

2021 UNIVERSAL REGISTRATION DOCUMENT

Reducing Carbon, together.

2021

ANNUAL
FINANCIAL
REPORT





This is a translation into English of the Universal Registration Document (*Document d'Enregistrement Universel*) of the Company issued in French and available on the website of the Company.

In accordance with Regulation (EU) 2017/1129, this Universal Registration Document was filed with the competent authority, the AMF (French Financial Markets Authority), on March 14, 2022. It was filed without prior approval, pursuant to Article 9 of said Regulation.

This Universal Registration Document may only be used in connection with a public offering of financial securities or for the admission of financial securities for trading on a regulated market if accompanied by a prospectus and, if applicable, by a summary and all amendments made to the Universal Registration Document. These documents as a whole shall be approved by the AMF pursuant to Regulation (EU) 2017/1129.



Speichim Processing, St Vulbas (France)



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In 2021, Séché ramped up its efforts to offer its customers innovative environmental solutions to foster a more circular, low carbon economy.

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CHAIRMAN'S MESSAGE



Dear Shareholders,

Séché Environnement's excellent business, operating, financial and non-financial performance in 2021 reaffirms the quality of its positioning and the relevance of its growth strategy in the circular economy and decarbonization sectors.

Its robust performance across the board derives from its organic and external growth strategy, its industrial efficiency policy and cost reduction plan, its selective investments, and its financial agility.

In 2021, Séché Environnement pursued its external growth both internationally, with the acquisition of Spill Tech, a specialist in environmental emergencies in South Africa, and in France, where it acquired Osis-IDF, a major player in sanitation businesses. This latest acquisition extended our range of environmental services under a new name, Séché Assainissement, from the start of 2022.

Séché Environnement is reaping the long term benefits of its profitable growth strategy, with robust growth in all its businesses in its main regions of activity in 2021, and an even sharper increase in its operating margins.

Profit of the period more than doubled in relation to 2020.

Our Group continued to shore up its liquidity and financial flexibility with solid cash generation. It also strengthened its balance sheet by significantly extending the maturity of its financial debt at a lower cost with the successful issue of its first bond with sustainability performance criteria.

A year ahead of schedule, Séché Environnement has met or exceeded most of the targets it announced in 2018 as the endpoint of its roadmap through to 2022.

Its performance is sustainable. With its positioning on long term growth markets offering multiple opportunities and its financial flexibility and robust liquidity, our Group is confident in its short and medium term outlook. It expects to generate contributed revenue of nearly €1 billion by 2025 (at constant scope), while continuing to improve its margins and maintaining strict targets for its cash generation and financial flexibility.

Also by 2025, in line with the Paris Agreement on climate change and its own ambitious 2030 climate strategy, Séché Environnement will have reduced its own greenhouse gas emissions by 10% and increased those avoided by its customers by 40%, illustrating its commitment to mitigating climate change and fostering a circular, low carbon economy.

This is the profile I have always sought for our Group – a successful specialist on sustainable development markets with a strong commitment to limiting climate change and protecting biodiversity. Séché Environnement has all the strengths needed to protect our most precious asset: the environment.

Joël Séché
Chairman of the Board of Directors

01. Non-financial performance report

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SÉCHÉ ENVIRONNEMENT'S BUSINESS MODEL

1.1.1 History

Séché Environnement was founded in the mid-1980s by Joël Séché as an entrepreneurial project in the field of waste treatment. A growth company in promising markets with high visibility, the family-owned group is a key player in the circular economy and environmental services in France and abroad.

With complementary cutting-edge expertise and technological strengths, Séché Environnement is an integrated operator capable of handling all types of waste. With its businesses serving the environment, the Group provides solutions at the heart of resource preservation, climate change, and biodiversity protection issues.

A regional company that became a national group in the early 2000s, Séché Environnement has been rolling out an active external growth strategy for several years in France and abroad.

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)
2008	Development of energy recovery businesses
2011	Strengthening of material recovery activities, in particular non-hazardous waste
2015-2021	Acquisition strategy to expand the commercial offer and/or territorial coverage in France, and to take positions internationally (Spain, Peru, Chile, South Africa, Italy)

1.1.2 Value creation – Business model

Séché Environnement's mission is to offer its clients, both industrial and local authorities, innovative solutions to accelerate their ecological transition.

Managing the entire waste management value chain, the Group is responding to growing societal concerns thanks to its business lines focused on the circular economy and the protection of nature. The Group intervenes at the crossroads of sustainable development and is a key player in industrial ecology through its control of the potential impacts of economic development, on both the human (health and well-being) and environmental (natural resources, climate, biodiversity) fronts

SÉCHÉ ENVIRONNEMENT'S BUSINESS MODEL



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

- Reducing waste production;
- Reusing and recycling materials;
- Recovering energy;
- Hazard management of final waste.

Séché Environnement is present at all stages of the waste treatment hierarchy, as defined by the European Directive of 2008.

Providing an integrated offer across the entire value chain of the circular economy and capable of responding to the problems of any type of waste, the Group serves industrial and corporate customers (84% of its contributed revenue in 2021) and local authorities (16%).

The Group operates both in France (72% of its contributed revenue in 2021) and internationally (28%), on the hazardous (66% of its contributed revenue in 2021) and non-hazardous (34%) waste markets.

Drawing on its specialist expertise, particularly in hazardous waste in France, the Group is committed to deploying its expertise in high-potential markets abroad.

Séché Environnement is an innovative player that has anticipated the transformation of the waste businesses. The Group quickly moved its business model beyond its historical waste disposal management. Over time, Séché Environnement has supplemented its offer with recovery activities for materials (recycling, regeneration, etc.) and energy (heat, biogas, electricity, etc.), as well as by a panel of expert services dedicated to its industrial and local authority clients (delegated infrastructure management, etc.), as well as environmental protection services (decontamination, environmental emergency, etc.).

Its development model is based on a strong ecological ambition and long term economic interests. The Group is attentive to its customers' needs and can provide low-carbon resources in the form of recycled raw materials or waste-derived energy, thereby playing a key role in reducing carbon in the economy.

In a bid to minimize both its own impacts and those of its clients, Séché Environnement aims to achieve excellence in its processes. To this end, the Group relies on a certification approach, which enables it to offer services that meet the best international standards, as well as a dynamic research and development (R&D) approach, which solidifies its position as an expert with high added value.

1.1.3 Séché Environnement, at the heart of transitions

Séché Environnement's activities are at the heart of contemporary economic challenges. The solutions proposed by the Group are local, circular and low-carbon, and they contribute to the transition toward a more responsible economy.

1.1.3.1 Séché Environnement is a key player in the circular economy

At the heart of Séché Environnement's business model is the idea that waste is a resource, regardless of its properties or origins. In the context of a circular economy, material and energy from waste are assets to be exploited.

As a player in waste management, Séché Environnement closes the loop in the circular economy. The Group plays an important role in the recycling sector, by regenerating materials directly or sorting and preparing waste for recycling elsewhere.

The Group provides its clients – local authorities and industry – with industrial and regional ecology solutions. The energy produced and recovered by waste treatment (steam, hot water, etc.) is recovered locally.

1.1.3.2 Séché Environnement is a player in decarbonization

High-added-value recycling and energy recovery from waste contribute to both the transition to a circular economy and the decarbonization of the economy. The carbon footprint of regenerated materials and recovered energy proposed by the Group is smaller than their virgin or fossil alternatives. In this way, Séché Environnement brings together the circular economy and decarbonization.

What makes the Group truly unique is that Séché Environnement has committed to increasing its clients' avoided emissions by more than 40% by 2025. Carbon-energy production and material regeneration are the focus of reducing Group client emissions (scopes 2 and 3).

The Group can lower its customers' carbon emissions thanks to the direct efforts it undertakes itself. The first pillar of Séché Environnement's decarbonization strategy, in line with the Paris Agreement, aims to reduce the Group's direct emissions by 25% by 2030.

1.1.3.3 Séché Environnement is a supporter of industry

In order to make industry more competitive, waste management operators, as utility suppliers, must offer their clients tailored solutions. By providing its services, Séché Environnement is positioned to support production facilities.

The regenerated materials and waste-derived energy that Séché Environnement offers to its clients competes with imported resources. As a substitute for fossil fuels imported from often remote regions, such as coal and gas, Séché Environnement offers low-carbon and local energy, such as steam from energy recovery from waste.

A country's waste management and recovery capacity, enabling it to treat waste produced within its own borders, is an act of sovereignty. By operating a number of waste management facilities locally – an activity recognized as essential to the public interest – Séché Environnement contributes to the strategic independence of its countries of operation.

1.1.4 Risk management specialist

Waste can pose a risk to health or living conditions. Séché Environnement is positioned as a specialist in managing these risks.

1.1.4.1 Managing the risk associated with waste-management activities

Séché Environnement primarily carries out regulated activities and is subject to administrative authorization. Waste management operations are increasingly governed by national, European and international regulations. These regulations determine the identification of each type of waste as well as its acceptance, referral to the appropriate waste management sector, nature, and management objectives to be applied.

Facilities classified for environmental protection purposes - management example

In France, the Environmental Code closely governs waste-related activities, which it reserves for regulated installation – facilities classified for environmental protection purposes (ICPE) – where operations carried out by a private or public person may have a local impact on health, safety, agriculture, protection of nature and the environment, etc.

The creation of a classified facility is subject to an order from the Prefect's office after a public investigation. The decision to issue an order is based on the nature of the activities under consideration, the cumulative risks and benefits borne by these activities with regard to the local situation (the existence of risks or similar activities, for example) and the opinions expressed during the local consultations carried out.

Once in operation, classified facilities are subject to the controls of the specialized state departments (DREAL, DRIEAT), which ensure compliance with the regulations and requirements of the order. In particular, sites must comply with the emissions limits

imposed by their authorization to operate. In addition, Séché Environnement recommends that its sites be audited by various NGOs, locally or nationally, to ensure compliance with the decrees and the proper management conditions.

At December 31, 2021, Séché Environnement managed 39 classified facilities, including 37 subject to authorization. Within the latter, 16 were subject to the most stringent regulations on industrial risk management (Seveso regulations), and nine were classified as a Seveso upper tier site.

Internationally, in the countries where the Group operates, similar regulations exist to manage the risks inherent in waste management activities.

Since its inception, Séché Environnement has not experienced any significant failures with regard to these regulations and the application of its decrees. Séché Environnement's major challenges with respect to the management of classified facilities are detailed in the "Risk Factors" section of this document.

Know-how: managing operating authorizations

Séché Environnement is an industrial operator that favors full ownership of its waste management infrastructure, unlike other business models that rely on delegated infrastructure management (public service delegation, for example).

In this way, Séché Environnement owns its facilities and implements a policy of acquiring land reserves whenever possible, enabling it to anticipate the future needs of its business lines. Séché Environnement also holds its operating authorizations.

Drawing on its track record of excellence in terms of its compliance requirements and keen to associate its local and national stakeholders with its economic development, the Group is able to update its authorizations whenever necessary in order to anticipate regulatory changes or the needs of its customers. This original approach is an additional guarantee of the sustainability of its activities and the visibility of its model, as demonstrated by the extensions of authorizations - both in number and duration - obtained by its sites since its creation.

The risks relating to the management of classified facilities or the sustainability of operating authorizations are described in the "Risk Factors" section of this document.

1.1.4.2 Control of industrial risks and certification strategy

Séché Environnement is a general player in the circular economy and a specialist in industrial risk and hazardous waste management.

A hazardous waste specialist

In 2021, Séché Environnement generated 2/3 of its contributed revenue in hazardous waste management, meaning waste that meets at least one of the 15 regulatory criteria defining this category of waste.

Séché Environnement is able to manage all types of hazardous waste involving chemical, pyrotechnic and bacteriological risks via the customers it has historically had, particularly industrial operators in the chemicals, pharmaceuticals, health, energy, mining and metallurgy sectors. It is also a specialist in risk management for specific waste, such as waste from asbestos or industrial gas management.

Its management of hazardous waste risks makes it an internationally recognized player in certain niche markets where its expertise is valued (PCBs, mercury, etc.).

This expertise also makes it a major player in France and internationally in the remediation of the most complex historical or accidental pollution, thanks to its dedicated subsidiaries and multidisciplinary teams, which rely on all of the Group's tools and know-how.

Certification strategy and process excellence

In order to align its processes with best practices, and as part of a continuous improvement approach, the Group initiated a certification approach very early on for its operational sites within risk management systems.

As a result, the Group was one of the first companies in the world in its line of business to be ISO 14001 certified for its Changé (at that time its only) site in 1996, when the standard was created. Similarly, in 2016, Séché Environnement was the first company in its industrial sector to be twice certified for all its sites in France, "Climate Commitment" and "Biodiversity Commitment" by Ecocert Environnement, which initiated these standards aimed at combating climate change and biodiversity loss.

In 2021, 100% of the waste managed by the Group in France was managed by facilities with one or more certifications: ISO 14001, ISO 9001, ISO 50001, ISO 45001, etc.

Séché Environnement is also committed to incorporating specific risk management standards, such as Mase certification, specific to subcontracting companies working or delegating staff in high-risk industrial sites. The objective of this certification is to continuously improve performance in terms of safety, health and the environment in the workplace.

The Group's objective is to develop the same international certification strategy, particularly in the recently acquired subsidiaries.

This systematic strategy of risk management standards contributes to the operational excellence of the processes implemented by Séché Environnement at all stages of its value chain. In France and internationally, it guarantees the implementation of best available practices for each client. It also represents a major competitive advantage in markets where the waste producer bears legal responsibility throughout the entire value chain up to the final holder.

1.1.5 Locations, industrial tools and positioning in the value chain

1.1.5.1 Overview of Séché Environnement's businesses

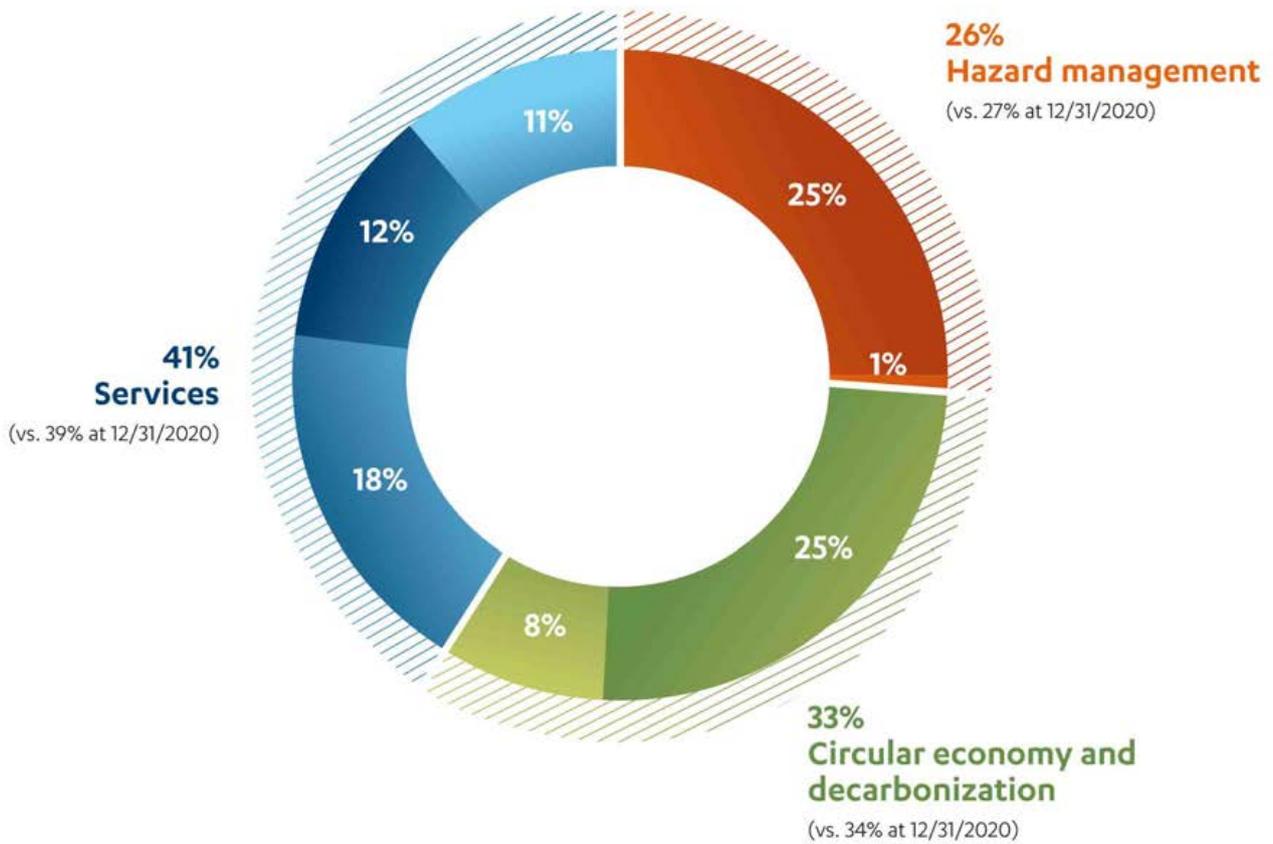
Séché Environnement's know-how and business lines are structured around three areas of expertise related to:

- The circular economy and the decarbonization of the economy (33% of contributed revenue in 2021);
- Hazard management (26% of contributed revenue in 2021);
- Services (41% of contributed revenue in 2021).

Séché Environnement is a well-integrated industrial player that combines all the skills needed, all complementary and inseparable, for the implementation of a circular economy that is economically and environmentally secure.

As for its service activities, they meet needs specific to certain customers or are aimed at preventing or reducing environmental liabilities. They also cover waste logistics. For the most part, they rely on the Group's other activities and enable synergies, particularly in terms of securing the supply of waste facilities.

BREAKDOWN OF CONTRIBUTED REVENUE BY ACTIVITY AT 12/31/2021



- Thermal treatment of hazardous waste, final waste landfill
- Recycling and materials recovery: sorting centers, platforms, rehabilitation of facilities, chemical purification, etc.
- Environmental services: decontamination, decommissioning, asbestos removal, environmental emergencies, sanitation, etc.
- Decontamination: Medical waste, physical-chemical treatment, etc.
- Local energy recovery centers: electricity, steam, heat
- Key account services: comprehensive services, chemical cleaning, effluent management, etc.
- Logistics services: collection, transport, rentals of tippers, etc.

1.1.5.2 Footprint

The Group has a network of sites located closest to its customers and its markets. Service activities are based on Group-specific sites or can be carried out on our clients' sites (comprehensive services, decontamination activities, etc.).

Séché Environnement has its own facilities, with the exception of activities carried out under public service delegations: Alcéa in Nantes, Sénerval in Strasbourg, Solena in Viviez, and Mo'Uve in Montauban, which are consolidated; and, lastly, Sogad in Agen, which is 50% owned and equity-consolidated.

THE GROUP'S SITES BY TYPE OF ACTIVITY, AS OF YEAR-END 2021



1.1.5.2.2 Activities related to the circular economy and the decarbonization of the economy

These activities are at the heart of Séché Environnement's growth strategy because they directly address the major environmental challenges of preserving natural resources and combating climate change. They cover recycling and energy recovery activities:

Recycling activities

Their aim is to restore a secondary raw material with the same qualities as a virgin material, through:

- Sorting and grouping activities (sorting centers, platforms, etc.);

- Chemical recycling of hazardous waste (chemical purification, solvent regeneration, etc.);
- Regeneration of rare materials (such as bromine) or the custom manufacture of molecules of interest (such as biosourced materials);
- Recycling of any type of non-hazardous waste (metals, wood, land, etc.).

Séché Environnement is a leading player in the recycling of industrial and chemical waste. It is notably one of only a few international players to master the techniques of high vacuum rectification. Its competitiveness also relies on the versatility of its production facilities that employ distillation columns with a variety of diameters and tray numbers. It develops innovative processes for its customers: for example, it has become one of the few bromine producers in the world, and the only one to produce regenerated bromine thanks to a patented process developed by its R&D.

Creation and management of local energy loops

Favoring this method of recovery when the re-use or recovery of materials is no longer possible. Séché Environnement is mainly active in the following activities:

- Production of heat (steam or hot water) or electricity, by cogeneration in connection with the energy recovery of hazardous and non-hazardous waste for industrial or local authorities (urban heating networks). For example, thanks to its Salaise-sur-Sanne site, Séché Environnement is supplying energy with the first European chemical platform, Osiris, enabling it to accelerate its energy transition by limiting its use of fossil fuels;
- Electricity generation through the recovery of waste or biogas. In France, this renewable energy generated by turbines or engines is transferred to the power grid operator or consumed;
- Energy generation through the recovery of fuels from waste sorting (Solid Recovered Fuel - SRF). This is a preferred alternative to waste disposal that is classified as a “refusal to sort”. In these businesses, Séché Environnement stands out for designing the first heat production unit in France using SRFs, which it has been operating since 2017 at its Changé site. In winter, this boiler supplies overheated water to the district heating network of Laval, and during the summer period, it supplies steam to an agricultural cooperative located near the Changé site, which dehydrates locally-produced fodder.

These local energy loops are economically sustainable and environmentally optimized, and they make Séché Environnement a low-carbon energy producer for local authorities and industrial clients located in the heart of regional economies. These activities contribute to the ecological transition of these economic players by limiting their use of fossil fuels (coal, fuel oil, natural gas) and providing them with green energy resources derived from waste.

1.1.5.2.3 Hazard Management operations

After extracting the value (secondary raw materials or energy) or because the waste, by nature or by regulation, is not recoverable, it is important to manage “final waste.” This final waste is often concentrated toxicity that is dangerous to humans or the natural environment.

Séché Environnement is a specialist in treatment that will reduce waste volumes and render their toxicity inert before the final waste is secured in *ad hoc* facilities, through:

Decontamination businesses

In particular, these cover:

- Management of Hospital & Infectious Waste through sanitizing;
- Physical-chemical treatment of liquid hazardous waste contaminated with oils or toxic products (heavy metals, cyanides, arsenic, chrome, etc.) or whose harmfulness lies in extreme pHs (acids or bases).

These decontamination operations are a prerequisite for any energy or material recovery operations.

Waste treatment businesses

These include, for example:

- Incineration treatments by which the thermal oxidation process makes organic matter contained in waste inert and obtains final residues in limited quantities and at controlled toxicity, such as residues from the purification of incineration fumes of household waste or industrial waste;
- The safe storage of final waste, which is the final and indispensable phase of the value chain of the waste management businesses, particularly hazardous waste. Séché Environnement has this expertise and receives residues from all types of treatment (particularly residues from the purification of incineration fumes of household waste or industrial waste) at its Changé (Mayenne) site. The Group treats them by stabilizing them to inert their toxicity before storing them in total safety in storage cells designed for this purpose.

Hazard management activities are complementary to and inseparable from the circular economy activities of which they are the downstream phases. Séché Environnement’s thorough understanding of these business lines makes it one of the few fully-fledged players in a secure circular economy.

1.1.5.2.4 Service activities

Service activities are deployed to meet specific customer needs and environmental requirements. They can be based on logistics tools offered to customers or those that facilitate the transfer of waste between the Group’s facilities.

Services to key industrial accounts

These include custom services to large industrial clients, such as:

- Delegated management of waste activities on behalf of companies and local authorities: Séché may operate under delegated management agreements (comprehensive services) ⁽¹⁾. Waste management delegation is an outsourcing service that includes anticipating customer needs or citizen expectations, with the shared goal of economic performance (providing skills specific to Séché Environnement), industrial performance (providing an integrated process chain, with risks controlled through certifications) and environmental performance (achieving non-financial objectives such as waste minimization, material or energy recovery, and greenhouse gas balance);
- Industrial maintenance and chemical cleaning: Séché offers high-added-value solutions for industrial maintenance and process decontamination using chemical, thermal cleaning and blowing technologies. These clean thoroughly, dissolving and removing the organic and inorganic elements deposited in the equipment (distillation columns, industrial boilers, tanks, etc.), which are essential for commissioning new facilities (pre-operational chemical cleaning) as well as facility maintenance (operational chemical cleaning);
- Industrial effluent management: drawing on its expertise in chemical engineering and water treatment, Séché Environnement offers custom solutions and a wide range of technical solutions for the management and treatment of industrial effluents, regardless of business sector, around the world. Physical/chemical processes, evaporation-concentration, centrifugation, membrane treatments, biological sewage, etc. Séché Environnement assists its industrial customers with their work sites (mobile units) or in the design, construction and operation of their industrial effluent treatment facilities, with, where necessary, provision of dedicated personnel.

These service activities, in particular industrial maintenance activities, are custom-tailored solutions for large industrial clients. They are also international support services for these industrial clients.

Environmental Services

Environmental Services address environmental liability management issues as well as environmental emergency issues and cover:

- Decontamination, dismantling and rehabilitation of industrial sites: Séché Environnement provides industrial clients and local authorities with its technical know-how, drawing on all of its expertise to find the most suitable solution for remediation. Backed by its technical certifications, Séché Environnement integrates specific business skills using the qualifications of its multidisciplinary teams, and implements ad hoc solutions, including for complex risks such as asbestos or explosives, which are strong areas of expertise for the Group. With the acquisition of OSIS IDF at the end of 2021, Séché Environnement broadened its range of expertise to include the sanitation businesses, by which it offers its industrial and local authority customers a range of environmental pollution prevention services related

(1) It should be noted that public service delegation contracts (PSDs) aimed at the delegated management of infrastructure held by local authorities are classified within the activities covered by these contracts: collection, sorting, energy recovery, etc.

to sanitation networks in an approach focused on the circular economy and the fight against climate change (electric or natural-gas-powered vehicles, process water recyclers, fat recycling, etc.);

- Environmental emergency response operations: These are critical responses to major hazards caused by road accidents, natural disasters, or accidents at industrial sites, impacting the environment and its ecosystems. Séché Urgences Interventions (SUI) in France and Spill Tech in South Africa provide rapid responses across all of their respective national territories (within a few hours), and around the world, regardless of the pollution situation or hazard, be it chemical, biological, radiological, or pyrotechnic, to secure the affected area, contain the pollution, and control the risks to the environment and to stakeholders.

Séché Environnement stands out in these decontamination and environmental solution markets, both in France and internationally, for its ability to provide highly technical services involving complex risks or severe logistical and time constraints.

Logistics Services

Séché Environnement provides its clients with services to ensure the logistics of their waste, providing support and implementation of custom local solutions:

- Collection and equipment leasing for local authorities and industry: Séché Environnement can develop collection solutions adapted to the local authorities' regions, be they urban, rural, or semi-rural; and can implement collection services in bulk, in bags, and more, according to the needs of the territory. For its industrial clients, Séché offers tools and technical solutions to characterize, sort and transport their non-hazardous industrial waste: renting dumpsters, supplying suitable containers, identifying collection points as close as possible to production areas, etc. In order to optimize the overall environmental performance of this approach, the collection methods are adapted to reduce the necessary rotations related to transport to waste management units;
- Hazardous and non-hazardous waste transport activities: Séché Environnement is responsible for transporting all types of waste from collection points to its waste management facilities (bulk or packaged, solid, liquid or gas, etc.). For these purposes, it has its own resources or, where applicable, subcontracts this service to specialized and certified companies offering every guarantee of security and traceability. In order to reduce the overall impact of this activity, Séché Environnement implements multimodal transport services in order to promote, insofar as the nature of the waste allows it, means of transport with lower carbon emissions (railways, rivers, etc.).

Although not Séché Environnement's core business, logistics services are essential activities for customer support. For internal flows within the Group, their perfect control is an essential asset for the proper management of waste scheduling between the various facilities, as well as a lever of productivity and industrial efficiency.

1.1.5.3 Séché Environnement's activities in the green taxonomy

The EU taxonomy is a classification system establishing a list of environmentally sustainable economic activities. It aims to direct investments towards “green” activities.

An activity is classified as sustainable if it meets at least one of the six following objectives:

- 1: Climate change mitigation;
- 2: Climate change adaptation;
- 3: The sustainable use and protection of water and marine resources;
- 4: The transition to a circular economy;
- 5: Pollution prevention and control;
- 6: The protection and restoration of biodiversity and ecosystems.

The activity must contribute substantially to one or more of the six objectives, without causing significant harm to the other objectives (the ‘Do no significant harm’ principle).

1-Eligible activities

A first Delegated Act (first Act) on climate change adaptation and mitigation was adopted on June 4, 2021.

The Platform on Sustainable Finance proposed criteria for a second Delegated Act (second Act) in August 2021. These proposed criteria relate to the alignment of economic activities with Objectives 3 to 6. The European Commission is expected to draft the second Act on the basis of this proposal in 2022.

Entities concerned by this new obligation publish the share of their revenue, capital expenditure (CAPEX), and operating expenses (OPEX) related to activities eligible for the taxonomy.

Séché Environnement has classified its activities according to their eligibility for the first Act and the proposed criteria for the second Act, as set out above. Only the publication of information regarding the eligibility of activities under the first Act is mandatory. As such, in the interest of transparency, the Group has anticipated the classification of all its activities according to their eligibility for the two Delegated Acts.

2-Calculation of indicators

The financial information presented below corresponds to the definitions provided in Article 8 of the Regulation, specifying how to calculate KPIs and the additional information to be published. It has been subject to joint analysis and control by the Sustainable Development, Financial Control and Business teams.

A detailed analysis was performed alongside a review of existing reporting processes and systems to isolate the financial aggregates required by the Taxonomy. The financial information extracted from the Group's information systems (monitoring of investments, consolidation) was analyzed and checked to ensure consistency with consolidated revenue, OPEX and CAPEX at December 31, 2021.

Green taxonomy

Eligible share	2021		
	First Act	Second Act	Total
Revenue	16%	56%	73%
OPEX	17%	64%	81%
CAPEX	17%	44%	60%

Using its detailed analysis, on the basis of the first Act of the Taxonomy, the following Group activities are considered eligible:

- Collection and transport of non-hazardous waste sorted at source
- Recovery of materials from non-hazardous waste
- Other low-carbon manufacturing technologies (mainly the manufacture of basic organic chemicals)
- Photovoltaic electricity production.

On the basis of the proposed criteria for the second Act as put forward for consultation, the following Group activities are considered eligible:

- Hazardous waste collection and transport
- Hazardous waste treatment for materials recovery
- Hazardous waste treatment for pollution prevention and control
- Decontamination activities for pollution prevention and control
Environmental emergency services
- Urban wastewater treatment
- Other renewable energy and energy recovery, particularly from hazardous waste

Service activities (41% of revenue and 91% eligible for the taxonomy) require less CAPEX than circular economy, carbon reduction, and hazard management activities.

This significant share of activities, operating expenses and capital expenditure eligible for the green taxonomy illustrates the Group's strong positioning in activities related to the ecological transition.

Séché Environnement will review its methodology and its eligibility analysis as the Taxonomy is implemented, based on changes in the listed activities and technical review criteria.

1.1.6 Markets and competition

1.1.6.1 The global waste market

1.1.6.1.1 *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 reduce environmental and public health risks caused by its abandonment. Qualifying something as waste means that a certain number of necessary rules must be adhered 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 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, European or international level to include new themes such as the circular economy and greater responsibilities for waste producers. At the national level, a number of regulations also set out certain procedures for carrying out waste management operations.

