of the Board of Directors and Chief Executive Officer of the Company),
- To decide on the appointment or the removal of the Chairman and Chief Executive Officer, the Chairman or the Chief Executive Officer and, on the recommendation of the Chairman and Chief Executive Officer or the Chief Executive Officer, appoint or remove Deputy Chief Executive Officers, and to set their compensation,
- To decide on the creation of committees tasked with considering any matters that it or the Chairman submits to them for an opinion,
- To transfer the registered office to another location with the same French department or an adjacent department, subject to ratification of this decision by the next Ordinary General Meeting,
- To authorize surety bonds, endorsements and guarantees,
- To discuss the Company's strategy and any resulting transactions and, more broadly, any significant transaction involving large investments or divestments, drawing on the work of the Strategy Committee.

Furthermore, without prejudice to specific powers granted to it by law, the Board is notified of any major transaction to be carried out by the Company, notably:

- The annual budget, the financing plan, and the multi-year plan presented by the Chief Executive Officer and submitted to the Audit Committee for its opinion before the Board meeting,
- Structuring operations, such as mergers and disposals of interests and assets, extraordinary expenditures and any decision related to a plan for a merger, spinoff or acquisition involving the Company,
- All external communications linked to major transactions, in particular financing transactions, prior to disclosure to the extent possible.

The Board will conduct any controls and inspections that it deems necessary and disclose any documents it believes useful for fulfilling its mission.

It is kept informed of any significant event concerning the Group's operations.

Each Director is informed of his or her main responsibilities and acts in the interests of all shareholders in Board discussions and decisions. Decisions are always made on a collective basis. In accordance with the recommendations of the AFEP-MEDEF Code, Directors abstain from taking part in discussions and from voting if a conflict of interests should arise.

In early 2021, the Board of Directors completed a self-assessment of its performance in 2020. The conclusions showed general satisfaction among Board members regarding the functioning of the Board of Directors, in particular in terms of the quality of discussions and the Board's ability to fulfill its duties, its organization, and the quality of the work performed by the Board committees. Some areas for improvement were identified, including the provision of more detailed information both further in advance of Board meetings and between meetings to allow Directors to better prepare, the organization of one meeting each year without the executive corporate officers, and one meeting between independent Directors. The Board will make changes during the current year.

Main activities of the Board of Directors during the 2020 fiscal year

In 2020, Séché Environnement's Board of Directors met five times (four of these meetings were scheduled). The average attendance rate (including Directors present or represented) for all meetings stood at 100% (summary table below).

The following key topics were discussed:

- Changes in the Company's governance: arrival of a new Director on the Board and new appointments to the Board of Directors' committees,
- Impact of the COVID-19 health crisis on the Group's business and organization,
- Group results, approval of the half-yearly and annual financial statements,
- Approval of the 2021 budget,
- Preparation of forward-looking management documents,
- Financial communications,
- Preparation and convening of the Combined General Meeting of Shareholders,
- Preparation of the management report, the non-financial performance report and the report on corporate governance,
- Review of the work of the Strategy Committee,
- Review of the work of the Audit Committee,
- Review of the work of the Compensation and Appointments Committee,
- Review of related-party agreements governed by Articles L.225-38 et seq of the French Commercial Code and establishment of a procedure for assessing current agreements entered into under normal conditions,
- Change to the Board of Directors' Internal Regulations.

4.1.2.2 Absence of conflicts of interest or convictions

To the knowledge of Séché Environnement, no conflicts of interest have been identified between each Director's duties with regard to Séché Environnement arising from his/her office and his/her personal interests. In addition, no Director:

- Has been convicted of fraud in the past five years,
- Has been involved, as a member of a Board of Directors, Management Board, or Supervisory Board, general partner or founder, in any company's bankruptcy, receivership, liquidation or placement under judicial authority in the past five years,
- Has been involved in legal proceedings or subject to an official public sanction by the legal or regulatory authorities,
- Has been prohibited by a court from exercising his/her right to serve 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.

4.1.3 Specialized committees

The Group has created three committees: the Audit Committee, the Compensation and Appointments Committee, and the Strategy Committee, which provide opinions and recommendations to the Board of Directors in the areas assigned to them.

The Chairman of the Board of Directors may attend Committee meetings, except when his own compensation is being discussed.

4.1.3.1 Audit Committee

The Board of Directors set up the Audit Committee at its meeting on December 1, 2015.

The Audit Committee comprises at least three and up to five Directors with financial and/or accounting expertise. At least two thirds of Audit Committee members must be independent Directors and members must not include any corporate officers.

It currently has four members, three of whom are independent directors and none of whom are corporate officers: Nadine Koniski-Ziadé, Pascaline de Dreuzy, Anne-Sophie Le Lay, and Philippe Valletoux.

Nadine Koniski-Ziadé, an independent director, was appointed Chairman of the Audit Committee by the Board of Directors on December 7, 2020.

The Chief Financial Officer provides assistance and attends Audit Committee meetings but does not have the right to vote. The Chief Executive Officer attends Committee meetings but does not have the right to vote.

The duties of the Audit Committee are to assist the Board with accounting policy, reporting and internal control, external audits, financial communications, and matters pertaining to risk management, CSR policy monitoring and the preparation of the budget.

Accordingly, the Audit Committee's duties are to:

a/ With respect to the parent company and consolidated financial statements, and internal control:

- Before referral to the Board, (i) review the half-year and annual parent company and consolidated financial statements, including the Notes and the management report, (ii) where applicable, issue an opinion, and (iii) prepare the draft budget,
- Ensure the relevance of the choice and correct application of the regulatory accounting policies used for the preparation of the parent company and consolidated financial statements,
- Check the accounting treatment of all major transactions carried out by the Company,
- Examine the Company's significant off-balance sheet commitments,
- Check that the internal procedures for collecting and controlling financial and accounting information ensure the quality and accuracy of the Company's financial statements, the Group's internal and external audits, and Management's responses in these areas; verify statements about internal controls made by Management in the annual financial report,
- Examine the scope of the consolidated companies and, where applicable, the reasons why some companies are not included,

- Examine any issue of a financial or accounting nature submitted by the Chairman of the Board,
- Present the Board of Directors with any accounting or financial-related observations it deems useful, in particular for the approval of the Company's half-year and annual parent company and consolidated financial statements.

b/ With respect to external audit:

- Submit recommendations to the Board on the selection of statutory auditors (auditing firms and networks of statutory auditors) with a view to their appointment or renewal by the Annual General Meeting,
- Ensure that the Company organizes an appointments procedure and monitor the way this procedure is applied. For this, the Audit Committee will formulate a reasoned recommendation for appointing the statutory auditor from a shortlist of at least two candidates and document a duly reasoned preference for one of them,
- Assess whether it is possible to guarantee the independence of the Statutory Auditor where the fees collected from the Company represent more than 15% of all the fees he/she receives,
- Analyze and issue an opinion on their mission statement, fees, scope and timetable; review and issue an opinion on their recommendations and follow-up,
- Once a year, review the list (appended to the Internal Regulations) of services other than the certification of the financial statements giving rise to pre-approval by the Audit Committee and approve, where applicable, all other services proposed by the statutory auditor,
- Analyze the supplemental report on the conclusions of the statutory audit submitted to it,
- Examine any issue of a financial or accounting nature submitted to it by the Chairman of the Board and any matter relating to independence or conflict of interest brought to its attention.

c/ With respect to financial disclosures:

- Review the Company's draft press releases concerning the half-year and annual financial statements and any other important financial disclosures.

d/ With respect to risk management:

- Regularly examine, together with Executive Management, the main risks to which the Company is exposed by means of a risk map,
- Monitor the greatest risks, measure the Company's risk exposure with respect to strategy and guarantee the effectiveness of risk management tools.

e/ With respect to the monitoring of the CSR policy:

- Review the monitoring of CSR policy implementation and the Corporate values.

f/ With respect to the budget:

- Review the budget prepared by Group Management.

In 2020, as well as reviewing the Group's results and the interim and annual financial statements, examining the budget for 2021 and reviewing the external audit, the Audit Committee:

- Monitored the plan to implement a new Group-wide ERP solution,
- Monitored the system set up by the Company to comply with the Sapin II law,
- Reviewed the draft non-financial performance report,

- Reviewed draft financial communications,
- Verified the independence of the Statutory Auditors,
- Was informed of services provided by the Statutory Auditors other than the certification of the financial statements.

4.1.3.2 Compensation and Appointments Committee

The Board of Directors set up the Compensation and Appointments Committee at its meeting on December 1, 2015.

The Compensation and Appointments Committee comprises at least three and up to five Directors with human resources and management expertise. Its members may not be corporate officers, and there must be a majority of independent Directors.

The Compensation and Appointments Committee currently has three members: Pascaline de Dreuzy, Anne-Sophie Le Lay, and Philippe Valletoux.

Pascaline de Dreuzy, an independent Director, was appointed Chair of the Compensation and Appointments Committee by the Board of Directors' meeting on November 12, 2019.

The duties of the Compensation and Appointments Committee are to:

- Study and submit proposals relating to the compensation of corporate officers, particularly with respect to (i) the corporate officer compensation policy, (ii) the variable portion of this compensation: it defines the rules for setting the variable component by taking due account of the performance of corporate officers in the past fiscal year and the medium-term strategy of the Company and the Group and monitors the application of these rules, and (iii) all benefits in kind, warrants or stock options received from all the companies of the Group, provisions relating to their retirement, and any other benefits of any kind,
- Ensure the corporate officer compensation policy set by the Board of Directors is duly observed,
- Keep informed of the compensation policy applied to senior managers who are not corporate officers;
- Propose a total budget for Directors' compensation to the Board of Directors, which will then be submitted to the Company's Annual General Meeting,
- Propose to the Board rules for distributing the total compensation and benefits awarded to Directors, and the individual amounts to be assigned to each Director, taking into account their attendance at Board and Committee meetings,
- Give an opinion to the Board on the general policy on awarding warrants and/or stock options and on the stock option plan(s) established by the Group's Executive Management and/or any form of access to the Company's share capital with respect to applicable rules and recommendations; submit its proposal on stock options or warrants to the Board, laying out the reasons for its choice and the ramifications,
- Examine any matter submitted to it by the Chairman and relating to the issues referred to above, as well as plans for share issues reserved for employees.

In addition, the Compensation and Appointments Committee carries out the functions of an appointments committee. When the Committee meets or acts in this capacity, the serving Chairman of the Board will be involved with its work. The prerogatives of the Compensation and Appointments Committee when it acts in the capacity of an appointments committee are the following:

- Selection of new Directors. The Committee is responsible for putting forward proposals to the Board after examining the following items: the desired balance of the composition of the Board with respect to the composition and any changes in the Company's share ownership structure, and the goal of achieving gender parity; the aim of ensuring complementary skills and knowledge among Board members; the search and assessment of potential candidates; the advisability of renewing mandates. Accordingly, the Committee organizes a selection procedure for future independent Directors,
- Senior executive succession: as part of the Company's risk prevention plan, the Committee will draw up, on a proposal from the Chairman, a senior executive succession plan to be able to offer the Board solutions for replacement in the event of an unforeseeable vacancy.

If the Chairman has to be replaced, an ad hoc committee will be formed within the Compensation and Appointments Committee. This ad hoc committee will strive to arrive at a consensus proposal and, in any event, it will submit the result of its efforts to the Board of Directors, which is the only body with the authority to decide.

In 2020, the Compensation and Appointments Committee examined:

- The status of independent Directors on the Company's Board,
- The composition of the Board and Committees, and the staggering of terms of office,
- The preparation and implementation of the procedure for selecting independent Directors,
- The rules governing the breakdown of Directors' compensation,
- The compensation of corporate officers, in particular that of the Chairman of the Board of Directors and of the Chief Executive Officer.
- The preparation and approval of the self-assessment questionnaire for the Board of Directors and each of its committees.

4.1.3.3 Strategy Committee

The Board of Directors set up the Strategy Committee at its meeting on December 1, 2015.

The Strategy Committee has at least two and up to five members appointed by the Board. The members of the Committee are selected based on their industrial and strategic skills and any relevant business experience.

The task of the Committee is to formulate, on proposal of or jointly with the Company's Executive Management, solutions or recommendations regarding the Company's strategy and to oversee its implementation or modification. It will give an opinion on acquisitions or disposals of ownership interests or assets of a significant value likely to result in a change to the structure of the Company's balance sheet and, in any event, on acquisitions or disposals of ownership interests and assets, as well as any external growth operation outside the scope of the Company's budget or strategy. It will give an account of its work to the Board of Directors.

In 2020, the Committee examined several significant strategic transactions to allow the Group's expansion, including a proposed acquisition in South Africa, a public service concession in Aveyron, and several growth opportunities that are currently under review. The Committee also monitored the business continuity plan for all the Group's sites and the enhanced protection measures implemented due to the Covid-19 health crisis.

4.1.3.4 Guiding the Group's strategy

The day-to-day leadership of the Group's strategy is provided by the Group's main senior managers under the supervision of Maxime Séché. They optimize the Group's management of business activities, project development, funding and human resources. On a daily basis, each Group senior manager, in agreement with Executive Management, takes the necessary steps within his/her remit to ensure that the established guidelines are followed. Each of these managers is accountable to Executive Management.

4.1.3.5 Attendance at Board of Directors' and Committee meetings in 2020

	Board of Directors		Audit Committee		Compensation and Appointments Committee		Strategy Committee	
	Meetings attended / meetings held	Rate of attendance	Meetings attended / meetings held	Rate of attendance	Meetings attended / meetings held	Rate of attendance	Meetings attended / meetings held	Rate of attendance
Joël Séché	5/5	100%	-	-	-	-	-	-
Guillaume Cadiou	4/4 (1)	100%	3/3 (1)	100%	2/2 (1)	100%	2/2 (1)	100%
Pascaline de Dreuzy	5/5	100%	4/4	100%	3/3	100%	-	-
Philippe Guérin	5/5	100%	-	-	-	-	-	-
Nadine Koniski-Ziadé	3/3 (2)	100%	1/1 (4)	100%	-	-	2/2 (3)	100%
Anne-Sophie Le Lay	5/5	100%	3/3 (5)	100%	1/1 (6)	-	-	-
Maxime Séché	5/5	100%	-	-	-	-	3/3	100%
Philippe Valletoux	5/5	100%	4/4	100%	3/3	100%	-	-
Number of meetings in 2020	5	-	4	-	3	-	3	-
Overall attendance rate	-	100%	-	100%	-	100%	-	100%

(1) *Guillaume Cadiou resigned from his positions as Director, member and Chairman of the Audit Committee, member of the Strategy Committee, and member of the Compensation and Appointments Committee, effective October 21, 2020.*

(2) *Nadine Koniski-Ziadé was appointed Director by the Ordinary Annual General Meeting on April 30, 2020.*

(3) *Nadine Koniski-Ziadé was appointed member of the Strategy Committee by the Board of Directors on April 30, 2020.*

(4) *Nadine Koniski-Ziadé was appointed member and Chairman of the Audit Committee on December 7, 2020, and attended one meeting of this Committee as a guest during the 2020 financial year.*

(5) *Anne-Sophie Le Lay was appointed member of the Audit Committee on March 9, 2020.*

(6) *Anne-Sophie Le Lay was appointed member of the Compensation and Appointments Committee on December 7, 2020, and attended one meeting of this Committee as a guest during the year.*

COMPENSATION AND BENEFITS PAID TO MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

4.2.1 Corporate officer compensation policy

The compensation policy described below was established by the Board of Directors on March 5, 2021 and will be submitted to the General Shareholders' Meeting for approval on April 30, 2021.