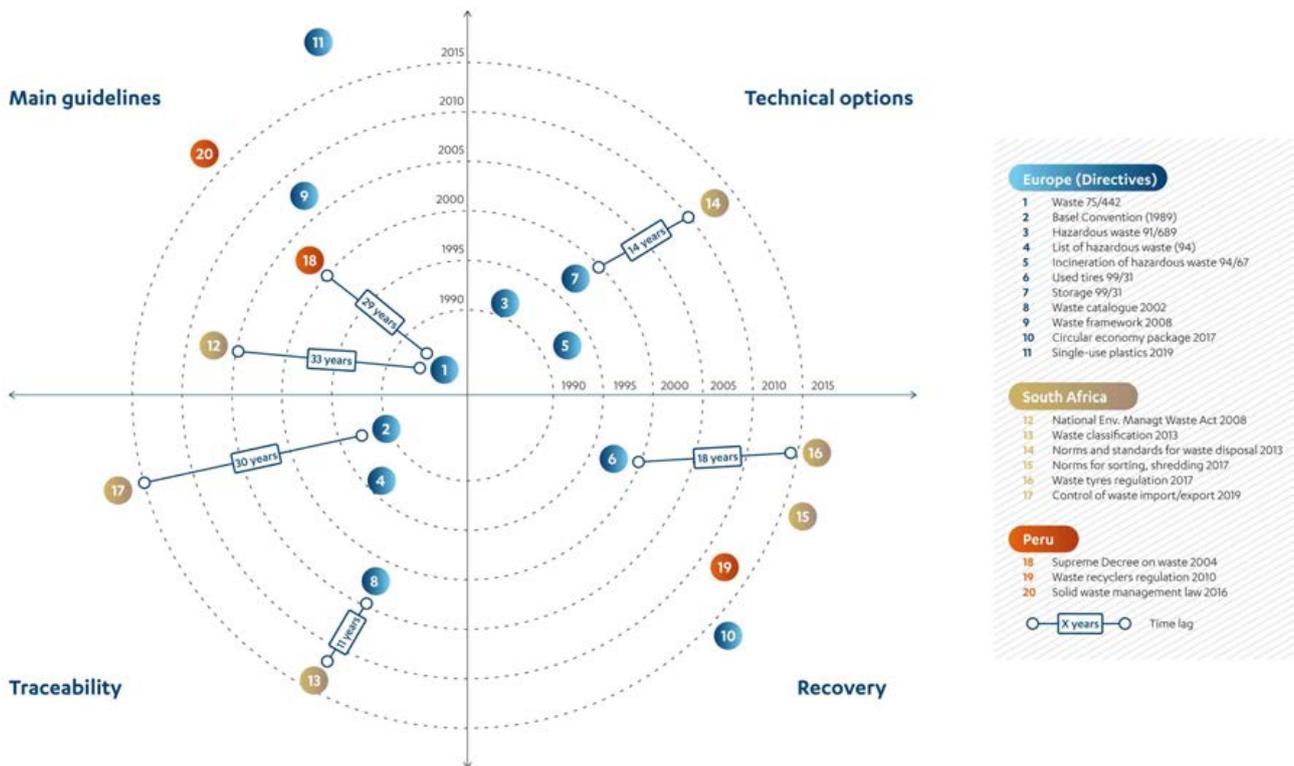
Waste regulation may be less complete in African and South American countries where the Group operates. In general, it takes between 10 and 20 years for European regulations to find their equivalent in certain regions. For example, in Peru, the first laws were only enacted in 2004 (Supreme Decree DS 057), while in South Africa, the National Environmental Management Waste Act was only introduced in 2008.

Furthermore, knowledge of waste quantities and treatment choices may be less extensive in developing countries. Given the current level of waste traceability, it is impossible to accurately estimate the share of waste recovered and recycled worldwide.

Europe's early adoption of recycling is important: the legislation governing tire recycling, for example, dates back to 1999 in Europe. 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 much later in other parts of the world. This time lag and the differences in nomenclature explain the lack of solid consolidated data on global waste production.

Waste may be subject to international movements which States intend to increasingly control and regulate, particularly for hazardous waste. The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal was implemented by the European Union, South Africa and Peru in 1994. The Stockholm Convention on Persistent Organic Pollutants (POPs) came into force in 2004. Since 2018, many Asian countries, including China, have increasingly restricted their imports of waste from Europe and North America.

YEAR IN WHICH REGULATIONS ON WASTE WERE FIRST INTRODUCED (EXAMPLES), BY COUNTRY



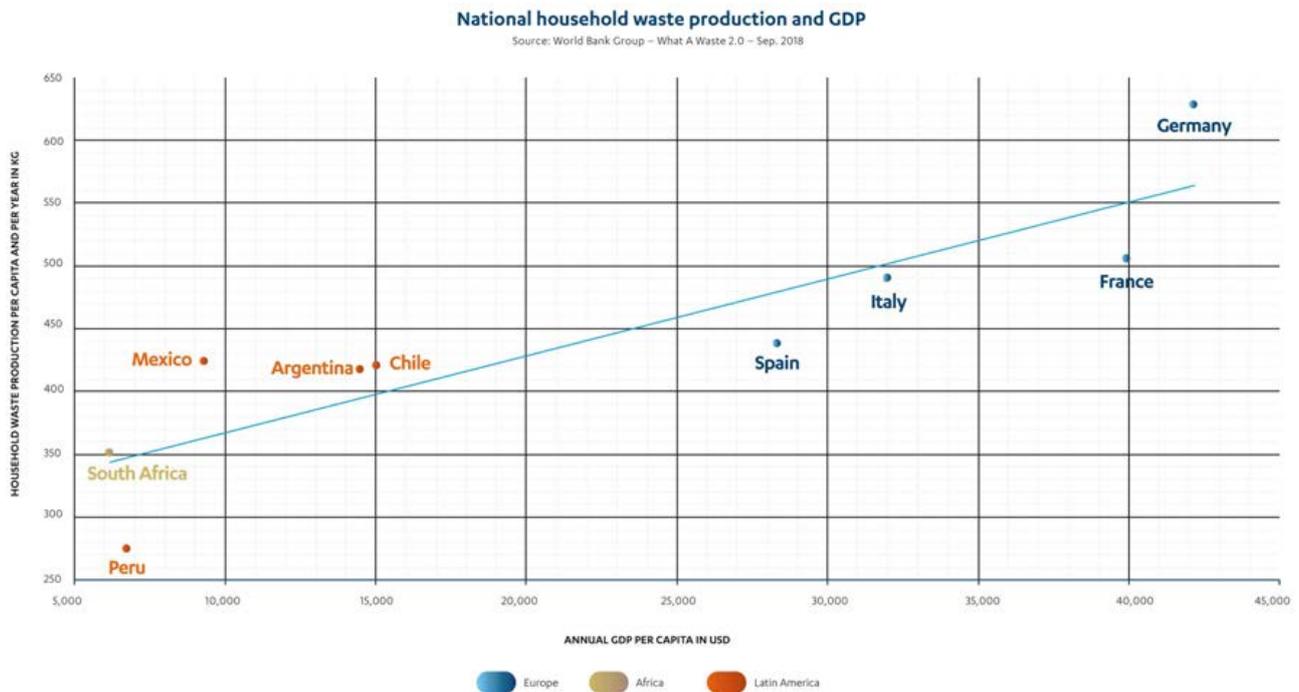
1.1.6.1.2 Global Waste Market Estimate

Characterizing global waste production is made difficult by the disparity of measured variables (types of waste, treatment methods) and reporting rates, particularly in developing countries. The low worldwide traceability of waste makes it difficult to understand the quantities, nature and methods of waste treatment.

Household waste is the most closely tracked waste worldwide. The World Bank's estimate of the world's production of this waste is the most rigorous: 2.01 billion tons of household waste were produced in 2016. This annual waste production is expected to reach 3.4 billion tons in 2050, according to the same survey.

Household waste production is correlated to per capita wealth (expressed as GDP) and urbanization. The quantity 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



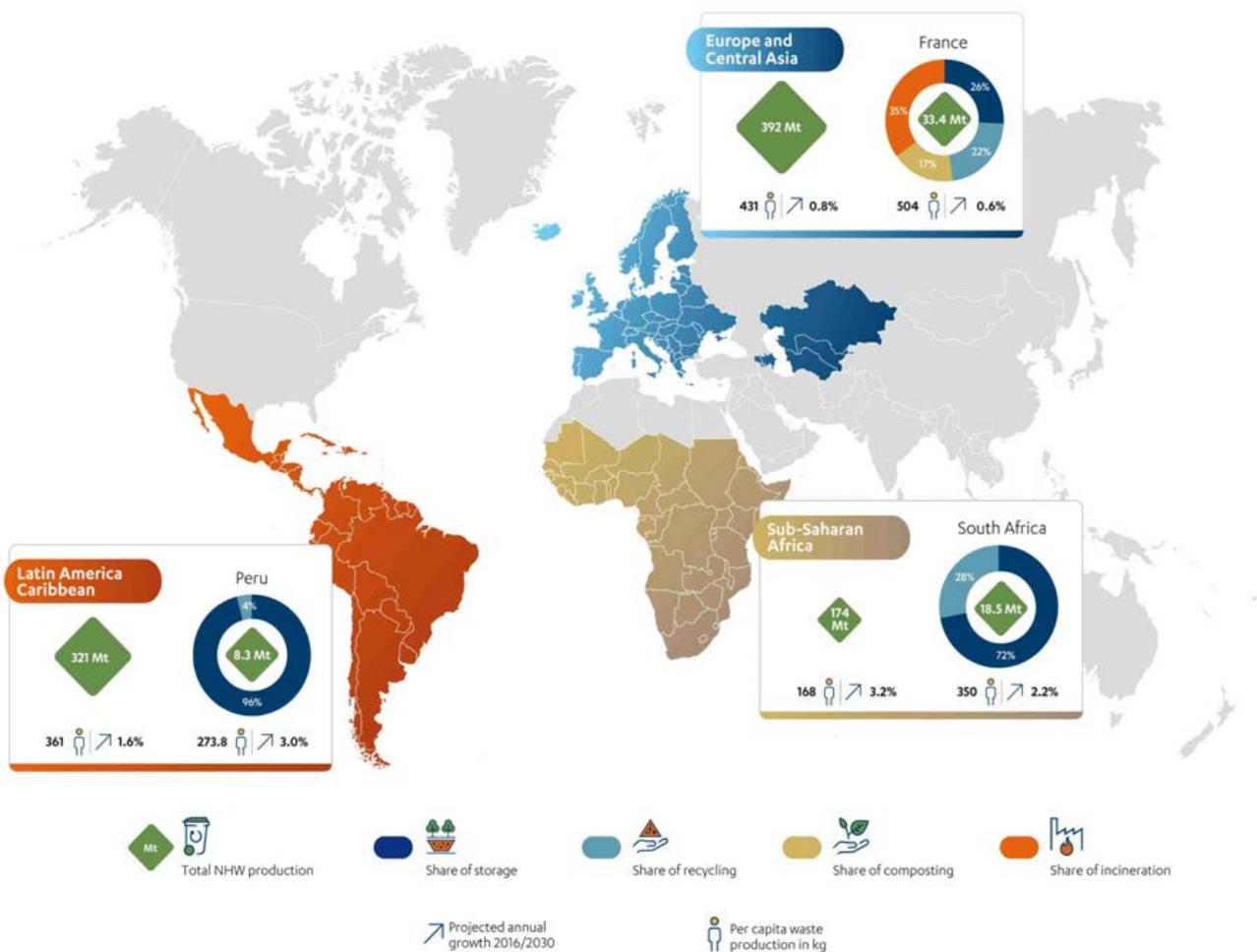
1.1.6.1.3 Séché Environnement's international growth regions

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 household 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. 2018



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.

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 2017, South Africa produced 106 million ton of waste, including 51 million tons of hazardous waste (31 million tons being flying ash and dust). Waste production is increasing.

In 2020, Peru produced 8 million tons of municipal waste and, in 2019, 600,000 tons of hazardous waste.

Waste management infrastructures in Latin America and Africa suffer from a technical and technological lag compared to Europe. In France, the treatment range is extensive: recycling, composting, incineration, and storage. In South Africa, only recycling and storage are being used today. In Peru, storage is almost the only way to manage waste, particularly non-hazardous waste. Séché Environnement built the country's first incinerator 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.

1.1.6.2 The waste market in France, the core of Séché Environnement's business

1.1.6.2.1 Classification of waste

Specific waste status

The 2008 framework directive on waste, which was amended in 2018, lays out the major outlines of waste management policy and describes the hierarchy of waste processing methods to be implemented through the policies of each Member State. In this context, waste is subject to specific legal status.

Classification of waste

Waste comes in many varieties and may be classified by different criteria, including who or which industry produces it, and its properties. This classification is used to distinguish the rules applicable by waste management players.

Classification by waste producer:

- "Household and similar waste" is waste produced by households and economic activities that can be collected under the same conditions. It includes residual household waste, packaging, glasses, bulk carriers, electronic waste (WEEE), household hazardous waste, etc.
- Waste from economic activities (WEA) is waste produced by economic operators other than households (industry, manufacturing sector, construction works, services, agriculture, etc.).

Classification according to the properties of the waste:

- Hazardous waste (HW) has one or more of the 15 hazard properties defined for the European Union: Flammable, toxic, environmentally hazardous, etc. Hazardous waste requires special management rules due to the risks of health and environmental impacts related to handling them.
- Non-hazardous waste (NHW) has none of the 15 hazard properties defined for the European Union. The management rules are more flexible than for hazardous waste. These include biowaste, glass waste, paper, cardboard, wood, most plastics, etc.
- Inert non-hazardous waste (INHW) is non-hazardous waste that does not undergo significant physical, chemical or biological changes. It is mostly waste from the construction and public works sector (concrete, bricks, tiles, etc.).

Séché Environnement is mainly active on the hazardous waste and non-inert non-hazardous waste markets. However, the Group may be called upon to manage inert waste, for example through its decontamination and decommissioning activities.

End-of-waste status

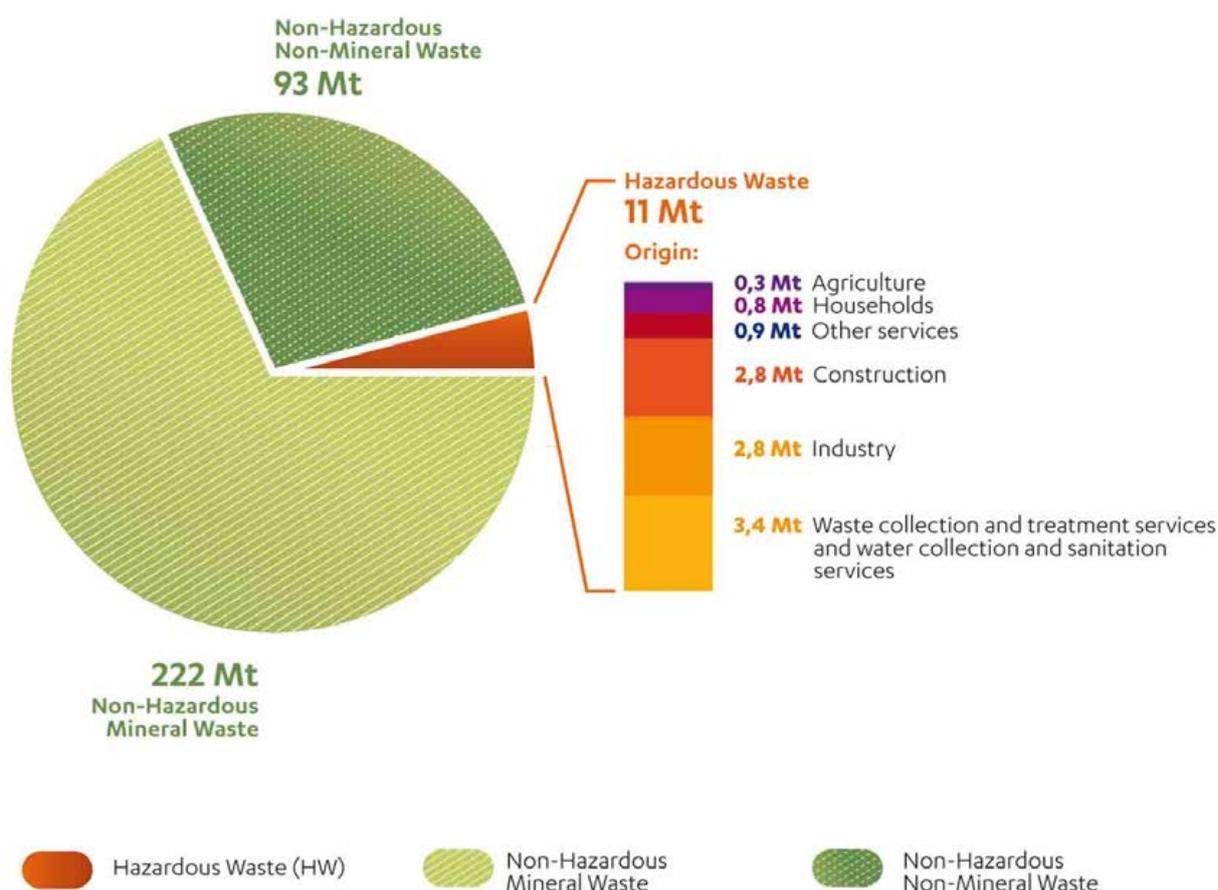
Some kinds of waste have recovery potential in the form of new materials. In order to encourage this recovery, the European directive makes it possible, in some specific cases, for waste to achieve an “end-of-waste status”. It lays the outlines for a regulatory process that can allow waste to no longer be considered waste and be considered as a product. To do so, the waste must meet four conditions:

- The substance or object is commonly used for specific purposes;
- There is a market or demand for such a substance or such an object, or it meets the needs of a market;
- The substance or object fulfills the technical requirements for the specific purposes, and follows the laws and standards that apply to products;
- Use of the substance or object will have no overall harmful effects on the environment or human health.

1.1.6.2.2 Characterization of waste produced in France

In 2017, total waste production in France was 326 million tons. Between 2010 and 2017, the amount of waste produced decreased by 8% in line with the objectives of the Energy Transition for Green Growth Act (LTECV) 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. The production of waste per capita is 4.9 tons.

CATEGORIES OF WASTE PRODUCED IN FRANCE in 2017 and sectors producing hazardous waste



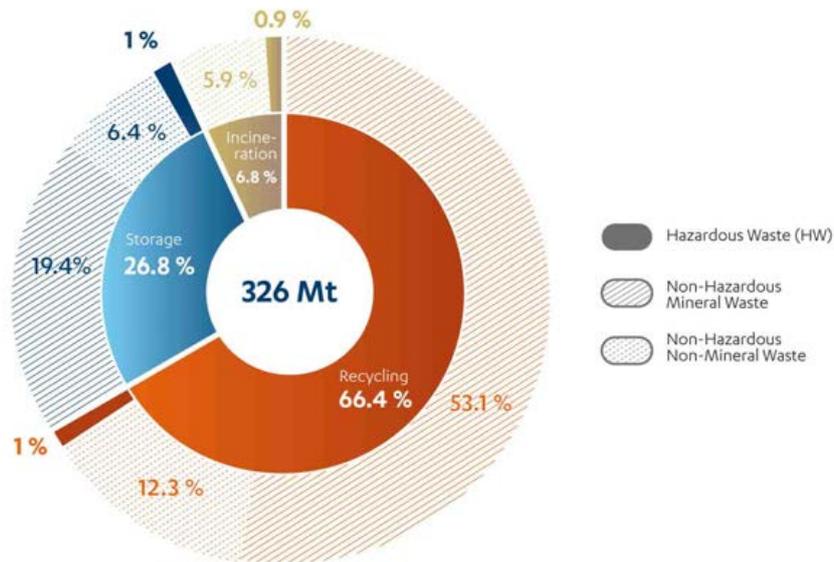
Source: Waste - 2020 key figures, ADEME

Waste management methods can lead to several operations, such as sorting, pre-treatment, recycling and recovery. These additional steps generate secondary waste, such as refusals of sorting (due to the extension of the sorting instructions and a larger population subject to sorting), sludge from waste washing, and residues of combustion from waste incineration.

1.1.6.2.3 Waste management methods in France

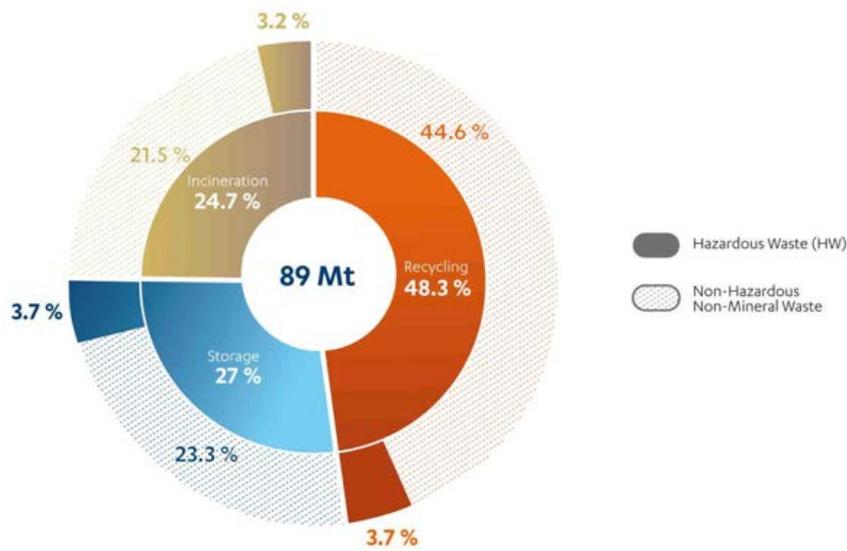
The volumes treated are around 5% lower than volumes produced for several reasons: the balance of imports/exports, inventory effects, dry or wet weight calculations, the traceability of recovery activities, etc.

WASTE MANAGEMENT MARKET in France in 2018



Source: Data and Statistical Research department, French General Sustainable Development Commission (CGDD) – June 2021

NON-MINERAL WASTE MANAGEMENT MARKET in France in 2018



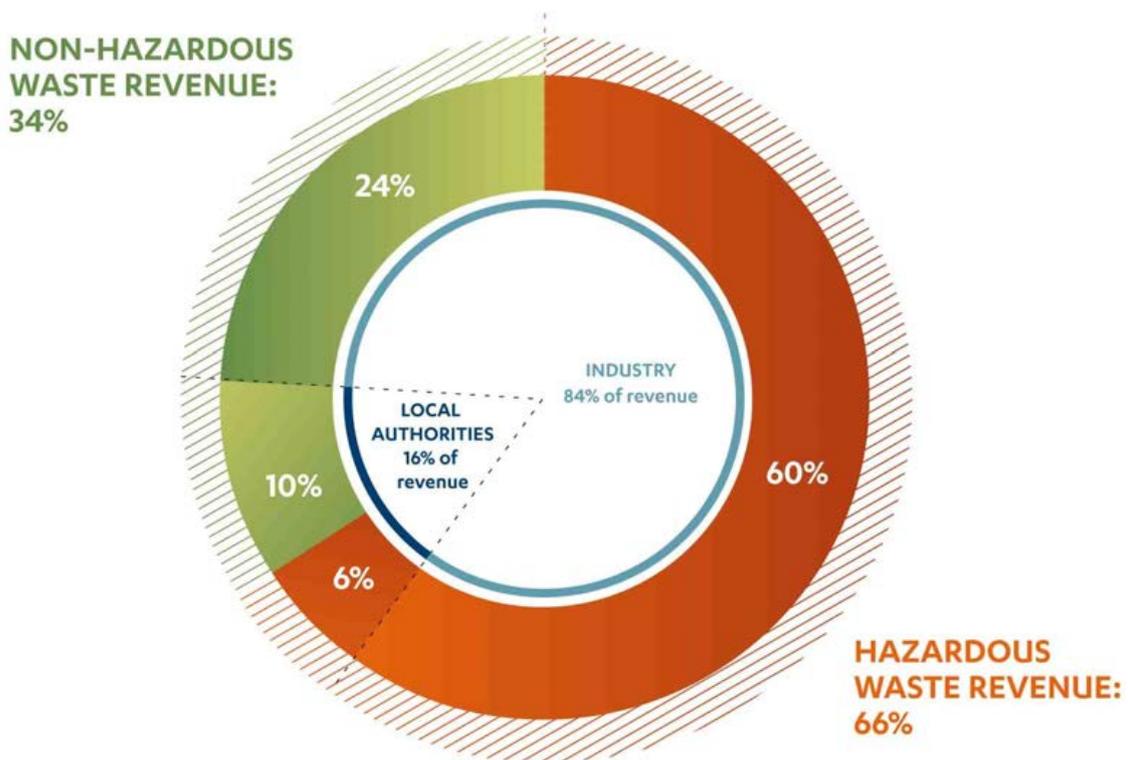
Source: Data and Statistical Research department, French General Sustainable Development Commission (CGDD) – June 2021

1.1.6.3 Séché Environnement's client base

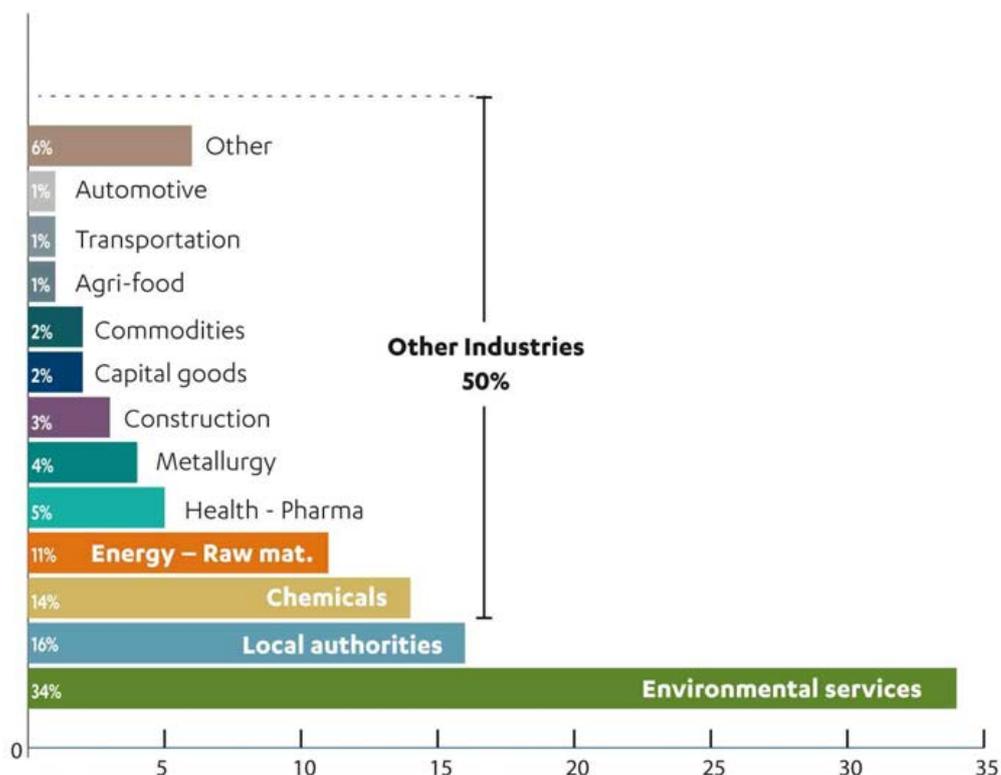
1.1.6.3.1 Client base and markets

Over the past year, the Group generated around 16% of contributed revenue with local authorities (versus 18% in 2020) and 84% with industrial clients and environmental service companies (waste collectors, recycling companies, end-of-life waste recycling organizations, cleaning companies, etc.), vs. 82% in 2020. The relative decline in revenue over the period attributable to local authorities can be explained by the Group's development strategy, which specifically targets industrial clients through its external growth operations abroad. For France, local authorities accounted for 24.7% of contributed revenue in 2021, vs. 23.3% in 2020.

BREAKDOWN OF CONTRIBUTED REVENUE by division and client at 12/31/2021



BREAKDOWN OF CONTRIBUTED REVENUE by sector of activity at 12/31/2021



1.1.6.3.2 Types of waste-producing clients

In 2021, Séché Environnement maintained business relations with around 11,000 industrial and local authority clients in France and around 7,000 internationally.

In 2021, the top 10 clients in the Industry and Environmental Services segments accounted for 13.7% of contributed revenue (vs. 16.6% in 2020) and the 20 biggest clients accounted for 22.2% of contributed revenue (vs. 24.1% in 2020).

In 2021, the ten biggest local authority clients generated 7.9% of contributed revenue (vs. 7.6% in 2020), and the 20 biggest clients accounted for 10.4% of contributed revenue (vs. 11.2% in 2020).

Breakdown of client base	Industry and Environmental Services		Local authorities	
	% of contributed revenue	Total	% of contributed revenue	Total
Client 1	2.4%	2.4%	2.1%	2.1%
Client 2	2.0%	4.4%	1.8%	3.9%
Client 3	1.7%	6.1%	0.9%	4.8%
Client 4	1.3%	7.4%	0.8%	5.6%
Client 5	1.2%	8.6%	0.5%	6.1%
Client 6	1.1%	9.7%	0.4%	6.5%
Client 7	1.0%	10.7%	0.4%	6.9%
Client 8	1.0%	11.7%	0.3%	7.2%
Client 9	1.0%	12.7%	0.3%	7.5%
Client 10	1.0%	13.7%	0.3%	7.8%
Client 15	0.9%	18.1%	0.3%	9.3%
Client 20	0.8%	22.2%	0.2%	10.4%

1.1.6.3.3 Contracts

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

- Public service delegation agreement for the management of the Strasbourg-Sénerval incinerator: €400 million over 20 years (2010-2030);
- Public service delegation agreement for the management of the Nantes-Alcéa incinerator: €144 million over 12 years (2012-2024);
- Public service delegation agreement for the management of the Montauban-Mo'Uve incinerator: €140 million over 20 years (2021-2040);
- Public service delegation 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 public service delegation agreements for the delegated management of waste recovery and treatment facilities covering specified time periods.

(1) See section 3.2.1.16 of this document

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.).

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 dedicated service solutions, such as its “comprehensive service” contracts – outsourcing service agreements under which Séché Environnement handles all its industrial 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 6.8% of contributed revenue in 2021 (vs. 6.7% in 2020).

Furthermore, energy sales contracts, whether with industrial companies or local authorities, are also contracted on a long term basis and include clauses indexing the sale price of energy. These contracts generated 8.2% of contributed revenue in 2021 (vs. 8.7% in 2020).

Analysis of the contracts, particularly with respect to IFRS 15, is presented in section 3.2.1.16 of this document.

1.1.6.4 Competition

Séché Environnement has all the permits to treat every type of waste from industrial clients and local authorities, enabling it to be present across the entire waste value chain. As a result, it competes with both generalist and specialist operators. In the French waste markets, the main competitors are comprehensive and generalist players (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 which require specialized techniques and technologies, 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 often present in niche markets with its 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.

However, in South Africa, Séché Environnement is developing a generalist offering through its subsidiary, Interwaste, rounded out by the acquisition of the emergency response specialist, Spill Tech, in 2021. In this highly fragmented market, its main rivals are local companies, very few of which boast the same level of integration and/or geographical coverage.

In Peru and Chile, the competitive environment is in an intermediate situation, as the Group is mainly expanding in hazardous waste management activities, for which it considers there is no alternative with the same level of requirements. In these markets, the Group's strategy is to integrate activities in synergy with its existing facilities, such as service activities (environmental services - decontamination, key account services - outsourcing offers), where it believes it has a decisive competitive advantage over potential local competitors.