At its meeting on March 5, 2021, the Board of Directors modified the compensation policy of the Chairman of the Board of Directors and of the Chief Executive Officer for 2021 such that their fixed pay will be reviewed by the Board on an annual basis. In addition, the Board of Directors decided to increase the fixed compensation paid to the Chief Executive Officer in view of the Group's financial results and management performance during the Covid-19 health crisis in 2020, as described in paragraph 4.2.2.2 below.

4.2.1.1 Corporate officer compensation policy

Pursuant to Article L.22-10-8 of the French Commercial Code, the report of the Board of Directors on the corporate officer compensation policy is provided below.

The corporate officer compensation policy, which sets out the principles and conditions for determining the compensation of the Company's corporate officers, is drawn up and reviewed by the Board of Directors each year, based on the recommendation of the Compensation and Appointments Committee, and subject to approval by the General Meeting of Shareholders.

The corporate officer remuneration policy aims to ensure the commitment of corporate officers and the implementation of the Group's strategy over the long term, in the interests of the Company, its shareholders, its customers, and its employees.

Employees' remuneration and terms of employment are taken into consideration when setting the compensation of corporate officers.

Each year, the Compensation and Appointments Committee ensures that the corporate officer compensation policy has been correctly applied, and suggests ways of preventing or managing conflicts of interest to the Board of Directors. It reports to the Board of Directors on the fulfilment of its duties.

If a corporate officer leaves the Company during the year, the amount of his or her compensation is adjusted pro rata to the time in office during the year in question.

In exceptional circumstances, the Board of Directors may temporarily deviate from the compensation policy, provided that such deviation is in the corporate interest and needed to ensure the Company's future or viability. As necessary, the Board of Directors can adjust the compensation structure, it being understood that such deviations shall only apply until the next Ordinary General Meeting called to approve the annual financial statements.

When a new corporate officer is appointed or a corporate officer's term is renewed during the year, if the agreed compensation requires a major amendment to the compensation policy, pending approval of this new compensation policy, the corporate officer shall receive compensation in line with the existing policy approved by the Annual General Meeting pursuant to Article L.22-10-8 of the French Commercial Code, until the amended compensation policy is approved by the next Annual General Meeting. Once the new compensation policy is approved by the Annual General Meeting pursuant to Article L.22-10-8 of the French Commercial Code, the agreed compensation shall be paid to the corporate officer retrospectively from the date on which he/she took office or had his/her term of office renewed.

4.2.1.2 Chairman compensation policy

The Chairman's total compensation comprises a fixed amount, a benefit in kind (company car), and remuneration in respect of his position as Director.

The fixed compensation paid to the Chairman of the Board of Directors is set by the Board based on the level and complexity of his responsibilities, his experience and background, in particular within the Group, and a peer comparison. It is reviewed by the Board of Directors each year.

The Chairman also benefits from the defined-contribution supplementary pension plan in place at Séché Environnement. Although the Chairman of the Board of Directors is not an employee of the Company, for the purposes of this supplementary pension plan he is considered as being in the category of managerial staff whose salary falls within level C of the annual social security threshold, and accordingly benefits from the supplementary pension plan applicable to managers in this category. This is a funded pension plan with a contribution of 4% of the portion of the salary that is covered by level C of the annual social security threshold. The Company, which makes contributions to a third party insurer that manages this retirement scheme, is responsible for funding this plan.

The Chairman receives no variable compensation or share-based payment.

4.2.1.3 Chief Executive Officer compensation policy

The Chief Executive Officer's total compensation comprises a fixed amount and a benefit in kind (company car).

The fixed compensation paid to the Chief Executive Officer of the Company is set by the Board of Directors based on the level and complexity of his responsibilities, his experience and background, in particular within the Group, and a peer comparison. It is reviewed by the Board of Directors each year.

At its meeting on March 5, 2021, the Board of Directors raised the fixed compensation paid to the Chief Executive Officer in view of the Group's financial results and management performance during the Covid-19 health crisis in 2020.

The Chief Executive Officer also benefits from the defined-contribution supplementary pension plan in place at Séché Environnement. Although the Chief Executive Officer is not an employee of the Company, for the purposes of this supplementary pension plan, he is considered as being in the category of managerial staff whose salary falls within level C of the annual social security threshold, and accordingly benefits from the supplementary pension plan applicable to managers in this category. This is a funded pension plan with a contribution of 4% of the portion of the salary that is covered by level C of the annual social security threshold. The Company, which makes contributions to a third party insurer that manages this retirement scheme, is responsible for funding this plan.

The Chief Executive Officer receives no variable compensation or share-based payment. There is no commitment to pay an allowance or particular benefit (termination benefit, non-compete obligation) in the event the Chief Executive Officer leaves his position.

4.2.1.4 Directors' compensation policy

Directors receive annual compensation based on the level and complexity of their responsibilities, taking into account their effective attendance of Board and Committee meetings, as applicable.

The remuneration based on Board of Directors' meetings is calculated using the annual budget set by the Annual General Meeting, shared equally between all Directors and reduced, if appropriate, in proportion to the number of meetings the Director did not attend during the year, except in cases where the date of the Board meeting is changed on very short notice.

A fixed amount per meeting is awarded to each Director who is a member of a Board Committee for his/her effective presence at each meeting.

A fixed amount per year is also awarded to the Chair of each Board Committee.

4.2.2 Compensation paid to corporate officers in 2020

4.2.2.1 Compensation paid to Joël Séché

In 2020, Joël Séché received compensation for his position as Chairman of the Board of Directors.

Following the change in corporate governance and the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer of the Company, the Board set the Chairman's gross annual fixed compensation at €500,000. This amount takes into account Séché Group's new scale and compensation paid to Chief Executive Officers in comparable companies.

Compensation, stock options and shares allocated to Joël Séché

In respect of his position as Chairman of the Board of Directors

(In euros)	2019	2020
Compensation for the year (details below)	426,192	520,547
Multi-year variable compensation granted during the fiscal year	-	-
Stock options allocated during the fiscal year	-	-
Free shares allocated during the fiscal year	-	-
Value of other long-term compensation plans	-	-
Total	**426,192**	**520,547**

Summary of compensation paid to Joël Séché

In respect of his position as Chairman of the Board of Directors

(In euros)	2019		2020	
	Due	Paid	Due	Paid
Fixed compensation	405,645	405,645	500,000	500,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Benefit in kind (*)	10,547	10,547	10,547	10,547
Compensation paid in respect of his role as Director	10,000	10,000	10,000	10,000
Total	**426,192**	**426,192**	**520,547**	**520,547**

(**) (*) Company car.

Pension plan – Joël Séché	
a) Type of plan	Defined contribution funded pension plan
b) Reference to legal provisions identifying the corresponding plan category	Personnel covered by Articles 4 and 4 bis of the 1947 national collective bargaining agreement for managerial level staff whose compensation is more than four times the annual social security threshold
c) Terms of eligibility for the plan and other conditions	All employees on joining the Company and until their departure, provided they fulfill the criteria set in point b) above
d) Terms for calculating the reference compensation set by the plan concerned and used to calculate beneficiaries' entitlements	The calculation basis corresponds to the amount of compensation that is more than four times the annual social security threshold
e) Entitlement vesting frequency	Each net contribution is transformed into an annuity, contributions are paid to the pension fund manager on a quarterly basis
f) Existence of any limit, its amount and details of how it is calculated	None
g) Entitlement funding terms	Employer contribution of 4% of the reference amount set in point d)
h) Estimated amount of annuity at the balance sheet date	2,082.10 (*)
i) Taxes and social security charges payable on the commitment and borne by the Company	Flat rate of 20% of contributions paid

(*) For an annuity without survivor's annuity.

4.2.2.2 Compensation paid to Maxime Séché

In 2020, Maxime Séché received compensation for his corporate office as Chief Executive Officer and Director.

Following the change in corporate governance and the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer of the Company decided by the Board in December 2019, the Board of Directors set the Chief Executive Officer's gross annual fixed compensation at €375,000. This amount takes into account Séché Group's new scale and compensation paid to Chief Executive Officers in comparable companies.

At its meeting on March 5, 2021, the Board of Directors decided to raise the fixed compensation paid to the Chief Executive Officer in 2021 to a gross annual amount of €425,000 in view of the Group's financial results and management performance during the Covid-19 health crisis in 2020.

Compensation, stock options and shares awarded to Maxime Séché

For his role as Chief Executive Officer and Director

(In euros)	2019	2020
Compensation for the year (details below)	205,019	394,873
Multi-year variable compensation granted during the fiscal year	-	-
Stock options allocated during the fiscal year	-	-
Free shares allocated during the fiscal year	-	-
Value of other long-term compensation plans	-	-
Total	**205,019**	**394,873**

Summary of compensation paid to Maxime Séché

For his role as Chief Executive Officer and Director

(In euros)	2019		2020	
	Due	**Paid**	**Due**	**Paid**
Fixed compensation	199,729	199,729	375,000	375,000
Annual variable compensation (*)	3,132	3,132	2,273	2,273
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Benefit in kind (**)	2,158	2,158	2,100	2,100
Compensation paid in respect of his role as Director	-	-	15,500	15,500
Total	**205,019**	**205,019**	**394,873**	**394,873**

(*) *These amounts were paid to Maxime Séché under profit sharing/incentive schemes in respect of his employment contract, which ended on December 10, 2019.*
(**) *Company car.*

Pension plan – Maxime Séché	
a) Type of plan	Defined contribution funded pension plan
b) Reference to legal provisions identifying the corresponding plan category	Personnel covered by Articles 4 and 4 bis of the 1947 national collective bargaining agreement for managerial level staff whose compensation is more than four times the annual social security threshold
c) Terms of eligibility for the plan and other conditions	All employees on joining the Company and until their departure, provided they fulfill the criteria set in point b) above
d) Terms for calculating the reference compensation set by the plan concerned and used to calculate beneficiaries' entitlements	The calculation basis corresponds to the amount of compensation that is more than four times the annual social security threshold
e) Entitlement vesting frequency	Each net contribution is transformed into an annuity, contributions are paid to the pension fund manager on a quarterly basis
f) Existence of any limit, its amount and details of how it is calculated	None
g) Entitlement funding terms	Employer contribution of 4% of the reference amount set in point d)
h) Estimated amount of annuity at the balance sheet date	12,414.50 (*)
i) Taxes and social security charges payable on the commitment and borne by the Company	Flat rate of 20% of contributions paid

(*) For an annuity without survivor's annuity.

4.2.2.3 Directors' compensation

The guidelines for distributing the 2020 directors' fees were the following:

On April 30, 2020 the Board of Directors, acting on a proposal from the Compensation and Appointments Committee, renewed the existing rules for allocating directors' compensation from the previous year, namely (i) an amount of €10,000 is allocated to each director pro rata to the number of meetings attended during the year, (ii) an amount of €1,500 is allocated to each director for his/her actual attendance at specialized committee meetings of which he/she is a member and (iii) an annual amount of €1,000 is allocated to each Chairman of a specialized committee.

Table showing the breakdown of compensation awarded to Directors

(In euros)	2019	2020
Guillaume Cadiou	20,000	19,500
Pascaline de Dreuzy	17,000	21,500
Christophe Gégout	1,333	-
Philippe Guérin	-	-
Nadine Koniski-Ziadé	-	10,500
Anne-Sophie Le Lay	10,000	16,000
Marina Niforos	10,000	-
Carine Salvy	13,000	-
Joël Séché	10,000	10,000
Maxime Séché	-	15,500
Séché Group (represented by Maxime Séché)	15,500	-
Jean-Pierre Vallée	12,833	-
Philippe Valletoux	19,500	20,500
Total	**139,166**	**113,500**

Furthermore, no stock options were granted to corporate officers nor were any loans or sureties granted to members of the Board of Directors.

4.2.2.4 Other information on the compensation of corporate officers

The information required under Article L.22-10-9 of the French Commercial Code is presented below:

In euros	2016	2017	2018	2019	2020
Compensation of Joël Séché paid or awarded by Séché Environnement in respect of his role as Chairman and Chief Executive Officer until December 9, 2019, then as Chairman of the Board of Directors, including fixed compensation, directors' fees, and the benefit in kind.	421,426	420,547	420,547	**426,192**	520,547
Compensation paid or awarded to Maxime Séché by Séché Environnement in respect of his role as Director and Chief Executive Officer, including fixed compensation, directors' fees and the benefit in kind	N/A (1)	N/A (1)	N/A (1)	**21,425**	392,773 (*)
Compensation paid or awarded to Guillaume Cadiou by Séché Environnement in respect of his directorship	14,500	16,000	17,500	**20,000**	19,500
Compensation paid or awarded to Pascaline de Dreuzy by Séché Environnement in respect of her directorship	N/A	6,000	10,000	**17,000**	21,500
Compensation paid or awarded to Philippe Guérin (Director representing employees) by Séché Group in respect of his directorship	N/A	N/A	N/A	**N/A**	N/A
Compensation paid or awarded to Séché Group (represented by Maxime Séché) by Séché Environnement in respect of its directorship	14,000	15,500	17,000	**15,500**	N/A
Compensation paid or awarded to Nadine Koniski-Ziadé by Séché Environnement in respect of her directorship	**N/A**	**N/A**	**N/A**	**N/A**	**10,500**

In euros	2016	2017	2018	2019	2020
Compensation paid or awarded to Anne-Sophie Le Lay by Séché Environnement in respect of her directorship	N/A	N/A	7,143	**10,000**	16,000
Compensation paid or awarded to Marina Niforos by Séché Environnement in respect of her directorship	N/A	6,000	10,000	**10,000**	N/A
Compensation paid or awarded to Philippe Valletoux by Séché Environnement in respect of his directorship	16,500	18,000	16,500	**19,500**	20,500
Séché Environnement's performance (2)	€460.1m	€511.9m	€560.5m	€687.7m	€672.5m
Average full time equivalent compensation of permanent employees of the Group based in France (excluding corporate officers) (3)	42,129	42,928	42,798	**42,577**	41,437
Median full time equivalent compensation of permanent employees of the Group based in France (excluding corporate officers) (3)	38,307	38,514	39,928	**36,499**	35,413
Ratio between the compensation of Joël Séché and the average full time equivalent compensation of permanent employees of the Group based in France (excluding corporate officers) (3)	10	9.8	9.8	**10**	12.6
Ratio between the compensation of Maxime Séché and the average full time equivalent compensation of permanent employees of the Group based in France (excluding corporate officers (3)	N/A (4)	N/A (4)	N/A (4)	**8.9**	9.47
Ratio between the compensation of Joël Séché and the median full time equivalent compensation of permanent employees of the Group based in France (excluding corporate officers) (3)	11	10.9	10.5	**11.7**	14.7
Ratio between the compensation of Maxime Séché and the median full time equivalent compensation of permanent employees of the Group based in France (excluding corporate officers (3)	N/A (4)	N/A (4)	N/A (4)	**10.3**	11.09

(1) Maxime Séché was not a corporate officer from 2016 to 2018.

(2) Performance means consolidated contributed revenue. Contributed revenue refers to reported revenue minus IFRIC 12 revenue and diversion compensation collected by Sénerval (net of variable cost savings on metric tons not incinerated, collected to cover the costs laid out to ensure continuity of public service). IFRIC 12 revenue corresponds to the amount of investments in service concessions, which are booked as both intangible fixed assets and as revenue in accordance with the recommendations of IFRIC 12.

(3) Pursuant to Article 26.2 of the AFEP-MEDEF Code, as Séché Environnement has few employees in relation to the Group's total headcount in France, the compensation taken into account is that paid to permanent employees in France of companies over which Séché Environnement has full control, since this scope is more representative. Permanent employees are considered to be full time employees employed by the Group in France and present on a continuous basis from the start to the end of the fiscal year. As such, the compensation of part time employees and of employees who joined or left during the year is not taken into account. In addition, the salary received by Maxime Séché in respect of his employment contract as Deputy Chief Executive Officer until December 9, 2019 was not taken into account in calculating the average and median compensation of permanent employees of the Group based in France.

(4) Maxime Séché was not a corporate officer from 2015 to 2018.

(*) Compensation paid or awarded in 2020 minus the amount received in respect of profit sharing/incentive schemes.

TRANSACTIONS WITH CORPORATE OFFICERS OR SHAREHOLDERS

In 2020, four new agreements were signed between the Company and its corporate officers or shareholders holding more than 10% of its voting rights or, for corporate shareholders, with the company controlling them within the meaning of Article L.233-3 of the French Commercial Code. These agreements were described in the Statutory Auditors' special report on related-party agreements submitted to and approved by the Ordinary General Meeting of Shareholders on April 30, 2020.

As indicated in the Statutory Auditors' special report, no other new agreements covered by Article L.225-38 of the French Commercial Code were signed either in 2020 or between January 1, 2021 and the date of this Universal Registration Document.

Likewise, no loan or guarantee was granted to any of its corporate officers.

In accordance with Article L.22-10-12 of the French Commercial Code, the Board of Directors has set up a procedure to assess, on a regular basis, whether agreements signed with the persons mentioned in Article L.225-38 of the same Code for ordinary transactions concluded at arm's length duly fulfill these conditions.

This procedure provides for the involvement of the Legal department when signing, amending or renewing any ordinary transactions concluded at arm's length to check – in line with other relevant internal departments (finance, operations) and with the Board of Directors if necessary – that the agreement should be qualified as such, and to establish a list of ordinary transactions concluded at arm's length by the Company.

In accordance with Article L.22-10-12 of the French Commercial Code, the individuals directly or indirectly involved in one of these agreements do not take part in the assessment.

The Legal department regularly verifies the list of ordinary transactions concluded at arm's length and ensures that the qualification is still valid, in particular by ensuring that the criteria used to qualify an agreement as an ordinary transaction concluded at arm's length are still relevant, and that the conditions in which the Company ordinarily does business have not evolved. If appropriate, an agreement may be reclassified as a related-party agreement and subject to the authorization procedure provided for in Articles 225-38 et seq of the French Commercial Code.

4.4.1 Internal control procedures for the monitoring of activities

The internal control procedures set up by the Company to control its activities aim to guarantee that the management and operation of each Group company and the behavior of employees respect the guidelines given by management, and in particular the Board of Directors.

These procedures relate to the main business operating cycles (purchasing – sales (individual and comprehensive offers) – investment – payment collection – cash flow centralization) and are accompanied by an activity monitoring process: budget process, monthly reporting process for identifying shortcomings and putting the necessary corrective actions in place.

If warranted, they will be updated in order to collate the Group's practices in a reference framework and take into account the policy of harmonizing information systems.

Each procedure is approved by Executive Management. It describes the general objectives assigned to it, its area of application and its scope, details all the steps in the procedure, documents procedure monitoring arrangements put in place by the Group and the need for everyone's involvement.

They may, if it proves necessary, be supplemented by technical notes clarifying the Group's recommendations on the handling of specific operations.

The budget process, which involves each subsidiary, the Group's executive management and Group financial control as a support function:

- Provides for a comparison of the objectives set by each subsidiary with the strategic guidelines set at Group level, and ensures agreement on how to implement these guidelines;
- Ensures that the effective level of activity, new guidelines issued by Management and any corrective measures are taken into account, via a review at least twice a year.

The monthly reporting process, which is verified and centralized by the Group financial control team, provides executive management with a monthly review of activity and details on actual progress achieved with respect to the announced targets.

4.4.2 Internal control procedures for ensuring the reliability of financial disclosures and their compliance with laws and regulations in force

The organization put in place is aimed at guaranteeing financial disclosures that are accurate and compliant with general accounting principles and the standards and methods adopted by the Group, which are themselves developed out of the French regulatory framework. Furthermore, they aim to ensure that the finance and accounting function satisfies its obligations with respect to providing information to all the Company's stakeholders (shareholders, investors, administration, etc.).

The finance function plays a crucial role in this organization. To this end, it:

- Ensures the consistency and the integrity of the information system used by all French subsidiaries;
- Disseminates the procedures specific to financial processes and guarantees their implementation. To do so, at each reporting date it issues a memo with account closing instructions and the accounting principles to be used to draw up the financial statements of all the subsidiaries. These memos are updated regularly to take into account any problems encountered previously. Furthermore, on the half-year and annual closing dates, the duties fulfilled by the Statutory Auditors in each subsidiary are addressed in conclusions that are regularly forwarded to the Group's Statutory Auditors and the Consolidation Department. A system for tracking recommendations is set up for the purposes of analysis, assessing the challenges at the Group level and implementing remedial actions;
- Provides training and regular information to the accounting staff in order to ensure a minimum skill level while facilitating the sharing of best practices within the Group;
- Upgrades and analyzes the viability of the consolidation and reporting tool and its interface with the Group's accounting and reporting information system. The main configurations are made by the Group's consolidation and reporting staff with the support of the service provider and any changes introduced are disseminated directly by the Central Division. Training for all new users is provided by Group staff;
- Provides a permanent link between the statutory consolidation staff and the financial control staff in order to produce consolidated forecasts as early in the process as possible. This monthly report is regularly checked against the actual data output in the consolidation process;
- Processes the Group's major transactions (acquisitions, disposals, reorganizations) that have an impact on the Group's financial disclosures;
- Discloses accounting and financial information intended for management bodies and Directors;
- Ensures the integrity of the reporting process and validates the information appearing in the Universal Registration Document, verifies compliance with the rules of the French Financial Markets Authority (AMF) and the quality of the relationship with the AMF's accounting departments;
- Checks data published as part of the Group's financial disclosure process.

5 INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

5.1

SHARE CAPITAL

As of December 31, 2020 (and as of the date of this Universal Registration Document), the share capital amounted to €1,571,546.40, divided into 7,857,732 shares of par value €0.20 each, fully paid up and fully negotiable.

Transaction date	Number of new shares	Total number of outstanding shares	By value of share	Nominal amount of capital increase		Amount of capital reduction	Issue premium	Subsequent amount of capital
				By contribution in cash or kind	By incorporation of reserves			
02/17/1997 Share split	-	50,000	FRF 100	-	-	-	-	FRF 5,000,000
10/08/1997 Share split	-	5,000,000	FRF 1	-	-	-	-	FRF 5,000,000
11/27/1997 Capital increase	400,000	5,400,000	FRF 1	FRF 400,000	-	-	FRF 73,600,000	FRF 5,400,000
12/19/1997 Capital increase	5,000	5,405,000	FRF 1	FRF 5,000	-	-	FRF 735,000	FRF 5,405,000
04/26/2001 Conversion of capital into euros	-	5,405,000	€0.20	-	€257,013.06	-	-	€1,081,000
10/01/2001 Capital increase*	160,405	5,565,405	€0.20	€32,081	-	-	€10,795,257	€1,113,081
07/05/2002 Capital increase**	2,473,057	8,038,462	€0.20	€494,611	-	-	€19,902,780	€1,607,692
12/12/2006 Issue	596,408 (Warrants)	-	-	-	-	-	€10,908,302	€1,607,692
04/24/2007 Capital increase ***	596,408	8,634,870	€0.20	€119,282	-	-	€74,717,994	€1,726,974
06/17/2015 Capital reduction	(777,138)	7,857,732	€0.20	-	-	(€155,427.60)	-	€1,571,546.4

*** Payment for the Alcor shares tendered to the Company*
**** Payment for the Trédi shares tendered to the Company*
***** Exercise of 596,408 share subscription warrants by CDC*

5.2.1 Share ownership and voting rights

Share ownership at December 31, 2020	Number of shares	%	Voting rights [3]	%
Joël Séché	1	0.00%	2	0.00%
Séché Group SAS [1]	4,859,483	61.84%	8,385,950	73.40%
Séché Group sub-total	**4,859,484**	**61.84%**	**8,385,952**	**73.40%**
ICM	620,000	7.89%	620,000	5.43%
Treasury stock [2]	57,856	0.74%	57,856	0.51%
Employees	42,338	0.54%	75,157	0.66%
Free float	2,278,054	28.99%	2,286,320	20.01%
Total	**7,857,732**	**100.00%**	**11,425,285**	**100%**

(1) Séché Group is majority controlled by Joël Séché and his two sons, Guillaume Séché and Maxime 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 shareholding notification requirements.
(3) Pursuant to Article 33, paragraph 1 of the by-laws of Séché Environnement, a double voting right is attributed to all fully paid-up shares registered in the same shareholder's name for at least four years.

The Company is controlled as described above. However, the Company believes there is no risk of said control being exercised improperly due to the number of independent directors on the Board of Directors and as the Company applies the recommendations set out in the AFEP-MEDEF Code.

Séché Group SAS holds a significant number of registered Séché Environment shares. In this respect, the Company's corporate officers, Joël Séché and Maxime Séché, who control Séché Group SAS, indirectly hold a significant number of registered Séché Environnement shares.

Between January 1, 2020 and the Board meeting held on March 5, 2021, Séché Environnement was informed of the following changes in holdings above or below legal disclosure thresholds:

- In a letter received on October 15, 2020, the family-owned Séché Group reported a previous increase in its holding:
    - on November 9, 2019, to more than two-thirds of voting rights in the Company following an award of double voting rights; it reported holding 4,639,484 Séché Environnement shares as of this date (including 4,639,483 shares owned by Séché Group and one share owned by Joël Séché), representing 6,773,318 voting rights (including 6,773,316 voting rights held by Séché Group and two voting rights held by Joël Séché), equal to 59.04% of the Company's share capital and 66.76% of its voting rights,

- on September 15, 2020, to more than two-thirds of voting rights in the Company, on the signing of a promise to sell Séché Environnement shares to the Group; it reported holding 5,423,891 Séché Environnement shares as of this date (including 5,423,890 shares owned by Séché Group and one share owned by Joël Séché and including 784,407 share equivalents within the meaning given in Article L.233-9 I, paragraph 4, of the French Commercial Code, arising from the signing of a promise to sell Séché Environnement shares to Séché Group), representing 8,925,694 voting rights (including 8,925,692 voting rights held by Séché Group and two voting rights held by Joël Séché), equal to 59.04% of the Company's share capital and 78.48% of its voting rights.

- In a letter to the Company dated December 1, 2020, the family-owned Séché Group reported an increase in its holdings on December 1, 2020 beyond the statutory levels of 60% and 61% of the share capital, and 72% and 73% of voting rights in Séché Environment; as of this date, it held 4,859,484 shares and 8,385,952 voting rights in Séché Environment, representing 61.84% of the share capital and 73.40% of the voting rights in the Company.
- In letters received by the AMF (French Financial Markets Authority) on December 7, and December 8, 2020, ICM reported a decrease in its holdings on December 3, 2020 to below 10% of the share capital; it reported holding 620,000 Séché Environnement shares representing the same number of voting rights, equal to 7.89% of the share capital and 5.43% of the voting rights in the Company.

5.2.2 Transactions carried out on Company shares by the corporate officers, associated persons and their relatives

In 2020, the following transactions in the Company's shares by the corporate officers, associated persons and their relatives were reported to the Company:

- On September 15, 2020, the company Séché Group SAS, owned by Joël, Guillaume, and Maxime Séché, signed a unilateral promise of sale agreement in which the company ICM irrevocably agreed to sell 784,407 shares to Séché Group, at a price of €44 per share. Pursuant to this agreement, Séché Group purchased 220,000 Séché Environnement shares from ICM on December 1, 2020. It may purchase the remaining 564,407 shares at any time until September 15, 2023.
- In 2020, Nadine Koniski-Ziadé acquired one Séché Environnement share.

5.2.3 Change in share ownership over the past three years

At December 31	2018	2019	2020
Joël Séché family (*)	50.0%	59.0%	61.84%
CDC Group	9.0%	-	-
ICM Group	6.1%	10.1%	7.89%
Free float	33.7%	29.7%	28.99%
Treasury stock	0.7%	0.7%	0.74%
Employees	0.5%	0.4%	0.54%
Total	100%	100%	100%

(*) *Joël Séché and Séché Group SAS, majority controlled by Joël Séché and his two sons, Guillaume Séché and Maxime Séché.*

5.2.4 Shareholders' agreements

To the Company's knowledge, there are no agreements between shareholders.

5.2.5 Financial authorizations and delegations

In compliance with Article L.22-10-10 of the French Commercial Code, the table below summarizes the currently valid authorizations granted by the General Meeting to the Board of Directors:

Date of AGM	Resolution	Subject	Duration of authorization and expiration date	Limit or maximum nominal amount	Use in 2020
04/30/ 2020	16th	Share buyback	18 months October 29, 2021	10% of shares comprising the share capital	Purchase of 63,394 shares between 05/01/2020 and 12/31/2020
	17th	Capital reduction via cancellation of shares	18 months October 29, 2021	10% of share capital	None
	18th	Issue of shares or securities with pre-emptive rights	26 months June 29, 2022	€314,309(1) Debt securities: €19,644,350(2)	N/A
	19th	Issue of shares or securities through a public offering without pre-emptive rights	26 months June 29, 2022	€47,146(1) Debt securities: €11,786,600(2)	N/A
	20th	Issue of shares or securities through an offering covered by Article L.411-2 of the French Monetary and Financial Code, without pre-emptive rights	26 months June 29, 2022	€47,146(1) Debt securities: €11,786,600(2)	N/A
	21st	Issue of shares or securities as payment for contributions in kind	26 months June 29, 2022	10% of share capital (1)	N/A
	22nd	Issue reserved for members of a savings plan, without pre-emptive rights, and award of free shares or securities to members of a savings plan	26 months June 29, 2022	€47,146 (1)	N/A
	23rd	Share subscription and/or purchase options without pre-emptive rights for employees and senior officers of Group companies	38 months June 29, 2023	2% of share capital (1) with limit for corporate officers	N/A
	24th	Award of free shares – either existing or to be issued – without pre-emptive rights	38 months June 29, 2023	2% of share capital (1) with limit for corporate officers	None
04/26/ 2019	11th	Capital increase by incorporation of reserves, profits or additional paid-in capital	26 months June 25, 2021	€157,154	None

(1) These amounts are deducted from the maximum overall nominal amount of €314,309 set by the twenty-fifth resolution of the Annual General Meeting of April 30, 2020.
(2) Combined limit.

At the time of writing this Universal Registration Document, the Board of Directors had not used any of the above-mentioned authorizations, with the exception of the authorization to repurchase the company's own shares.

The Annual General Meeting to be held on April 30, 2021 will be asked to renew those authorizations granted to the Board of Directors that are due to expire in 2021. The resolutions concerned (14th to 16th resolutions) are detailed in the report of the Board of Directors on the resolutions proposed to the Annual General Meeting of April 30, 2021 in paragraph 6.4.1.1 of this Universal Registration Document.

5.2.6 Information on stock option plans

In compliance with Articles L.22-10-56 et seq of the French Commercial Code, the Extraordinary General Meeting of April 30, 2020, in its twenty-third resolution, delegated full powers to the Board of Directors – for a period of 38 months – to grant stock options conferring the right to subscribe for or purchase new shares in the Company to employees and executives and corporate officers entitled to the same by the French Commercial Code. The total number of shares that may be potentially subscribed for under options outstanding and not yet exercised may not exceed 2% of the share capital and may not exceed legal limits or the maximum amount of €314,309 set forth by the twenty-fifth resolution of the Extraordinary Annual General Meeting of April 30, 2020.

At the date of writing this Universal Registration Document, the Board of Directors had not used the above-mentioned authorization, and no stock options had been granted.