RISK MAP AND MATERIALITY ANALYSIS

Mapping of the risks to which the Group is exposed and its analysis of the materiality of its corporate social responsibility issues were supervised by the Audit Committee of the Board of Directors, which approved the conclusions at its meeting of 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 S��ch�� 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)
<p><i>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</i></p>			
Target result: analysis of the relative criticality of risks Type: financial - business continuity - reputation - regulatory Frequency: rare - non-recurring - regular - frequent Severity: minor - moderate - major - critical Impact over time: decreasing - stable - increasing		Target result: weighting of issues by type of capital Economic capital: Economic development Human capital: Social commitment Natural capital: Environment and communities 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 de la ma��trise de l'enjeu par l'entreprise	
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] Enjeux majeurs associ��s
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 risk

- 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

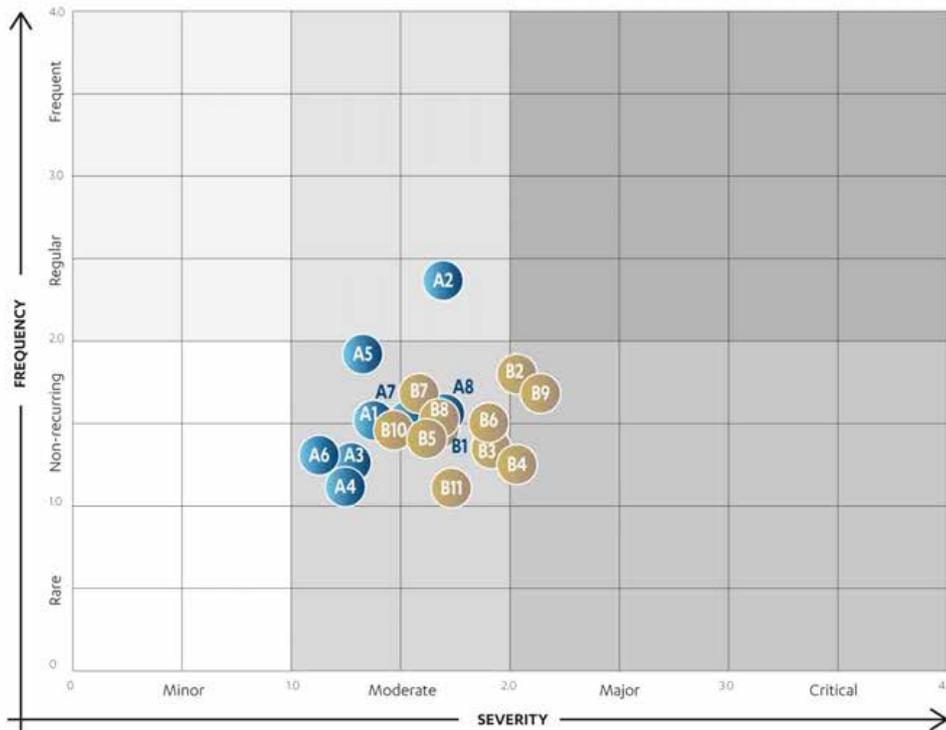
- B1** Risk relating to market trends, technology and competition
- B2** Country risk
- B3** Risk relating to natural disasters, climate change and seasonality
- B4** Civil and criminal liability risk, in particular relating to health and safety and the environment
- B5** Risk relating to the safety 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)

IMPACT OVER TIME (future outlook)

Increase Stable

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

RISK MAP AFTER MITIGATION (net data)



Financial risk

- 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)

IMPACT OVER TIME (future outlook)

- 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:

- i. Regulatory compliance risk;
- ii. Risk relating to the operation of industrial sites;
- iii. Civil and criminal liability risk, in particular relating to health and safety and the environment;
- iv. Risks relating to employer attractiveness and employee retention;
- v. Occupational health and safety risks;
- vi. Ethics and compliance risk.

Two cross-disciplinary risks were also identified:

- vii. Country risk;
- viii. 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 (four of the top five global risks in terms of impact severity):

- ix. Climate action failure;
- x. Weapons of mass destruction;
- xi. Biodiversity loss;
- xii. Extreme weather;
- xiii. Water crises.

1.2.3 Materiality analysis

1.2.3.1 Comparison of stakeholders' and the company's expectations

Driving the transition towards 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.

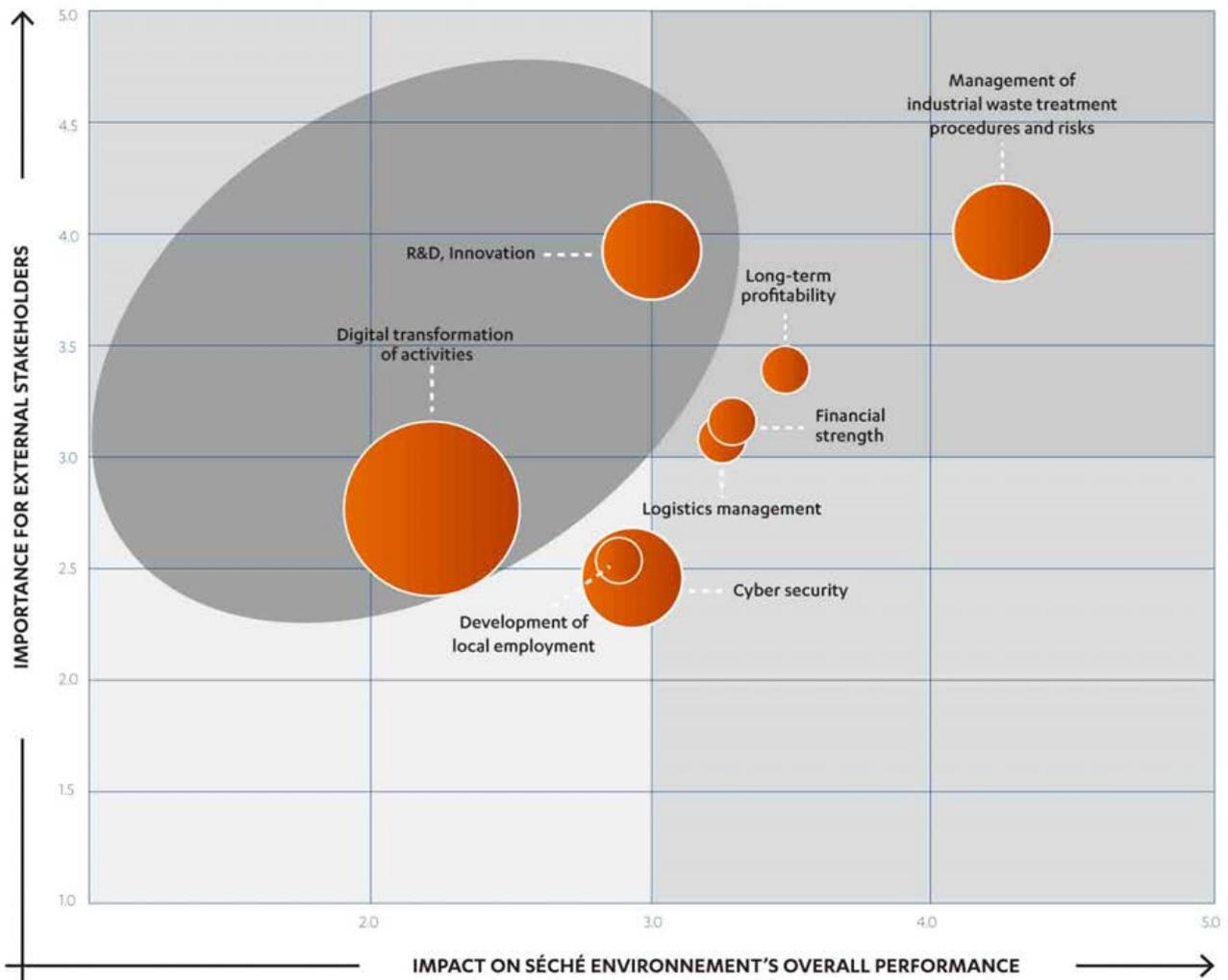
Accordingly, the materiality analysis was based on the four key components of the Group's business plan (recovering and treating harmful waste in France and abroad)⁽¹⁾.

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.

Economic development



RISK MANAGEMENT PERFORMANCE

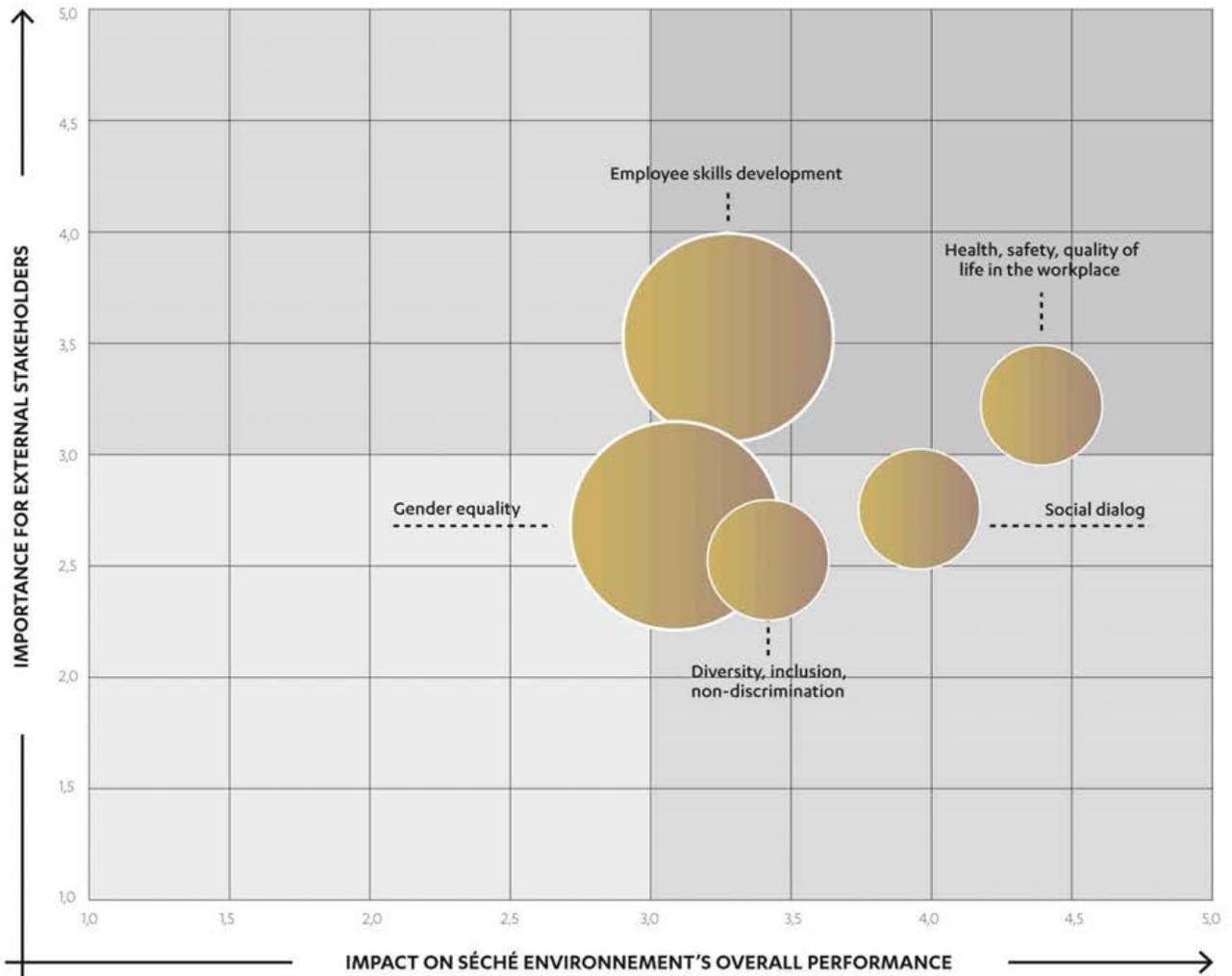
On a scale of 0 to 5 (best performance) with an average of 3.8



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.

Social commitment



RISK MANAGEMENT PERFORMANCE

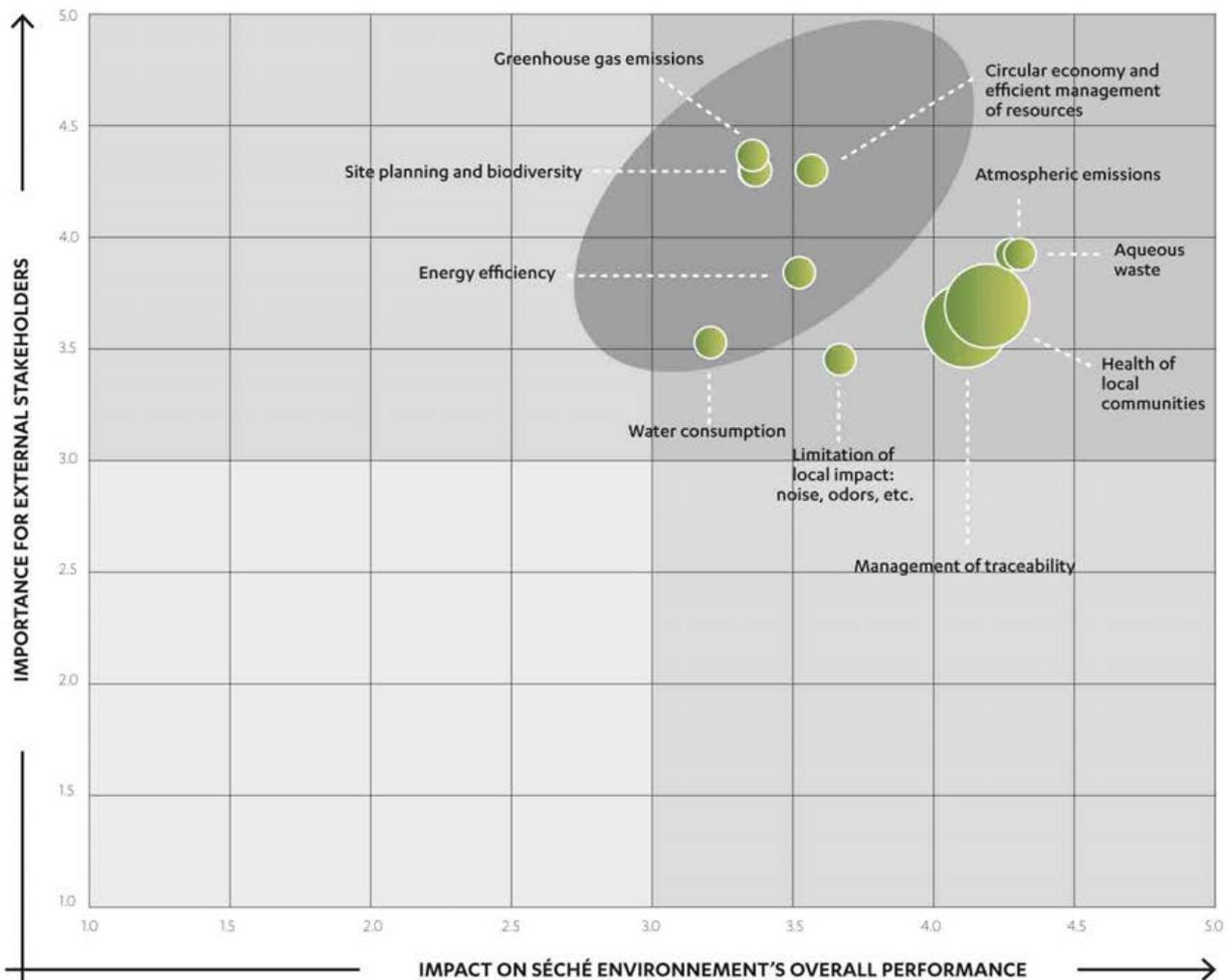
On a scale of 0 to 5 (best performance) with an average of 3.8



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.

Environment and communities



RISK MANAGEMENT PERFORMANCE

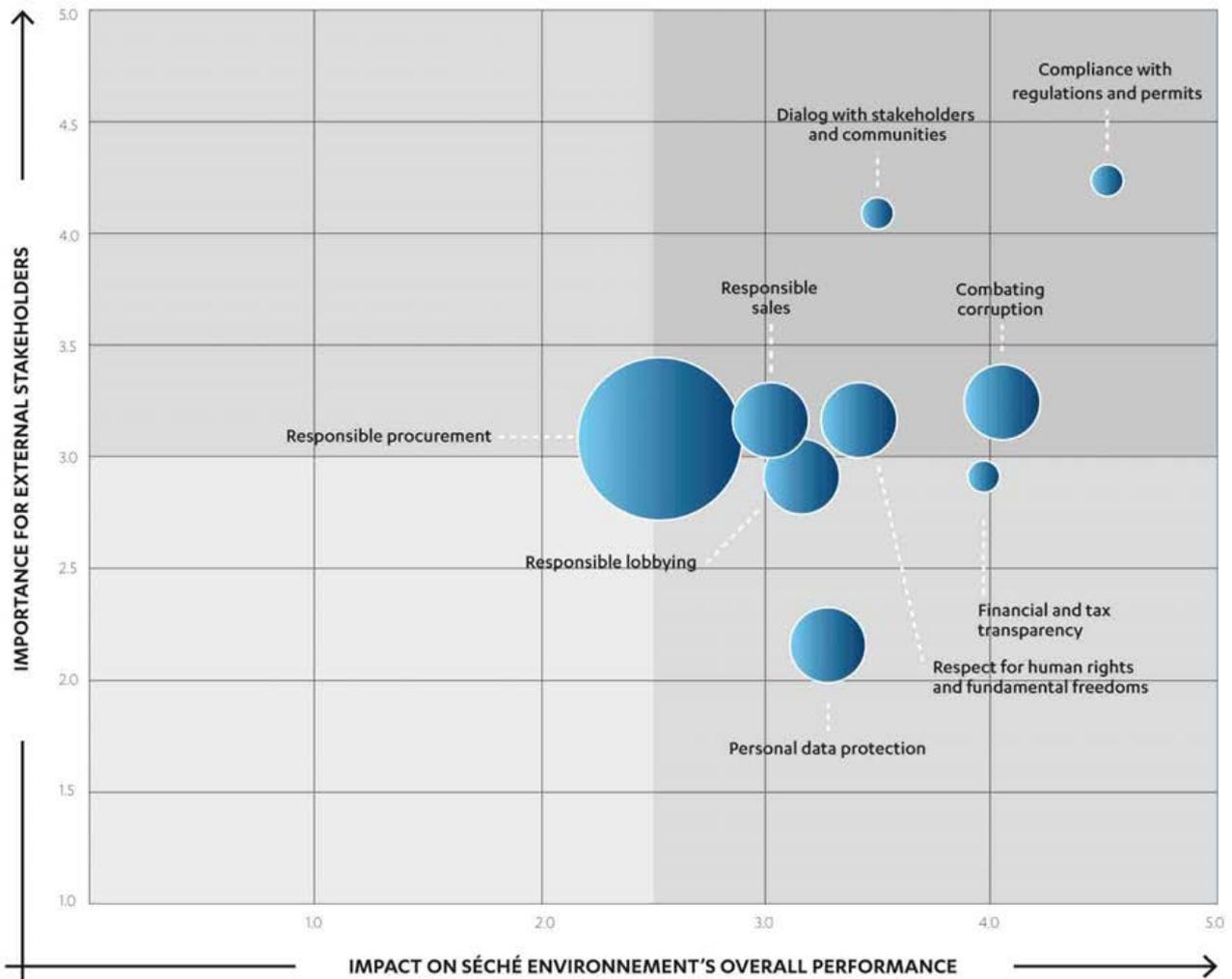
On a scale of 0 to 5 (best performance) with an average of 3.8



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).

Ethics, governance and society



RISK MANAGEMENT PERFORMANCE

On a scale of 0 to 5 (best performance) with an average of 3.8



1.2.3.2 Global materiality matrix



<ul style="list-style-type: none"> 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 emissions E6 Aqueous waste E7 Limitation of local impact, noise, odors E8 Management of traceability E9 Health of local communities E10 water consumption 	<ul style="list-style-type: none"> Economic development D1 R&D, Innovation D2 Management of industrial 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 Prevention of corruption
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Low risk management performance High risk management performance

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 main objectives in terms of occupational health and safety are aimed at strengthening the safety culture and 0 accidents. This led specifically to the creation of a network of regional incident prevention officers who report to the HSEQ department. This team was set up in 2020. In addition, the Group has implemented multi-year action plans and thus aims to gradually improve the accident frequency rate for employees in France with a downward trajectory of at least two points per year and a medium term target of five (see section 1.3.5). Finally, 4 sites are already MASE-certified and several sites are already following this momentum. This is a simpler and more effective approach to progress, which consists of improving Occupational Health & Safety and the Environment through a more appropriate and appropriate management system for our activities.
 - Priority 1: Management commitment
 - Priority 2: Skills and qualifications
 - Priority 3: Organization of work
 - Priority 4: Efficiency of the system
 - Priority 5: Continuous improvement
 - 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 over four years 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).

The bond meeting the characteristics of a Sustainability-Linked Bond issued by the Group in the autumn of 2021 includes two additional non-financial commitments resulting from the decarbonization strategy:

- -10% direct CO₂eq emissions by 2025 (scopes 1 and 2, France)
- +40% CO₂eq emissions avoided by 2025

These two commitments received a Strong rating from Standard & Poor's for their relevance in terms of Séché Environnement's strategy and core business.

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 80 in 2020.

1.2.5.2 ÉcoVadis

In its latest assessment in 2021, ÉcoVadis awarded Séché Environnement a score of 67/100 and a Gold medal (issued to the top 5% of companies).

MAJOR MATERIAL RISKS

The ongoing Covid-19 pandemic continued to have a major impact in 2021. 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 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 are discussed in chapters 2.1.1, 4.12, and 4.13.

The Group Human Resources Department continued to help all employees face the health crisis and was heavily involved in managing the crisis. It continued to oversee the reorganization of work at the Group's different sites while curfews and lockdowns were in place (rescheduling working hours, implementing mandatory working from home, etc.). Economic and Labor Relations Council (CSE) meetings have been held by videoconference on a regular basis since the start of the pandemic to maintain relevant, constant social dialog with employee representatives from the various subsidiaries.

Business line HR departments continued to hold regular updates with their teams on legal and health-related developments, 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 Covid officers appointed in May 2020 continued to carry out the tasks entrusted to them to manage the health crisis, namely to assist each site in managing the measures taken to combat the virus.

Human Resources Managers, Covid officers and all managers continued to implement internal policies that helped sustain employee engagement.

A working group was created to consider establishing teleworking within the Group. Following the work carried out by this group, regular telecommuting has been set up for eligible positions and employees in all the Group's 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 reduction 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 management sites are facilities classified for environmental protection purposes (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, competent authorities have the power to amend the requirements that apply to classified facilities, as well as to the operation of an already-permitted site. 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. Administrative 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 facilities classified for environmental protection purposes

- 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 (PROGRES) 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 how it is managed (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 DREAL, regional environment agencies), which allow it to 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 2010/75/EU. 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 French Ministry for the Ecological Transition.

The different types of risk:

- An "accidental" case of pollution would be covered by the Group's insurance program (civil liability - environmental harm);
- "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 impact the ability of the affected business to continue operating (at least temporarily) (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. In addition, most sites and construction sites are certified OHSAS 18001 or ISO 45001 or MASE (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 comply 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 several well-known insurance companies, 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 2021

1.3.2.3 Dashboard of associated key issues

In €k	Safety expenses				
	2019	2020	2021		
	France		France	International	Worldwide
Provision of workwear and personal protective equipment	1,825	3,568	2,940	846	3,786

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.

1.3.3.1 Type of material non-financial risk

1.3.3.1.1 Health of local communities relating to recycled products or 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 recycled materials. It is therefore necessary to implement eco-design measures specifically to reduce the presence of hazardous substances in materials and products, including recycled materials, and to ensure that information on the presence of hazardous substances is disclosed throughout the life cycle of products and materials.

Brominated flame retardants present in some types of plastic are an example of this. In order not to reintroduce hazardous substances, the procedures for end-of-waste status impose new obligations on recyclers as a result:

- 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 national 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 status is 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.

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 with end-of-waste status, 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://ajda.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, expenses amounted to €3.414 million in 2021 compared with €2.351 million in 2020.

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, Séché Environnement fully applies the ministerial order of December 26, 2012, which requires that all 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. Moreover, some data, including data reported in RSDE statements on discharges of hazardous substances into water, are expressly required for certain sites. International data are collected using an equivalent method and in accordance with local legislation.

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 discharges such as dust (2 to 5 g/Nm³), carbon monoxide (20 to 80 mg/Nm³), dioxins (<0.1 ng/Nm³), and heavy metals (90 to 100 mg/Nm³).

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 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. Capture and elimination of dust also removes a large proportion of other contaminants.

Hydrochloric acid (HCl), sulfur dioxide (SO₂), 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. The France and International scopes are separated due to variances between regulatory obligations and differences in business mix.

Contaminants discharged per year	2019	2020	2021	
	France		France	International
Nitrogen oxides in t NO ₂	495	526	519	13
Sulfur dioxides in t SO ₂	137	129	140	89
Hydrochloric acid in t HCl	9.5	5.3	7.2	0.3
Dust in t	5.0	5.4	3.4	7.7
Dioxins and furans in grams	0.1397	0.2296	0.3298	0.0001

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 m³/hour release from Salaise into the Rhone, which has an average rate of flow of 3.7 million m³/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)	2019	2020	2021	
	France		France	International
Soluble salts	5,821	6,826	5,903	15
Total metals	0.2	0.3	0.04	0.3

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).

At the end of 2021, the Group set up a recruitment team to assist and support operational staff in business lines where recruitment is a challenge as well as with the hiring of management level staff.

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 relations with universities and its 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.

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 hosts apprentices, which also boosts its attractiveness as an employer (52 work-study contracts in France in 2021).

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. Since the start of the pandemic, online training has been prioritized 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.

Training

	2019	2020	2021		
	Worldwide		France	International	Worldwide
Number of employees trained	3,243	2,989	1,604	1,836	3,440
Number of hours of training	70,310	60,368	42,535	37,818	80,353
Employees trained as a percentage of the average headcount	72.9%	67.6%	78.0%	71.2%	74.2%
Average number of hours per FTE employee per year	14.9	13.7	20.7	14.7	17.3

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 performance review template has been redesigned. The design of the new template was overseen by HR experts and co-constructed with operational staff from the Industrial 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	2019	2020	2021
Constant scope	2,700	4,354	4,420
Change in scope of consolidation (entries net of departures)	1,934	-	247
Current scope	4,634	4,354	4,667 <input checked="" type="checkbox"/>
Percentage of international staff	56.9%	53.6%	55.4%

Changes in headcount

Permanent & fixed term contracts (including transfers)	2019	2020	2021		
			France	International	Worldwide
	Worldwide				
Hires	1,629	973	411	966	1,377
Departures	1,521	1,254	348	988	1,336

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	2019	2020	2021
France	1,995	2,020	2,083
Europe	283	281	295
Americas	485	321	350
Africa	1,871	1,732	1,939
Total worldwide	4,634	4,354	4,667
Percentage of international staff	56.9%	53.6%	55.4%

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

1.3.4.3.2 Adjusting employment levels throughout the year

	2019	2020	2021		
	Worldwide		France	International	Worldwide
Full time equivalent headcount	4,613	4,299	2,068	2,581	4,649
Average headcount	4,449	4,420	2,056	2,578	4,633
Headcount at December 31	4,634	4,354	2,083	2,584	4,667

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 is due to 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.

1.3.4.3.3 Seeking stability by limiting fixed term contracts

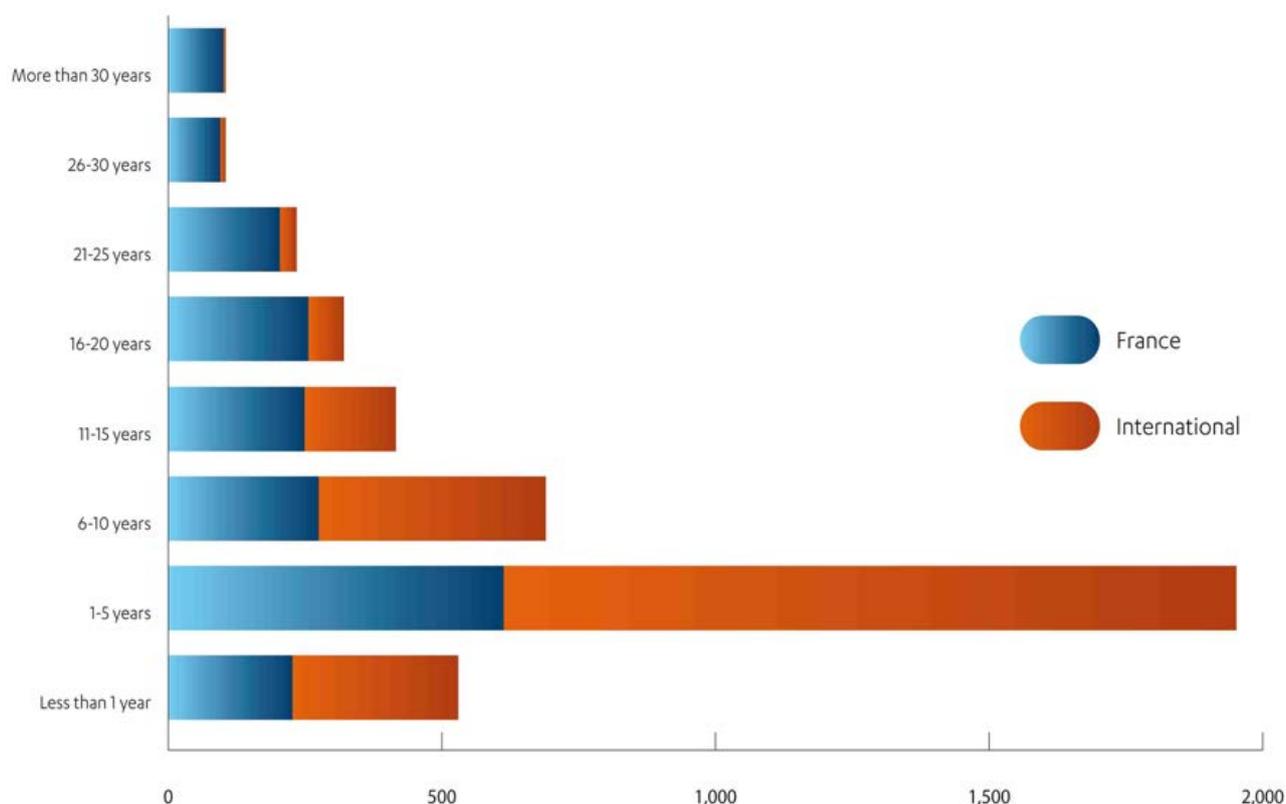
Types of employment contract	2019	2020	2021		
	Worldwide		France	International	Worldwide
Permanent contracts	4,066	3,986	1,968	2,206	4,174
Fixed term contracts	568	368	115	378	493
Total	4,634	4,354	2,083	2,584	4,667
Percentage of permanent contracts	87.7%	91.6%	94.5%	85.4%	91.3%

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:

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

SENIORITY PYRAMID



1.3.4.3.4 Managing gender diversity

Headcount at December 31	2019	2020	2021		
	Worldwide		France	International	Worldwide
Men	3,622	3,395	1,572	2,039	3,611
Women	1,012	959	511	545	1,056
Total	4,634	4,354	2,083	2,584	4,667
Percentage of women	21.8%	22.0%	24.5%	21.1%	22.6% <input checked="" type="checkbox"/>

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 28% of management level staff (managers and supervisors). At December 31, 2021, 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).

Gender equality is a major pillar of Séché Environnement's human resources policy. To measure and compare companies' commitments in this area, the French Law of September 5, 2018 on the freedom to choose one's future career established a gender equality index, which measures four to five indicators to give a score out of 100:

1. The gender pay gap,
2. Differences in the distribution of individual pay rises,
3. Differences in the distribution of promotions (only in companies with more than 250 employees),
4. The number of employees receiving a pay rise on their return from maternity leave,
5. Gender equality in the top ten highest earners.