5.2.7 Information on the awarding of free shares

In compliance with Articles L.22-10-59 and L.225-197-2 of the French Commercial Code, the Extraordinary General Meeting of April 30, 2020, in its twenty-fourth resolution, delegated full powers to the Board of Directors – for a period of 38 months – to award free existing shares or shares to be issued in the future to corporate officers and certain employees, up to a limit of 2% of the share capital. The amount of the award is to be deducted from the overall limit of €314,309 set by the twenty-fifth resolution of the Annual General Meeting of April 30, 2020.

At the date of writing this Universal Registration Document, the Board of Directors had not used this authorization.

5.2.8 Share buybacks

At the Annual General Meeting of April 30, 2020, in the sixteenth resolution, the Company's shareholders authorized the Board of Directors to purchase up to 10% of the shares comprising the Company's share capital, pursuant to Articles L.22-10-62 et seq of the French Commercial Code and Articles 241-1 to 241-7 of the General Regulation of the Autorité des Marchés Financiers (AMF, French Financial Markets Authority).

This authorization, granted for a period of 18 months, replaced the previous authorization granted by the ninth resolution of the Annual General Meeting of April 26, 2019.

Pursuant to the provisions of Article L.225-211 of the French Commercial Code, the Board of Directors hereby reports to you on transactions performed by the Company on its own shares in the period from January 1 to December 31, 2020.

Situation at 12/31/2020	
Number of shares purchased, sold or transferred since the start of the program (April)	125,924
Percentage of shares held directly or indirectly as treasury stock	0.74 %
Number of shares cancelled over the last 24 months	**-**
Number of shares held in the portfolio	**57,856**
Book value of portfolio (in euros)	1,894,903
Market value of portfolio at 12/31/2020 (1) (in euros)	2,302,669

(1) Based on the closing share price of €39.80 at December 31, 2020

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

- The cancellation of 1% of the weighted average number of outstanding shares, i.e. 78,577 shares;
- An average purchase price of €46.24 per share, corresponding to the average closing price observed from January 2 to February 28, 2021, i.e. a total of €3.6 million for the repurchase of 1% of the share capital;
- Cost of financing this buyback plan: 2.77% before taxes.

Based on these assumptions, the impact of the share buyback program on the 2020 consolidated financial statements as presented in the Universal Registration Document would have been as follows:

	Based on consolidated financial statements as reported at 12/31/2020 *	Repurchase of 1% of capital and cancellation (excl. impact on holdings)	Pro forma data after repurchase and cancellation of 1% of capital (excl. impact of provisions)	Impact of buyback (in %)
Shareholders' equity (Group share) (€ thousands)	252,927	(3,633)	249,294	(1.4)
Consolidated shareholders' equity (€ thousands)	257,230	(3,633)	253,597	(1.4)
Net financial debt (€ thousands) **	**450,273**	**3,633**	**453,906**	**0.8**
Net income (Group share) (€ thousands)	**13,815**	**(67)**	**13,748**	**(0.5)**
Weighted average number of shares in circulation (thousands)	7,857	(79)	7,778	(1.0)
Net earnings per share (€)	**1.77**	**0.02**	**1.79**	**1.1**
Weighted average number of shares in circulation, adjusted for dilutive instruments (in thousands)	7,857	(79)	7,778	(1.0)
Diluted net earnings per share (€)	1.77	0.02	1.79	1.1

(*) After the closing of the accounts by the Board of Directors' meeting on March 5, 2021 and subject to their approval by the Annual General Meeting of April 30, 2021.

(**) Financial debt less cash and cash equivalents.

Description of the new share buyback program put forward for approval by the Combined Annual General Meeting of April 30, 2021

The description of the program provided below complies with Article 241-3 of the AMF General Regulation.

As the authorization granted to the Board of Directors by the Annual General Meeting of April 30, 2020 to trade in the Company's shares is due to expire on October 29, 2021, the Annual General Meeting to be held on April 30, 2021 will be asked (in the fourteenth resolution – see chapter 6.4.1 "Combined Annual General Meeting of April 30, 2021") to renew the authorization to the Board of Directors to purchase the Company's shares up to a maximum price of €80 per share. The maximum price has been increased from €50 per share to €100 per share in light of trends in the Company's share price. This authorization will enable the Board of Directors to purchase up to 10% of the Company's shares.

As the Company may not hold more than 10% of its own capital, and in view of the number of shares it already owns, which stood at 57,856 shares (0.74% of the share capital) on 12/31/2020 – the date of the most recent disclosure of the number of shares and voting rights held – the maximum number of shares the Company may purchase under this authorization would be 727,917 (9.31% of the share capital), unless it sells or cancels any shares it already owns.

The maximum amount the Company may assign to the share buyback program authorized above is set at €62,861,840.

The objective of the share buyback program submitted for the approval of the Combined General Meeting of April 30, 2021 is to enable the Company to purchase its own shares, mainly in order to:

- allow market-making or liquidity enhancement of the Séché Environnement share by an investment services provider operating under a liquidity agreement in compliance with practice authorized by the AMF or any other applicable provisions,

- award or sell shares to employees and/or senior officers of the Company and/or Group as part of an employee profit-sharing scheme,

- award shares on the exercise of rights attached to securities redeemable for the Company's shares, and in particular to meet obligations arising in respect of debt securities exchangeable for shares,

- convert and subsequently grant shares in exchange or payment for a merger, acquisition, demerger or contribution of assets,

- reduce the share capital by cancelling the shares duly acquired, subject to approval by an Extraordinary Annual General Meeting,

- to achieve any other purpose currently authorized or which should subsequently be authorized by the applicable laws and regulations; in such cases, the Company shall inform its shareholders via a press release or any other means provided for in current regulations.

5.2.9 Shares used as collateral

As at December 31, 2020, 1,484,274 Séché Environnement shares held by Séché Group SAS were pledged as collateral for bank loans.

5.2.10 Shares not representing capital

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

5.3.1 Corporate purpose (Article 2 of the company by-laws)

The Company's purpose, in France and abroad, is:

- To acquire, manage and hold capital in any company;
- To develop, directly or indirectly, any activity relating to the management and disposal of waste, pollution remediation and soil decontamination;
- To perform administrative, commercial and information systems tasks, provide services and conduct all commercial and financial transactions of a nature to facilitate or expand the Company and its related interests;
- To transport goods by road, provide services in goods transport and leasing of vehicles for the transport of goods;
- To perform public or private work to develop land or waterways, public highways, parks and gardens;
- To trade in recovered materials;
- To create, purchase and exploit, directly or indirectly, any patents relating to its purpose;
- To purchase, sell, construct, lease, and operate, in any form, all buildings, warehouses, businesses and similar or connected industries, all interests in similar businesses;
- To acquire interests by means of contribution, merger, investment, subscription for shares, securities or bonds, or in any other manner in all businesses or companies relating to its corporate purpose and in general, in all businesses, trades or works that may provide a client base for its corporate activity or promote businesses in which itself or its subsidiaries may have an interest;
- To pursue any commercial, civil, industrial, financial or real estate business or a business of any kind which is of a nature to directly or indirectly further the Company's development or expansion in France or internationally;
- And more generally, to conduct all transactions that may be directly or indirectly related to the corporate purpose stated above and make it more profitable, whether such transactions concern financial, moveable or real estate property, without exception.

5.3.2 Special conditions for taking part in the Annual General Meeting (Article 29 of the by-laws)

In accordance with the applicable legal and regulatory provisions, all shareholders have the right to attend Annual General Meetings and to take part in decisions or appoint a representative, regardless of the number of shares they own. To do this, shareholders must provide proof of their identity and they must register their shares in their own name or in the name of the intermediary registered on their behalf pursuant to paragraph 7 of Article 228-1 of the French Commercial Code, either in the Company's registered shareholder account or in the bearer shares securities accounts held by the registered intermediary, as of midnight, Paris time, on the second business day preceding the date of the Meeting, in accordance with the applicable legal and regulatory conditions.

A shareholder may be represented by another shareholder, by his/her spouse or partner under a civil union, or by any other individual or legal entity of their choice. The proxy voting mandate and, if applicable, its withdrawal, are notified to the Company in accordance with the terms of legal and regulatory provisions.

All shareholders not divested of voting rights may be granted powers by other shareholders to represent them at an Annual General Meeting.

The legal representatives of legally incompetent shareholders and individuals representing corporate shareholders can take part in Annual General Meetings whether or not they personally own shares in the company.

Joint owners of undivided shares, life interest holders and bare owners of shares, and the owners of shares pledged as collateral take part in Annual General Meetings or can be represented according to the terms set out in Article 14 of the by-laws.

The Board of Directors may decide to allow shareholders to take part in the Annual General Meeting via videoconference or using means of telecommunications or remote voting solutions such as the internet, providing they can be identified according to the terms and conditions set out in the regulations applicable at the time of the meeting. If appropriate, shareholders are notified of this decision in the Notice of Meeting. Shareholders taking part in the meeting using these means are deemed to be present for the calculation of quorum and majority.

5.3.3 Ownership thresholds (Article 13.3 of the company by-laws)

Any natural person or legal entity who, acting alone or with others, comes into possession of a number of shares representing more than 3% of the Company's capital or voting rights, or beyond this 3% threshold any additional 1% fraction of the Company's capital or voting rights, must inform the Company thereof by registered letter with acknowledgement of receipt before the close of trade on the fourth trading day after crossing such threshold, specifying the total number of shares and voting rights held. The same obligation applies, with the same time limit, when a shareholder’s interest in the share capital or voting rights drops below the above-mentioned levels. The percentage holding of capital or voting rights is calculated in accordance with the rules set out in Articles L.233-9 et seq of the French Commercial Code.

On request, recorded in the minutes of the Annual General Meeting, by one or more shareholders owning at least 3% of the share capital, the non-observance of such obligation shall be penalized by the loss of voting rights for shares in excess of the proportion which should have been disclosed for any meeting of shareholders held until the expiry of a two-year period following the date when notification was correctly made.

As well as the above disclosure obligation, the law also stipulates that disclosure is required when certain ownership thresholds are crossed (provisions of Article L.233-7 et seq of the French Commercial Code).

The General Meeting of Shareholders of April 30, 2021 will be asked to amend the thresholds above or below which shareholdings must be declared to the Company, as provided for in Article 13.3 of the Company’s by-laws. Accordingly any person coming into possession of 3% of the capital or voting rights, or beyond this 3% threshold any additional 1% fraction of the Company’s capital or voting rights, up to 30% of the capital or voting rights, will be required to inform the Company thereof (17th resolution submitted to the Annual General Shareholders’ Meeting of April 30, 2021).

5.4 INFORMATION AND DETAILS ABOUT THE COMPANY'S LEGAL SITUATION DURING THE PERIOD

5.4.1 Company name, registered office and branch office

Company name: Séché Environnement SA

Registered office:

Les Hêtres
CS 20020
53811 Changé Cedex 09
+33 (0)2 43 59 60 00

Branch office:

Tour Maine Montparnasse
33 avenue du Maine
75015 Paris

5.4.2 Legal form

A French limited company (société anonyme) with a Board of Directors, governed by the French Commercial Code.

5.4.3 Date of incorporation and term

The Company was incorporated on July 8, 1976 for a period of 99 years from its registration with the Trade and Companies Register unless extended or wound up earlier.

The Company was registered with the Laval Trade and Companies Register on August 10, 1976.

5.4.4 Trade and companies register and LEI

The Company is registered in the Laval Trade and Companies Register under number B 306 917 535.

APE Code: 7010Z.

LEI: 969500R9ENNIN33POO20.

5.4.5 Consultation of official company documents

The Company by-laws, minutes of Annual General Meetings and other corporate documents can be consulted at the Company's registered office.

5.4.6 Financial year

From January 1 to December 31 of the calendar year.

5.4.7 Company website

www.groupe-seche.com

The information provided on the Company’s website is not part of this Universal Registration Document, with the exception of information incorporated in this Universal Registration Document by reference.

5.5

INFORMATION ON EQUITY INVESTMENTS

5.5.1 Séché Environnement Group scope of consolidation

The Group's scope of consolidation is provided in the Notes to the financial statements in chapter 3.2.3 of this Universal Registration Document.

In 2020, Séché Environnement directly or indirectly completed the following acquisitions:

- On February 11, 2020, Séché Environnement exercised its purchase options to acquire an additional 10% stake in Spanish company Solarca SL, which increased its holding from 76% to 86% of Solarca SL's share capital.

In 2020, the Group directly or indirectly created the following companies:

- On July 22, 2020, creation in France of Sovatrise SAS – Société de Valorisation et de TRI Séché Eiffage – 65% owned by Séché Eco-Services SAS, a wholly-owned subsidiary of Séché Environnement,
- On July 27, 2020, creation in France of Solena Valorisation SAS, 60% owned by Séché Environnement,
- On October 7, 2020, creation in France of Séché 202 SAS, a company with no activity, fully owned by Séché Environnement,
- On October 28, 2020, creation in France of Séché 201 SAS, a company with no activity, fully owned by Séché Environnement,
- On November 23, 2020, creation in France of Mo'UVE SAS, a wholly-owned subsidiary of Séché Environnement,
- Creation of companies in South Africa in the first half of 2020:
  - Séché Holdings SA, wholly owned by Séché Environnement;
  - Mayenne Investments, wholly owned by Séché Environnement;
  - M53 Investments, 32.40% owned by Mayenne Investments Pty Ltd,
  - Namakwa Waste Pty Ltd, 83.2% owned by South African company Masakhane Interwaste Pty Ltd (in turn 58.9% owned by South African company Interwaste Pty Ltd),
  - Interwaste Petrochemicals Pty Ltd, 58.99% owned by South African company Interwaste Pty Ltd.,
  - Varenne Investments Pty Ltd, wholly owned by Séché Environnement.

In 2020, legal restructuring operations led to the dissolution or liquidation of the following companies:

- Kanay absorbed the Peruvian company Taris on January 15, 2020, with retroactive effect from January 1, 2020;
- Solarca SL absorbed the Spanish company Solarca Castilla La Mancha on June 2, 2020, with retroactive effect from January 1, 2020;
- On January 1, 2020, French company Sodicome SAS was dissolved with a total transfer of assets to Séché Healthcare SAS, a wholly owned subsidiary of Séché Environnement,
- On February 26, 2020, French company Transval SAEM, in which Séché Environnement held a minority stake, was wound up.

5.5.2 Table of subsidiaries and equity investments

The table of subsidiaries and equity investments is provided in the Notes to the parent company financial statements in chapter 3.4.3.25 of this Universal Registration Document.

5.6.1 Transactions with senior officers or shareholders

Transactions between the Company and its corporate officers or shareholders holding over 10% of the total voting rights or, in the case of a corporate shareholder, the company controlling the same, are described in the special report of the Statutory Auditors.

Four new agreements between the Company and corporate officers were entered into in 2020. These agreements were described in the Statutory Auditors' special report on related-party agreements submitted to and approved by the Ordinary General Meeting of Shareholders on April 30, 2020.

As indicated in the special report of the Statutory Auditors (see paragraph 5.6.3 below), no other new agreements covered by Article L.225-38 of the French Commercial Code were set up in 2020 or between January 1, 2021 and the date of this Universal Registration Document.

5.6.2 Related-party transactions

Related-party transactions are described in the Notes to the consolidated financial statements of Séché Environnement (chapter 3.4.3.21 of this Universal Registration Document).

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

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

Annual General Meeting approving the financial statements for the year ended December 31, 2020

To the Shareholders,

In our capacity as Statutory Auditors of the Company, we hereby present our report on shareholder agreements.

We are required to inform you, on the basis of the information provided to us, of the key features and terms and conditions of, as well as the reasons behind, the contractual agreements indicated to us or that we may have identified in the performance of our assignment. It is not our role to comment as to whether they are beneficial or to ascertain whether any other agreements exist. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code, to judge the merits of these agreements before approving them.

In addition, it is our responsibility to provide you with the information stipulated in Article R.225-31 of the French Commercial Code regarding the implementation during the past year of agreements previously approved at the Annual General Meeting, if any.

We performed the procedures we considered necessary in accordance with the professional standards issued by the Compagnie Nationale des Commissaires aux Comptes (France's National Association of Statutory Auditors) relating to this assignment. Our work consisted in verifying that the information provided to us is consistent with the underlying documents from which it was extracted.

AGREEMENTS TO BE SUBMITTED TO THE ANNUAL GENERAL MEETING

We were not notified of any agreements authorized and implemented during the past year to be submitted to the Annual General Meeting for approval in accordance with Article L.225.38 of the Commercial Code.

AGREEMENTS APPROVED BY THE ANNUAL GENERAL MEETINGS IN PREVIOUS YEARS

In accordance with Article R.225-30 of the French Commercial Code, we have been informed that the following related-party agreements, which were approved at the Annual General Meeting in previous years, continued to apply during the previous financial year.

Signing of a commercial lease with Séché Group

Interested parties:

- Joël Séché, Chairman of Séché Group and Chairman of the Board of Directors of Séché Environnement
- Maxime Séché, Chairman of the Supervisory Board of Séché Group and Chief Executive Officer and Director of Séché Environnement.

Purpose and terms:

The Board of Directors meeting on April 28, 2016 authorized the signing of a commercial lease between Séché Environnement and Séché Group. The Annual General Meeting of April 27, 2017 approved this agreement. The lease was signed ahead of the expiry of the lease for the 25th floor and covers a surface area of 840m^2 for private use and 400m^2 (measured according to the terms of the "Carrez" act) shared with Séché Group on the 54th floor of the Montparnasse Tower, as well as 25 parking spaces, and 207.6m^2 in archiving space for its exclusive use.

The lease was signed for a period of 9 years with an annual rent of €572,200 before tax and provisional annual building management fees of €442,336 before tax. A security deposit of €143,050 before tax was paid.

The expense recognized for 2020 was:

- Rent: €604,001

- Building management fees: €258,420

Administrative services agreement signed with Séché Group on April 28, 2016, as amended by rider no. 1 on May 2, 2018, and rider no. 2 on December 11, 2018

Interested parties:

- Joël Séché, Chairman of Séché Group and Chairman of the Board of Directors of Séché Environnement;
- Maxime Séché, Chairman of the Supervisory Board of Séché Group and Chief Executive Officer and Director of Séché Environnement.

Purpose and terms:

The Board of Directors meeting on April 28, 2016 authorized the signing of an administrative services agreement. The Annual General Meeting of April 27, 2017 approved this agreement. Under this agreement, Séché Group provides the Company and its subsidiaries (hereafter "the Group") services in the following areas:

- To set the Group's strategic guidelines and its investment and divestment policies covering both organic and external growth;

- To seek and review expansion and business opportunities for the Group in France and internationally;

- To establish the sales policy, in particular for the drafting and preparation of the Group's business, marketing and communications plans;

- To draft the Group's research and development policy;

- To prepare the Group's financial policy, and in particular to consider the use of external long-term financing solutions;

- To advise the Company on the selection and recruitment of Chairpersons, Chief Executive Officers and operational management positions in the Group;

- to make recommendations regarding the Group's organization and structure; and

- To determine the Group's legal policy and assist in monitoring the laws and regulations that apply to its activities.

In exchange for the provision of the services described above, Séché Group receives quarterly remuneration (before tax) calculated depending on the time spent by Séché Group employees for the execution of the administrative services agreement, up to an annual limit of €2,405,000 before tax, and subject to authorization by the Company for any amounts in excess of this limit.

The administrative services agreement was signed for the period from May 2, 2016 to December 31, 2019. It was automatically renewed for a three-year period from January 1, 2020.

The expense recognized for 2020 was:

- Services: €1,872,327

- Travel expenses: €40,583

Signed in Nantes and Rennes, March 8, 2021

KPMG Audit **Department of KPMG SA**	**Mazars**
Gwenaël Chedaleux	Ludovic Sevestre
Partner	Partner

5.7.1 Headcount

The Group’s headcount is presented on page in paragraphs 1.3.4.2.4 and 1.3.4.3.

5.7.2 Employee incentive schemes

The employee savings policies (incentives, profit-sharing, savings plan) applied in Séché Environnement depend on the history and specific situation of each scope (Séché, Alcor, Trédi).

5.7.3 Incentives and profit-sharing

The Group’s companies have signed incentive and profit-sharing agreements to involve their employees in their company’s performance. 99% of the workforce in France is covered by an employee savings plan (profit-sharing or incentive schemes).

Profit-sharing bonuses are mainly calculated based on each company's tax profits.

Incentive bonuses depend on each subsidiary's net income, operating income or current operating income calculated under IFRS accounting rules. Trigger levels and maximum limits also apply.

5.7.4 Company savings plans

A Group savings plan was established in 2007 to give all Séché Environnement's employees access to this type of savings scheme:

- At December 31, 2020, Séché Environnement Group’s employees held 42,338 Séché Environnement shares via the Séché Croissance employee savings fund. These holdings accounted for 0.54% of the share capital and 0.66% of voting rights.
- At December 31, 2019, Séché Environnement Group’s employees held 34,469 Séché Environnement shares via the Séché Croissance employee savings fund. These holdings accounted for 0.44% of the share capital and 0.67% of voting rights.
- At December 31, 2018, Séché Environnement Group’s employees held 36,149 Séché Environnement shares via the Séché Croissance employee savings fund. These holdings accounted for 0.46% of the share capital and 0.70% of voting rights.

6 ADDITIONAL INFORMATION

6.1.1 Person responsible

Maxime Séché, Chief Executive Officer of Séché Environnement.

6.1.2 Statement by the person responsible for the Universal Registration Document

I hereby declare that the information provided in this Registration Document is, to the best of my knowledge, true to fact and that no information has been omitted that would change the interpretation of the information provided.

To the best of my knowledge, I certify that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and profit or loss of the Company and all the consolidated entities, and that the management report presents a true and fair picture of the development of the business, results and financial position of the Company and all consolidated entities, as well as a description of the main risks and uncertainties to which they are exposed.

Changé, March 12, 2021

Chief Executive Officer
Maxime Séché

6.2

STATUTORY AUDITORS

6.2.1 Statutory auditors

The statutory auditors of Séché Environnement are:

KPMG – SA

Gwenaël Chedaleux
Statutory Auditor
7 boulevard Albert Einstein
8 Boîte postale 41125
44311 Nantes Cedex 3

The Annual General Meeting of Shareholders of April 27, 2018 appointed KPMG as Statutory Auditor for a period of six years. Its mandate will expire at the end of the Annual General Meeting called to approve the financial statements for 2023.

KPMG has been the Company's Statutory Auditor since August 14, 1997.

Mazars

Ludovic Sevestre
Statutory Auditor, Member of the Rennes Regional Association of Statutory Auditors
9, rue Maurice Fabre
35000 Rennes

The Annual General Meeting of Shareholders of April 27, 2018 appointed Mazars as Statutory Auditor for a period of six years. Its mandate will expire at the end of the Annual General Meeting called to approve the financial statements for 2023.

Mazars has been the Company's Statutory Auditor since April 27, 2018.

Fees paid to the Statutory Auditors and members of their networks are shown in 3.2.4.25 – "Statutory Auditors' fees" of this document.

6.2.2 Person responsible for the audit of environmental, social and safety data

KPMG – SA

Gwenaël Chédaleux
7 boulevard Albert Einstein
Boîte Postale 41125
44311 Nantes Cedex 3

KPMG – SA

Anne Garans
3 cours du Triangle
92939 Paris La Défense Cedex

6.3

INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND DECLARATIONS OF INTEREST

None.

6.4

DOCUMENTS ON DISPLAY

Corporate documents relating to the past three financial years (annual financial statements, minutes of Annual General Meetings, General Meeting attendance lists, lists of directors, Statutory Auditors' reports, by-laws, etc.) can be consulted at Séché Environnement's head office, at Les Hêtres - 53811 Changé Cedex 09.

The "Regulatory information" page of the Company's website is available at: https://www.groupe-seche.com/fr/investisseurs/documents-d-enregistrement-universels.

6.4.1 Combined General Meeting of April 30, 2021

6.4.1.1 Report of the Board of Directors on the resolutions submitted to the Combined General Meeting of April 30, 2021

To the Shareholders,

We have convened the Annual General Meeting today to submit for your approval eighteen resolutions which are set out in this report.

Resolutions for consideration by the Ordinary Annual General Meetin

Approval of the financial statements (first to third resolutions

The first three resolutions concern the approval of transactions and of the parent company financial statements of Séché Environnement and the consolidated financial statements at December 31, 2020, which show a profit of €45,515,574.21 and a profit (group share) of €13,815,000, respectively.

We will also ask you to approve the total amount of expenses and charges referred to in Article 39(4) of the French General Tax Code, i.e. the sum of €11,381 and the corresponding tax liability of €3,528.

The Board of Directors proposes to the General Meeting to allocate the profit as follows:

- Dividend payment: €7,464,845.40, and
- Allocation of the balance to retained earnings, which would thereby be increased to €82,072,169.20.

The gross dividend attributable to each share would accordingly be €0.95 per share, with payment on July 12, 2021. The ex-dividend date would be July 8, 2021.

The amount corresponding to the dividend not paid on shares held by the Company on the ex-dividend date will be allocated to retained earnings.

Where a dividend is paid to an individual resident in France for tax purposes, the gross amount of the dividend is subject to a flat-rate deduction at the rate of 12.8% (Article 200 A of the French General Tax Code) and to social security contributions at the rate of 17.2%. This flat-rate deduction does not discharge the individual's income tax liability but represents a payment on account of his/her income tax liability payable in the following year. At the express, irrevocable and comprehensive option of the taxpayer, the dividend may be subject to income tax in accordance with the progressive scale after application of a 40% deduction (Article 200 A, 2, and 158 3-2° of the French General Tax Code).

Under Article 243 bis of the French General Tax Code, we hereby inform you that the following distributions of dividends and income were made in respect of the most recent three financial years:

For the year:	INCOME ELIGIBLE FOR THE 40% TAX DEDUCTION		INCOME NOT ELIGIBLE FOR THE 40% TAX DEDUCTION
	Dividends	Other distributed income	
2017	€7,464,845,40* or €0.95 per share	-	-
2018	€7,464,845,40* or €0.95 per share	-	-
2019	€7,464,845,40* or €0.95 per share	-	-

** Including the amount of the dividend on treasury shares that is not paid and that is allocated to retained earnings.*

Information about the Company's management, the parent company and consolidated financial statements for 2020, and the proposed allocation of earnings is provided in the annual management report for 2020. This report includes a section on corporate governance.

Renewal of the directorships of Joël Séché, Maxime Séché and Anne-Sophie Le Lay (fourth and sixth resolutions)

The directorships of Joël Séché, Maxime Séché and Anne-Sophie Le Lay will expire at the end of this General Meeting. Shareholders are asked:

- in the fourth resolution, to renew the directorship of Joël Séché for a term of four years, under the provisions of Article 16 II of the by-laws, i.e. until the end of the General Meeting held in 2025 to approve the financial statements for the previous financial year;
- in the fifth resolution, to renew the directorship of Maxime Séché for a term of three years, i.e. until the end of the General Meeting held in 2024 to approve the financial statements for the previous financial year;
- in the sixth resolution, to renew the directorship of Anne-Sophie Le Lay for a term of three years, i.e. until the end of the General Meeting held in 2024 to approve the financial statements for the previous financial year.

Information on the expertise and experience of the candidates is contained in the 2020 Universal Registration Document.

Approval of the compensation policy for corporate officers referred to in Article L. 22-10-8 of the French Commercial Code (seventh to ninth resolutions)

Under Article L. 22-10-8 of the French Commercial Code, the Board of Directors asks shareholders to approve:

- in the seventh resolution, the compensation policy for the members of the Board of Directors,
- in the eighth resolution, the compensation policy for the Chairman of the Board of Directors, and
- in the ninth resolution, the compensation policy for the Chief Executive Officer.

These policies are described in the report on corporate governance contained in chapter 4 of the 2020 Universal Registration Document.

Setting of the amount of compensation awarded to the directors (tenth resolution)

In the tenth resolution, shareholders are asked to set the annual compensation awarded to the Directors at €150,000 for the 2021 financial year, the same as the amount for the 2020 financial year.

Approval of the information referred to in Article L.22-10-9(I) of the French Commercial Code on the compensation of corporate officers (eleventh resolution)

In the eleventh resolution, in accordance with Article L. 22-10-34 I of the French Commercial Code, shareholders are asked to approve the information referred to in paragraph I. of Article L. 22-10-9 of the French Commercial Code as presented in the report on corporate governance prepared in compliance with Article L. 225-37 of the same Code and included in chapter 4.2.2 of the 2020 Universal Registration Document.

Approval of the components of compensation and benefits paid during the previous financial year or awarded in respect of that financial year to Joël Séché, Chairman of the Board of Directors (twelfth resolution

In accordance with Article L. 22-10-34 II of the French Commercial Code, the twelfth resolution seeks to obtain your approval of the items comprising the total compensation and benefits paid in 2020 or awarded in respect of 2020 to Joël Séché, Chairman of the Board of Directors, as described in the report on corporate governance prepared in compliance with Article L. 225-37 of the French Commercial Code and included in chapter 4.2.2.1 of the 2020 Universal Registration Document.

Approval of the components of compensation and benefits paid during the previous financial year or awarded in respect of that financial year to Maxime Séché, Chief Executive Officer (thirteenth resolution)

In accordance with Article L. 22-10-34 II of the French Commercial Code, the twelfth resolution seeks to obtain your approval of the items comprising the total compensation and benefits paid in 2020 or awarded in respect of 2020 to Maxime Séché, Chief Executive Officer, as described in the report on corporate governance prepared in compliance with Article L. 225-37 of the French Commercial Code and included in chapter 4.2.2.2 of the 2020 Universal Registration Document.

Authorization to be given to the Board of Directors to allow the Company to purchase its own shares, for a period of eighteen (18) months (fourteenth resolution)

In the fourteenth resolution, your Board of Directors asks shareholders to authorize it, with the right of delegation provided for by law, to purchase the Company's own shares, representing up to 10% of the shares comprising the share capital, at any time.

This authorization, which will replace that granted by the Annual General Meeting of April 30, 2020, shall apply for a period of eighteen months. Pursuant to Articles L. 22-10-62 et seq. and L. 225-210 et seq. of the French Commercial Code, this authorization is intended to allow the Company to:

- Enhance liquidity and allow market-making in its shares by an investment service provider operating under a liquidity agreement, in compliance with practice authorized by the AMF (French Financial Markets Authority) or any other applicable provisions;
- Award or sell shares to employees and/or corporate officers of the Company and/or Group to allow employees to share in the profits generated by the Company's expansion, under the terms and conditions provided for by law, notably for stock purchase plans or as part of Company or Group savings plans or free share awards and/or any other form of share awards for the Group's employees and/or corporate officers;
- Award shares on the exercise of rights attached to securities redeemable for shares either immediately or subsequently;
- Convert and subsequently grant shares in exchange or payment for a merger, acquisition, demerger or contribution of assets;
- Reduce the share capital by canceling the shares duly acquired, subject to approval by an Extraordinary Annual General Meeting of Shareholders; and
- Achieve any other purpose currently authorized or which should subsequently be authorized by law.