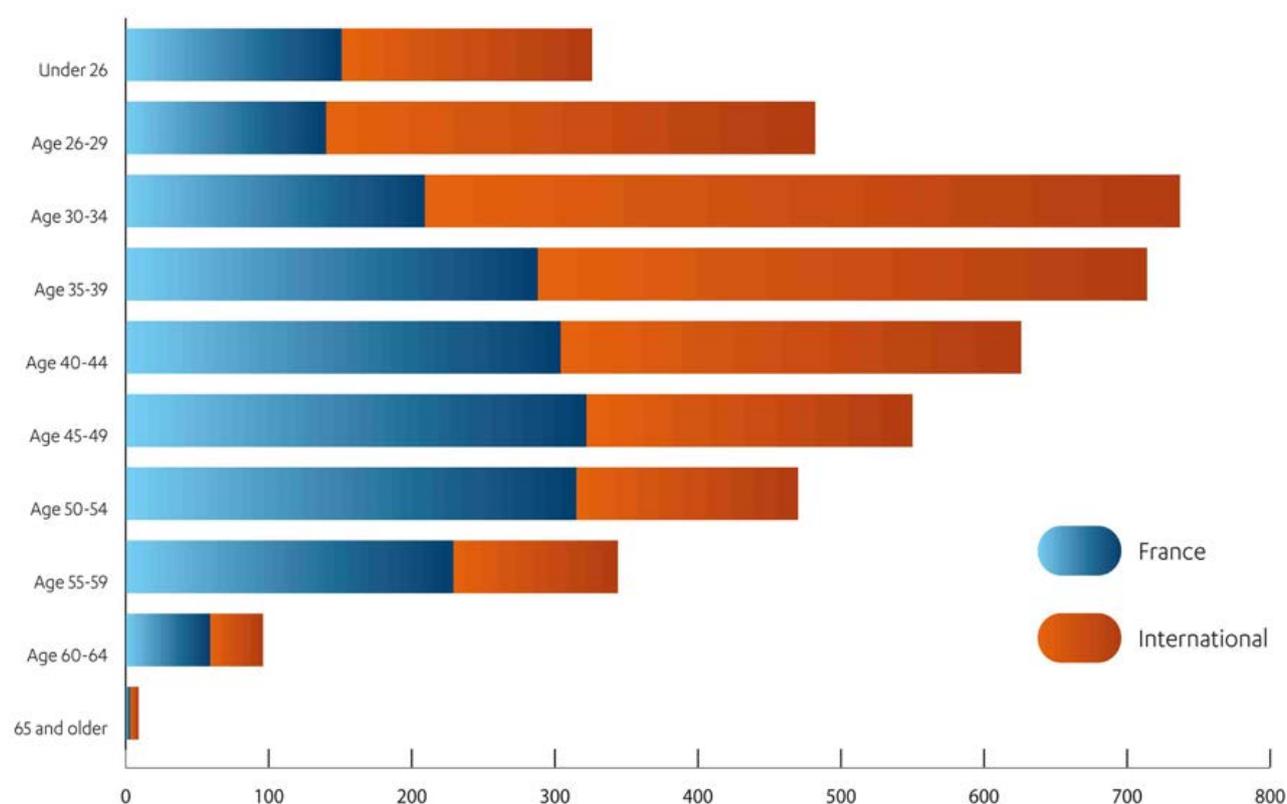
In 2021, Séché Environnement's gender equality index stood at 77/100.

1.3.4.3.5 Overseeing management⁽¹⁾

Headcount at December 31 – Management	2019	2020	2021		
	Worldwide		France	International	Worldwide
Executives	549	603	497	157	654
Supervisors	858	791	542	290	832
Employees	666	621	299	909	1,208
Workers	2,561	2,339	745	1,228	1,973
Total	4,634	4,354	2,083	2,584	4,667
Percentage managers + supervisors	30.4%	32.0%	49.9%	17.3%	31.8%

1.3.4.3.6 Ensuring a balance between generations – the age pyramid

AGE PYRAMID



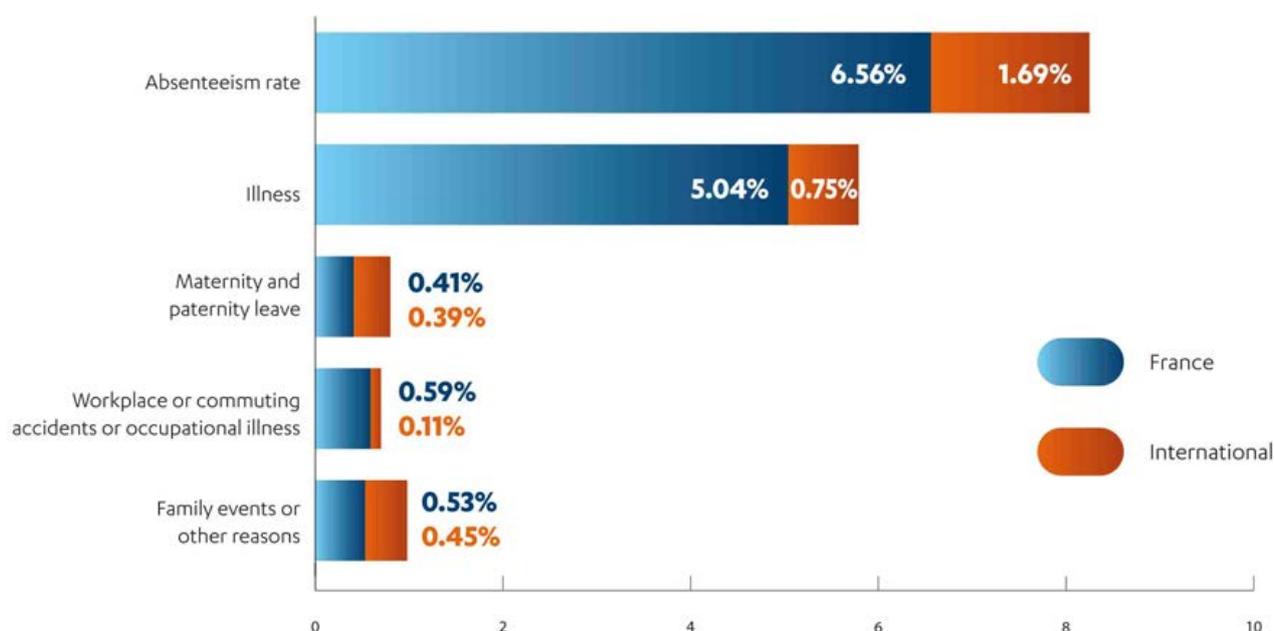
There may be a correlation between age and exposure to certain types of workplace accidents.

(1) A change in the accounting methodology for employee categories in one of the Group's subsidiaries in 2021 may be the cause of differences.

1.3.4.3.7 Managing absenteeism

Number of days of absence	2019	2020	2021		
	Worldwide		France	International	Worldwide
Total	47,154	62,876	42,920	13,285	56,204
Per employee (average headcount)	10.6	14.2	20.9	5.2	12.1
Absenteeism as a % of days due to be worked	4.3%	3.9% ⁽¹⁾	5.7%	1.4%	3.3%

ABSENTEEISM as a % 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.

⁽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.

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 fulfill 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. These memos are then presented to the CSE (Economic and Labor Relations Councils). 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	2019	2020	2021	
	France		France	International
Number of workplace accidents with absence ⁽¹⁾	66	76	59	39
Number of days' absence ⁽¹⁾	3,298	3,178	2,584	1,552
Frequency of workplace accidents with absence (FR)				
FR – Employees	16.5	20.89	14.8	-
FR – Employees and temporary staff	19.8	21.71	16.18	6.1
Severity rate (SR)				
SR – Employees	1.03	0.97	0.76	-
SR – Employees and temporary staff	0.99	0.91	0.71	0.24

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. This target was set by Executive Management following 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 2021, there were six requests for recognition of occupational illnesses. Of these, four concern musculoskeletal disorders and two fall outside the scope of occupational illness. Three have been recognized and three others are under investigation and have been disputed.

(1) Full-time employees and temporary staff

1.3.5.3 Comments on associated key issues (France)

1.3.5.3.1 Frequency rate of workplace accidents with absence

40% of sites recorded no workplace accidents among employees and temporary staff;

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, it should be noted that the severity rate for temporary workers is significantly lower (0.27 vs. 0.38).

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 2021. Six types of exposure were measured and reported by the employer to complete the new “professional risk prevention account” for relevant employees. The 2021 analysis showed that 14% of the workforce are exposed to difficult working conditions, as in previous years:

- Workers exposed:
 - 267 employees for shift work;
 - 27 for repetitive tasks;
- 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 Governance of the compliance program

The Group is particularly attentive to sharing 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.

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.). As such, the Group has developed a compliance program to put its values into practice and meet legal obligations regarding business ethics. The program focuses on three

main themes: prevention of corruption, compliance with competition law rules, and compliance with economic sanctions and embargoes.

The compliance program has been governed and implemented by the Board of Directors and its Audit Committee, Executive Management and, since 2019, the Head of “Group Compliance” appointed by the Board of Directors of Séché Environnement. As such, the latter reports to General Management. 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 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. Inspired by the best international standards, and in particular the recommendations of the French Anti-Corruption Agency, the program is structured around three pillars: the commitment of the governing bodies, risk identification, and risk management through prevention, detection and remediation.

Commitment of senior management

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.

Risk map

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 our acquisitions. In 2021, the risk map of the subsidiaries in Peru and Italy was updated.

Risk management: prevention, detection and remediation

An anti-corruption code of conduct, appended to the internal rules, applies to all Group employees, reiterating the expected behaviors, illustrating the risks and highlighting the zero tolerance applied by a disciplinary policy. This code of conduct has been translated and implemented in all the Group’s subsidiaries, including internationally.

Since 2019, classroom-based training has been 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 2020, 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. In 2021, a classroom training course, followed by a quiz, was attended by 15 employees in the subsidiary in Mexico. The training system is supplemented by a “Séché Environnement Group Ethics” application on the intranet, providing employees with resources on the compliance program’s policies and tools.

A third-party assessment system aims to ensure the probity of top-tier third parties: customers, suppliers and intermediaries. The level of third-party analysis depends on their category according to the risk mapping nomenclature, their geography, the volume of business or the type of relationship in view. In 2021, a periodic review campaign was conducted in open sources for more than 400 existing third parties. In-depth analyses based on questionnaires and specialized databases were carried out on 20 third parties before entering into a relationship. Finally, two-thirds of in-depth field surveys were carried out by an external provider specializing in economic intelligence.

1.3.6.2.3 Combating anti-competitive practices

In 2021, the Group launched a project to implement a competition-related compliance program. The first step in mapping the risks related to anti-competitive practices is complete: interviews with more than 30 employees from various functions identified the main risks in order to draft policies and procedures and prepare a training campaign.

1.3.6.2.4 Sanctions and embargoes

Compliance with international sanctions and embargoes is ensured by the third-party assessment system.

1.3.6.2.5 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 local authority 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, EthicsPoint, 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. South African subsidiaries have an outsourced system managed by Deloitte that meets the same requirements.

In 2021, across the Group, 12 alerts were escalated by line management or the alert system and led to internal investigations. Seventy-five percent of the reports were considered to be proven and in need of remediation.

1.3.6.2.6 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.

1.3.6.2.7 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".

1.3.6.2.8 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. 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 management 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 72.2% of its contributed revenue from subsidiaries that carry on their business in France, and 9.6% in Western Europe, where country risk is low. With respect to revenue from abroad, the main sources are Latin America and South Africa.

Country risks are described according to the COFACE classification⁽¹⁾, which comprises eight levels: A1, A2, A3, A4, B, C, D, E (from lowest to highest risk). To allow comparison, France's country risk assessment is A3 (Satisfactory) and its business climate assessment is A1 (Very low risk). Economic analyses are those produced by the Directorate General of the Treasury⁽²⁾ and the Ministry of Europe and Foreign Affairs.

South Africa		2020 estimate	
Country risk assessment	Business climate assessment	GDP growth (%)	Inflation (%)
C	A4	5.1	4.5

With GDP of \$320 billion, 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.

South Africa has the most modern and diversified economy in Africa (despite heavy dependence on the mining sector: 7% of GDP), and a powerful service sector (particularly financial services: 21% of GDP). It is wide open to exports; politically stable; has reliable institutions, particularly judicial; a wealth of natural resources; quality infrastructure; a growing middle class; and financial sophistication. The economy acknowledged a limited rebound in 2021 due to Covid-19, July's riots and power cuts.

Argentina		2020 estimate	
Country risk assessment	Business climate assessment	GDP growth (%)	Inflation (%)
D	B	-9.0	48.0

(1) <https://www.coface.fr/Etudes-economiques-et-risque-pays>

(2) <https://www.tresor.economie.gouv.fr/tresor-international>

With GDP of around \$455.2 billion in 2021, Argentina is the third-largest economy in Latin America, behind Mexico and Brazil, and the 21st economy in the world. Its per capita income (approximately \$9,900 in 2021) ranks third in Latin America, behind Uruguay and Chile. Argentina saw a sharp economic rebound in 2021 thanks to the end of the public health crisis, which enabled growth in hotel and restaurant revenues (+59.8%), mining (+20.4%) and transportation and communications (+14.3%).

The country suffers from a historic fiscal imbalance. IMF support has helped Argentina improve its fiscal trajectory. However, the difficulties of the Covid-19 pandemic have led to a resurgence of macroeconomic imbalances. Argentina is in an unstable situation due to uncertainties related to the lack of any program with the IMF, inflationary pressures, and climate and health hazards.

Chile		2020 estimate	
Country risk assessment	Business climate assessment	GDP growth (%)	Inflation (%)
A3	A3	11.2	4.5

As Latin America's fourth largest economy, behind Brazil, Argentina, and Colombia, and with an estimated GDP of \$331.3 billion in 2021, in recent years, Chile has become one of the continent's strongest economies. However, the country has some weaknesses, in particular its major 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.

In response to the health crisis, the Chilean authorities significantly increased public spending (+11.4 points year-on-year) to 28% of GDP, a record level for about thirty years. 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 (%)
B	A4	5.0	5.5

As the world's 15th largest economy, a member of the G20 and the OECD, Mexico is Latin America's second largest economy. Mexico's moderate but steady growth has slowed sharply following the Covid-19 pandemic and the collapse of international trade. The country has controlled its public spending: it maintained major infrastructure projects and social programs directly aiding the most disadvantaged populations, rather than opting for an expensive stimulus plan. Mexico is attractive to foreign investors: it is a gateway to the North American market, especially as the trilateral agreement between the United States, Canada and Mexico (USMCA), which replaces NAFTA, came into force in 2020.

Peru		2019 estimate	
Country risk assessment	Business climate assessment	GDP growth (%)	Inflation (%)
A4	A4	12.5	4.2

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 (61% of exports), 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.

The country was hit hard by the Covid-19 pandemic and experienced a very significant economic rebound in 2021. 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 solid. However, its sovereign rating was downgraded by Fitch & Moody’s in 2021 due to political instability and the lack of transportation, water, health and sanitation infrastructures.

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.

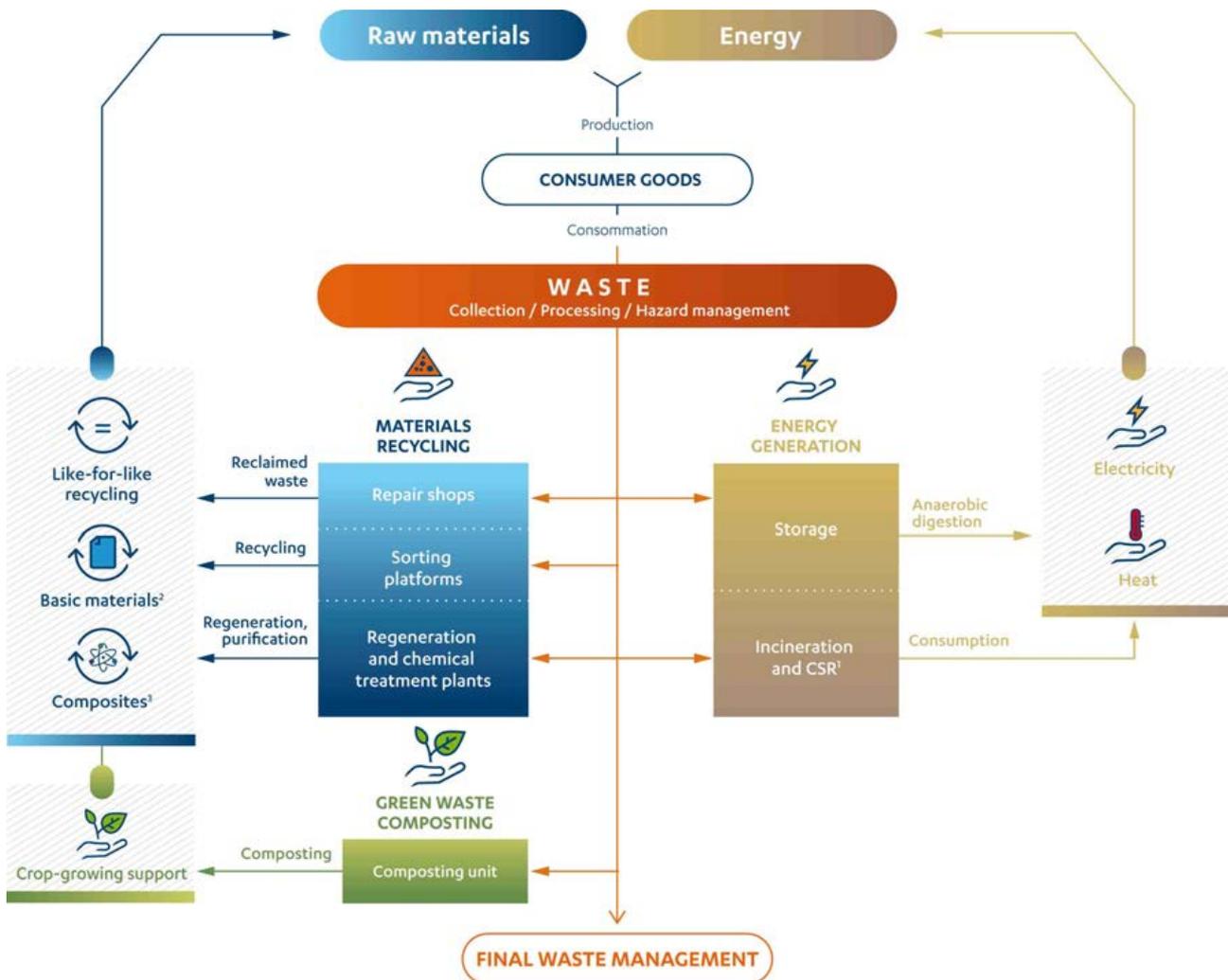
	2019			2020	2021
	France	International	Worldwide	N/A	N/A
Number of visitors	8,247	633	8,880	N/A	N/A

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 and 2021.

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 intermediates, hydroxide sludges and bromine

As detailed previously, 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 waste to solutions where they become secondary raw materials (e.g. sorting platforms for non-hazardous waste including household packaging on behalf of local authorities).

Whenever the Group invests in recycling operations on its own behalf, it is generally to meet demand for a rare material, one which requires highly technical capabilities 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 recovery). Historically, the Group has recycled solvents, copper and magnetic plates after decontaminating transformers.

1.4.1.1.1 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 earths, 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.

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 a technology to thermally purify bromine-containing brine. This constitutes an innovative capture system that can recover more than 99% of the bromine.

Physico-chemical treatment of metals:

Physico-chemical processing 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.

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 early 2011, the second phase of disposal involves those with less than 500 ppm, which are the majority of contaminated transformers.

The Group does recovery in two ways that are not contaminated with PCBs:

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

1.4.1.1.2 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 slag:

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 slag produced in household waste incinerators. The metals are recovered for use in steelmaking and the slag is used in roadbeds as a substitute for quarry aggregates.

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 2,921 kilotons of waste.

Hence, Séché Environnement does not itself generate waste, but rather extracts 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).

Waste production in kt (criterion D)	2019	2020	2021		
	Worldwide		France	International	Worldwide
Hazardous waste (HW)	111.6	123.8	118.4	7.0	125.4
Non-Hazardous Waste (NHW)	41.9	78.5	106.5	-	106.5
o/w tonnage transferred to another Group center					
Hazardous waste (HW)	77.9	89.0	84.0	0.1	84.1
Non-Hazardous Waste (NHW)	20.0	21.9	15.5	-	15.5

Waste recovery in kt (criterion R)	2019	2020	2021		
	Worldwide		France	International	Worldwide
Hazardous waste (HW)	23.4	24.4	18.0	7.8	25.8
Non-Hazardous Waste (NHW)	210.6	176.9	238.8	0.4	239.2
Total	234.0	201.3	256.8	8.2	265.0

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 managed 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	2019	2020	2021		
	France		France	International	Worldwide
Raw materials purchased (chemicals)	28	30	28.0	1.9	29.9
Raw materials purchased (public works)	147	145	185.6	163.3	348.9
Total raw materials purchased	175	175	213.6	165.2	378.8
Secondary raw materials (chemicals)	4	3.2	4.3	-	4.3
Secondary raw materials (public works)	77	79.6	140.2	6.2	146.4
Total secondary raw materials	81	82.8	144.5	6.2	150.7
Total consumption	256	257	358.1	171.4	529.5
Percentage from waste					
Chemical usage	12.5%	9.6%	13.3%	-	12.6%
Public works usage	34.4%	35.4%	43.0%	3.7%	29.6%

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 (steam or hot water) 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 resulting from the fermentation of the organic fraction of waste is captured throughout the storage period 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 function of an incinerator is to process waste to reduce its toxicity (particularly for hazardous waste) and its volume (about 70% of the mass of the incoming waste and 90% of the volume of household waste), and to produce energy. The industrial plant is sized according to a deposit of waste to be treated as well as the amount of energy to be produced. 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 slag).

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 furnace);
- 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 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 that runs between Changé and Laval.

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	2019	2020	2021		
	France		France	International	Worldwide
Energy generation	733.5	1,046.7	1,232.4	0.1	1,232.5
Outside energy sales	647.2	874.3	1,067.8	-	1,067.8
Own use	86.3	172.4	164.6	0.1	164.7
Percentage of renewable energy ⁽¹⁾	31.1%	34.5%	34.3% <input checked="" type="checkbox"/>	100%	34.3%
Energy consumption	314.0	454.5	458.4	84.4	542.8
Own use	86.3	172.4	164.6	0.1	164.7
Energy purchased	227.7	282.1	293.8	84.3	378.1
Energy independence as a %	234%	230%	269% <input checked="" type="checkbox"/>	0.08%	227%

⁽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 energy self-sufficient rate in France in 2020. First, the removal from the consolidation scope of Béarn Environnement (energy recovery unit under a public service delegation). This was offset by the gradual 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 Sénerval (energy recovery unit under a public service delegation and a slag and metals recovery platform) may also generate variations in both production and energy consumption.

In 2021, there was a sharp increase in energy self-sufficiency following the acquisition of Mo'UVE, a waste-to-energy unit in Montauban. There was also a sharp increase in steam production at the Trédi Salaise and Triadis Rouen sites.

1.4.2 Combating climate change

1.4.2.1 The Group's carbon footprint

The Group's greenhouse gas emissions are strictly monitored. Since 2011, its balance sheets have been carried out by a qualified contractor (Eco2) using a methodology aligned with the GHG Protocol and Bilan Carbone®. In accordance with regulatory requirements, the operating scope used is all direct (scope 1) and indirect GHG emissions associated with energy (scope 2). The Group calculates the main indirect emissions (Scope 3), emission reductions outside its scope (avoided emissions), and the emissions abated as a result of its activity.

1.4.2.1.1 Direct (scope 1) and indirect emissions related to energy (scope 2)

The Group accounted for around 700,300 tons of CO₂eq fossil fuel in 2021, of which 91.7% came from France. Fossil emissions are those corresponding to the "long carbon cycle" and come from reserves formed at geological time scales (several million years). The additional GHGs emitted are biogenic carbon, derived from biodegradable materials over short cycles (scale <100 years). Their effect on the climate is considered neutral, as CO₂ emissions were offset by an equivalent prior assimilation.

In ktCO ₂ eq	2019	2020	2021	
			France	International
Bilan Carbone [®] – fossil	566.6	594.0	642.2 <input checked="" type="checkbox"/>	58.1
Bilan Carbone [®] – biogenic	310.3	405.8	430.2 <input checked="" type="checkbox"/>	7.7
Bilan Carbone[®] – total	876.9	999.8	1,072 <input checked="" type="checkbox"/>	65.7
Uncertainty in the Bilan Carbone [®] measurement	57.2	82.5	91.0	9.6

The Group's fossil fuel emissions (scopes 1 and 2) stem mainly from the incineration of hazardous waste (48%), the storage of non-hazardous waste (26%), and the incineration of non-hazardous waste (23%).

1.4.2.1.2 Indirect emissions (scope 3)

The Group calculates the main sources of indirect greenhouse gas emissions (scope 3).

Purchasing products and services

The main items identified in scope 3 emissions (item 9) relate to purchased materials. They generated emissions of 84,679 tCO₂eq, with uncertainty of 15,739 tCO₂eq (20%) on the Worldwide scope.

Raw materials used for public works, mainly for the construction of storage sites (clay, stones, etc.) and for inerting hazardous waste (hydraulic binders) contributed 65,285 tCO₂eq (Worldwide). When calculating the impact of raw materials used for public works, those derived 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® only four emission factors corresponding to purchasing lines (hydrochloric acid, sulfuric acid, lime, soda) could be identified, along with some uncertainty as to 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 18,749 tCO₂eq (Worldwide).

Waste and end-of-life of products sold

Since this year, the Group has calculated the greenhouse gas emissions generated by the end-of-life of the waste it produces itself. This item corresponds to approximately 117,592 tCO₂eq (worldwide).

Energy

Also since 2021, the Group has also calculated energy-related emissions not included in items 1 to 7. In 2021, these emissions amounted to approximately 14,140 tCO₂eq (worldwide).

1.4.2.1.3 Avoided emissions

Séché Environnement’s activities are the source of avoided emissions. The Group is in fact responsible for reducing emissions outside its scope of activity, with its customers. They are measured against a baseline scenario and are accounted for separately.

GHG avoided in ktCO₂eq	2019	2020	2021
GHG emissions avoided by energy recovery activities	69.7	72.6	99.2 <input checked="" type="checkbox"/>
GHG emissions avoided by materials recycling activities	N/A	174	206.1
GHG emissions avoided by gas regeneration activities	2.3	1.2	0.7
Total	72	247.8	306

In 2021, the Group accounted for 306,000 metric tons of avoided emissions. The main sources of avoided emissions are energy recovery and high value-added recycling.

1.4.2.1.4 Emissions abated

The Trédi site in Saint-Vulbas has an industrial plant that processes gases with high global warming potential. These gases include liquid refrigerants used in industrial air conditioning systems such as chlorofluorocarbons (CFCs), halons, or gases such as sulfur hexafluoride (SF6), used in the energy industry, as an insulator.

Industrial and specific gases processed by Trédi Saint-Vulbas have global warming potential (GWP) that can range from 5,000 to 25,000 times that of CO₂. For example, SF6 has a GWP of around 25,000 times CO₂ over 100 years, potentially making it the most powerful greenhouse gas.

In 2021, the thermal treatment of these gases reduced emissions by 3,375 ktCO₂.

GHG abated in ktCO ₂ eq	2019	2020	2021
GHG abated, e.g. industrial gases treated	4,002	2,857	3,375

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.

1.4.2.2 Decarbonization strategy

In 2021, Séché Environnement adopted a carbon reduction strategy in line with the Paris Agreement, aiming to keep the increase in global temperatures to under 1.5°C. After several months of collective work, this strategy was based on data collected from sites in the field. Designed with the support of specialized consulting firm Carbone 4, this strategy is based on two pillars: reducing the Group's emissions and increasing emissions avoided by Séché Environnement's customers.

1.4.2.2.1 Pillar 1: Reduce emissions by 25% by 2030 from 2020 levels

Séché Environnement is committed to reducing its CO₂eq emissions (scopes 1 and 2) in France by 10% by 2025 and 25% by 2030. This is an ambitious target for the Group, which involves moving from a greenhouse gas assessment of 626 ktCO₂eq from fossil fuels in 2020 to 470 ktCO₂eq from fossil fuels by 2030 at constant scope. Séché Environnement's ambition is to turn its sites into low-carbon waste recovery solutions.

To achieve these targets, Séché Environnement has identified and quantified more than 60 initiatives in various areas, including decarbonization of transport, energy efficiency, changes in waste incineration and the increase in biogas capture. All these actions will help achieve the reduction targets.

Improving the energy efficiency of industrial sites

For the Group, this means implementing cross-business initiatives such as improving the energy efficiency of its sites through thermal insulation work or by developing new boiler technologies that consume low-carbon energy.

Low-carbon transport and logistics

Reducing emissions related to transport and logistics, by making greater use of rail transport, and optimizing routes and the vehicle fleet, is also a key component. Gradually, the fleet of waste collection trucks will be replaced by electric or natural gas vehicles.

Improving energy recovery from waste

Séché Environnement implements initiatives specific to the energy recovery of waste. Efforts will be made to reduce the consumption of fossil fuels needed to operate furnaces. The improvement in the incinerator availability rate must lead to the number of fuel-intensive shutdown and start-up phases being limited.

Increase in the volume of biogas captured

A large proportion of Séché Environnement's expected reduction in greenhouse gases comes from storage of non-hazardous waste. As such, Séché Environnement is committed to improving the capture of biogas, identifying and reducing emissions from its sites and optimizing its vehicles.

1.4.2.2.2 Pillar 2: Increase avoided emissions by 40% by 2025

Alongside reducing emissions caused by the Group's activity, Séché Environnement is committed to reducing emissions outside its scope of activity. In other words, it will play a role in reducing the emissions of its customers by offering them low-carbon products and services.

In order to reduce the carbon footprint of its customers, Séché Environnement plans to increase its high value-added recycling activities and increase the volume of low-carbon energy produced and recovered at its facilities. Through these two drivers, the Group has committed to increasing the emissions avoided for its customers by over 40% by 2025 in France, from 246 ktCO₂eq to 344 ktCO₂eq avoided in just four years.

Creating high added value circular economy loops

By producing and placing recycled material on the market, Séché Environnement enables its customers to drastically reduce their CO₂eq emissions. Given the scarcity of resources, the recovery of used raw materials from products that are directly reusable by the industry means that the Group is part of a circular economy approach and offers solutions adapted to its customers' decarbonization initiatives.

In particular, the Group is able to supply high value-added recycled materials such as bromine. Séché Environnement is the only raw material recycling company in the world and plans to develop its production. In addition, the Group is also a driving force in the supply of recycled solvents, regenerated at its distillation facilities. The Group plans to increase its production capacity in this area.

Energy recovery from waste

The electricity, steam and biogas produced by industrial activity enable Séché Environnement's customers, both companies and local authorities, to reduce their fossil fuel consumption and, as a result, their carbon footprint. As such, 164 kt of additional CO₂eq emissions will be avoided thanks to the recovery of the low-carbon energy produced and recovered at its facilities. Several energy recovery units operated by the Group will also increase their heat, steam or hot water recovery capacity. The recovered energy will then be injected into urban or industrial heating networks.

Séché Environnement's two decarbonization targets were included this autumn in the first bond issued by the Group that meets the characteristics of a Sustainability-Linked Bond. These two non-financial criteria also received a Strong rating from Standard & Poor's for their relevance in terms of Séché Environnement's strategy and core business.

Regarding the greenhouse gas emissions measurement for the activities concerned by the two objectives of the *sustainable-linked bond* issued in 2021:

- fossil fuel emissions (scopes 1 and 2, France) covered by KPI no. 1 stood at 628 ktCO₂eq at constant scope in 2021 (594 ktCO₂eq in 2020);
- emissions avoided (France) covered by KPI no. 2 stood at 175 ktCO₂eq at constant scope in 2021 (174 ktCO₂eq in 2020).

1.4.2.3 Obligation to publish information on the resulting financial risks

The French law for the Energy Transition for Green Growth calls on 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.