We ask shareholders to set the maximum purchase price at €80 per share and to set an overall limit of €62,861,840 for this share buyback program.

The Board of Directors will be able to use the authorization at any time it deems useful, including during a pre-offer period or in case of a public offer for the Company's shares or one made by the Company.

The purchase, sale or transfer of shares may be completed and paid for by any means, including the use of options or derivatives, block-buying mechanisms, either on the market or over the counter, warrants, or public offers.

Resolutions for consideration by the Extraordinary Annual General Meeting

Authorization for the Board of Directors to reduce the share capital by canceling the shares owned by the Company (fifteenth resolution

The fifteenth resolution asks shareholders, pursuant to Article L. 22-10-62 of the French Commercial Code, to authorize the Board to cancel all or part of the shares acquired under authorized share buyback programs and to grant the Board full powers to reduce the share capital by an equivalent amount by canceling the shares thus acquired on one or more occasions and in the ways and amounts it deems fit, within a limit of 10% of the share capital per 24 month period.

This authorization would be valid for twenty-four months from the date of the General Meeting and would replace the unused portion of the previous authorization granted in the seventeenth resolution approved by the Annual General Meeting on April 30, 2020, as applicable.

Delegation of authority to the Board of Directors to increase the capital by incorporation of reserves, profits or additional paid-in capital, for a period of twenty-six (26) months (sixteenth resolution)

The delegation of authority will expire this year and has not been used.

In the sixteenth resolution, shareholders are asked to delegate to the Board of Directors, with the option to sub-delegate, under the conditions provided for by law, the authority to increase the share capital by capitalizing reserves, profits or premiums, by issuing and awarding bonus shares or by increasing the par value of existing shares, or through a combination of these two methods.

The nominal amount of the capital increase under this authorization may not exceed €157,154, representing approximately 10% of the share capital existing on the date of this report. This amount (i) does not include the nominal amount of the capital increase required, under the law and any contractual obligations that provide for other protection methods, to maintain the rights of holders of rights or securities redeemable for shares, (ii) may not, in any case, exceed the amount of reserve, profit or additional paid-in capital accounts at the time of the capital increase, and (iii) would be limited by and deducted from the overall limit on capital increases set by the twenty-fifth resolution of the Annual General Meeting of the Company held on April 30, 2020 or, as applicable, any overall limit set by a resolution of the same type that may succeed said resolution during the period for which this authorization applies.

This authorization would be valid for twenty-six months from the date of the General Meeting. It will replace, from the date of the General Meeting, the unused portion of the authorization granted by the General Meeting of April 26, 2019 under the eleventh resolution.

Amendments to the by-laws (seventeenth resolution)

In the seventeenth resolution, shareholders are asked to amend the following provisions of the Company's by-laws:

1) In relation to ownership thresholds:

We ask shareholders to amend the thresholds in the by-laws above which shareholdings must be disclosed to the Company so that shareholders must disclose shareholdings when they reach 3% of capital or voting rights and, where they hold between 3% and 30% of the Company's capital or voting rights, they must disclose any additional 1% fraction of the Company's capital or voting rights.

2) In relation to the age limit applicable to the role of Chairman of the Board of Directors:

We ask shareholders to amend the by-laws to set the age limit applicable to the role of Chairman of the Board of Directors at 80.

3) In relation to the option for the Board of Directors to pass certain resolutions by written consultation:

Shareholders are asked to exercise the option provided for in Article L. 225-37 of the French Commercial Code, as amended by Law No. 2019-744 of July 19, 2019, to allow members of the Board of Directors to take the decisions within its own remit that are exhaustively listed by law by written consultation.

4) In relation to the relocation of the registered office by the Board of Directors:

We ask shareholders to align the provisions of Article 4 of the by-laws with the provisions of Article L. 225-36 of the French Commercial Code so that the registered office may be transferred to a different place within France by a resolution of the Board of Directors, subject to ratification by the shareholders at the next Ordinary General Meeting.

5) In relation to the negotiability of the shares:

Shareholders are asked to align the provisions of the last paragraph of Article 13.2 of the by-laws with the provisions of Article L. 411-1 of the French Monetary and Financial Code, by updating the reference to public offerings, which has become obsolete.

6) In relation to social and environmental issues:

Shareholders are asked to align Article 21 I. of the by-laws with the provisions of Article L. 225-35 of the French Commercial Code as amended by Law No. 2019-486 of May 22, 2019, which specified that the Board of Directors must determine and ensure the implementation of the Company's business strategy, in accordance with the Company's interests, and with due consideration of the social and environmental issues associated with its business activity.

7) In relation to the representation of the Board of Directors:

We ask shareholders to align the title of Article 21 II. of the by-laws with the provisions of Article L. 225-51 of the French Commercial Code, which no longer states that the Board of Directors is represented by the Chairman.

8) In relation to surety bonds, endorsements and guarantees:

We ask shareholders to align Article 21 II. of the by-laws with the provisions of Article L. 225-35 of the French Commercial Code, as amended by Law No. 2019-744 of July 19, 2019 on the simplification, clarification and updating of company law, so that surety bonds, endorsements and guarantees are granted under the conditions provided for by law.

9) In relation to the compensation of the Chief Executive Officer and Deputy Chief Executive Officers:

Shareholders are asked to align the provisions of Article 22 II. and III. of the by-laws with the provisions of Article L. 22-10-8 of the French Commercial Code to refer to the legal framework applicable to the compensation of officers of companies listed on a regulated market.

10) In relation to unrestricted agreements:

Shareholders are asked to align Article 24 II. of the by-laws with the provisions of Article L. 225-39 of the French Commercial Code, which also excludes agreements entered into with companies wholly owned by the Company, after deducting the minimum number of shares required to meet any legal requirements, from the scope of related-party agreements.

11) In relation to the convening of general meetings at the request of one or more shareholders:

We ask shareholders to align Article 27 1°) of the by-laws with the provisions of Article L. 225-103 of the French Commercial Code, by removing the reference to the fact that one or more shareholders holding 10% of the shares of the relevant class may procure that a general meeting be called by a court-appointed proxy.

12) In relation to the convening of general meetings:

You are asked to align Article 27 2° of the by-laws with the provisions of Article R. 225-73 of the French Commercial Code on the time limit for publishing the preliminary notice in the Bulletin des annonces légales obligatoires (Bulletin of Mandatory Legal Announcements) and the time limit for shareholders to request the inclusion of items or draft resolutions on the agenda.

13) In relation to the quorum for general meetings:

We ask shareholders to align Article 32 of the by-laws with:

- the provisions of Article L. 225-40 of the French Commercial Code as amended by Law No. 2019-486 of May 22, 2019 on the growth and transformation of companies, and to remove point b) of the second subparagraph of Article 32 of the by-laws and to renumber the following points accordingly and

- the provisions of Article L.225-10 of the French Commercial Code on the discussions to be held by shareholders on the approval of contributions in kind or the granting of specific benefits.

14) In relation to the compensation awarded to directors:

We ask shareholders to align Article 35 of the by-laws with the provisions of Articles L. 225-45 of the French Commercial Code as amended by Law No. 2019-486 of May 22, 2019 which removed the concept of directors' attendance fees.

15) In relation to the counting of votes at general meetings for the purposes of calculating the majority:

You are asked to align Articles 35 2°) and 36 2°) of the by-laws with the provisions of Articles L. 225-98 and L. 225-96 of the French Commercial Code as amended by Law No. 2019-744 of July 19, 2019, which excluded abstentions from the votes taken into account when calculating majorities at general meetings.

16) In relation to the approval of contributions in kind or the granting of specific benefits by the shareholders:

You are asked to align Article 36 4°) of the by-laws with the provisions of Article L. 225-10 of the French Commercial Code on the suspension of the contributor or beneficiary's right to vote, and to amend Article 36 4°) accordingly.

Powers to complete formalities (eighteenth resolution)

The eighteenth resolution assigns powers to complete the formalities required by regulations at the end of the General Meeting.

We kindly request that you approve the resolutions as submitted.

The Board of Directors

6.4.1.2 Special report of the Board of Directors to the Annual General Meeting informing shareholders of the completion of share purchases that they authorized under a share buyback program

The Annual General Meeting held on April 30, 2020, in its sixteenth resolution, pursuant to the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code and Articles 241-1 et seq. of the AMF General Regulation, authorized the Board of Directors to arrange, over a period of 18 months, for the Company to purchase up to 10% of the shares making up the Company's share capital at a maximum price of €50 per share.

This authorization, granted for a period of 18 months, replaced the previous authorization granted by the ninth resolution of the Annual General Meeting of April 26, 2019.

Pursuant to the provisions of Article L. 225-211 of the French Commercial Code, the Board of Directors hereby reports to you on transactions performed by the Company on its own shares in the period from January 1 to December 31, 2020:

Situation at December 31, 2020	
Number of shares purchased, sold or transferred since the start of the program (April)	125,924
Percentage of shares held directly or indirectly as treasury stock	0.74 %
Number of shares cancelled over the last 24 months	**-**
Number of shares held in the portfolio	**57,856**
Book value of portfolio (in euros)	1,894,903
Market value of portfolio at 12/31/2020 [(1)] (in euros)	2,302,669

(1) Based on the closing share price of €39.80 at December 31, 2020.

6.4.1.3 Text of the resolutions

Resolutions for consideration by the Ordinary Annual General Meeting

First resolution

(Approval of the transactions and the company's financial statements for the year ended December 31, 2020 - Approval of non-deductible expenses and charges)

The General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, and after considering the management report of the Board of Directors, the Board of Directors' report on corporate governance included in a specific section of the management report, the Statutory Auditors' reports and the parent company financial statements at December 31, 2020:

- approves the parent company financial statements for the year ended December 31, 2020 as presented by the Board of Directors, showing net income after tax of €45,515,574.21, and the transactions reflected in these financial statements and summarized in these reports;
- approves, further to Article 223 quater of the French Tax Code, the amount of expenses and charges covered by Article 39-4 of the French Tax Code mentioned in these financial statements, totaling €11,381, and the amount of the corresponding tax charge, of €3,528.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2020)

The General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, and after considering the management report of the Board of Directors, the Board of Directors' report on corporate governance included in a specific section of the management report, the Statutory Auditors' reports, and the consolidated financial statements at December 31, 2020, approves the consolidated financial statements for the year ended December 31, 2020 as presented by the Board of Directors showing Group net income of €13,815,000, and the transactions reflected in these financial statements and summarized in these reports.

Third resolution

(Appropriation of income)

The General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, having noted that net income for the 2020 financial year amounts to €45,515,574.21, that the legal reserve is full, and that retained earnings amount to €44,021,440.39, decides on the following allocation of income as proposed by the Board of Directors:

- Dividend payment: €7,464,845.40, and
- Allocation of the balance, totaling €38,050,728.81, to retained earnings, which subsequently amount to €82,072,169.20.

The dividend payment for the year is set at the gross figure of €0.95 per share.

The ex-dividend date is set at July 8, 2021 and the dividend will be paid out from July 12, 2021.

The amount corresponding to the dividend not paid on shares held by the Company on the ex-dividend date will be allocated to retained earnings. Where a dividend is paid to an individual resident in France for tax purposes, the gross amount of the dividend is subject to a flat-rate deduction at the rate of 12.8% (Article 200 A of the French General Tax Code) and to social security contributions at the rate of 17.2%. This flat-rate deduction does not discharge the individual's income tax liability but represents a payment on account of his/her income tax liability payable in the following year. At the express, irrevocable and comprehensive option of the taxpayer, the dividend may be subject to income tax in accordance with the progressive scale after application of a 40% deduction (Article 200 A, 2, and 158 3-2° of the French General Tax Code).

Under Article 243 bis of the French General Tax Code, the Shareholders note that they have been reminded that the following distributions of dividends and income were made in respect of the most recent three financial years.

For the year:	INCOME ELIGIBLE FOR THE 40% TAX DEDUCTION		INCOME NOT ELIGIBLE FOR THE 40% TAX DEDUCTION
	Dividends	Other distributed income	
2017	€7,464,845,40* or €0.95 per share	-	-
2018	€7,464,845,40* or €0.95 per share	-	-
2019	€7,464,845,40* or €0.95 per share	-	-

* *Including the amount of the dividend on treasury shares that is not paid and that is allocated to retained earnings.*

Fourth resolution

(Renewal of the directorship of Joël Séché)

The General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, notes that the directorship of Joël Séché expires at the end of this Meeting, and decides, in accordance with the provisions of Article 16 II of the by-laws, to renew his term in office for a period of four years, which will end at the General Meeting held in 2025 to approve the financial statements for the previous financial year.

Fifth resolution

(Renewal of the directorship of Maxime Séché)

The General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, notes that the directorship of Maxime Séché expires at the end of this Meeting, and decides to renew his term in office for a period of three years, which will end at the General Meeting held in 2024 to approve the financial statements for the previous financial year.

Sixth resolution

(Renewal of the directorship of Anne-Sophie Le Lay)

The General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, notes that the directorship of Anne-Sophie Le Lay expires at the end of this Meeting, and decides to renew her term in office for a period of three years, which will end at the General Meeting held in 2024 to approve the financial statements for the previous financial year.

Seventh resolution

(Approval of the compensation policy for the members of the Board of Directors referred to in Article L. 22-10-8 of the French Commercial Code)

Pursuant to Article L. 22-10-8 of the French Commercial Code, the General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, having considered the report on corporate governance, approves the compensation policy for the members of the Board of Directors as presented in the report on corporate governance included in chapter 4.2.1 of the 2020 Universal Registration Document.

Eighth resolution

(Approval of the compensation policy for the Chairman of the Board of Directors referred to in Article L. 22-10-8 of the French Commercial Code)

Pursuant to Article L. 22-10-8 of the French Commercial Code, the General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, having considered the report on corporate governance, approves the compensation policy for the Chairman of the Board of Directors as presented in the report on corporate governance included in chapter 4.2.1.2 of the 2020 Universal Registration Document.

Ninth resolution

(Approval of the compensation policy for the Chief Executive Officer referred to in Article L. 22-10-8 of the French Commercial Code)

Pursuant to Article L. 22-10-8 of the French Commercial Code, the General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, having considered the report on corporate governance, approves the compensation policy for the Chief Executive Officer as presented in the report on corporate governance included in chapter 4.2.1.3 of the 2020 Universal Registration Document.

Tenth resolution

(Setting of the amount of compensation awarded to the directors)

The General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, having considered the Board of Directors' report and based on a proposal by the Board of Directors, sets the total amount of compensation awarded to the Board of Directors for 2021 at €150,000.

Eleventh resolution

(Approval of the information referred to in Article L.22-10-9(I) of the French Commercial Code on the compensation of corporate officers)

In accordance with Article L. 22-10-34 I of the French Commercial Code, the General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, having considered the report on corporate governance, approves the information referred to in paragraph I. of Article L. 22-10-9 of the French Commercial Code as presented in the report on corporate governance prepared in compliance with article L. 225-37 of the same Code and featuring in chapter 4.2.2 of the 2020 Universal Registration Document.

Twelfth resolution

(Approval of the components of compensation and benefits paid during the previous financial year or awarded in respect of that financial year to Joël Séché, Chairman of the Board of Directors)

In accordance with Article L. 22-10-34 II of the French Commercial Code, the General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, having considered the report on corporate governance, approves the items comprising the total compensation and benefits paid in 2020 or awarded in respect of 2020 to Joël Séché, Chairman of the Board of Directors, as described in the report on corporate governance prepared in compliance with Article L. 225-37 of the French Commercial Code and included in chapter 4.2.2.1 of the 2020 Universal Registration Document.

Thirteenth resolution

(Approval of the components of compensation and benefits paid during the previous financial year or awarded in respect of that financial year to Maxime Séché, Chief Executive Officer)

In accordance with Article L. 22-10-34 II of the French Commercial Code, the General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, having considered the report on corporate governance, approves the items comprising the total compensation and benefits paid in 2020 or awarded in respect of 2020 to Maxime Séché, Chief Executive Officer, as described in the report on corporate governance prepared in compliance with Article L. 225-37 of the French Commercial Code and included in chapter 4.2.2.2 of the 2020 Universal Registration Document.

Fourteenth Resolution

(Authorization to be given to the Board of Directors to allow the Company to purchase its own shares, for a period of eighteen (18) months)

The General Meeting, voting under the conditions required for Ordinary Meetings as to quorum and majority, having considered the Board of Directors' report and in accordance with the provisions of Articles L. 22-10-62 et seq. and L. 225-210 et seq. of the French Commercial Code, authorizes the Board of Directors, with the right of delegation provided for by law, to purchase the Company's own shares, representing up to 10% of the shares comprising the share capital, at any time. As an indication, this amounts to 785,773 shares at the date of convening this Annual General Meeting.

The Annual General Meeting notes that, pursuant to Article L. 22-10-62 of the French Commercial Code, when shares are purchased to enhance liquidity, the number of shares taken into account when calculating the 10% limit referred to above corresponds to the number of shares purchased less the number of shares sold during the period covered by the authorization.

The General Meeting decides that the Board of Directors, with the right of delegation provided for by law, may buy the Company's own shares for the following purposes:

- to allow market-making or liquidity enhancement of the Séché Environnement share by an investment services provider operating under a liquidity agreement in compliance with practice authorized by the AMF or any other applicable provisions;
- to award or sell shares to all or some employees and/or corporate officers of the Company and/or group to allow them to share in the profits generated by the Company's expansion, under the terms and conditions provided for by law, notably for the award of stock options or as part of Company or Group savings plans or free share awards and/or any other form of share awards for the group's employees and/or corporate officers;
- to award shares on the exercise of rights attached to securities redeemable for the Company's shares, and in particular to meet obligations arising in respect of debt securities exchangeable for shares;
- to convert and subsequently grant shares in exchange or payment for a merger, acquisition, demerger or contribution of assets;
- to reduce the share capital by canceling the shares duly acquired, subject to approval by an Extraordinary Annual General Meeting;
- to achieve any other purpose currently authorized or which should subsequently be authorized by laws or by regulations; in such cases, the Company shall inform its shareholders via a press release or any other means provided for in current regulations.

The maximum purchase price is set at €80 per share, it being specified that in case of a corporate action, in particular a stock split or reverse stock split, or the award of free shares to shareholders, the amount indicated above may be adjusted by the same proportion (multiplier equal to the ratio of the number of shares comprising the share capital before the transaction and the number after the transaction). Under Article R.225-151 of the French Commercial Code, the General Meeting sets the maximum amount the Company may assign to the share buyback program authorized above at €62,861,840.

The General Meeting decides that the Board of Directors may use this authorization at any time it deems useful, including during a pre-offer period or in case of a public offer for the Company's shares or one made by the Company.

The General Meeting decides that the purchase, sale or transfer of shares may be completed and paid for by any means, including the use of options, derivatives, block-buying mechanisms, either on the market or over the counter, warrants, or public offers.

The General Meeting grants the Board of Directors full powers, with the right of delegation provided for by law, to approve all decisions, reach all agreements, carry out all formalities and, in general, take any steps necessary to implement this authorization.

This authorization is granted for a period of eighteen (18) months. It terminates and replaces the unused portion of the authorization granted by the sixteenth resolution of the Annual General Meeting of April 30, 2020, as of today's date.

Resolutions for consideration by the Extraordinary Annual General Meeting

Fifteenth Resolution

(Authorization for the Board of Directors to reduce the share capital by canceling shares, for a period of twenty-four (24) months)

The General Meeting, voting under the conditions required for Extraordinary Meetings as to quorum and majority, having been informed of the Board of Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors, with the right of delegation, in accordance with Article L. 22-10-62 of the French Commercial Code, to:

- cancel, on one or more occasions, all or some of the shares acquired by the Company under the share buyback program approved in the fourteenth resolution submitted to this General Meeting or share buyback programs authorized previously, or those that may be authorized by subsequent General Meetings; and

- reduce the share capital by an equivalent amount on one or more occasions in the ways and amounts it deems fit, within a limit of 10% of the share capital per 24-month period, adjusted, where necessary, to take into account corporate actions carried out after this Meeting, to decide on the final amount of the capital reduction, to establish the terms and conditions thereof and record its completion, to deduct any difference between the book value of the canceled shares and their par value from any reserve and/or additional paid-in capital accounts, to amend the by-laws accordingly, and generally carry out all necessary formalities.

This authorization is granted for a period of twenty-four months. It terminates and replaces the unused portion of the authorization granted by the seventeenth resolution of the Annual General Meeting of April 30, 2020, as of today's date.

Sixteenth resolution

(Delegation of authority to the Board of Directors to increase the capital by incorporation of reserves, profits or additional paid-in capital, for a period of twenty-six (26) months)

The General Meeting, voting under the quorum and majority conditions required for Ordinary Meetings, pursuant to Articles L.225-129, L.225-129-2, L.225-130 and L.22-10-50 of the French Commercial Code, having considered the report of the Board of Directors, delegates its authority to the Board of Directors to decide to increase the share capital on one or more occasions in the ways and amounts it deems fit, by successively or simultaneously incorporating reserves, profits or additional paid-in capital, followed by the issue and free award of capital shares or the increase in the par value of existing shares, or a combination thereof.

The General Meeting decides that, if the Board of Directors makes use of this authorization, in accordance with the provisions of Articles L.225-130 and L.22-10-50 of the French Commercial Code, in the event of a capital increase in the form of an award of bonus shares, fractional entitlements to shares will not be negotiable or transferable and that the corresponding capital shares will be sold and the sums derived from the sale will be allocated to the holders of the rights within the period provided for by law.

The amount of the capital increase that may be completed under this resolution may not exceed the nominal amount of €157,154, it being stipulated that this limit (i) does not take into account the nominal amount of the capital increase required to maintain the rights of holders of rights or securities redeemable for shares, pursuant to legal, regulatory and contractual conditions, (ii) may not, in any case, exceed the amount of reserve, profit or additional paid-in capital accounts at the time of the capital increase, and (iii) will be limited by and deducted from the overall limit on capital increases set by the twenty-fifth resolution of the Annual General Meeting of the Company held on April 30, 2020 or, as applicable, any overall limit set by a resolution of the same type that may succeed said resolution during the period for which this authorization applies.

The General Meeting grants full powers to the Board of Directors, with the right of delegation provided for by law, in accordance with the law and the Company's by-laws, to:

- implement this authorization, ensure its completion and make any necessary adjustments to take into account the impact of such operations on the Company's share capital;
- deduct the expenses of the capital increases from one or more available reserve accounts, on its own initiative, and, if it deems fit, to deduct from this amount any sums needed to increase the legal reserve; and
- complete all formalities required to complete each capital increase, note its completion, amend the by-laws accordingly and complete all formalities required to admit the securities issued under this authorization for trading.

This delegation is granted for a period of twenty-six (26) months. It terminates and replaces the unused portion of the authorization granted by the eleventh resolution of the Annual General Meeting of April 26, 2019, as of today's date.

Seventeenth resolution

(Amendments to the by-laws)

The General Meeting, voting under the conditions required for Extraordinary Meetings as to quorum and majority, having been informed of the Board of Directors' report, decides:

1) In relation to ownership thresholds:

- to amend the thresholds in the by-laws above which shareholdings must be disclosed to the Company and to amend accordingly the first sentence of Article 13.3 of the by-laws, with the rest of the article remaining unchanged:

*"Any natural person or legal entity who, acting alone or with others, comes into possession of a number of shares representing more than 3% of the Company's capital or voting rights, or, where that person holds **between 3% and 30%** of the Company's capital or voting rights, any additional 1% fraction of the Company's capital or voting rights, must inform the Company, by registered letter with acknowledgment of receipt before the close of trade on the fourth trading day after crossing such threshold, of the total number of shares and voting rights held."*

2) In relation to the age limit applicable to the role of Chairman of the Board of Directors:

- to set the age limit applicable to the role of Chairman of the Board of Directors at 80, and to consequently insert the following paragraph after the first subparagraph of Article 18 of the by-laws, with the rest of the article remaining unchanged:

"*The age limit for the role of chairman is 80.*"

3) In relation to the option for the Board of Directors to pass certain resolutions by written consultation:

- to exercise the option provided for in Article L. 225-37 of the French Commercial Code, as amended by Law No. 2019-744 of July 19, 2019, to allow members of the Board of Directors to take the decisions within its own remit that are exhaustively listed by law by written consultation, and to insert the following paragraph at the end of Article 19 of the by-laws, with the rest of the article remaining unchanged:

"The *Board of Directors may also make decisions in the form of a written consultation of the directors on the conditions provided for by law."*

4) In relation to the relocation of the registered office by the Board of Directors:

- to align the provisions of Article 4 of the by-laws with the provisions of Article L. 225-36 of the French Commercial Code so that the registered office may be transferred to a different place within France by a resolution of the Board of Directors, and to amend accordingly and as follows the final subparagraph of Article 4 of the by-laws, with the rest of the article remaining unchanged:

"*It may be transferred* to ***a different place within France*** *by a simple decision of the Board of Directors, subject to this decision being ratified by the shareholders at the next Ordinary General Meeting*".

5) In relation to the negotiability of the shares:

- to align the provisions of the last paragraph of Article 13.2 of the by-laws with the provisions of Article L. 411-1 of the French Monetary and Financial Code, by updating the reference to public offerings, which has become obsolete, and to amend accordingly and as follows the final sentence of the final subparagraph of Article 13.2 of the by-laws, with the rest of the article remaining unchanged:

"*In the event of a capital increase, the shares shall be negotiable from the date of its completion, that is, in the event of a capital increase in cash, from the date of the certificate drawn up by the depositary of the funds or, in the event that the shares are paid for by offsetting amounts owed, by the statutory auditors, or, if the company* ***offers shares to the public in a manner permitted by law****, on the date on which the performance guarantee is signed."*

6) <u>In relation to social and environmental issues</u>:

- to align Article 21 I. of the by-laws with the provisions of Article L. 225-35 of the French Commercial Code as amended by Law No. 2019-486 of May 22, 2019 which sets out the conditions in which the Board of Directors must determine and ensure the implementation of the Company's business strategy, and to amend accordingly and as follows the first subparagraph of Article 21 I. of the by-laws, with the rest of the article remaining unchanged:

"*The Board of Directors determines the Company's business strategy and ensures that it is carried out,* ***in accordance with the Company's interests, and with due consideration of the social and environmental issues associated with its business activity***."

7) <u>In relation to the representation of the Board of Directors</u>:

- to align the title of Article 21 II of the by-laws with the provisions of Article L. 225-51 of the French Commercial Code as amended by law No. 2003-706 of August 1, 2003 on financial security, which removed the reference to the Board of Directors being represented by the Chairman and to amend accordingly and as follows the title of Article 21 II of the by-laws:

"***Chairman*** *of the Board of Directors*"

8) <u>In relation to surety bonds, endorsements and guarantees:</u>

- to align Article 21 II of the by-laws with the provisions of Article L. 225-35 of the French Commercial Code, as amended by Law No. 2019-744 of July 19, 2019 on the simplification, clarification and updating of company law, and to amend accordingly and as follows the second subparagraph of Article 21 II of the by-laws, with the rest of the article remaining unchanged

"*The surety bonds, endorsements and guarantees granted by the Company must be authorized by the Board of Directors, under the conditions provided for in applicable laws and regulations.*"

9) <u>In relation to the compensation of the Chief Executive Officer and Deputy Chief Executive Officers</u>:

- to align the provisions of Article 22 II. and III. of the by-laws with the provisions of Article L. 22-10-8 of the French Commercial Code to refer to the legal framework applicable to the compensation of officers of companies listed on a regulated market, and consequently:

- amend the second subparagraph of paragraph 1 "Appointment - Revocation" of Article 22 II of the by-laws as follows:

*"When the Board of Directors decides to dissociate the functions of Chairman and those of Chief Executive Officer, it appoints the Chief Executive Officer, sets the term of his mandate, remuneration (****subject to the conditions set out in regulations****) and, where applicable, the extent of his powers."*

- amend the fifth subparagraph of Article 22 III of the by-laws as follows:

"*The Board of Directors determines the compensation of the Deputy Chief Executive Officers* ***under the conditions provided for by law***."

10) In relation to unrestricted agreements:

- to align Article 24 II. of the by-laws with the provisions of Article L. 225-39 of the French Commercial Code, which also excludes agreements entered into with companies wholly owned by the Company, after deducting the minimum number of shares required to meet any legal requirements, from the scope of related-party agreement, and to amend accordingly and as follows Article 24 II of the by-laws, with the rest of the article remaining unchanged:

"- Unrestricted *Agreements relating to ordinary transactions entered into at arm's length* ***and agreements entered into by two companies where one company directly or indirectly owns the entire share capital of the other, after deducting the minimum number of shares required to meet any legal requirements****, shall not be subject to the statutory authorization and approval procedure*."

11) In relation to the convening of general meetings at the request of one or more shareholders:

- to align Article 27 1°) of the by-laws with the provisions of Article L. 225-103 of the French Commercial Code, by removing the reference to the fact that one or more shareholders holding 10% of the shares of the relevant class may procure that a general meeting be called by a court-appointed proxy, and to amend accordingly and as follows the second bullet point of Article 27 1°) of the by-laws, with the rest of the article remaining unchanged:

"- by a court-appointed proxy at the request of either any interested party in the event of a matter of urgency, or one or more shareholders representing at least **5%** of the share capital, or an association of shareholders that meet the criteria set out in Article L. 225-120 of the French Commercial Code."

12) In relation to the convening of general meetings:

- to align Article 27 2° of the by-laws with the provisions of Article R. 225-73 of the French Commercial Code on the time limit for publishing the preliminary notice in the Bulletin des annonces légales obligatoires (Bulletin of Mandatory Legal Announcements) and the time limit for shareholders to request the inclusion of items or draft resolutions on the agenda, and to amend accordingly and as follows the final two sentences of the first subparagraph of Article 27 2°) of the by-laws, with the rest of the article remaining unchanged:

"*Where the Company's shares are admitted to trading on a regulated market, this notice shall be replaced by a notice inserted in the Bulletin des annonces légales obligatoires (Bulletin of Mandatory Legal Announcements) at least thirty-five* ***days before the date of the meeting. Requests for items or draft resolutions to be included on the agenda must be received by the company no later than the date falling twenty-one days before the date of the meeting, and must not be sent more than twenty days after the date of the aforementioned notice****.*"

13) In relation to the quorum for general meetings:

- to align Article 32 of the by-laws with the provisions of Article L. 225-40 of the French Commercial Code as amended by Law No. 2019-486 of May 22, 2019 on the growth and transformation of companies, and to remove point b) of the second subparagraph of Article 32 of the by-laws and to renumber the following points accordingly;

- to align Article 32 of the by-laws with the provisions of Article L.225-10 of the French Commercial Code on the discussions to be held by shareholders on the approval of contributions in kind or the granting of specific benefits and to amend accordingly and as follows point (c), now (b), of the second subparagraph of Article 32 of the by-laws, so that it is drafted as follows:

"*However, in carrying out this calculation, any shares in respect of which voting rights are suspended by law must be deducted, including:*

a) shares not fully paid up by the statutory deadline,

b) at the General Meeting called to deliberate on the approval of a contribution in kind or the granting of a specific benefit, the shares of the contributor or beneficiary of the specific benefit,

c) the shares belonging to shareholders in favor of whom a Meeting is called in order to waive preferential subscription rights on a capital increase in cash,

d) shares subscribed for, acquired or pledged by the company."