1.4.3 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 biodiversity in the areas surrounding 17 operating sites. 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:

- Monitoring of amphibians, birds, and bats following protocols set by the National Museum of Natural History (MNHN), and of odonata with a simplified version of the dragonfly and damselfly monitoring protocol (STELI);
- Inventory of the planting of hedges, forestation, and/or seeds to rehabilitate sites;
- Photographic monitoring of the integration of all storage sites into the surrounding landscape;
- Measurement of the ecological footprint as part of the ECOCERT Biodiversity Commitment certification, since 2015.

This monitoring allows the Group to identify trends in biodiversity in certain areas following compensatory measures or voluntary adjustments to protect biodiversity.

These actions are implemented in line with the initial inventory and ecological potential (blueprints linking landscape and biodiversity) established jointly by the operator and the local ecologist.

The actions implemented include:

- Alternative management initiatives such as grazing by cattle, goats, and sheep, and the adjustment of grass-cutting and/or wood chipping periods;
- Creation or restoration of ponds and wetlands,
- Development of micro-habitats, construction of insect houses, encouraging the conservation of dead wood,
- Installation of birdhouses and bird feeders,
- Creation of pockets of unmanaged areas in forests,
- Preservation of wildlife refuge areas (sensitive ecological areas)

Adjustments to land use have been made to encourage biodiversity. The progress has been notable, particularly through the biodiversity actions taken at small sites. The flora and fauna inventories produced may also be used as communication materials for building awareness of local biodiversity preservation.

The benefits of these actions extend beyond the neighborhoods of its own sites because of exchanges with different areas (ecological corridors between territories following forests and rivers). The team of internal ecologists (five employees) enhances this field management by establishing blueprints linking landscape and biodiversity as well as annual action plans. The goal is to maintain a pool of endemic species while striving to achieve optimal integration with the local area's landscape identity. This approach to taking both landscape and biodiversity components into account has become a genuine corporate culture.

Nature and its benefits contribute to the sustainable development of our activities, for example through certain processes that are directly dependent on ecosystem services such as anaerobic digestion.

Séché Environnement is committed to working alongside nature and to recognizing and preserving its wealth, while adapting locally with a territorial ecology approach.

All sites committed to preserving biodiversity in France and abroad have a biodiversity ambassador. This approach involves all members of staff and local stakeholders. It translates into tangible protection initiatives and efforts to raise awareness and provide education in schools about the importance of biodiversity through simple information campaigns.

1.4.3.1.2 Confirmation and reiteration of public commitments

The Act4Nature initiative set up by the Association Française des Entreprises pour l'Environnement (EpE) in 2018 gave 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.

In 2019, Act4Nature reorganized into two entities to enable it to work more closely with all stakeholders (businesses, local authorities, civil society, international organizations, etc.):

- 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 French companies of all sizes.

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 were recognized by EpE and the partners of the act4nature international alliance in 2020.

1.4.3.1.3 DNA plan and review of 2021 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.

The Sustainable Development division and the Biodiversity team act as the link between local initiatives and Executive Management, which sets the general targets and action principles. Each of the sites committed to the initiative has a biodiversity ambassador whose role 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 ambassador 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 ambassador 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 program is being deployed in a renewable four-year cycle from 2019. Some actions are continuous or span several years. The objective was to achieve an average of 25% of the commitments in 2019, then 50% in 2020, 75% in 2021, and 100% in 2022. In 2021, the target of an average of 75% of sites involved was met and verified by a third party.

1.4.3.1.4 Biodiversity: 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 criterion to be met is progress of 25% in terms of the Act4Nature commitments each year from 2019 to 2022. 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 85 commitments ongoing.
 18 sites in 2019 – the Béarn Environnement site was removed from the scope in 2020

Number of commitments	50%	75%	100%
Commitment 1	3	14	1
Commitment 2	1	31	-
Commitment 3	-	14	3
Commitment 4	2	15	-

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. This sponsorship has been extended until the end of 2023;
- With the bird protection association Ligue de Protection pour les Oiseaux (LPO), under the “De la terre et des ailes” program. This program, initiated by the LPO in partnership with the chambers of agriculture at the end of 2018, calls for farmers to take part in a collective project and to publicize their efforts to preserve biodiversity. The LPO also supports Séché Environnement in its voluntary commitments and its biodiversity action plan. The shared objective is to advance the preservation and regeneration of biodiversity in industrial and outlying activities and to disseminate biodiversity best practice and knowledge.

1.4.3.1.6 Biodiversity management certification by ECOCERT Environnement

In 2015, Séché Environnement was awarded Biodiversity Commitment certification for all its 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). It allows the Group to measure its ecological footprint and to take a proactive approach of continuous improvement to promote biodiversity at the six certified sites.

The six characteristics of Biodiversity Commitment certification are as follows:

- Universal certification that can be adjusted to all types of organizations worldwide (small or large company, local authority, territory, natural park, or conservation area);
- Certification that treats local biodiversity as being affected throughout the organization’s value chain, in places directly and indirectly related to its operations;
- Certification that strives to encourage awareness of the role and dependency that organizations have with respect to biodiversity;

- iv. Certification that gets stakeholders involved in order to connect the organization with its local area to share information and learn from experience;
- v. 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;
- vi. 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.

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 m ³	2019	2020	2021	
	France		France	International
Consumption by origin				
Drawn from water tables	2,806	3,089	3,304	51
Purchased from water supply system	471	477	336	40
Other (surface water + demineralized water purchased)	130	182	128	8
Total water consumption	3,430	3,759	3,768	99
Proportion extracted from groundwater	81.8%	82.2%	87.6%	51.2%
Consumption by use				
Used in incineration	3,017	3,113	3,639	2
Other business lines	413	646	129	97
Total water consumption	3,430	3,759	3,768	99
Recycled water (avoiding drawdowns)	131	147	92	3
Return to natural environment				
Total return via wastewater treatment site	2,782	2,463	2,563	9
Percentage of consumption	81.1%	65.5%	68.0%	9.1%
Net consumption (consumed – returned)	648	1,296	1,205	90

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. This culture of innovation means that Séché Environnement is able to consolidate its performance, while driving the implementation of the circular economy.

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 and the academic world. For example, in 2020 it worked with industrial players such as Arkema, GRTgaz, Enosis, and Sairem, and the SVDU (municipal WtE syndicate), and educational institutions 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 regeneration of industry critical inputs (RéICI 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 2021, 5% of consolidated revenue was directly or indirectly generated by its R&D activities, via the implementation of new processes and industrial applications and innovation brought to existing processes. The Group received research tax credits totaling €851,000 in 2021 for several development projects that are not yet mature enough to envisage their industrial rollout in the near term.

No R&D 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 to remove 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 CO₂ 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 RelCI: Regeneration of industry critical inputs

Speichim Processing, a wholly owned subsidiary of Séché Environnement, is an international specialist in purification by distillation of complex mixtures, mainly synthetic intermediates, and the regeneration of used solvents.

The RelCI project aims to develop an ambitious Research and Development program at its main site in Saint-Vulbas, while also creating new production capacities, in order to meet the needs of the pharmaceutical and chemical industries as production is being increasingly brought back within national borders and the circular and low-carbon economy continues to develop.

The RelCI project has a number of goals:

- Develop several innovative regeneration and purification processes,
- Develop and operate an industrial pilot project to implement an innovative chemical recycling process,
- Increase capacity for regeneration and production of synthetic intermediates through chemical recycling in France for French and European industrial customers.

In light of these goals, the project was named winner of the “Relocalization” call for projects, which is part of France’s Recovery and Future Investments plan. This will give Speichim Processing additional resources that it can use to continue to drive growth at the Saint-Vulbas site.

**SPECIFIC NON-FINANCIAL PERFORMANCE
DISCLOSURES REQUIRED BY THE FRENCH
COMMERCIAL CODE (ART. L. 225-102-1) - 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.

Five lawsuits were brought against the Group in 2021.

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. As a result, some managers were made aware of gender equality in the workplace.

Since 2020, a review has been performed to monitor the effects of our actions and consider the steps to be taken and/or continued for the years to come in terms of gender equality in the workplace. 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	2019	2020	2021
Union des Industries Chimiques (UIC)	31	30	29
Waste activities	53	56	56
FG3E	7	5	6
Road transport	6	7	7
Public works	3	2	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 2021, agreements on the implementation of regular telecommuting were signed within the Group.

	2021
Number of agreements signed during the year	
Gender equality	8
Mandatory annual negotiations	8
Strategic Workforce Planning	1
Incentives - profit-sharing	6
Other subjects	2
Number of subsidiaries covered by an agreement	
Strategic Workforce Planning	2
Mandatory annual negotiations	8
Equity investments	15
Incentives	8
Prevention of exposure to professional risks	2
Gender equality	11
Frequency of agreements	3
The right to disconnect after hours	17
Other	11

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 profit of the period, operating income or current operating income calculated under IFRS accounting rules. Trigger levels and maximum limits also apply, based on criteria related to the company's results and/or performance (safety, environment, industrial performance, management, etc.).

In € thousands or no. of employees	2019	2020	2021
Total profit-sharing pool	1,259	1,793	2,242
Number of beneficiaries	1,015	1,176	1,212
Total incentive bonus pool	608	685	536
Number of beneficiaries	1,073	839	967

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	2019	2020	2021
No. of Séché Environnement shares held	34,469	42,338	44,344
Share of Séché Environnement's capital	0.44%	0.54%	0.56%
Share of Séché Environnement's voting rights	0.67%	0.66%	0.68%

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 European Week for the Employment of People with Disabilities, particularly by organizing job awareness days.

Special case: From 2021, the French organization that collects social security contributions, Urssaf, announced that the requirement to declare disabled workers is postponed to the declarations made in April of the following year. As a result, these data were not available on the date of publication of this document.

In full-time equivalents	2019	2020	2021
Within the company	64.8	82.8	n/a
Subcontracted from specialized associations	8.6	9.5	n/a
Number of beneficiaries	73.4	92.3	n/a

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.

1.7.1 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 facilities classified for environmental protection purposes (ICPEs) (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 facilities classified for environmental protection purposes 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 delegations:

- Environmental data are, in principle, reported with those of Séché Environnement whenever the legal structure that received the public service delegation 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 public service delegation ended in 2020.
- Are not consolidated when the prefect's decrees are in the name of the local authorities concerned.

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 GEREPA 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 bio-indicators 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.

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, 2021

To the shareholders,

In our capacity as Statutory Auditor of your company (hereinafter “entity”), appointed as an independent third party and accredited by COFRAC under number 3-1049⁽¹⁾, we applied procedures to form a reasoned conclusion of moderate assurance on the historical information (as observed or extrapolated) included in the consolidated non-financial performance report, prepared in accordance with the entity’s procedures (hereinafter the “Guidelines”) for the year ended December 31, 2021 (hereinafter respectively the “Information” and 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.

We have also, at your request, carried out work to express a conclusion of reasonable assurance on the information selected by the entity and identified by the symbol ☒.

Conclusion of moderate assurance

Based on the procedures that we have implemented, as described in the “Nature and scope of our work” section, and the information we have collected, we have not found any material misstatements likely to call into question the fact that the Report complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented, truthfully, in accordance with the Guidelines.

(1) Cofrac Inspection accreditation, no. 3-1049, scope available on the website www.cofrac.fr.

Conclusion of reasonable assurance on a selection of non-financial information

In our opinion, on the basis of the procedures that we have implemented, as described in the sections “Nature and scope of our work” and “Nature and scope of additional work on the information selected by the entity and identified by the symbol ☒”, and the information we have collected, the information selected by the entity and identified by the symbol ☒ in the Report has been prepared, in all significant aspects, in accordance with the Guidelines.

Preparation of the Non-Financial Performance Report

The absence of a generally accepted and commonly used reference framework or established practices to be used to assess and measure the Information allows the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood by referring to the Guidelines, the material parts of which are presented in the Report or are available on request from the entity’s registered office.

Limitations inherent in the preparation of the Information

As indicated in the Report, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used in its calculation and presented in the Report.

Responsibility of the entity

It is the responsibility of the Board of Directors to:

- Select or establish appropriate criteria for the preparation of the Information;
- Draw up a Report in accordance with the 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 regard to these risks and the results of these policies, including key performance indicators and the information provided for in Article 8 of Regulation (EU) 2020/852 (establishing the green taxonomy);
- And to implement the internal control procedures that it deems necessary for the preparation of Information that does not contain material misstatements, whether due to fraud or error.

The Report was prepared by applying the entity’s Guidelines as mentioned above.

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 historical information (as observed or extrapolated) 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.

As it is our responsibility to issue an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of such Information, as this could compromise our independence.

At the request of the entity and outside the scope of the accreditation, it is also our responsibility to express a conclusion of reasonable assurance that the information selected by the entity⁽¹⁾ and identified by the symbol has been established, in all material respects, in accordance with the Guidelines.

We are not required to issue an opinion on:

- The entity's compliance with other applicable legal and regulatory provisions (particularly with regard to information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy) and the fight against corruption and tax evasion);
- The fairness of the information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- The compliance of products and services with applicable regulations.

Applicable regulatory provisions and professional guidance

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(3).

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 the professional guidance of the Compagnie Nationale des Commissaires aux Comptes.

(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 self-sufficiency rate, Scopes 1 and 2 greenhouse gas emissions, Greenhouse gas emissions avoided due to energy and materials recovery.

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

Means and resources

Our work was performed by a team of four people over a period of five weeks between February 2022 and March 2022.

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.

Nature and scope of our work

We planned and carried out our work taking into account the risk of material misstatement of the Information.

We believe that the procedures that we applied in exercising our professional judgment allow us to issue a conclusion of moderate assurance:

- We reviewed the activity of all the entities included in the scope of consolidation and 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, the 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 business activity of all the entities included in the scope of consolidation, 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;
- 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⁾ or some risks⁽²⁾ we performed our work at the level of the consolidating entities, while for other risks, we carried out our work at the level of the consolidated entity and in a selection of entities⁽³⁾.

(1) Safety expenses, Analysis of risks and difficult working conditions, Number of alerts received and processed per year, Third Party Assessment, Mapping of risks related to anti-competitive practices, Number of case of non-compliance per year, Number of formal notices per year.

(2) Civil and criminal liability, in particular relating to health and safety and the environment; Ethical and non-compliance risks; Regulatory risks; Specific risks related to the operation of industrial sites.

(3) SEI Changé (France), Sénerval (France), ALCEA (France), Trédi Saint-Vulbas (France), SPP Mourenx (France), Interwaste PTY (South Africa).

- 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 results that we considered to be the most important⁽¹⁾, we applied:
 - Analytical procedures to verify that the data collected were correctly consolidated and that changes were consistent;
 - Detailed tests based on surveys or other methods of selection, 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 entities⁵ and covered between 44% and 55% 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.

The procedures implemented to establish moderate assurance are less extensive than those required to establish reasonable assurance carried out in accordance with the professional guidance of the Compagnie Nationale des Commissaires aux Comptes; a higher level of assurance would have required more extensive verifications.

Nature and scope of the additional work on the information selected by the entity and identified by the symbol

Regarding the information selected by the entity and identified by the symbol in the Report, we carried out procedures of the same nature as those described in the paragraph on “Nature and scope of our work” above for the Information considered to be the most important but in more detail, in particular with regard to the number of tests.

As such, the selected sample represents between 44% and 55% of the 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 .

Paris-La Défense, March 7, 2022

KPMG SA

Anne Garans
Partner
Sustainability Services

Gwenaël Chédaleux
Partner

(1) Reasonable assurance: see footnote on page 2 of this report

Moderate assurance: Frequency rate of workplace accidents with absence, Absenteeism rate



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2.1.1 Highlights of the period

In 2021, Séché Environnement pursued its external growth strategy both internationally and in France, while maintaining strong organic growth in most of its areas of activity. The Group has also strengthened its financial position and established new financial resources to sustain its growth momentum.

The continuation of the Covid-19 pandemic in France and in the countries where the Group operates had no impact on its strategy or its economic, operating or financial performance.

2.1.1.1 Continuation of the external growth strategy

In 2021, Séché Environnement announced the acquisition of Spill Tech in South Africa, as well as its intention to acquire OSIS IDF in the sanitation sector in the Ile-de-France region.

Acquisition of Spill Tech in South Africa

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 the second 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 aimed at reducing racial inequality in South Africa.

Spill Tech was included in the scope of consolidation as of March 1, 2021.

Acquisition of eight operating centers from OSIS IDF in France

On August 8, 2021, Séché Environnement entered into an agreement with Veolia group to acquire eight operating centers specializing in the maintenance of sanitation networks and facilities in Ile-de-France, which belonged to OSIS IDF, a subsidiary of Veolia.

For Séché, the acquisition of these eight centers rounds out its range of environmental services with new growing business lines and extends its geographical coverage to Ile-de-France through a leader on its markets.

With eight centers spanning the Ile-de-France region, OSIS IDF, which specializes in wastewater network maintenance and sanitation facilities, has a wide footprint that enables it to serve a diverse, recurrent client base, mainly including local authorities, public bodies, water utilities, industry and real estate professionals. With its 218 highly qualified field staff and its fleet of technical vehicles enabling it to provide a wide range of services, this agency is a leading operator in the most technical markets.

Driven by growing markets that prioritize innovative and digital operators, OSIS IDF is seeing steady growth in its revenues. It also has a portfolio of secure and highly recurrent contracts.

Once the acquisition was finalized, the entity was renamed Séché Assainissement. It was included in the scope of consolidation from January 1, 2022.

The scope of the acquired activities generated revenue of approximately €27 million in 2021, for EBITDA of around €4 million and EBIT of a similar amount.

Increase in the interest in Solarca

Séché Environnement exercised call options to acquire 5% of the capital of Solarca SL in the second half of 2021, taking its ownership interest from 86% to 91%.

2.1.1.2 Strong market trends and improved sales, operating and financial performance

In 2021, Séché Environnement continued its profitable organic growth momentum in buoyant markets.

In France, the Group benefited from solid markets with robust volumes and positive price trends in both its industrial and local authority markets and a strong performance by its service activities.

The International business confirmed its return to growth in the main regions in which the Group operates, particularly in Europe (Mecomer) and South Africa (Interwaste).

This strong sales momentum is underpinned by an industrial efficiency policy that facilitates the full availability of recovery and treatment facilities and improves performance through the cost savings plan.

As a result, the Group posted a significant increase in operating margins, and profit attributable to company shareholders more than doubled in relation to 2020.

Over the period, Séché Environnement managed its debt while maintaining an active policy of investing in growth, particularly internationally.

Its financial position is bolstered by solid cash generation, a high level of liquidity, and considerable financial flexibility. In November 2021, it extended the maturity of its financial debt for a lower cost with its first €300 million sustainability-linked bond issue.

2.1.1.3 Bond refinancing and strengthening of the financial position

In 2021, Séché Environnement carried out two bond refinancing transactions with sustainability performance criteria, the second being a major deal to refinance its senior bank debt. This strengthened the Group's financial position by extending the maturity of its financial debt and lowering its financing cost.

Bond issue with sustainability performance criteria

In March 2021, Séché Environnement issued a €50 million bond maturing in eight years (redemption at term), with enhanced interest rates and subject to sustainability performance criteria:

- Energy self-sufficient rate;
- Biodiversity;
- Accident frequency rate.

In the event of a positive change in these criteria, which are measured annually, the nominal interest rate of the issue, which was 2.90%, may be lowered by 20 basis points (0.2%).

The bond is intended to finance the recent acquisition of Spill Tech in South Africa as well as growth investments planned in 2021.

Inaugural long term credit rating

In the third quarter of 2021, Séché Environnement's long term credit profile received the following ratings from Standard & Poor's Global Ratings and Fitch Ratings:

Rating agencies	Type of debt	Rating	Outlook
Standard & Poor's	Unsecured long term debt	BB	Stable
Fitch Ratings	Unsecured long term debt	BB	Stable

These ratings acknowledge Séché Environnement's credit quality and financial strength.

Bond issue with sustainability performance criteria meeting decarbonization objectives

On November 4, 2021, Séché Environnement issued its first sustainability-linked bond⁽¹⁾.

This seven-year €300 million bond with an interest rate of 2.25% was primarily intended to finance the Group's general operations.

It refinanced a senior bank loan (which also included sustainability performance criteria) due in 2023, and certain euro-PPs maturing in the same year, with lower interest rates.

The bond incorporates ambitious environmental performance criteria in terms of the decarbonization of the economy, in line with the commitments made under the Paris Agreement on climate change. These criteria are the backbone of Séché Environnement's 2030 climate strategy, which seeks to reduce its own greenhouse gas emissions and increase the greenhouse gas emissions avoided by its customers thanks to its recycling activities.

This first sustainability-linked bond issued by Séché Environnement on the debt market has the following characteristics:

- Amount: €300 million
- Maturity: November 2028
- Interest rate: 2.25%
- Sustainability performance criteria:
 - 10% reduction in greenhouse gas emissions at constant scope (scope 1 and 2 emissions, France) by 2025 compared to 2020;
 - 40% increase in greenhouse gases avoided by customers (by 2025 compared to 2020) thanks to its recycling activities in the circular economy.

(1) SLB: a bond issue with sustainability performance criteria.

The strategy behind these two sustainability criteria was subject to an SPO⁽¹⁾ report by Standard & Poor's Global Ratings, enabling this issue to meet the conditions of an ESG bond.

Standard & Poor's rated these two criteria "Strong" and "Satisfactory" for their relevance in terms of Séché Environnement's strategy and core business. The "Satisfactory" rating was awarded due to the lack of relevant comparable data in terms of greenhouse gas emissions avoided.

Failure to comply with these two criteria would lead to a maximum increase of 0.25% in the cost of debt, or 0.125% if only one of these criteria is not met.

(1) SPO: Second-Party Opinion

2.1.2 Comments on 2021 activity and results

2.1.2.1 Selected financial information on the Group's results

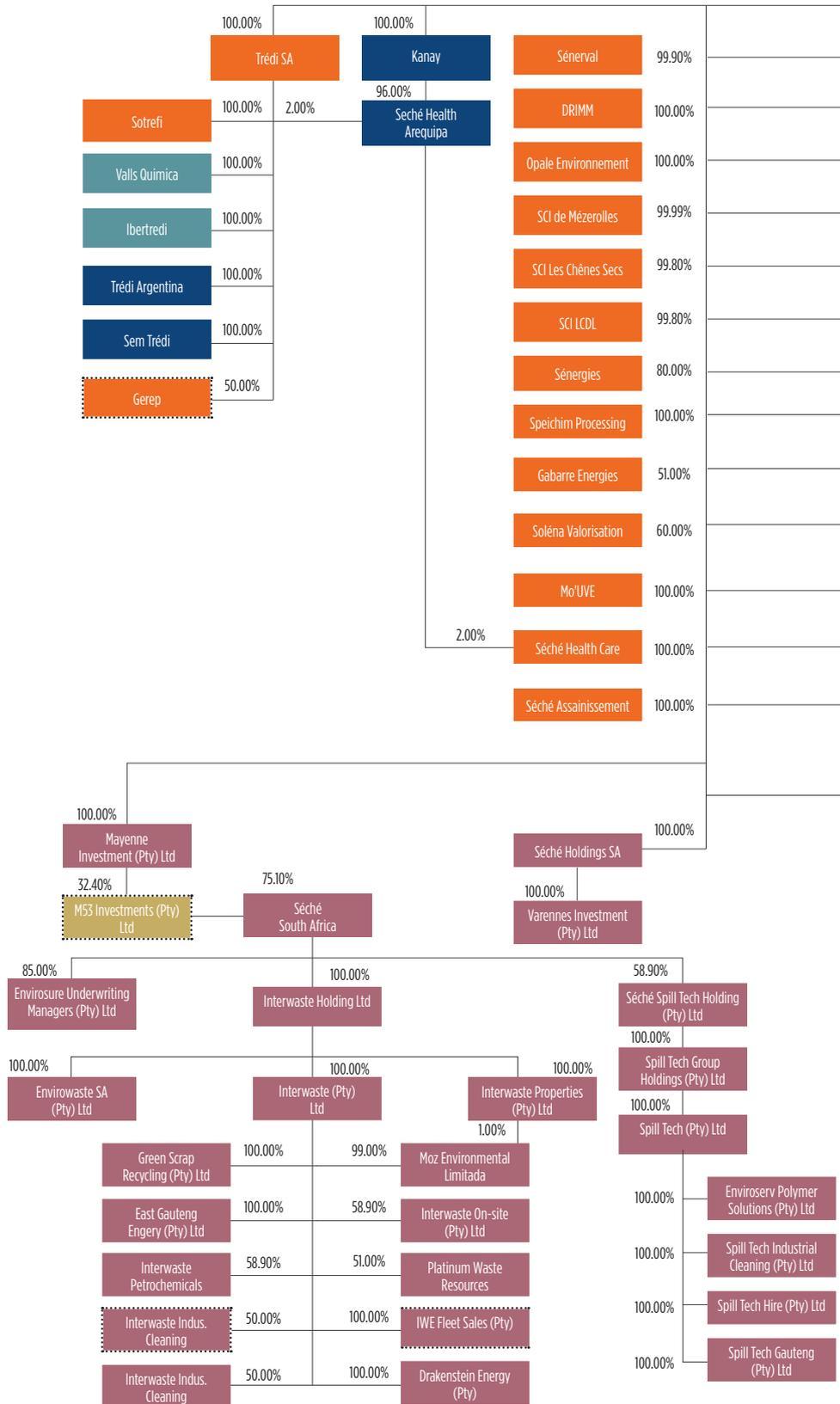
Simplified consolidated income statement

(In millions of euros)	2020	2021	Gross change
Revenue	673.1	790.1	+17.4%
<i>o/w contributed revenue</i>	641.7	735.8	+14.7%
EBITDA	137.0	170.3	+24.3%
<i>Gross operating margin as % of contributed revenue</i>	21.3%	23.1%	
Current operating income	47.5	71.5	+50.5%
<i>Current operating margin as % of contributed revenue</i>	7.4%	9.7%	
Operating income	44.2	68.7	+55.4%
Net financial income	(20.4)	(24.1)	
Income tax	(8.5)	(14.1)	
Net income from consolidated companies	15.4	30.5	+98.1%
Share of profit of equity-accounted investees	(1.5)	0.9	
Profit of the period before non-controlling interests	13.9	29.6	+113.0%
Attributable to non-controlling interests	(0.1)	(1.2)	
Profit of the period attributable to company shareholders	13.8	28.4	+105.8%
Recurring operating cash flow ⁽¹⁾	110.9	139.9	+26.1%
Net industrial investments	64.2	87.4	+36.1%
Free operating cash flow⁽²⁾	61.6	77.4	+25.6%
Cash and cash equivalents	105.3	172.2	+63.5%
Net financial debt (IFRS)	450.2	474.9	+5.5%

(1) EBITDA plus dividends received from the 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



SÉCHÉ ENVIRONNEMENT



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

In 2021, the consolidation scope included 88 companies (including six equity accounted investees), compared with 80 (with six equity accounted investees) in 2020. This increase mainly reflects acquisitions (particularly Spill Tech Group) as well as simplification and restructuring operations.

The percentage interest in Solarca SL increased from 86% in 2020 to 91% in 2021 as Séché Environnement purchased an additional 5% of the subsidiary's share capital from the founding shareholder in July 2021.

2.1.2.2 Comments on business activity in 2021⁽¹⁾

Reported revenue and contributed revenue

At December 31, 2021, Séché Environnement reported consolidated revenue of €790.1 million, vs. €673.1 million a year earlier. This includes non-contributed revenue of €54.3 million (vs. €31.4 million at December 31, 2020) broken down as follows:

At December 31	2020	2021
IFRIC 12 investments	0.6	8.7
TGAP ⁽²⁾	30.8	45.6
Non-contributed revenue	31.4	54.3

Consolidated data in €m

Net of non-contributed revenue, contributed revenue totaled €735.8 million at December 31, 2021, up by +14.7% from December 31, 2020 (€641.7 million). This includes a contribution of €34 million from Spill Tech, which was consolidated from March 1, 2021.

At constant scope, contributed revenue amounted to €701.8 million, up sharply by +9.4% on December 31, 2020, as reported, and +9.2% at constant exchange rates.

Breakdown of contributed revenue by geographic region

At December 31	2020		2021		Gross change
	In €m	As a %	In €m	As a %	As a %
Subsidiaries in France	486.6	75.8%	531.7	72.3%	+9.3%
<i>o/w scope effect</i>	-	-	-	-	
International subsidiaries	155.1	24.2%	204.1	27.7%	+31.6%
<i>o/w scope effect</i>	13.6	-	34.0	-	
Total contributed revenue	641.7	100.0%	735.8	100.0%	+14.7%

Consolidated data at current exchange rates. At constant exchange rates, contributed revenue at December 31, 2021 came to €642.9 million, reflecting a foreign exchange gain of €1.2 million.

(1) Unless explicitly stated otherwise, the comments relate to contributed revenue

(2) General Tax on Polluting Activities, paid by the waste producer and then transferred to the government by Séché Environnement in respect of some of its activities in France.

Business levels were strong in 2021 in France and the main international regions:

- In France, contributed revenue rose sharply (+9.3%) to €531.7 million, vs. €486.6 million at December 31, 2020.

Séché Environnement benefited from strong industrial markets underpinned by the high level of industrial output, while local authority markets were boosted by the implementation of regulations on the circular economy.

These bullish markets and strong sales momentum enabled the Group to report favorable volume and price effects, while Services activities also performed well (Key Account Services, Environmental Services).

Activities related to the circular economy and hazard management drove growth.

Revenue earned in France accounted for 72.3% of contributed revenue at December 31, 2021 (versus 75.8% one year earlier);

- Internationally, revenue totaled €204.1 million, vs. €155.1 million a year earlier, an increase of +31.6% (reported data).

International revenue was boosted by a scope effect of +€34.0 million following the acquisition of Spill Tech in March 2021. It also recorded foreign exchange gains of +€1.2 million, mainly due to an appreciation of the South African rand against the euro.

At constant scope and exchange rates, international revenue increased by +8.8% over the period, illustrating the return to growth in most regions:

- Europe (revenue: €70.4 million, up +7.5%) recorded a significant upturn in Mecomer's activities (hazardous waste treatment in Italy) and a good performance by Valls Quimica (chemicals recovery in Spain) and UTM (industrial gas recovery in Germany);
- South Africa (revenue: €67.2 million, up 14.5% at current exchange rates and +9.3% at constant exchange rates): Interwaste confirmed its return to normal activity levels in markets driven by major industrial clients' need for environmental solutions meeting the highest international standards;
- Latin America (revenue: €14.3 million, -9.3% at current exchange rates and -1.6% at constant exchange rates) stabilized in 2021 and showed signs of recovery at the end of the year;
- Solarca in the Rest of the World (revenue: €18.2 million, up +20.8%) recorded stronger levels of activity, but the subsidiary is still being affected by restrictions on international travel in some parts of the world.

Revenue earned by international subsidiaries accounted for 27.7% of contributed revenue at December 31, 2021 (versus 24.2% one year earlier).

Breakdown of contributed revenue by activity

At December 31	2020		2021		Gross change
	In €m	As a %	In €m	As a %	
Services	248.8	38.8%	301.4	41.0%	+21.1%
<i>o/w scope effect</i>	0.1	-	34.0	-	-
Circular economy and decarbonization	218.9	34.1%	243.1	33.0%	+11.1%
<i>o/w scope effect</i>	13.4	-	-	-	-
Hazard management	174.0	27.1%	191.3	26.0%	+10.0%
<i>o/w scope effect</i>	0.1	-	-	-	-
Total contributed revenue	641.7	100.0%	735.8	100.0%	+14.7%

Consolidated data at current exchange rates

The contribution of all activities to growth was well balanced, with services activities also benefiting from the initial consolidation of Spill Tech.

Service activities recorded revenue of €301.4 million at December 31, 2021 (vs. €248.8 million one year earlier, an increase of +21.1% as reported). This sharp increase includes Spill Tech's contribution of €34.0 million.

At constant scope and exchange rates, Service activities achieved strong growth of +6.4% year on year. They benefited from:

- In France (revenue: €174.0 million, up +3.8%), the contribution of Key Account Services, in particular the comprehensive services activity, which meets customers' growing long term needs in terms of outsourcing their sustainable development issues, and the good performance of Environmental Services (decontamination, emergency response services);
- Internationally (revenue: €93.4 million, up +14.9%): renewed growth at Solarca and the strong performance of Interwaste in South Africa.

Services activities accounted for 41.0% of contributed revenue at December 31, 2021 (vs. 38.8% one year earlier).

Activities related to the circular economy and decarbonization recorded revenue of €243.1 million at December 31, 2021 (vs. €218.9 million one year earlier), up +11.1% as reported and +11.2% at constant exchange rates. This increase reflects:

- In France (revenue: €176.3 million, up +13.2%), the strong performance in recycling and material recovery activities, driven by the implementation of regulations for the circular economy, and in energy recovery activities, underpinned by progress with the Osiris contract, among others.
- Internationally (revenue: €66.8 million, up +5.8% as reported and +6.2% at constant exchange rates), strong trends in the solvent regeneration business in Spain (Valls Quimica)

Activities related to the circular economy and decarbonization accounted for 33.0% of contributed revenue at December 31, 2021 (vs. 34.1% one year earlier).

Hazard management activities generated revenue of €191.3 million, up +10.0% year on year in reported data and +10.6% at constant exchange rates:

- In France, hazard management activities increased significantly, rising +11.1% to €181.4 million. They benefited from positive volume and price effects in line with strong trends in HW activities;
- Internationally, with revenue of €9.9 million, these activities posted a decline of -7.2% compared to 2020 as reported, but an increase of +2.6% at constant exchange rates. This change reflects the modest performance of final waste management activities in Latin America.

Hazard management activities accounted for 26.0% of contributed revenue at December 31, 2021 (vs. 27.1% one year earlier).

Breakdown of contributed revenue by division

At December 31	2020		2021		Gross change
	In €m	As a %	In €m	As a %	
Hazardous Waste division	405.2	63.1%	483.9	65.8%	+19.4%
<i>o/w scope effect</i>	13.6	-	34.0	-	-
Non-Hazardous Waste division	236.5	36.9%	251.9	34.2%	+6.5%
<i>o/w scope effect</i>	-	-	-	-	-
Total contributed revenue	641.7	100.0%	735.8	100.0%	+14.7%

Consolidated data at current exchange rates

The HW division, which accounted for 65.8% of consolidated contributed revenue (vs. 63.1% a year earlier), generated revenue of €483.9 million, up +19.4% compared to December 31, 2020. This increase includes a scope effect of €34.0 million due to the consolidation of Spill Tech over ten months.

At constant scope and exchange rates, this division's revenue was up +11.4%, driven by renewed growth in industrial production in most of the regions in which the Group operates:

- In France, the division brought in €333.3 million in revenue (vs. €298.4 million one year earlier), an increase of +11.7%.
Over the period, this division's circular economy activities were underpinned by the good level of activity in the recycling and low-carbon energy generation businesses, with the launch of the Osiris contract. In addition, its hazard management activities were driven by positive trends on industrial markets, both in terms of volumes and prices. Services activities, in particular environmental services, returned to strong growth after being disrupted by the pandemic in 2020;
- Internationally, the division's revenue totaled €150.6 million at December 31, 2021 (vs. €106.8 million one year earlier), an increase of +41.0% as reported.
At constant scope and exchange rates, growth came out at +10.4% year on year, illustrating the good performance of most markets over the period, with the exception of Latin America.

The NHW division, which accounted for 34.2% of contributed revenue (vs. 36.9% a year earlier), generated contributed revenue of €251.9 million, up +6.5% year on year in reported data and +5.4% at current exchange rates:

- In France, this division generated €198.4 million in revenue, an increase of +5.4% from the previous year.

This division was driven by its activities in the circular economy, boosted by the implementation of incentivizing regulations and ever tougher restrictions on waste exports, which are facilitating the sector's good performance in terms of volumes and prices;

- Internationally, this division's revenue totaled €53.6 million, an increase of +10.9% as reported and +5.5% at constant exchange rates. This growth reflects contrasting trends between Interwaste's buoyant sales momentum in South Africa and the weaker performance in Latin America.

2.1.2.3 Comments on profitability in 2021

EBITDA

At December 31, 2021, EBITDA rose sharply, by +24.3% year on year, to €170.3 million, or 23.1% of contributed revenue (vs. €137.0 million, or 21.3% of contributed revenue, at December 31, 2020).

This increase includes a scope effect linked to the consolidation of Spill Tech over ten months, representing +€10.2 million, or 30.0% of this subsidiary's revenue. The exchange rate effect was negligible.

At constant scope, EBITDA came to €160.1 million, or 22.8% of contributed revenue.

The increase in EBITDA at constant scope (+€23.1 million) mainly reflects:

- Positive volume and mix effects, for +€42.7 million, mainly in treatment activities, related to sales momentum and the effects of the industrial efficiency policy;
- Price effects, for +€22.6 million, in line with high waste treatment capacity use in France;

Partially offset by trends in:

- Variable operating expenses (+€31.2 million), in line with the increase in activity;
- Fixed expenses (+€8.2 million) partly related to the strong recovery in Services activities (particularly Environmental Services - Decontamination);
- Miscellaneous expenses (+€2.8 million), such as insurance premiums, advertising, and communication costs.

Breakdown of EBITDA by geographic scope

At December 31 In millions of euros	2020			2021		
	Consolidated	France	Intl.	Consolidated	France	Intl.
Contributed revenue	641.7	486.6	155.1	735.8	531.7	204.1
EBITDA	137.0	111.3	25.7	170.3	132.4	37.9
% of contributed revenue	21.3%	22.9%	16.6%	23.1%	24.9%	18.6%

Consolidated data at current exchange rates

For each geographic scope, the main changes were:

- In France, EBITDA totaled €132.4 million, or 24.9% of contributed revenue (vs. €111.3 million, or 22.9% of contributed revenue, in 2020).

This increase is mainly attributable to:

- Favorable business trends in terms of volumes, the waste mix and prices, due to strong market trends in France and the improvement in the capacity utilization rate resulting from the industrial efficiency policy;
 - Tight control of operating expenses, linked to the optimization of logistics and the cost savings plan;
 - The -€1.5 million decline in miscellaneous expenses (insurance, advertising, and communication costs, etc.).
- Internationally, EBITDA totaled €37.9 million, or 18.6% of contributed revenue. This increase includes a scope effect of €10.2 million following the first-time consolidation of Spill Tech.

At constant scope and exchange rates, EBITDA came to €27.7 million, or 16.3% of contributed revenue (vs. €25.7 million, or 16.5% of contributed revenue, in 2020).

This change is mainly attributable to:

- The improvement in activity levels compared to 2020 (volume and mix effects), particularly in South Africa and at Solarca;
- Offset by the rise in certain operating costs in Europe and subdued activity in Latin America (particularly Peru), despite measures taken to reduce operating expenses.

Current operating income

As at December 31, 2021, current operating income was €71.5 million, or 9.7% of contributed revenue, representing a sharp increase of +50.5% on the previous year (€47.5 million, or 7.4% of contributed revenue).

This increase includes a scope effect linked to the consolidation of Spill Tech, representing +€8.6 million, or 25.3% of this subsidiary's revenue. The exchange rate effect was negligible.

At constant scope, current operating income rose sharply (+32.4%), amounting to €62.9 million, or 9.0% of contributed revenue. This sharp improvement mainly reflects the increase in EBITDA (+€23.1 million).

Breakdown of current operating income by geographic scope

At December 31 In €m	2020			2021		
	Consolidated	France	Intl.	Consolidated	France	Intl.
Contributed revenue	641.7	486.6	155.1	735.8	531.7	204.1
COI	47.5	41.0	6.5	71.5	54.7	16.8
% of contributed revenue	7.4%	8.4%	4.2%	9.7%	10.3%	8.2%

Consolidated data at current exchange rates

For each geographic scope, the main changes were:

- In France, current operating income totaled €54.7 million, or 10.3% of contributed revenue (vs. €41.0 million, 8.4% of contributed revenue a year earlier).

This good performance reflects the increased contribution of EBITDA in France (+€20.2 million) minus, in particular, the increase in depreciation and amortization on the start-up of new facilities.

- Internationally, current operating income totaled €16.8 million, or 8.2% of contributed revenue.

Restated for the scope effect of €8.6 million related to the consolidation of Spill Tech, current operating income at constant scope and exchange rates amounted to €8.2 million or 4.8% of contributed revenue (vs. €6.5 million, or 4.2% of contributed revenue, in 2020).

This performance essentially reflects the improvement in international EBITDA at constant scope (+€2.9 million).

Operating income

Operating income totaled €68.7 million, or 9.3% of contributed revenue – a sharp increase of +55.4% compared to the previous year.

This positive trend mainly reflects the increase in current operating income.

This figure also included goodwill impairment totaling -€1.6 million recorded on Kanay in Peru (for -€0.9 million) and on Moz Environmental in Mozambique following damage to its facilities (for -€0.8 million).

Net financial income

At December 31, 2021, net financial income came to -€24.1 million, compared to -€20.4 million one year earlier.

This improvement reflects in particular:

- The rise in the cost of net debt to -€18.2 million (vs. -€17.1 million a year ago, following the increase in gross financial debt, with a slightly lower cost of borrowing than in the previous year, of 2.76% (vs. 2.79% in 2020);

- The recognition in “Other financial income and expenses” of -€4.4 million representing early repayment penalties on the senior bank debt maturing in 2023 and certain euro-PPs with the same maturity.

Income tax

At December 31, 2021, the income tax expense was -€14.1 million vs. -€8.4 million a year earlier.

It breaks down as follows:

- For France, -€9.7 million, vs. -€7.5 million a year earlier;
- Internationally, -€4.4 million, vs. -€0.9 million one year ago, of which -€2.3 million is related to the Spill Tech scope.

The effective tax rate was 31.5% vs. 35.3% at December 31, 2020.

Share of profit of equity-accounted investees

The share of profit of equity-accounted investees primarily includes the Group’s share in the income of Gerep and Sogad and amounted to -€0.9 million at December 31, 2021, compared with -€1.5 million a year earlier.

Consolidated profit of the period

At December 31, 2021, profit of the period before non-controlling interests came to €29.6 million vs. €13.9 million a year earlier.

After recognizing net profit attributable to non-controlling equity interests, in the amount of -€1.2 million vs. -€0.1 million in 2020, mostly representing the interests in Solarca and Mecomer, profit attributable to company shareholders came to €28.4 million at December 31, 2021, or 3.9% of contributed revenue (vs. €13.8 million one year earlier).

Net earnings per share amounted to €3.64 versus €1.77 at December 31, 2020.

CONSOLIDATED FINANCIAL POSITION

Simplified consolidated balance sheet	2020	2021
	Actual	Actual
In millions of euros		
Non-current assets	771	810
Current assets (excluding cash and cash equivalents)	219	243
Cash and cash equivalents	105	172
Assets held for sale	-	-
Share capital (including non-controlling interests)	258	275
Non-current liabilities	535	635
Current liabilities	302	315
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 increased by €39.6 million from December 31, 2020, mainly due to:

- “Property, plant and equipment and intangible assets”: +€44.3 million, reflecting:
 - the +€13.2 million rise in intangible assets, mainly due to the increase in goodwill following the acquisition of Spill Tech;
 - the increase in property, plant and equipment (+€32.1 million);
- “Other non-current financial assets”: +€3.8 million, including, among other items, the increase in concession operating receivables (+€3.4 million) relating to the public service contract for the Mo’Uve incinerator in Montauban;
- “Other non-current assets” (down €7.1 million), mainly due to the reduction of the amount receivable from Eurométropole Strasbourg;
- “Deferred tax assets”, which declined by €2.0 million.

2.2.2 Current assets (excl. cash and cash equivalents)

Current assets excluding cash amounted to €242.8 million, up by €23.7 million on December 31, 2020.

This change essentially reflects changes in “Inventories” and “Client accounts receivable”, as well as VAT receivables. “Other current financial assets” records the increase in current concession operating receivables (+€2.9 million) relating to the public service contract for the Mo’Uve incinerator in Montauban (for €2.3 million).

2.2.3 Shareholders' equity

The change in shareholders' equity (attributable to company shareholders) in 2021 is commented upon in section 3.1.4 of this document. It breaks down as follows:

(In millions of euros)	Group	Attributable to non-controlling interests
Share capital at January 1, 2021	252.9	4.3
Other comprehensive income	(2.4)	(0.1)
Profit attributable to company shareholders	28.4	1.2
Capital increase	-	-
Dividends paid	(7.4)	(1.0)
Own shares	0.1	-
Business combinations	-	(0.2)
Transactions between shareholders	(2.6)	1.2
Other changes	0.4	ns
Share capital at December 31, 2021	269.5	5.4

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:

(In millions of euros)	2020			2021		
	Non-current	Current	TOTAL	Non-current	Current	TOTAL
Hedging instruments	-	0.1	0.1	-	-	-
Provisions	44.8	1.8	46.6	46.9	1.8	48.7
Other liabilities	2.4	231.4	233.8	4.7	248.5	253.2
Income tax payable	-	1.4	1.4	-	0.9	0.9
Total (excl. financial debt)	47.2	234.7	281.9	51.6	251.2	302.8
Financial debt	487.7	67.8	555.5	583.0	64.1	647.1
Total	534.9	302.5	837.4	634.6	315.3	949.9

Current and non-current liabilities excluding financial debt amounted to €302.8 million, up +€20.9 million, reflecting mainly:

- For -€1.3 million, the change in liabilities on acquisitions of fixed assets, corresponding to the payment in 2021 of €5.5 million for the last earnout on the acquisition of Mecomer completed in 2019, and, for the remainder, the increase in liabilities on the acquisition of fixed assets;
- The balance reflects changes in other liabilities and more specifically in current liabilities such as “Trade payables” (+€22.2 million).

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

CASH, FINANCING AND CAPITAL

2.3.1 Cash flow

2.3.1.1 Summary consolidated statement of cash flows

In millions of euros	2020	2021
Cash flows from operating activities	121.4	142.3
Cash flows from investing activities	(73.2)	(117.6)
Cash flows from financing activities	(30.0)	41.6
<i>Change in cash flows from continuing operations</i>	<i>18.1</i>	<i>66.2</i>
<i>Change in cash flows from discontinued operations</i>	<i>ns</i>	<i>-</i>
Change in cash and cash equivalents	18.1	66.2

During the period, the change in cash and cash equivalents rose from +€18.1 million to +€66.2 million.

This increase of +€48.1 million reflects:

- The increase in cash flows from operating activities: +€20.9 million;
- Changes in cash flows from investing activities: -€44.4 million;
- An increase in cash flows related to financing activities: €71.6 million.

2.3.1.2 Cash flows from operating activities

In 2021, the Group generated €142.3 million in cash flows from operations (vs. €121.4 million one year earlier), an increase of +€20.9 million.

This change reflects the combined effect of:

- The €31.8 million increase in cash flows before tax and financial expenses to €153.1 million (vs. €121.3 million a year earlier);
- The -€0.6 million decline in the working capital requirement, which stood at +€11.3 million at the end of 2020. This item includes a scope effect related to the consolidation of Spill Tech, for €4,3 million. It also incorporates a transfer of receivables of €23.8 million vs. €24.2 million in 2020;
- A net tax expense of -€10.1 million vs. -€11.2 million in 2020.

2.3.1.3 Cash flows from investing activities

(In millions of euros)	2020	2021
Industrial investments (excl. IFRIC 12)	63.0	92.4
Financial investments	0.0	1.2
INVESTMENTS RECORDED	63.0	93.6
Industrial investments	64.2	87.4
Financial investments	0.0	0.8
Acquisition of subsidiaries - Net cash flow	9.0	29.4
INVESTMENTS PAID OUT	73.2	117.6

In 2021, industrial investments amounted to €92.4 million (vs. €63.0 million in 2020), breaking down as follows:

- Maintenance investments totaling €50.4 million, representing 6.8% of contributed revenue (vs. €43.2 million, or 6.7% of contributed revenue, in 2020).
- Development investments totaling €42.0 million, or 5.7% of contributed revenue (vs. €19.8 million, or 3.1% of contributed revenue, in 2020). These mainly concern growth investments in Italy (Mecomer) and the ERP project.

Industrial investments can be broken down by type as follows:

- €14.0 million in category two expenses for major maintenance and renewal (vs. €9.8 million in 2020);
- €18.7 million for energy storage and production facilities (vs. €13.9 million in 2020);
- €7.6 million in thermal treatment facilities, platforms, and other treatment facilities (vs. €6.7 million in 2020);
- €3.9 million for recovery facilities (vs. €0.9 million in 2020);
- €20.5 million for eco-service systems, including the vehicle fleet (vs. €11.4 million in 2020);
- €16.9 million for holding company activities, covering information systems, regulatory investments, and development investments in subsidiaries (vs. €10.7 million in 2020);
- €11.3 million in miscellaneous recurring investments (vs. €9.8 million in 2020).

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

	2020		2021	
	€m	%	€m	%
Hazardous Waste division	40.3	63.8%	51.4	55.6%
Non-Hazardous Waste division	21.7	36.2%	41.0	44.4%
Total	63.0	100.0%	92.4	100.0%

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

	2020		2021	
	€m	%	€m	%
France	52.5	83.4%	74.3	80.4%
Germany	0.1	0.2%	0.1	ns
Spain	1.0	1.6%	0.8	0.1%
Italy	2.9	4.5%	8.5	9.2%
Argentina	0.0	0.0%	ns	ns
Chile	1.1	1.7%	0.7	0.1%
Mexico	ns	ns	ns	ns
Peru	0.4	0.6%	0.5	0.1%
South Africa/Mozambique	4.0	6.3%	7.5	8.1%
Rest of world	1.0	1.6%	ns	ns
International total	10.5	16.6%	18.1	19.6%
Consolidated total (excl. IFRIC 12)	63.0	100.0%	92.4	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.

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)	2020	2021
EBITDA	137.0	170.3
Rehabilitation and maintenance expenses for waste treatment sites and assets under concession arrangements	(12.5)	(10.7)
Other operating income and expenses (including foreign exchange gain/loss)	(3.2)	(6.5)
Cash flow	121.3	153.1
Change in WCR	11.3	(0.6)
Tax paid	(11.2)	(10.1)
Operating cash flow (A)	121.4	142.3
Net investments paid out (B)	64.2	87.4
Operating balance	57.2	54.9
(A) / (B)	189%	163%
Financial investments (C)	9.0	30.2
Balance after investments	48.2	24.7
(A) / (B+C)	166%	121%

N.B. Investments in concessions are financed by specific secured financing lines.

2.3.1.4 Cash flow from financing activities

Total net cash relating to financing activities amounted to +€41.6 million in 2021, reflecting:

- Flows relating to new borrowings: €380.3 million vs. €64.4 million in 2020. This line includes a €50 million euro-PP issue in March 2021 and a €300 million senior bond issue in November 2021;
- Flows relating to loan repayments: -€293.8 million vs. -€51.0 million in 2020. These flows mainly include the early repayment of the senior bank loan maturing in 2023 and of certain euro-PP bonds;
- Interest expense: -€15.3 million vs. -€15.1 million in 2020;
- Flows relating to dividends paid to non-controlling interests: -€1.1 million vs. -€0.9 million in 2020;
- Cash flows without gain of control: -€2.1 million vs. -€4.1 million in 2020, partially representing the impact of the acquisition of an additional 5% interest in Solarca;
- Changes in own shares in the amount of €0.2 million;
- The payment of lease liabilities for -€19.2 million, including lease interest payments for €2.0 million, vs. -€16.2 million including interest of €1.9 million a year ago.

2.3.2 Debt and funding structure

The table below shows the change in net debt:

(In millions of euros)	2020	2021
Bank debt (excl. non-recourse bank loans)	241.5	139.1
Non-recourse bank debt	29.6	27.0
Bonds	229.3	425.3
Lease liabilities	45.0	45.7
Miscellaneous financial debt	3.1	2.3
Short-term bank borrowings and overdrafts	7.1	7.7
Equity investments	-	-
TOTAL FINANCIAL DEBT (current and non-current)	555.5	647.1
Cash balance	(105.2)	(172.2)
NET FINANCIAL DEBT	450.3	474.9
<i>o/w due in less than one year ⁽¹⁾</i>	<i>(37.5)</i>	<i>(108.1)</i>
<i>o/w due in more than one year</i>	<i>487.7</i>	<i>583.0</i>

(1) The cash balance is considered over less than one year

Gross financial debt amounted to €647.1 million at December 31, 2021, compared with €555.5 million one year earlier. This increase of +€91.6 million mainly reflects changes in:

- Bank debt (excluding non-recourse debt), which decreased by €102.4 million following the early repayment of the senior bank loan;
- Bond debt: +€196.0 million, reflecting the balance of new issues (made in March and November) and early repayments on certain euro-PP bonds at the end of the year;
- Lease liabilities: +€0.7 million.

At December 31, 2021, 94% of gross financial debt, including lease liabilities and after recognizing hedging instruments, was hedged at fixed rates (vs. 80% in 2020).

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

At December 31	2020		2021	
	€m	%	€m	%
Euros	528.3	95.0%	614.7	95%
ZAR (South Africa)	10.1	1.8%	15.9	2.5%
PEN (Peru)	13.4	2.4%	12.6	1.9%
CLP (Chile)	0.9	0.2%	0.5	0.1%
USD (USA)	2.4	0.4%	1.2	0.2%
GBP (UK)	0.2	<0.1%	0.3	<0.1%
QAR (Qatar)	0.2	<0.1%	0.4	<0.1%
SGD (Singapore)	-	-	1.4	0.2%
Consolidated total	555.5	100.0%	647.1	100.0%

At December 31, 2021, the cash balance stood at €172.2 million, up +63.4% compared to the previous period, reflecting a further improvement in balance sheet liquidity.

At this date, the Group's net financial debt amounted to €474.9 million (vs. €450.3 million one year earlier, a slight increase of 5.5%). Over the period, it changed as follows:

In millions of euros	12/31/2020	12/31/2021
Net financial debt at opening	456.2	450.3
Scope effect	-	3.1
Non-cash change in debt	12.7	18.7
Cash flows from operating activities	(121.3)	(142.3)
Net industrial investments	64.2	87.4
Net financial investments	9.0	30.2
Dividends	8.3	8.5
Net interest payments (including interest on lease liabilities)	17.0	17.3
Cash and cash equivalents without gain of control	4.0	2.0
Other	0.2	(0.2)
Net financial debt at closing	450.3	474.9

Net financial investments paid include:

- For €23.9 million: the fair value of the consideration transferred by Spill Tech group (including acquisition expenses), with the net debt acquired representing a non-cash change in net debt totaling €3.8 million, with a scope effect of €3.1 million (excluding lease liabilities);
- For the balance: mainly the payment of the last earnout on the acquisition of Mecomer group.

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

2.4.1 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 Roadmap through to 2025

Building on its sustainable and profitable growth momentum, positioned at the heart of growth markets offering high visibility in the circular economy and the fight against climate change, Séché Environnement is reaping the long term benefits of its industrial efficiency policy.

The Group is therefore confident in its business, operational, and financial prospects in the short and medium term.

2.4.2.1 Outlook for 2022

Séché Environnement is basing its assumptions on a return to normal in the health situation in France and the regions in which the Group operates.

In 2022, the Group will benefit from the consolidation of Séché Assainissement from January 1, 2022 and the contribution of Spill Tech over the full year (12 months instead of 10 in 2021).

After a strong performance in 2021 due to the very favorable base effect in the first half of the year, Séché Environnement expects its organic growth to continue at a pace close to the trends observed in the second half of 2021:

- In France, the Group should benefit from the momentum of its activities relating to the circular economy and decarbonization among its Industrial and Local authority client base. These markets are boosted by the implementation of favorable regulations and the strong level of industrial production, which contributes to positive trends in volumes and prices.

- Internationally, Séché Environnement is expected to continue to grow in buoyant markets. In Italy, Mecomer should benefit from the gradual start-up of its new capacity, while Interwaste and Spill Tech in South Africa should maintain a solid growth rate. Solarca has a very large order book (around €20 million), bolstering the positive outlook for this subsidiary in 2022. Latin America should see better business trends.

From an operational standpoint, Séché Environnement will benefit from the impact of its industrial efficiency strategy, based on selective investments, improvements in its facility utilization rates and the optimization of its logistics. It will also maintain its productivity efforts through the cost savings plan.

Gross and current operating margin should therefore at least remain at the levels seen in 2021 (excluding acquisitions).

Industrial investments are expected to remain robust, close to 2021 levels, due to planned international development investments, particularly in South Africa.

The financial leverage ratio is expected to remain at the level recorded in 2021.

2.4.2.2 Roadmap to 2025

For 2025, Séché Environnement aims to achieve contributed revenue of close to €1 billion (at constant 2022 scope) with a gross operating margin⁽¹⁾ of between 24% and 25% (excluding acquisitions).

After making sustained development investments in 2022, the Group expects to return to its standard capex of around 10% of contributed revenue between 2023 and 2025.

It maintains its target of free operating cash flow generation of more than 35% of EBITDA, which will allow significant cash generation and a further improvement in its financial flexibility between 2023 and 2025 (excluding acquisitions). In the event of acquisitions, Séché Environnement reaffirms its ability to maintain its standard mid-cycle financial leverage ratio below 3x EBITDA.

In terms of its non-financial performance and under its 2030 climate strategy, which is aligned with the objectives of the 2017 Paris Agreement, the Group will reduce its own greenhouse gas emissions by 10% by 2025, and increase the greenhouse gases avoided by its customers by 40% thanks to its recycling activities.

(1) EBITDA / contributed revenue

PARENT COMPANY FINANCIAL STATEMENTS AND APPROPRIATION OF
INCOME

2.5.1 Presentation of Séché Environnement SA's income statement

(In thousands of euros)	2020	2021	Change
Revenue	11,466	13,557	+18.2%
Operating income	(6,407)	(10,280)	
Net financial income	8,206	27,349	+233.3%
Non-recurring income	33,330	110	-99.7%
Income tax (incl. tax consolidation)	(10,386)	(13,701)	
Profit of the period	45,516	30,880	-32.0%

Séché Environnement SA's net profit came to €30.9 million at December 31, 2021, down by €14.6 million from the previous year (€45.5 million).

This decrease was mainly due to:

- The increase in net financial income of €19.1 million;
- The decline in extraordinary items of €33.2 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	-					23	-					53
Amount incl. tax of invoices concerned (€k)	-	22	24	0	69	115	-	96	73	90	607	866
Percentage of total amount of purchases incl. tax made during the year	-	0.1%	0.1%	0.0%	0.2%	0.3%						
Percentage of revenue incl. tax for the year							-	0.6%	0.4%	0.6%	3.7%	5.3%
(B) Invoices excluded from (A) concerning disputed liabilities or receivables or those not recognized												
Number of invoices excluded	6					NONE						
Total amount of invoices excluded (€ thousands)	35					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 €30,880,911.86, the Board of Directors will propose the following appropriation to the General Meeting of Shareholders on April 29, 2022:

- Dividend payout of €7,857,732.00.
The dividend payment for the year would therefore be set at EUR 1.00 per share.

The ex-dividend date is set at July 8, 2022 and the dividend will be paid from July 12, 2022.

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 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 deducted from 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 €23,022,278.86 to retained earnings, taking the total amount of retained earnings to €105,149,739.01. 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 on the payment date.

2.5.4 Five-Year Financial Summary

(In euros)	2017	2018	2019	2020	2021
SHARE CAPITAL AT PERIOD-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	12,304,289	12,152,145	12,434,447	11,466,046	13,557,238
Income before tax, employee profit-sharing, depreciation, amortization, and provisions	9,670,887	15,227,544	19,280,638	31,341,958	18,730,057
Income taxes	(7,843,492)	(9,041,219)	(9,153,472)	(10,385,595)	(13,700,689)
Income after tax, employee profit-sharing, depreciation, amortization, and provisions	8,288,347	12,461,360	33,387,735	45,515,574	30,880,011
Dividend paid to shareholders	7,464,845	7,464,845	7,464,845	7,464,845	7,857,732
EARNINGS PER SHARE					
Income after tax and employee profit-sharing, but before depreciation, amortization and provisions	2.23	3.09	3.62	5.31	4.13
Income after tax, employee profit-sharing, depreciation, amortization, and provisions	1.05	1.59	4.25	5.79	3.93
Dividend per share	0.95	0.95	0.95	0.95	1.00
PERSONNEL					
Average headcount for the period	27	29	28	28	29
Payroll for the period	3,078,141	3,227,442	3,183,525	3,062,385	3,149,364
Amounts paid for employee benefits during the period (social security, social works)	1,323,973	1,281,416	1,307,225	1,244,415	1,286,437

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:

Year	Dividends	Income eligible for the 40% allowance		Income not eligible for the 40% allowance
		Other distributed income		
2018	€7,464,845.40 or €0.95 per share	None		-
2019	€7,464,845.40 or €0.95 per share	None		-
2020	€7,464,845.40 or €0.95 per share	None		-



03. Consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2021

3.1.1 Consolidated financial position

(In thousands of euros)	12/31/2020	12/31/2021	Notes
Goodwill	309,079	324,156	3.2.4.1
Intangible fixed assets under concession arrangements	41,419	36,846	3.2.4.1
Other intangible fixed assets	39,156	41,901	3.2.4.1
Property, plant and equipment	313,768	344,847	3.2.4.2
Equity-accounted investees	180	50	3.2.4.3
Other non-current financial assets	7,209	11,054	3.2.4.4
Non-current derivatives - assets	-	-	
Other non-current assets	35,930	29,516	3.2.4.5
Deferred tax assets	23,438	21,447	3.2.4.11
Non-current assets	770,179	809,816	
Inventories	15,009	17,321	
Trade and other receivables	171,023	186,035	3.2.4.5
Other current financial assets	974	3,218	3.2.4.4
Current derivatives - assets	-	-	
Other current assets	32,103	36,220	3.2.4.6
Cash and cash equivalents	105,265	172,201	3.2.4.7
Assets held for sale	-	-	
Current assets	324,374	414,996	
TOTAL ASSETS	1,094,554	1,224,812	
Share capital	1,572	1,572	
Additional paid-in capital	74,061	74,061	
Reserves	163,479	165,452	
Profit of the period	13,815	28,384	
Shareholders' equity (attributable to company shareholders)	252,927	269,469	
Non-controlling interests	4,302	5,426	
Total shareholders' equity	257,230	274,895	3.2.4.13
Non-current financial debt	457,848	552,173	3.2.4.8
Non-current lease liabilities	29,882	30,833	3.2.4.8
Non-current derivatives - liabilities	-	-	3.2.4.8
Employee benefits	16,497	17,178	3.2.4.9
Non-current provisions	22,185	24,314	3.2.4.10
Other non-current liabilities	2,377	4,722	3.2.4.6
Deferred tax liabilities	6,076	5,383	3.2.4.11
Non-current liabilities	534,865	634,603	
Current financial debt	52,647	49,102	3.2.4.8
Current lease liabilities	15,161	14,977	3.2.4.8
Current derivatives - liabilities	75	-	3.2.4.8
Current provisions	1,756	1,810	3.2.4.10
Trade payables	115,150	137,343	3.2.4.6
Other current liabilities	116,229	111,161	3.2.4.6
Tax liabilities	1,440	922	
Liabilities held for sale	-	-	
Current liabilities	302,459	315,314	
TOTAL LIABILITIES	1,094,554	1,224,812	

The notes are an integral part of the consolidated financial statements.