14) In relation to the compensation awarded to directors:

- to align Article 35 of the by-laws with the provisions of Articles L. 225-45 of the French Commercial Code as amended by Law No. 2019-486 of May 22, 2019 which removed the concept of directors' attendance fees, and to amend accordingly and as follows point e) of the third subparagraph of Article 35 1°) of the by-laws:

"*e) Establish the overall amount of* ***the compensation awarded*** *to the directors,*"

15) In relation to the counting of votes at general meetings for the purposes of calculating the majority:

- to align Articles 35 2°) and 36 2°) of the by-laws with the provisions of Articles L. 225-98 and L. 225-96 of the French Commercial Code as amended by Law No. 2019-744 of July 19, 2019, which excluded abstentions from the votes taken into account when calculating majorities at general meetings, and accordingly:

- amend the third paragraph of Article 35 2° of the by-laws as follows, with the rest of the article remaining unchanged:

"Resolutions are adopted on a simple majority of votes **cast by** the shareholders present in person or by proxy. ***The votes cast do not include the votes attached to shares in respect of which the shareholder does not vote, abstains or casts a blank or spoiled vote."***

- amend the third paragraph of Article 36 2° of the by-laws as follows, with the rest of the article remaining unchanged:

Resolutions are adopted on a simple majority of votes **cast by** the shareholders present in person or by proxy. ***The votes cast do not include the votes attached to shares in respect of which the shareholder does not vote, abstains or casts a blank or spoiled vote***."

16) In relation to the approval of contributions in kind or the granting of specific benefits by the shareholders:

- to align Article 36 4°) of the by-laws with the provisions of Article L. 225-10 of the French Commercial Code on the suspension of the contributor or beneficiary's right to vote, and to amend accordingly and as follows Article 36 4°), with the rest of the article remaining unchanged:

"At Extraordinary General Meetings called to deliberate on the approval of a contribution in kind or the granting of a specific benefit, the contributor or beneficiary, the voting rights on whose shares are suspended as provided for by Article 32, shall not have the right to vote, either in a person capacity or as a proxy."

Eighteenth resolution

(Powers)

Full powers are granted to the holder of an original copy, an abstract or a certified copy of these resolutions to carry out all publication and/or filing formalities required by law.

6.5

DOCUMENTS INCLUDED FOR REFERENCE

The following are incorporated in this Universal Registration Document by reference:

- The parent company and consolidated financial statements for 2019, accompanied by the Statutory Auditors' reports on the parent company and consolidated financial statements, which feature respectively on pages 193, 119, 216 and 187 of the 2019 Universal Registration Document filed with the AMF on April 6, 2020, and
- The parent company and consolidated financial statements for 2018, accompanied by the Statutory Auditors' reports on the parent company and consolidated financial statements, which feature respectively on pages 175, 195, 116 and 171 of the 2018 Registration Document filed with the AMF on March 22, 2019.

6.6

CROSS-REFERENCE TABLES

6.6.1 Cross-reference table for the Universal Registration Document

		Paragraphs
1	Persons responsible	
1.1	Persons responsible for the information given in the Universal Registration Document	6.1.1
1.2	Declaration by those responsible for the Universal Registration Document	6.1.2
1.3	Statements by experts and declarations of interest	N/A
1.4	Information from third parties	N/A
1.5	Approval by the competent supervisory authority	N/A
2	Statutory Auditors	
2.1	Names and addresses of the Statutory Auditors	6.2
2.2	Change of Statutory Auditors	N/A
3	Risk factors	1.2 to 1.3
4	Information about the issuer	
4.1	Legal and commercial name	5.4.1
4.2	Place of registration and Legal Entity Identifier	5.4.4
4.3	Date of incorporation and length of life of the issuer	5.4.3
4.4	Registered office and legal form	5.4.1 and 5.4.2
5	Business overview	1.1
5.1	Principal activities	1.1.3
5.1.1	Types of operations and principal activities	1.1.3
5.1.2	Significant new products and/or services introduced	N/A
5.2	Principal markets	1.1.4
5.3	Important events in the development of the business	2.1.1
5.4	Strategy and objectives	1.4.1
5.5	Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.5.1
5.6	Competitive position	1.1.4.4
5.7	Investments	2.3.1.2
5.7.1	Principal investments	2.3.1.2
5.7.2	Principal future investments for which firm commitments have already been made	2.3.1.2
5.7.3	Undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	3.2.3

		Paragraphs
5.7.4	Environmental issues that may affect the issuer's utilization of tangible fixed assets	1.2.4 and 1.4.1 to 1.4.3
6	**Organizational structure**	
6.1	Group organizational structure	2.1.2.1
6.2	List of significant subsidiaries	3.2.3
7	**Operating and financial review**	2.1.2.
7.1	Financial condition	2.2.
7.1.1	Description of changes in financial condition and results of operations	2.1.1.4
7.1.2	Probable future trends in activities and research and development activities	2.4 and 1.5.1
7.2	Operating results	2.1.3 to 2.1.5
7.2.1	Significant factors, including unusual events and new developments, materially affecting the Group's income from operations	2.1.1.
7.2.2	Explanation of major changes in net revenues or net income	2.1.2.2
8	**Cash and capital resources**	2.2.
8.1	Information concerning the Group's capital resources (short and long term)	2.2.3-2.2.4 2.3.2
8.2	Sources and amounts of the Group's cash flows	2.3.1
8.3	Borrowing requirements and funding structure	2.3.2
8.4	Restrictions on the use of capital resources	3.2.4.17 and 6
8.5	Anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	N/A
9	**Regulatory environment**	1.1.4.1.1 and 1.4.2.1
10	**Trend information**	2.4.
10.1	Most significant recent trends in production, sales and inventory, and costs and selling prices from the end of the last financial year to the date of the Registration Document	2.4.12
10.2	Significant changes in the Group's performance between the end of the last financial year for which financial information was published and the date of the Registration Document (or an appropriate negative statement)	2.4.12
10.3	Trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's outlook, for at least the current financial year	2.4.1
11	**Profit forecasts or estimates**	2.4.2
11.1	Profit forecasts or estimates (still valid) published by the issuer	2.4.2.1 2.4.2.2
11.2	Principal assumptions upon which the issuer has based its forecast, or estimate	2.4.2.1 2.4.2.2
11.3	Statement that the forecast or profit was prepared on a basis comparable with the historical financial information and compliant with accounting methods	N/A
12	**Administrative, management and supervisory bodies and senior management**	4.1
12.1	Names, business addresses and functions in the Group of members of the administrative and management bodies	4.1.1.2

		Paragraphs
12.2	Administrative, management and supervisory bodies and senior management conflicts of interests	4.1.2.2
13	**Remuneration and benefits**	4.2
13.1	Amount of remuneration paid and benefits in kind granted by Séché Environnement and its subsidiaries to members of the administrative bodies for services in all capacities to the issuer	4.2.2
13.2	Total amounts set aside or accrued by the Group to provide pension, retirement or similar benefits	
14	**Functioning of the administrative and executive bodies**	4.1.2
14.1	Date of expiration of the current terms of office	4.1.1.1
14.2	Service contracts between members of the administrative or management bodies and Séché Environnement or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement	N/A
14.3	Information about the Audit Committee and Remuneration Committee	4.1.3
14.4	Statement of compliance with the applicable corporate governance regime	4.1
15	**Employees**	1.3.4
15.1	Number of employees	1.3.4.2.4 and 1.3.4.3
15.2	Shareholdings and stock options	1.6.1.5
15.3	Arrangements for involving employees in the capital	1.6.1.5
16	**Major shareholders**	5.2
16.1	The names of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has a notifiable interest in Séché Environnement's capital or voting rights	5.2.1
16.2	Indication of whether the issuer's major shareholders have different voting rights	5.2.1
16.3	Information on whether Séché Environnement is directly or indirectly owned or controlled – description of the nature of such control and the measures in place to ensure that such control is not abused	5.2.1
16.4	Any arrangement known to the issuer which may at a subsequent date result in a change in control of the issuer	N/A
17	**Related-party transactions**	3.4.3.21
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	2
18.1	Historical financial information	2.1.2.1 and 6.5
18.1.1	Audited historical financial information covering the latest three financial years and the audit report in respect of each year	3.1 and 3.2
18.1.2	Change of accounting reference date	N/A
18.1.3	Accounting standards	3.2.1
18.1.4	Change of accounting standards	3.2.1
18.1.5	Financial information prepared in accordance with national accounting standards	N/A
18.1.6	Consolidated financial statements	3.1.1 to 3.1.5
18.1.7	Age of latest financial information	3.2.1.1

		Paragraphs
18.2	Interim and other financial information	N/A
18.3	Audit of historical annual financial information	6.5
18.3.1	Auditing of historical annual information	6.5
18.3.2	Other information included in the Registration Document which has been audited by the Statutory Auditors	3.1 and 3.2
18.3.3	Unaudited financial information	N/A
18.4	Pro forma financial information	N/A
18.5	Dividend policy	2.6
18.1.5	Description of the policy on dividend distributions	2.6
18.5.2	Amount of the dividend per share	2.6
18.6	Legal and arbitration proceedings	3.2.4.20
18.7	Significant changes in the financial position	2.2
19	**Additional information**	
19.1	Share capital	5.1
19.1.1	Details of the amount of capital issued and information on shares	5.1
19.1.2	Shares not representing capital	N/A
19.1.3	Number, book value and face value of shares held by or on behalf of Séché Environnement or by its subsidiaries	5.2.8
19.1.4	Amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription	N/A
19.1.5	Information about and terms of any acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital	N/A
19.1.6	Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	N/A
19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information	5.1 5.2.3
19.2	Articles of incorporation and by-laws	
19.2.1	Description of the issuer's objects and purposes	5.3.1
19.2.2	Description of the rights, preferences and restrictions attaching to each class of the existing shares	N/A
19.2.3	Brief description of any provision of the issuer's articles of association, statutes, charter or by-laws that would have an effect of delaying, deferring or preventing a change in control of the issuer	5.3.3
20	**Material contracts**	1.1.4.3
21	**Documents on display**	6.4

6.6.2 Cross-reference table for the Universal Registration Document and the management report

		Paragraphs
1	Parent company financial statements	3.4
2	Consolidated financial statements	3.1
3	Financial report	
3.1	Information on the Company's activities	
	Description of the activity (in particular progress made and difficulties encountered) and results of the Company and each subsidiary and the Group	2.1.1.
	Analysis of changes in the business, results, financial position and debt of the Company and the Group	2.1.2, 2.1.3, 2.1.4, 2.2, 2.3
	Expected future development of the Company and the Group	2.4
	Key financial and non-financial performance indicators for the Company and the Group	1.
	Post-balance sheet events for the Company and the Group	2.4.1
	Information on the use of financial instruments, including exposure to financial risks and price, credit, liquidity and cash flow risks	3.2.4.16
	Principal risks and uncertainties faced by the Company and the Group	1.2. and 1.3
	R&D activities by the Company and the Group	1.5
3.2	Legal, financial and fiscal information on the Company	
	Choice of one of the two forms of Executive Management in case of change	4.1
	Breakdown and changes in ownership structure Name of controlled companies holding treasury shares and the percentage of the share capital they hold	5.2
	Acquisition during the financial year of significant interests in companies having their registered office in France	5.5.1
	Transfer of cross holdings	N/A
	Purchase and sale by the Company of its own shares	5.2.8
	Statement of employee shareholdings	5.2.1 5.7
	Description of elements that may have an influence in case of a public offer:	
	• The structure of the Company's share capital,	5.2
	• Restrictions in the by-laws on the use of voting rights or share transfers or clauses of agreements brought to the Company's knowledge pursuant to Article L.233-11 of the French Commercial Code,	5.2
	• Direct or indirect holdings in the Company's share capital of which it is aware pursuant to Articles L.233-7 and L.233-12 of the French Commercial Code,	5.2.1
	• A list of owners of any securities bearing special rights of control and a description of said rights,	5.2
	• The control mechanisms provided for in any employee share ownership system where the system does not exercise the rights of control,	5.2
	• Agreements between shareholders of which the Company is aware and which could restrict the transfer of shares or the use of voting rights,	5.2

		Paragraphs
	• Rules applicable to the appointment and replacement of members of the Board of Directors and to amendments to the Company's by-laws,	4.1.1
	• The powers granted to the Board of Directors, in particular concerning the issue or buyback of shares,	5.2
	• Agreements signed by the Company that are modified or terminated in case of a change of change in control of the Company, unless such disclosure would seriously harm its interests, except in cases subject to a legal obligation of disclosure,	N/A
	• Agreements providing for payments to the members of the Board of Directors or employees if they resign or are dismissed for no real or serious reason or if their employment is terminated due to a public share offer.	N/A
	Table summarizing the current authorizations to increase the share capital granted by the General Meeting	5.2.5
	Indication of any adjustments: • For securities redeemable for shares and stock options in case of a share buyback program • For securities redeemable for shares in case of financial transactions	N/A
	Amount of dividends paid out in the last three financial years	2.6
	Amount of non-tax-deductible expenses and charges	6.4.1.3
	Payment terms and breakdown of the balance of supplier and client accounts payable by term	2.5.2
	Injunctions or financial penalties for antitrust practices	N/A
	Agreements between any corporate officer or shareholder owning more than 10% of the voting rights and a subsidiary (excluding current agreements)	5.6
3.3	Information on corporate officers	
	List of all offices and functions held in any company by all corporate officers during the year	4.1.1.2
	Remuneration and benefits of all kinds paid to each corporate officer during the year by the Company, the companies it controls and the company that controls it	4.2
	Commitments relating to the assumption, termination or modification of corporate officers' functions	N/A
	If any stock options have been awarded, an indication that the Board of Directors decided: • Either to prohibit corporate officers from exercising their stock options before they leave their functions; • Or to require that they hold all or some of the shares acquired from previously exercised stock options in registered form until they leave their functions (setting out the applicable portion)	N/A
	Summary statement of transactions in the Company's shares by corporate officers and related parties	5.2.2
	If any free shares have been awarded, an indication that the Board of Directors decided: • Either to prohibit corporate officers from selling the free shares awarded to them before they leave their functions; • Or to set the number of these shares they are required to hold in registered form until they leave their functions (setting out the applicable number)	N/A

		Paragraphs
3.4	CSR information	
	Acknowledgement of the social and environmental consequences of the Company's business activity and societal commitments to sustainable development, the prevention of discrimination and the promotion of diversity	1.3
	Information on hazardous activities	1.3.2 and 1.3.3
4	Non-financial performance report	1
5	Report on corporate governance	4
4	Statement by individuals with responsibility for the annual financial report	6.1
5	Report of the Statutory Auditors on the parent company financial statements	3.5
6	Report of the Statutory Auditors on the consolidated financial statements	3.3

6.6.3 Additional documents

Item	Paragraphs
Description of the share buyback program	5.2.8
Disclosure of the fees paid to the statutory auditors	3.2.4.25
Report on Corporate Governance and Internal Control and Risk Management Procedures	4

Séché Environnement
A French SA with share capital of €1,571,546 - registered on the
Laval Trade and Companies register under number B 306 915 535
Les Hêtres - CS 20020 - 53811 Changé Cedex 9
Tel: + 33 (0)2 43 59 60 00 - Fax: + 33 (2) 43 59 60 61
Tour Maine Montparnasse - BP 25
33 avenue du Maine - 75755 Paris Cedex 15
Tel: + 33 (0)1 53 21 53 53 - Fax: + 33 (1) 53 21 53 54
Email: actionnaires@groupe-seche.com
www.groupe-seche.com