3.1.2 Consolidated income statement

(In thousands of euros)	12/31/2020	12/31/2021	Notes
Revenue	673,076	790,117	
Other business income	780	1,207	
Income from ordinary activities	673,856	791,324	3.2.4.14
Purchases used for operations	(85,007)	(97,760)	
External expenses	(240,026)	(280,042)	3.2.4.15
Taxes and duties	(47,663)	(59,021)	3.2.4.15
Employee expenses	(164,154)	(184,218)	3.2.4.15
EBITDA	137,007	170,282	
Expenses for rehabilitation and/or maintenance of sites under concession arrangements	(12,488)	(10,692)	
Depreciation & amortization, impairment, and provisions	(76,840)	(86,624)	3.2.4.16
Other operating items	(144)	(1,469)	3.2.4.16
Current operating income	47,535	71,496	
Other non-current items	(3,292)	(2,813)	3.2.4.17
Operating income	44,243	68,684	
Cost of net financial debt	(17,020)	(18,184)	3.2.4.18
Other financial income and expenses	(3,419)	(5,941)	3.3.4.18
Net financial income	(20,439)	(24,126)	
Share of profit of equity-accounted investees (net of tax)	(1,477)	(908)	3.2.4.20
Income tax	(8,404)	(14,051)	3.2.4.19
Profit of the period	13,923	29,599	
o/w attributable to non-controlling interests	(107)	(1,215)	
o/w attributable to company shareholders	13,815	28,384	
Basic earnings per share (in euros)	1.77	3.64	
<i>Diluted earnings per share (in euros)</i>	1.77	3.64	

The notes are an integral part of the consolidated financial statements.

3.1.3 Consolidated statement of other comprehensive income

(In thousands of euros)	12/31/2020	12/31/2021
Other comprehensive income not subsequently reclassified to profit or loss:		
Revaluation of net liabilities (assets) of defined benefit plans ⁽¹⁾	(979)	416
Income tax effects	39	(304)
Amount before income tax (A)	(939)	112
<i>o/w share of equity-accounted investees</i>	(3)	2
Other comprehensive income subsequently reclassified to profit or loss:		
Change in net investments ⁽²⁾	(5,622)	(2,538)
Change in fair value of derivatives	250	354
Tax effect on the items listed above	89	120
Translation reserve ⁽³⁾	(3,513)	(529)
Amount before income tax (B)	(8,796)	(2,594)
<i>o/w share of equity-accounted investees</i>	-	-
TOTAL OTHER COMPREHENSIVE INCOME	(9,735)	(2,481)
Profit of the period	13,923	29,599
TOTAL COMPREHENSIVE INCOME	4,187	27,118
<i>o/w attributable to company shareholders</i>	4,503	26,000
<i>o/w attributable to non-controlling interests</i>	(316)	1,117

The notes are an integral part of the consolidated financial statements.

The increase in the impact of actuarial gains/losses on employee benefit liabilities (€0.4 million at December 31, 2021 versus -€1 million at December 31, 2020) is linked to the fact that there were limited changes in actuarial assumptions at December 31, 2021 compared with the previous year⁽¹⁾.

The line item “Change in net investments” for -€2.5 million at December 31, 2021 mainly reflects the impact of the appreciation of the South African and Chilean exchange rates for -€1.5 million and -€0.6 million respectively⁽²⁾.

The “Translation reserve” line for -€3.5 million at December 31, 2020 was linked to the impact of the deterioration of the Peruvian currency for -€3 million ⁽²⁾.

⁽¹⁾ See Note 3.2.4.9

⁽²⁾ See Note 3.2.4.13 c

3.1.4 Statement of changes in consolidated shareholders' equity

(In thousands of euros)	Share capital	Additional paid-in capital	Own shares	Consolidated reserves	Translation reserve	Fair value reserves	Attributable to company shareholders	Attributable to non-controlling interests	Total shareholders' equity
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)
Profit of the period	-	-	-	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)
Own shares	-	-	(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	-	-	-	112	(2,749)	254	(2,383)	(98)	(2,481)
Profit of the period	-	-	-	28,384	-	-	28,384	1,215	29,599
Total comprehensive income	-	-	-	28,495	(2,749)	254	26,000	1,117	27,118
Capital increase	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	(7,409)	-	-	(7,409)	(1,037)	(8,446)
Own shares	-	-	132	-	-	-	132	-	132
Business combinations	-	-	-	-	-	-	-	(168)	(168)
Transactions between shareholders	-	-	-	(2,560)	-	-	(2,560)	1,209	(1,351)
Other changes	-	-	-	380	-	-	380	2	382
At December 31, 2021	1,572	74,061	(3,470)	215,684	(18,370)	-	269,469	5,426	274,895

The notes are an integral part of the consolidated financial statements.

“Other comprehensive income” at December 31, 2021 is explained in Note 3.1.3.

At December 31, 2021, the “Business combinations” line concerns the acquisition of South African company Spill Tech Group Holdings (Pty) Ltd and its subsidiaries, described in Note 3.2.2.1 a.

The “Shareholder transactions” line at December 31, 2021 includes the impacts of the following:

- Acquisitions of further equity interests without gain of control:
 - in the Spanish subsidiary Solarca SL: attributable to company shareholders -€1.2 million, non-controlling interests -€0.1 million;
 - in the French subsidiary Energiecie: attributable to company shareholders -€0.3 million, non-controlling interests €0.3 million;
- The implementation of Broad-Based Black Economic Empowerment program in South Africa following the acquisition of Spill Tech Group (see Note 3.2.2.1 a): attributable to company shareholders -€1 million, non-controlling interests +€1 million.

3.1.5 Consolidated statement of cash flows

(In thousands of euros)	12/31/2020	12/31/2021	Notes
Profit of the period	13,923	29,599	
Share of profit of equity-accounted investees (net of tax)	1477	908	3.2.4.20
Dividends from joint ventures and equity-accounted investees	-	-	
Depreciation & amortization, impairment, and provisions	76,210	87,181	
Proceeds from sales of property, plant and equipment	829	676	
Deferred taxes	201	2,235	3.2.4.19
Other income and expenses	3904	4,018	3.2.4.22
Cash flows	96,544	124,616	
Income tax	8,204	11,816	3.2.4.19
Cost of gross financial debt before long-term investments	16,532	16,626	
Cash flows from operating activities before taxes and financing costs	121,279	153,058	
Change in working capital requirement	11310	(645)	3.2.4.5
Tax paid	(11,233)	(10,147)	
Net cash flows from operating activities	121,356	142,266	
Investments in property, plant and equipment and intangible assets	(66,392)	(89,565)	
Proceeds from sales of property, plant and equipment and intangible assets	2,171	2,119	
Increase in loans and financial receivables	(543)	(1,207)	
Decrease in loans and financial receivables	473	380	
Acquisition of subsidiaries net of cash and cash equivalents	(9,003)	(29,335)	3.2.4.21
Loss of control over subsidiaries net of cash and cash equivalents	52	1	
Net cash flows from investments	(73,242)	(117,608)	
Dividends paid to equity holders of the parent	(7,412)	(7,410)	
Dividends paid to holders of non-controlling interests	(861)	(1,078)	
Capital increase or decrease by controlling company	407	-	
Cash and cash equivalents without loss/gain of control	(4,066)	(2,077)	3.2.4.21
Change in shareholders' equity	(168)	202	
New loans and financial debt	64,431	380,261	3.2.4.8
Repayment of loans and financial debt	(51,013)	(293,842)	3.2.4.8
Net interest payments	(15,115)	(15,296)	3.2.4.8
Repayments of lease liabilities and associated financial expenses	(16,245)	(19,185)	3.2.4.8
Net cash flows from financing activities	(30,043)	41,575	
Total cash flows from continuing operations	18,072	66,233	
Net cash flows from discontinued operations	(1)	-	
TOTAL CASH FLOWS FOR THE PERIOD	18,071	66,233	
Opening cash and cash equivalents	80,741	98,184	
Closing cash and cash equivalents	98,184	164,520	
Effect of changes in foreign exchange rates	631	(103)	
<i>(1) of which:</i>			
<i>Cash and cash equivalents</i>	<i>105,265</i>	<i>172,201</i>	
<i>Short-term bank borrowings and overdrafts (current financial debt)</i>	<i>(7,081)</i>	<i>(7,682)</i>	

The notes are an integral part of the consolidated financial statements.

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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, 2021 reflect the accounting position of Séché Environnement and its subsidiaries (hereinafter the Group) and the Group's interests in joint ventures and equity-accounted investees.

The consolidated financial statements were approved by the Board of Directors on March 4, 2022, and submitted to the General Shareholders' Meeting for approval on April 29, 2022.

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.

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which are available for consultation on the European Commission's website.

a. New standards and interpretations applicable on or after January 1, 2021

The following amendments to IFRS published by the IASB and applicable as of January 1, 2021, had no material impact on the Group's consolidated financial statements at December 31, 2021:

- Interest Rate Benchmark Reform Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 connected with the benchmarks reform

In May 2021, the IASB approved the IFRS Interpretations Committee's decision regarding IAS 19 "Employee Benefits" on Attributing Benefit to Periods of Service. As such, retirement benefits are calculated from the retirement date rather than the hiring date for collective agreements that calculate benefits based on length of service. Where benefits are capped, the length of service is limited to the maximum seniority required to reach the cap. The impact of this change in accounting policy is described in Note 3.2.1.20 a.

b. Standards and interpretations adopted by the IASB but not yet applicable at December 31, 2021

Standard	Applicable from	Subject
Amendments to IFRS 16	April 1, 2021	Rent concessions beyond June 30, 2021
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
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022	Annual improvements to standards, 2018-2020 cycle
Amendments to IAS 16	January 1, 2022	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to IAS 1	January 1, 2023	Classification of Liabilities as Current or Non-current
Amendments to IAS 8	January 1, 2023	Definition of Accounting Estimates
Amendments to IAS 12	January 1, 2023	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

An assessment of the impact of applying these amendments and improvements is under review. However, these provisions are not contrary to the Group's current accounting practices.

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.

These estimates and assumptions mainly concern the valuation of goodwill and other intangible assets, the calculation of the amount of provisions and retirement obligations, the impairment of trade receivables, and deferred tax assets.

These assumptions, estimates or assessments are based on information or situations existing at the date of preparing the financial statements, and are detailed in the specific notes relating to each item below. They may subsequently turn out to be different from reality.

3.2.1.3 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.

Subsidiaries are consolidated as of the effective date on which control was taken and until the date on which control was lost. In determining control and in compliance with the provisions of IAS 27, potential voting rights attached to financial instruments - which, if exercised, may provide Séché Environnement or its subsidiaries with a voting right - are taken into consideration.

Companies over which 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.

3.2.1.4 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 rates in effect at the closing date. Income statement and cash flow statement items are converted using the average monthly rate for the year, provided there are no major fluctuations in the exchange rate.

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

- For the amount attributable to company shareholders, in consolidated shareholder's equity under "Translation differences";
- For third parties, under "Non-controlling interests."

When a foreign subsidiary is sold, the related translation reserve is recognized in income.

3.2.1.5 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 translation difference), 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.

3.2.1.6 Segment information

The CODM (chief operating decision maker) has access to financial data for each legal entity. These legal entities variously provide waste treatment services for hazardous 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.

3.2.1.7 Intangible assets and property, plant and equipment

a. Goodwill

On the acquisition date, goodwill is measured as the difference between:

(i) the fair value of the consideration transferred, and in a step-by-step business combination, the fair value of the purchasing entity's previously held interest in the acquired company on the acquisition date, and

(ii) the Group's share in the net balance of the identifiable assets, liabilities, and contingent liabilities acquired (generally measured at fair value).

When the option of recognizing non-controlling interests at fair value is applied, goodwill is increased by an equivalent amount.

If the goodwill is negative, it is recognized in profit or loss directly in the income statement.

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 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 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 3.2.1.7 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;
- 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, 2021, the same as that used at December 31, 2020. For the other scopes, the growth rate used was 1.67% at December 31, 2021, also unchanged from December 31, 2020;
- Different discount rates are used in each country. 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	2020	2,021
France	4.90%	6.00%
Spain	5.13%	6.30%
Italy	5.99%	6.70%
Germany	4.90%	5.60%
Argentina	13.31%	35.90%
Mexico	10.70%	8.80%
Chile	8.64%	7.20%
Peru	9.29%	7.60%
South Africa	10.52%	11.40%

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.

3.2.1.8 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 Sénerval, Alcéa, and Mo'UVE.

These contracts provide for the transfer by the grantors of the right to operate certain dedicated facilities in exchange for remuneration.

- These facilities are either made available to 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 as a priority be assigned to the activities conceded by the grantor authority (without any guarantee of volume or minimum remuneration). The contracts also provide for payment of a commission or indemnity to the authority, based on the results derived from business from other users of the service;
- The contracts also normally provide for the transfer 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:

- The right to operate the facilities 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 facilities generating the right;

- The construction or upgrading of existing facilities is booked at fair value in the income statement, according to the provisions of IFRS 15 described in Note 3.2.1.16 “Recognition of income”;
- 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 are as follows:

Contract	Type of service	Duration	Price revision clause	Contractual revision of contract	Renewal option	Cancellation option
SENERVAL	Construction			No	No	Yes, in case of serious failure or public interest
	Operation	Until 2030	Monthly, according to index			
ALCEA	Construction			No	No	Yes
	Operation	Until 2024	Annual, according to index			
MO'UVE	Construction	Until 2023		No	No	Yes
	Operation	Until 2040	Annual, according to index			

Mo'UVE is a company created at the end of 2020 whose activity consists of managing the Montauban energy recovery unit for a period of 20 years. The contract, which began on January 1, 2021, provides for the operation of the energy recovery unit and modernization work for an total budget of €43 million. Renovation work began in 2021.

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.

3.2.1.9 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.

3.2.1.10 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 profit or loss	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
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, loans and receivables on 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 share of shareholders' equity attributable to company shareholders;
- 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.

These financial assets are measured at fair value through profit and loss and booked under "Other financial income and expenses":

- 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.

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).

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 (level 1), 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, short-term bank borrowings and overdrafts, and operating debt.

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.

The fair value of financial liabilities can be determined based on observable inputs (interest rates), and is therefore considered to be Level 2.

The fair value of operating debt is almost equal to its book value given the short maturity of these instruments.

c. Derivatives

Derivatives include call options and cash flow hedging instruments.

The fair value of hedging instruments (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.

As at December 31, 2021, the Group no longer uses derivatives (see Note 3.2.4.8 g).

Accumulated gains or losses on hedging instruments recorded in equity were reclassified to profit or loss under "Cost of gross financial debt", as a cost of the hedged transaction but only if the transaction occurs.

3.2.1.11 Own shares

Own shares are recorded as a reduction in shareholders' equity. Profits and losses resulting from the sale of own shares, and any related dividends, net of tax, are booked directly to shareholders' equity.

3.2.1.12 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.

3.2.1.13 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 3.2.4.10 "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 on April 26, 1999 relating to the landfill of waste. Under this Directive, all costs related to the use of landfill sites must be included in the price for eliminating waste using this method, including installation and operation of the site, financial guarantees, site decommissioning and maintenance.

Furthermore, a French regulation dated September 9, 1997 requires long-term monitoring over 30 years of all facilities operating after June 14, 1999.

Accordingly, the Group books provisions for the 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 costs are estimated using an estimate of leachates to be treated (based on the tonnage of waste stored, rainfall patterns and the permeability of the storage cell) and standard average costs recommended by ADEME (the French environment and energy management agency) or actual average costs incurred.

The provision is booked progressively over the operating term and subsequently 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 determine benefit liabilities vary depending on the economic conditions in the country where the plan operates. These assumptions are described in Note 3.2.4.9 "Employee benefits."

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 current 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".

In accordance with the decision of the IFRS Interpretations Committee published in the first half of 2021, the valuation method applied for collective agreements in which entitlements are defined by length of service has been revised (see Note 3.2.1.20). Entitlements are now spread out on a straight-line basis over the last years of each employee's career eligible for new benefits, instead of over the entire career.

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.

3.2.1.14 Borrowing costs

Interest on loans is expensed in the fiscal year in which it was accrued, with the exception of:

- Borrowing costs directly attributable to the purchase, construction or production of assets requiring a long preparation period before they can 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.

3.2.1.15 Income tax

a. Tax consolidation

The Group first adopted its tax consolidation regime on January 1, 2000. The option for the tax consolidation regime was renewed on January 1, 2005 for a further five-year period, and is renewable automatically for further periods of five years. All French commercial companies in which S  ch   Environnement owns at least a 95% interest come under the scope of this regime.

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 is likely to recover the amount over the next few years, with due regard for the prospects for its activities and the tax regulations in force.

3.2.1.16 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.

However, the portfolio of local authority clients currently includes three public service delegation agreements for the management of household waste incinerators, which have specific features and involve significant amounts (see Note 3.2.1.8 "Concession contracts").

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:	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
		- 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		
		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.	As work progresses after 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.	As work progresses after 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.	As work progresses on the basis of waste tonnage stored
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.	As work progresses 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.	As work progresses 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 in the contract
Decontamination - 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	As work progresses on the basis of waste tonnage treated As work progresses 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 3.2.1.8, 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.

3.2.1.17 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 representing the lease payment obligation.

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, the Group excludes short-term leases and low value assets 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.

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.

3.2.1.18 Financial items on the income statement

a. Income from cash and cash equivalents

Income from cash and cash equivalents mainly covers income from financial instruments held by the Group, net of any impairment, and proceeds 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 (losses), accretion of provisions, prepayment penalties, and impairments of financial assets.

3.2.1.19 Earnings per share

Basic earnings per share are calculated by dividing profit attributable to company shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing profit attributable to company shareholders by the weighted average number of ordinary shares outstanding during the period, plus the effects of dilutive options.

3.2.1.20 Change in accounting method and accounting estimates

a. Change in accounting policy

In May 2021, the IASB approved the IFRS Interpretations Committee decision regarding IAS 19 “Employee Benefits” on Attributing Benefit to Periods of Service. As such, retirement benefits are calculated from the retirement date rather than the hiring date for collective agreements that calculate benefits based on length of service. Where benefits are capped, the length of service is limited to the maximum seniority required to reach the cap. The impact of this change in accounting policy was recognized retrospectively in opening equity for an amount of €0.4 million net of deferred tax (see Notes 3.1.3 and 3.2.4.9).

b. Change in accounting presentation method

There were no changes to the presentation of the accounts during the period.

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”.

c. 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 equity-accounted investees is presented in Note 3.2.3 "Consolidation scope".

3.2.2.1 Main changes in the consolidation scope

a. Acquisition of a controlling stake in South African company Spill Tech Group Holdings (Pty) Ltd and its subsidiaries

On March 1, 2021 Séché Holdings SA acquired full and exclusive control of the South African Group Spill Tech Group Holdings (Pty) Ltd and its subsidiaries, hereinafter referred to as Spill Tech.

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

Spill Tech Group Holdings (Pty) Ltd and its subsidiaries have been fully consolidated in the Group's consolidated financial statements since March 1, 2021.

The final breakdown of the acquisition price at December 31, 2021 is provided in the table below:

(In thousands of euros)	On the acquisition date
Fair value of the transferred group	26,035
Net assets and liabilities acquired	8,601
Final goodwill arising from the acquisition (see 3.2.4.1 a)	17,434
Cash and cash equivalents acquired	3,652

The fair value of the transferred group had been disbursed, affecting "Cash and cash equivalents with gain of control" in the consolidated statement of cash flows (see Note 3.2.4.22 b).

The contribution of the acquisition of Spill Tech to the main income statement items was as follows:

(In thousands of euros)	December 31, 2021	Impact of the	December 31, 2021
	Reported	acquisition of Spill	Restated
		Tech Group ⁽¹⁾	
Revenue	790,117	34,006	756,111
EBITDA	170,282	10,218	160,064
Current operating income	71,496	8,597	62,899
Operating income	68,684	8,597	60,087
Net financial income	(24,126)	(284)	(23,841)
Profit of the period	29,599	6,003	23,596
o/w attributable to non-controlling interests	(1,215)	(466)	(749)
o/w attributable to company shareholders	28,384	5,537	22,847

(1) Data from March 1, 2021 to December 31, 2021.

On November 4, 2021, the Group finalized the implementation of the principles set out in the Broad-Based Black Economic Empowerment (B-BBEE) regulation in South Africa in order to observe its business and regulatory commitments. These principles promote equality in South Africa.

In terms of its capital structure, the Group set up Séché Spill Tech Group Holdings in South Africa and performed various transactions in the shares of its subsidiaries, prioritizing partners that observe B-BBEE criteria.

- Séché Spill Tech Holdings is 58.90%-owned by Séché South Africa;
- Spill Tech Group Holdings and its subsidiaries, with the exception of EnviroSure Underwriting Managers Pty Ltd, are wholly owned by Séché Spill Tech Holdings (they were previously wholly owned by Séché Holdings SA);
- EnviroSure Underwriting Managers Pty Ltd is 85%-owned by Séché South Africa (it was previously 85%-owned by Spill Tech Group Holdings).

The percentage interest in these companies, which are now owned by Séché South Africa, was modified accordingly in 2021 without no change in the consolidation methods (see Note 3.2.3), impacting the line “Transactions between shareholders” for -€1 million attributable to company shareholders at December 31, 2021 (see Note 3.1.4).

Through a preference share arrangement with Séché Holdings SA, all dividends paid by Séché Spill Tech Holdings and its subsidiaries, plus 85% of dividends paid by EnviroSure Underwriting Managers Pty Ltd, are attributed to company shareholders without taking into account the 16.83% attributable to non-controlling equity interests for a specified period.

b. Acquisition of an additional stake without gain of control in the Spanish company Solarca SL

On July 6, 2021, Séché Environnement exercised options allowing it to acquire an additional 5% stake in Solarca SL for €1.3 million. This acquisition impacted the item “Cash and cash equivalents without gain of control” in the consolidated cash flow statement (see Note 3.2.4.22). The Group’s ownership interest increased from 86% to 91%.

The acquisition impacted the Group’s equity by -€1.2 million and non-controlling interests by -€0.1 million (See Note 3.1.4).

c. Legal restructuring

A full transfer of assets and liabilities from French incinerator operator, Béarn Environnement, to Séché Environnement was completed on September 1, 2021 following the end of its delegated management contract.

d. Creation and start-up of subsidiaries

Uper Retiers, an energy generation and recovery unit in Retiers, was created on March 16, 2021. Séché Environnement owns 100% of the company and it is fully consolidated.

Séché Assainissement was created on October 29, 2020. This company is expected to start operations on January 1, 2022 with the takeover of eight sanitation facilities previously owned by OSIS IDF (see Note 3.2.2.1 d). Séché Environnement owns 100% of the company and it was fully consolidated for the first time in 2021.

Solarca SL’s subsidiaries, Solarca Chile Colectiva Civil, Solarca South Africa and Solarca Morocco, were consolidated for the first time in 2021. These new consolidations had no material impact on the Group’s consolidated financial statements at December 31, 2021.

e. Disposals of subsidiaries

No significant disposals with or without loss of control were made in 2021 or 2020.

3.2.2.2 Other highlights of the period

a. Measurement of financial performance

In 2021, Séché Environnement consolidated its profitable growth momentum and confirmed the favorable outlook for its business, operating margin and financial position for the full year and beyond.

The operating performance of the Group’s various business lines is discussed in the 2021 Activity Report.

b. Successful first sustainability-linked bond issue with decarbonization criteria

On November 4, 2021, Séché Environnement announced the successful placement of its first sustainability-linked bond, for €300 million.

Séché Environnement issued a bond with two sustainability performance criteria relating to its strategy to reduce its own greenhouse gas emissions and increase the greenhouse gas emissions avoided by its customers thanks to its recycling activities.

The bond matures in seven years (in November 2028) and is repayable at maturity. It bears interest at an annual rate of 2.25% and was issued at 100% of its par value. The contract provides for an adjustment to the interest rate if the two sustainability performance criteria described above are not met.

This bond enabled the Group to refinance the senior bank loan maturing in 2023, which was itself subject to sustainability criteria, certain euro-PPs with the same maturity, as well as covering the costs and expenses associated with the transaction. This transaction will also finance the upcoming acquisition of OSIS IDF.

It had an impact on net financial income of -€5.3 million, including -€4.4 million in early repayment fees on bank loans, and -€0.8 million for the balance of the amortized cost of these loans, which have now been repaid (see Note 3.2.4.18).

The percentage of bank debt in relation to total net debt changed accordingly (see Note 3.2.4.8).

c. Finalization of the OSIS IDF acquisition

In August 2021, Séché Environnement entered into an agreement with Veolia group to acquire eight sanitation centers in Ile-de-France that belonged to SARP-OSIS IDF, a subsidiary of Veolia.

This planned acquisition was subject to the approval of the French anti-trust authority, which was obtained on November 19, 2021. The acquisition was effective from January 1, 2022, the date of signing of the deed of acquisition.

3.2.3 Consolidation scope

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
			12/31/2020	12/31/2021	12/31/2020	12/31/2021
PARENT COMPANY						
Séché Environnement	Changé	France	Parent	Parent	Parent	Parent
CONSOLIDATED SUBSIDIARIES						
Alcéa	Changé	France	100.00	100.00	Full	Full
Béarn Environnement ⁽⁵⁾	Pau	France	100.00	-	Full	-
Ciclo	Quilicura	Chile	70.00	70.00	Full	Full
Depo	Milan	Italy	90.00	90.00	Full	Full
Drakenstein Energy Pty	Gauteng	South Africa	83.17	83.17	Full	Full
Drimm	Montech	France	100.00	100.00	Full	Full
East Gauteng Energy Pty Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Ecosite de la Croix Irtelle	Changé	France	100.00	100.00	Full	Full
Eden Waste Construction Ltd	Gauteng	South Africa	62.38	-	Full	-
Eden Waste Management Ltd	Gauteng	South Africa	62.38	-	Full	-
Eden Waste Operations Ltd	Gauteng	South Africa	62.38	-	Full	-
Energécie	Changé	France	74.60	100.00	Full	Full
Enviroserv Polymer Solutions Pty Ltd ⁽¹⁾	Durban	South Africa	-	83.17	-	Full
Envirosure Underwriting Managers Pty Ltd ⁽¹⁾	Brighton Beach	South Africa	-	70.69	-	Full
Envirowaste SA Pty Ltd	Gauteng	South Africa	83.17	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	Germiston South	South Africa	83.17	83.17	Full	Full
IberTrédi Medioambiental	Barcelona	Spain	100.00	100.00	Full	Full
Interwaste Environmental Solutions Pty Ltd	Lusaka	Zambia	82.33	-	Full	-
Interwaste Holding Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Interwaste Industrial Cleaning Pty Ltd	Gauteng	South Africa	41.59	41.59	Equity	Equity

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
			12/31/2020	12/31/2021	12/31/2020	12/31/2021
Interwaste On-site Pty Ltd	Gauteng	South Africa	48.99	48.99	Full	Full
Interwaste Petrochemicals ⁽⁴⁾	Gauteng	South Africa	48.99	48.99	Full	Full
Interwaste Properties Pty Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Interwaste Pty	Gauteng	South Africa	83.17	83.17	Full	Full
IWE Fleet Sales Pty	Gauteng	South Africa	83.17	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	Gauteng	South Africa	58.22	0.00	Full	-
M53 Investments	Gauteng	South Africa	32.40	32.40	Equity	Equity
Mayenne Investment	Gauteng	South Africa	100.00	100.00	Full	Full
Masakhane Interwaste Pty Ltd	Gauteng	South Africa	48.32	48.32	Full	Full
Mecomer	Milan	Italy	90.00	90.00	Full	Full
Mo'UVE	Montauban	France	100.00	100.00	Full	Full
Moz Environmental Limitada	Maputo	Mozambique	100.00	100.00	Full	Full
Namaqua	Gauteng	South Africa	40.20	40.20	Full	Full
Opale Environnement	Calais	France	100.00	100.00	Full	Full
Platinum Waste Resources Pty Ltd	Gauteng	South Africa	42.42	42.42	Full	Full
Sabsco Asia ⁽²⁾	Singapore	Singapore	86.00	91.00	Full	Full
Sabsco Limited ⁽²⁾	Kent	United Kingdom	86.00	91.00	Full	Full
Sabsco Malaysia ⁽²⁾	Petaling Jaya	Malaysia	86.00	91.00	Full	Full
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	100.00	100.00	Full	Full
Séché Assainissement ⁽³⁾	Changé	France	-	100.00	-	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	100.00	100.00	Full	Full
Séché Éco-Services	Changé	France	100.00	100.00	Full	Full

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
			12/31/2020	12/31/2021	12/31/2020	12/31/2021
Séché Environnement Ouest	Changé	France	100.00	100.00	Full	Full
Séché Holdings SA	Gauteng	South Africa	100.00	100.00	Full	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	Claremont	South Africa	83.17	83.17	Full	Full
Seche Spill Tech Holdings Pty Ltd ⁽¹⁾	Durban	South Africa	-	83.17	-	Full
Séché Transports	Changé	France	100.00	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	86.00	91.00	Full	Full
Sogad	Le Passage	France	50.00	50.00	Equity	Equity
Solarca Chile Colectiva Civil ⁽²⁾	Las Condes	Chile	-	90.09	-	Full
Solarca France ⁽²⁾	Marseille	France	80.38	85.05	Full	Full
Solarca Maroc ⁽²⁾	Tangier	Morocco	-	91.00	-	Full
Solarca Portugal ⁽²⁾	Setubal	Portugal	86.00	91.00	Full	Full
Solarca Qatar ⁽²⁾	Doha	Qatar	42.14	44.59	Full	Full
Solarca Russia ⁽²⁾	Moscow	Russia	86.00	91.00	Full	Full
Solarca SL ⁽²⁾	La Selva Del Camp	Spain	86.00	91.00	Full	Full
Solarca South Africa ⁽²⁾	Gauteng	South Africa	-	91.00	-	Full
Solena	Viviez	France	60.00	60.00	Full	Full
Solena Valorisation	Viviez	France	60.00	60.00	Full	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	65.00	Full	Full
Speichim Processing	Saint-Vulbas	France	100.00	100.00	Full	Full
Spill Tech Pty Ltd ⁽¹⁾	Durban	South Africa	-	83.17	-	Full
Spill Tech (Gauteng) Pty Ltd ⁽¹⁾	Durban	South Africa	-	83.17	-	Full
Spill Tech Group Holding Pty Ltd ⁽¹⁾	Durban	South Africa	-	83.17	-	Full
Spill Tech Hire Pty Ltd ⁽¹⁾	Durban	South Africa	-	83.17	-	Full

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
			12/31/2020	12/31/2021	12/31/2020	12/31/2021
Spill Tech Industrial Cleaning Pty Ltd ⁽¹⁾	Congella	South Africa	-	83.17	-	Full
Therm-Service	Seevetal	Germany	86.00	91.00	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
Uper Retiers ⁽³⁾	Changé	France	-	100.00	-	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	100.00	Full	Full

(1) See Note 3.2.2.1.a

(2) See Note 3.2.2.1.b

(3) Cf. Note 3.2.2.1.d

(4) Through a preference share arrangement with Interwaste, all of Petrochemicals' profits and shareholders' equity are attributable to company shareholders (83.17% due to the Group's interest in Séché South Africa) for a specified period.

(5) See Note 3.2.2.1.c

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:

(In thousands of euros)	France	Germany	Spain	Chile	Peru	South Africa	Italy	Total
Gross value								
At December 31, 2020	257,255	3,582	12,051	10,051	21,273	1,815	28,947	334,973
Change in consolidation scope	-	-	-	-	-	17,434	-	17,434
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(934)	(487)	(43)	-	(1,465)
Other	-	-	-	0	(0)	-	-	-
At December 31, 2021	257,255	3,582	12,051	9,117	20,786	19,205	28,947	350,942
Impairment								
At December 31, 2020	(20,220)	-	(5,674)	-	-	-	-	(25,894)
Change in consolidation scope	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	(880)	-	-	(880)
Currency translation differences	-	-	-	-	(12)	-	-	(12)
Other	-	-	-	-	-	-	-	-
At December 31, 2021	(20,220)	-	(5,674)	-	(893)	-	-	(26,786)
Net value								
At December 31, 2020	237,035	3,582	6,377	10,051	21,273	1,815	28,947	309,079
Change in consolidation scope	-	-	-	-	-	17,434	-	17,434
Impairment	-	-	-	-	(880)	-	-	(880)
Currency translation differences	-	-	-	(934)	(499)	(43)	-	(1,477)
Other	-	-	-	0	(0)	-	-	-
At December 31, 2021	237,035	3,582	6,377	9,117	19,893	19,205	28,947	324,156

The “Changes in consolidation scope” line corresponds to the final goodwill on Spill Tech Group Holdings (Pty) Ltd (see Note 3.2.2.1 a).

The “Impairment” line represents the €0.9 million impairment recorded following the impairment test performed on the Peruvian cash-generating unit at December 31, 2021 (see Note 3.2.4.1 c).

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, 2020	13,300	65,063	52,312	130,676
Acquisitions	1,564	154	7,082	8,800
Disposals	(4,661)	-	(195)	(4,855)
Change in consolidation scope	-	-	-	-
Currency translation differences	(16)	(3)	5	(13)
Change in accounting method	-	-	-	-
Other	385	(0)	(483)	(98)
At December 31, 2021	10,573	65,215	58,722	134,510
Depreciation & amortization and impairment				
At December 31, 2020	(11,512)	(23,644)	(14,944)	(50,100)
Allocations	(1,528)	(4,724)	(4,044)	(10,296)
Impairment	(3)	-	-	(3)
Disposals	4,659	-	-	4,659
Change in consolidation scope	-	-	-	-
Currency translation differences	4	-	43	48
Other	(133)	-	63	(70)
At December 31, 2021	(8,512)	(28,369)	(18,882)	(55,762)
Net value				
At December 31, 2020	1,789	41,419	37,368	80,575
At December 31, 2021	2,062	36,846	39,840	78,747

Acquisitions made in 2021 mainly concerned IT projects, for €6.9 million.

c. Impairment test

The impairment test carried out at December 31, 2021, in accordance with the procedures set out in Note 3.2.1.7.d, concluded that there was no impairment to be recorded besides that on the cash-generating unit in Peru.

Performance in Peru has declined due to delays in the growth plan caused by the health crisis. An impairment loss of €0.9 million was recorded at December 31, 2021.

With regard to the CICLO project planned by the Chile cash-generating unit, the Supreme Court issued an initial refusal for the operating license on July 21, 2021, delaying the implementation of the project by the subsidiary CICLO. The company has performed additional environmental impact studies in order to achieve a favorable outcome soon. Cash flows are based on the assumption that the operating license will be granted.

The most significant 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 €161.3 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 €103.8 million. A 1 point annual decrease in the revenue growth rate would reduce the fair value of the Group's goodwill by €37.2 million. No impairment would be booked in this respect.

Furthermore, the sensitivity analysis did not reveal any other scenario under which the recoverable value of the CGUs would fall below the net book value.

3.2.4.2 Property, plant and equipment

(In thousands of euros)	Land	Buildings	Tech. Inst.	Transportation equipment	Fixtures & Office equipment	Fixed assets under construction	Leases	Total
Gross value								
At December 31, 2020	47,311	196,906	446,375	47,578	114,432	33,919	87,208	973,730
Acquisitions	1,314	7,519	33,047	3,051	9,011	29,815	12,143	95,900
Disposals	(484)	(9,831)	(41,506)	(6,054)	(4,140)	(617)	(2,618)	(65,249)
Change in consolidation scope	-	-	3,166	4,781	1,080	-	5,200	14,226
Currency translation differences	(237)	(811)	223	86	(16)	(332)	1	(1,085)
Other	2	13,624	9,532	3,533	900	(21,072)	(1,992)	4,526
At December 31, 2021	47,907	207,406	450,836	52,975	121,268	41,714	99,957	1,022,063
Depreciation & amortization and impairment								
At December 31, 2020	(10,708)	(141,105)	(357,275)	(34,330)	(77,655)	-	(38,889)	(659,962)
Allocations	(1,340)	(15,483)	(28,433)	(3,711)	(7,851)	-	(13,815)	(70,632)
Impairment	(68)	(668)	58	(1)	(140)	-	-	(819)
Disposals	429	9,052	41,342	5,408	3,744	-	2,035	62,010
Change in consolidation scope	-	-	(1,543)	(2,806)	(655)	-	(2,110)	(7,114)
Currency translation differences	31	300	(158)	26	(24)	-	35	211
Other	2	(120)	(171)	(1,552)	40	-	891	(910)
At December 31, 2021	(11,653)	(148,025)	(346,179)	(36,966)	(82,539)	-	(51,853)	(677,216)
Net value								
At December 31, 2020	36,603	55,800	89,100	13,248	36,778	33,919	48,319	313,768
At December 31, 2021	36,254	59,382	104,657	16,009	38,728	41,714	48,104	344,847

The “Change in consolidation scope” line reflects the acquisition of Spill Tech Group (see Note 3.2.2.1 a).

“Impairment” corresponds to the impairment loss recorded on real assets at the Moz Environmental Limitada site that were damaged in the first half of 2021, impacting other non-current items (see Note 3.2.4.17).

Lease contracts break down as follows:

(In thousands of euros)	Land	Buildings	Tech. Inst.	Transportation equipment	Fixtures and fittings	Total leases
Gross value						
At December 31, 2020	1,658	31,636	24,328	29,178	408	87,208
Acquisitions	17	3,257	2,201	6,488	181	12,143
Disposals	(42)	(760)	(833)	(983)	-	(2,618)
Change in consolidation scope	-	3,388	160	1,652	-	5,200
Currency translation differences	-	199	(114)	(78)	(7)	1
Other	0	0	0	(1,992)	(0)	(1,992)
At December 31, 2021	1,632	37,720	25,741	34,281	583	99,957
Depreciation & amortization and impairment						
At December 31, 2020	(516)	(12,947)	(14,465)	(10,802)	(159)	(38,889)
Allocations	(249)	(4,388)	(4,242)	(4,843)	(93)	(13,815)
Impairment	-	-	-	-	-	-
Disposals	42	464	643	886	-	2,035
Change in consolidation scope	-	(986)	(23)	(1,101)	-	(2,110)
Currency translation differences	-	(45)	61	16	2	35
Other	(0)	0	0	891	(0)	891
At December 31, 2021	(723)	(17,901)	(18,026)	(14,954)	(250)	(51,853)
Net value						
At December 31, 2020	1,141	18,690	9,862	18,377	249	48,319
At December 31, 2021	909	19,819	7,715	19,327	333	48,104

Lease expenses are analyzed in Note 3.2.4.15 a.

3.2.4.3 Equity-accounted investees

a. Summary of investments in equity-accounted investees

At December 31, 2021, equity-accounted investees correspond exclusively to the interest in La Barre Thomas.

b. Changes to investments in equity-accounted investees

The change in investments in equity-accounted investees of -€0.1 million at December 31, 2021 (-€0.2 million at December 31, 2020) is explained by a share of profit for the period of -€0.9 million (-€1.5 million at December 31, 2020) and the reclassification to non-current provisions (see Note 3.2.4.10) of the negative share of -€0.8 million (-€1.3 million at December 31, 2020).

c. Financial information on equity-accounted investees

The information summarized below represents the full financial position and income statements of equity-accounted investees.

In accordance with IAS 28 Investments in Associates and Joint Ventures, the summary statement of financial position and income statement at December 31, 2021 correspond to the most recent accounts available.

(In thousands of euros)	La Barre Thomas	Gerep (*)	Sogad
Non-current assets	6	1,093	2,301
Current assets	1,931	197	1,012
Total assets	1,938	1,290	3,313
Shareholders' equity	126	(4,111)	(193)
Non-current liabilities	-	1,000	525
Current liabilities	1,812	4,401	2,981
Total liabilities and shareholders' equity	1,938	1,290	3,313
Revenue	3,383	1,401	3,780
EBITDA	3	(1,014)	(302)
Current operating income	2	(1,034)	(654)
Operating income	2	(1,165)	(654)
Profit of the period	2	(1,235)	(673)

(*) A provision of €0.3 million for estimated costs until the company ceased operating was recognized in 2021 (€2.5 million in 2020).

d. Transactions with equity-accounted investees

The Group did not carry out any significant transactions with equity-accounted investees.

3.2.4.4 Other non-current and current financial assets

(In thousands of euros)	December 31, 2020			December 31, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Equity instruments	594	-	594	388	-	388
Deposits and guarantees	2,793	227	3,020	3,179	155	3,334
Loans	2,349	66	2,415	2,595	129	2,724
Concession operating receivables	1,473	680	2,153	4,892	2,933	7,826
Financial loans and receivables	6,614	974	7,588	10,666	3,218	13,884
Other financial assets	7,209	974	8,183	11,054	3,218	14,272

a. Equity instruments

(In thousands of euros)	December 31, 2020	Acquisitions	Disposals / redemptions	Impairment	Change in consolidation scope	Other	December 31, 2021
Solarca Maroc	9	-	-	-	(9)	-	-
Solarca Chile	10	-	-	-	(10)	-	-
Séch� 202	-	5	-	-	-	-	5
Other	10	10	-	-	(3)	-	18
Non-consolidated securities ⁽¹⁾	30	15	-	-	(22)	-	23
Emertec ⁽²⁾	237	-	-	(97)	-	-	140
Other UCITS ⁽¹⁾	328	-	(170)	-	67	-	225
UCITS	565	-	(170)	(97)	67	-	365
Equity instruments	594	15	(170)	(97)	46	-	388

(1) Level 2

(2) Level 3

b. Financial loans and receivables at amortized cost

(In thousands of euros)	December 31, 2020	Increases	Write-backs	Change	Change in consolidation scope	Currency translation differences	Other	December 31, 2021
Deposits and guarantees	3,020	604	(331)	0	21	21	0	3,334
Loans	2,415	589	(49)	0	19	1	(250)	2,724
Concession operating receivables	2,153	-	-	5,565	-	-	108	7,826
Financial loans and receivables	7,588	1,192	(380)	5,565	39	21	(142)	13,884

The increase in concession operating receivables was due to the start of the Mo'UVE concession contract on January 1, 2021 (see Note 3.2.1.8).

The impact of the discounting of concession receivables is recorded in "Other".

3.2.4.5 Working capital requirement

a. Net change in working capital requirement (WCR)

At December 31, 2021:

(In thousands of euros)	December 31, 2020	Change in WCR	Change in consolidation scope	Translation differences	Other	December 31, 2021
Inventories	15,009	631	1,651	31	-	17,321
Trade and other receivables	171,023	2,302	5,744	267	6,699	186,035
o/w trade receivables	168,267	1,724	5,667	294	7,662	183,613
<i>Impairment of trade receivables</i>	(5,259)	(986)	(5)	(23)	260	(6,013)
Other current assets	32,103	6,243	143	35	(2,304)	36,220
Other non-current assets	35,930	(110)	(0)	0	(6,304)	29,516
<i>Other assets excluding WCR⁽¹⁾</i>	(3,062)	(496)	(12)	(30)	623	(2,976)
Asset items	251,003	8,570	7,525	303	(1,286)	266,116
Trade payables	115,150	17,275	2,317	411	2,190	137,343
Other current liabilities	117,728	(9,294)	1,153	(2,185)	(540)	106,862
<i>Other liabilities excluding WCR</i>	(24,438)	(56)	(236)	59	4,343	(20,328)
Liability items	208,440	7,925	3,234	(1,715)	5,993	223,877
WCR	42,564	645	4,292	2,017	(7,279)	42,239

The impact of the change in scope corresponds to the identifiable working capital requirement assets and liabilities acquired from Spill Tech Group (see Note 3.2.2.1 a).

At December 31, 2020:

(In thousands of euros)	December 31, 2019	Change in WCR	Change in consolidation scope	Translation differences	Other	December 31, 2020
Inventories	14,553	581	-	(125)	0	15,009
Trade and other receivables	179,435	(4,969)	(1)	(2,438)	(1,004)	171,023
o/w trade receivables	175,174	(4,564)	(1)	(2,517)	175	168,267
<i>Impairment of trade receivables</i>	(5,245)	181	-	123	(318)	(5,259)
Other current assets	43,305	(8,617)	0	109	(2,694)	32,103
Other non-current assets	42,889	(6,598)	-	(0)	(361)	35,930
<i>Other assets excluding WCR⁽¹⁾</i>	(3,023)	340	(0)	92	(470)	(3,062)
Asset items	277,160	(19,264)	(1)	(2,363)	(4,528)	251,003
Trade payables	123,165	(8,719)	(1)	(1,749)	2,454	115,150
Other current liabilities	127,237	(11,135)	0	(6,170)	7,796	117,728
<i>Other liabilities excluding WCR</i>	(32,496)	11,899	-	153	(3,994)	(24,438)
Liability items	217,906	(7,954)	(1)	(7,767)	6,255	208,440
WCR	59,254	(11,310)	(0)	5,404	(10,784)	42,564

Non-current assets primarily include the amounts payable to S enerval by Eurom etropole Strasbourg in respect of amendments to the public service delegation agreement and the major maintenance and renewal contract (see Note 3.2.1.8). 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.

b. Trade and other receivables

Factoring

On December 28, 2021, the Group sold, without recourse, receivables of €23.8 million, with accompanying insurance. It completed a similar transaction for €24.2 million on December 28, 2020.

Credit risk

Credit risk is the risk of financial loss incurred by the Group in the event a client or counterparty fails to meet its contractual payment obligations. The Group has put in place procedures and systems for monitoring its accounts receivable and issuing reminders for past due payments.

The breakdown of trade receivables by payment due date is as follows:

(In thousands of euros)	December 31, 2021				
	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	29,516	29,516	-	-	-
Current trade and other receivables	186,035	135,893	39,939	5,708	4,495
Trade and other receivables	215,551	165,409	39,939	5,708	4,495

(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 Group considers that it is not exposed to any material credit risk or significant economic dependence on a particular client. The receivables listed above due in more than 12 months were tested for impairment on an individual basis.

Furthermore, the Group has taken out credit insurance to cover the credit risks of its principal subsidiaries.

3.2.4.6 Other assets and liabilities

(In thousands of euros)	December 31, 2020			December 31, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Government	-	20,938	20,938	-	24,193	24,193
Tax receivables	84	2,778	2,862	-	1,561	1,561
Prepayments	-	1,284	1,284	-	1,390	1,390
Social insurance receivables	-	388	388	-	397	397
Amounts receivable on disposal of fixed assets	-	5	5	-	902	902
Other receivables	110	6,423	6,533	0	7,414	7,414
Current account receivables	-	288	288	-	363	363
Other assets	194	32,103	32,297	0	36,220	36,220

The increase in the “Government” line corresponds to an increase in VAT receivables, mainly in France.

Other receivables mainly consist of insurance benefits and investment subsidies receivable.

(In thousands of euros)	December 31, 2020			December 31, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Debts on acquisitions of fixed assets	2,334	22,957	25,291	4,545	19,406	23,951
Prepayments received	-	6,876	6,876	-	6,145	6,145
Social insurance payables	-	28,663	28,663	-	32,995	32,995
State (excluding corporation tax)	-	39,436	39,436	-	36,943	36,943
Income tax	-	1,440	1,440	-	921	921
Current account credit balances	-	1,153	1,153	-	1,017	1,017
Expenses payable	-	1,912	1,912	-	472	472
Other debts	4	440	444	-	720	720
Other equity	39	-	39	33	-	33
Liabilities for renewal of assets under concession arrangements	-	7,053	7,053	144	7,061	7,205
Prepaid income	-	7,738	7,738	-	6,402	6,402
Other liabilities	2,377	117,668	120,045	4,722	112,083	116,805

At December 31, 2021, the line item “Debts on acquisitions of fixed assets” includes €3.9 million in earnout payments on the acquisition of the Chilean firm Ciclo, classified as non-current debts (see Note 3.2.4.1 c). The balance of €24.2 million corresponds to debts on acquisitions of intangible assets and property, plant and equipment.

The earnout on the Italian group Mecomer, which was recorded under “Current debts on acquisitions of fixed assets” at December 31, 2020, was settled during the period, for €5.5 million (see Note 3.2.4.22 b).

3.2.4.7 Net cash position

(In thousands of euros)	December 31, 2020	December 31, 2021
Cash	98,194	152,157
Cash and cash equivalents	7,071	20,044
Cash and cash equivalents	105,265	172,201
Bank overdrafts	7,081	7,682
Net cash position	98,184	164,520

Cash equivalents are mainly held by Séché Environnement and correspond to money market UCITS.

At December 31, 2021, the net cash managed by Séché Environnement amounted to €165 million, mainly deriving from surplus cash from the French subsidiaries through a cash pooling arrangement. The excess cash of foreign subsidiaries, whose cash management is not centralized, must comply with the Group's guidelines.

The passive cash position consists of bank credit balances and interest accrued but not due on temporary overdrafts.

Counterparty risk:

The Group is exposed to counterparty risk for the investment of its cash surpluses. The investment vehicles used by the Group are investment securities (money market UCITS, interest-bearing accounts, term deposits or negotiable debt securities), consisting of liquid instruments of short maturity, subscribed with senior counterparties and easily convertible into a known amount of cash. Counterparty risk is limited.

3.2.4.8 Financing and financial risk management

(In thousands of euros)	December 31, 2020	Change	New	Repayments	Change in consolidation scope	Currency translation differences	Other	December 31, 2021
Bank loans	271,114	(0)	34,851	(147,053)	3,077	(92)	4,164	166,061
Bonds	229,304	-	345,409	(150,000)	-	-	567	425,280
Lease liabilities	44,960	(1)	14,258	(17,134)	3,633	1	(0)	45,724
Other financial debt (incl. accrued interest)	3,078	(722)	0	(10)	34	1	(45)	2,337
Short-term bank borrowings and overdrafts	7,081	3,408	-	-	666	(104)	(3,370)	7,682
Gross debt	555,538	2,685	394,518	(314,197)	7,410	(194)	1,316	647,084
Cash and cash equivalents	105,265	62,976	-	-	4,382	(1)	(421)	172,201
Net debt	450,273	(60,291)	394,518	(314,197)	3,028	(193)	1,737	474,883

Following the issuance of the €300 million bond (see Note 3.2.2.2 b), loans totaling €245.2 million were repaid early at December 31, 2021, representing €130 million in bonds, €95.2 million in syndicated loans, and €20 million in bank loans.

Early repayment fees were recognized in other financial income and expenses in the amount of €4.4 million (see Note 3.2.4.18 b). Furthermore, the impact of the amortized cost of these loans repaid early led to the recognition of an additional expense of €0.8 million in the cost of net financial debt (see Note 3.2.4.18 a).

Changes in consolidation scope reflect the acquisition of Spill Tech Group (see Note 3.2.2.1 a).

a. Debt maturity and gross debt:

(In thousands of euros)	December 31, 2021	Less than 1 year	1-5 years	More than 5 years	Fixed rate	Variable rate
Bank loans	166,061	39,203	98,504	28,354	143,025	23,036
Bonds	425,280	-	76,602	348,678	425,280	-
Leases	45,724	14,890	27,070	3,763	29,910	15,814
Other financial debt (incl. accrued interest)	2,337	2,304	11	22	200	2,137
Short-term bank borrowings and overdrafts	7,682	7,682	-	-	7,682	-
Total	647,084	64,079	202,187	380,818	606,097	40,988

Financial debt is 95% contracted in euros.

b. 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, 2021, the remaining contractual maturities of the Group's financial liabilities broke down as follows:

(In thousands of euros)	December 31, 2021							
	Balance sheet value	Non-discounted contractual cash flows	2022	2023	2024	2025	2026	> 2026
Bank loans								
Share capital	166,061	166,061	39,203	32,755	28,935	22,636	14,178	28,354
Interest		11,352	3,317	2,569	1,886	1,283	932	1,365
Bonds								
Share capital	425,280	430,000	-	-	-	60,000	20,000	350,000
Interest		67,339	10,500	10,500	10,500	10,500	9,437	15,902
Other financial debt (incl. accrued interest)	2,251	2,251	2,251	-	-	-	-	-
Short-term bank borrowings and overdrafts	7,682	7,682	7,682	-	-	-	-	-
Gross debt (excluding lease liabilities)	601,275	684,685	62,953	45,824	41,321	94,419	44,547	395,621
Cash and cash equivalents	172,201	172,201	172,201					
Net debt (excluding lease liabilities)	429,073							

For the sake of comparison, the remaining contractual maturities relating to the Group's financial liabilities broke down as follows at December 31, 2020:

(In thousands of euros)	December 31, 2020							
	Balance sheet value	Non-discounted contractual cash flows	2021	2022	2023	2024	2025	> 2025
Bank loans								
Share capital	271,114	272,140	43,018	43,336	115,163	23,711	17,075	29,838
Interest	-0	17,321	5,202	3,019	2,516	2,365	2,164	2,055
Bonds								
Share capital	229,304	230,000	-	-	5,000	7,000	128,000	90,000
Interest	-0	35,446	7,237	7,249	7,186	7,033	5,686	1,056
Other financial debt (incl. accrued interest)	2,995	2,995	2,995	-	-	-	-	-
Short-term bank borrowings and overdrafts	7,081	7,081	7,081	-	-	-	-	-
Gross debt (excluding lease liabilities)	510,495	564,985	65,534	53,605	129,865	40,109	152,925	122,948
Cash and cash equivalents	105,265	105,265	105,265					
Net debt (excluding lease liabilities)	405,230							

c. Financial ratios

The Group's financial ratios changed in November 2021 following the €300 million high-yield bond issue incorporating the standard financial ratios for this type of debt (see Note 3.2.2.2 b). From now on, two financial ratios must be respected each time the company incurs additional debt:

- The Fixed Charge Coverage Ratio (FCCR): The ratio of proforma consolidated EBITDA to the proforma cost of debt, including the impacts of IFRS 16 Leases, must be equal to at least two for the two most recent half-years for which consolidated financial statements are available; and
- The Cap on Structurally Senior Debt: a limit of 30% of consolidated net debt over the two most recent half-years for which consolidated financial statements are available.

In addition, this new bond has a number of restrictive clauses to be met in the case of specific transactions (restricted payments, guarantees, asset sales, reductions in share capital, etc.). These clauses, which have a number of qualifying elements and exceptions, limit the capacity of Group companies to:

- Incur or secure additional debt;
- Grant sureties and guarantees;
- Proceed with the redemption and/or reduction of their share capital, with certain exceptions;
- Enter into agreements that limit their ability to pay dividends;
- Sell assets or equity interests, excluding those authorized by the contract;
- Undertake mergers, spin-offs or restructuring operations.

Some of these restrictive clauses will be lifted when the credit agreement receives an investment grade rating from two rating agencies (that is, a minimum rating of Baa3 from Moody's, or BBB- from Standard & Poor's or Fitch).

Non-compliance with these restrictive clauses may constitute a default event. The Group does not anticipate a risk of non-compliance with its financial ratios in the next 12 months.

Additional ratios must be complied with on other loans, including the syndicated line of credit:

Amount (€ million)	Subscription date	Maturity date	Amortization	Interest	Covenants	Special clauses
150	07/06/2018	07/06/2023	N/A	1.40% if leverage between 3x and 3.5x 1.20% if leverage between 2.5x and 3x	leverage < 3.95x (4.25x if acquisition) + sustainability criteria (5 bp bonus)	Post-acquisition proforma leverage for an enterprise value > €50m

d. Exposure to interest rate risk

Séché Environnement's corporate debt is mostly subject to a fixed rate of interest.

The sensitivity analysis consists of calculating the impact of any upward or downward movement of the interest rate prevailing on the balance sheet date. A change in interest rates on the nominal value of the debt would have no significant impact. The €300 million bond provides for interest rate step-up clauses based on compliance with the sustainability criteria. However, these clauses are only applicable from 2026.

e. 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 foreign exchange loss of €0.5 million breaks down as follows:

(In thousands of euros)	December 31, 2020	December 31, 2021
Europe	(1,025)	309
Americas	(503)	(307)
Africa	(69)	(534)
Rest of the world	(147)	32
Total	(1,743)	(500)

To date, this risk is not subject to separate hedging at the Group level.

f. Financial debt rating

Séché Environnement's long-term credit rating by Standard & Poor's Global Ratings and Fitch Ratings is shown below. These ratings acknowledge Séché Environnement's credit quality and financial strength:

Rating agency	Type of debt	Rating	Outlook
Standard & Poor's	Unsecured long-term debt	BB	Stable
Fitch Ratings	Unsecured long-term debt	BB	Stable

g. Derivatives

As at December 31, 2021, the Group no longer uses cash flow instruments.

As such, other comprehensive income at December 31, 2020 was recycled and recognized in income for the year ended December 31, 2021 for -€0.3 million, impacting the cost of gross financial debt (see Note 3.2.4.18 a).

3.2.4.9 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, 2020	December 31, 2021
Discount rate (*)	0.60%	0.90%
Wage increases	Between 1.60% and 2%	Between 1.60% and 2%
Mortality table	INSEE 2014-2016 by gender	INSEE 2015-2017 by gender
Retirement age:		
<i>Executives</i>	<i>Depending on date of birth aged between 60 and 67</i>	<i>Depending on date of birth aged between 60 and 67</i>
<i>Non-executives</i>		
Mobility rate	Depending on age: 6.5% to 0% from 60 years old with executive/non-executive distinction	Depending on age: 10% to 0% from 60 years old with executive/non-executive distinction
Social security contributions:		
<i>Executives</i>	46%	48%
<i>Non-executives</i>	41%	37%

(*) 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, 2021, the maturity of the commitments was 12.9 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, 2020	December 31, 2021
<i>Actuarial liabilities at year-end (a)</i>	19,887	19,804
<i>Fair value of hedge assets (b)</i>	(5,827)	(5,013)
<i>Net retirement obligations – France (a) + (b)</i>	14,060	14,791
<i>Retirement obligations – International</i>	1,385	1,425
Retirement obligations	15,445	16,216
Long-service awards	942	961
Total commitment at start of year	16,387	17,178
<i>Provision recognized under balance sheet liabilities</i>	16,497	17,178
<i>Overfunded plans recognized under balance sheet assets</i>	110	0

The tables below present the details of provisions for retirement benefits and other post-employment benefits for France:

a. 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, 2020	December 31, 2021
Actuarial liabilities at start of year	19,028	19,887
Service costs	1,269	1,422
Interest on actuarial liabilities	128	114
Plan amendments	(11)	-
Reductions/Terminations of plans	(473)	(430)
Contributions paid	-	-
Benefits paid	(912)	(996)
Changes in consolidation scope	-	412
Actuarial gains (losses)	859	(78)
Other	-	(526)
Actuarial liabilities at year-end (a)	19,887	19,804
Fair value of plan assets at start of year	(6,876)	(5,827)
Interest income from plan assets	(48)	(34)
Reductions/Terminations of plans	-	-
Contributions received	-	-
Benefits paid	980	1,074
Management fees	-	-
Acquisitions/Disposals of subsidiaries	-	110
Actuarial gains (losses)	117	(335)
Fair value of plan assets at year-end (b)	(5,827)	(5,013)
Net retirement liabilities (a) + (b)	14,060	14,791

Details of the Mexican and Italian subsidiaries' retirement obligations are not provided in the Notes to the financial statements as they are not significant.

The "Other" line corresponds to the impact of the change in method described in Note 3.2.1.20.a.

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.

b. 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, 2020	December 31, 2021
Amount of commitment at start of year	920	942
Service costs	106	112
Interest on actuarial liabilities	6	6
Benefits paid	(108)	(108)
Changes in consolidation scope	-	32
Actuarial gains (losses)	26	(5)
Other	(8)	(17)
Amount of commitment at year-end	942	961

c. Impact on comprehensive income

(In thousands of euros)	December 31, 2020	December 31, 2021
Cost of services	98	95
Interest on actuarial liabilities	6	6
Interest income from plan assets	-	-
Management fees	-	-
Actuarial gains (losses)	19	11
Changes in assumptions	7	(16)
Net cost of benefits in the income statement	130	95
Net cost of benefits in the income statement	130	95

3.2.4.10 Current and non-current provisions

Current and non-current provisions break down as follows:

(In thousands of euros)	December 31, 2020	Allocations	Write-backs used	Write-backs not used	Change in consolidation scope	Other comprehensive income	Currency translation differences	Other	December 31, 2021
Employee benefits ⁽¹⁾	16,497	2,183	-	(571)	(0)	(414)	2	(518)	17,178
Other non-current provisions ⁽²⁾	22,185	4,161	(446)	(2,897)	97	-	(73)	1,288	24,314
NON-CURRENT PROVISIONS	38,682	6,344	(446)	(3,468)	97	(414)	(72)	770	41,492
Provisions for litigation ⁽³⁾	614	101	-	-	-	-	-	1	716
Provisions for other costs ⁽⁴⁾	1,142	772	(3)	(914)	10	-	0	87	1,094
CURRENT PROVISIONS	1,756	873	(3)	(914)	10	-	0	88	1,810
TOTAL	40,439	7,217	(450)	(4,383)	107	(414)	(72)	858	43,302

(1) See Note 3.2.4.9.

(2) The "Other non-current provisions" line breaks down as follows:

- Provisions for thirty-year monitoring: €19.4 million at December 31, 2021, compared with €18.5 million at December 31, 2020;
- Provisions for other risks: €3.2 million at December 31, 2021, versus €2.7 million at December 31, 2020, with €1.5 million for a risk of non-recovery of major maintenance and repair expenses, the negative share of investments in equity-accounted investees (see Note 3.2.4.3 b), and a write-back of -€1.3 million in Peru following the resolution of the dispute;
- Provisions for employee disputes: €1.6 million at December 31, 2021, compared to €1 million at December 31, 2020, mainly due to an additional asbestos risk at Trédi;

(3) Corresponds to disputes for tax risks in France;

(4) Mainly includes a commercial dispute in France for €0.7 million.

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 December 31, 2020	Net (write-backs)/allocations December 31, 2021
Current operating income	(306)	2,384
Operating income	-	-
Other financial expenses	657	440
TOTAL	351	2,824

Other financial expenses correspond to the discounting of provisions for thirty-year monitoring.

3.2.4.11 Deferred taxes

Breakdown of deferred taxes by type:

(In thousands of euros)	December 31, 2020	December 31, 2021
Tax loss carryforwards	25,929	21,675
Employee benefits	3,636	3,774
Provisions for tax purposes	(3,270)	(2,283)
Difference between the tax and accounting values of fixed assets	(1,884)	(1,871)
Fair value measurement of assets	(5,090)	(4,310)
Restated provision for thirty-year monitoring	(803)	(654)
Industrial repairs and maintenance	(3,758)	(3,924)
Provisions not deducted	3,252	3,493
Other	(651)	164
TOTAL	17,361	16,064
<i>Of which deferred tax assets</i>	<i>23,438</i>	<i>21,446</i>
<i>Of which deferred tax liabilities</i>	<i>6,076</i>	<i>5,383</i>

Deferred taxes on tax loss carryforwards are recognized for €21.7 million and concern France for €17 million and the International scope for €4.7 million, including:

- France: €16.5 million for the recognition 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 28.41% to 25.83% by 2022 as announced in the 2021 Finance Act, and the probability of using the tax consolidation deficit. Moreover, as at December 31, 2021, the tax consolidation deficit was used and recognized for a basic amount of €19.7 million and deferred tax of €5.6 million. Séché Environnement's tax consolidation deficit is expected to be fully offset in 2024.
- International: €4.7 million, of which €1.5 million for the recognition of tax deficits in Spain, €1.4 million for the recognition of 50% of the tax deficit of the Chilean subsidiary Soluciones Ambientales Del Norte initiated in 2020, €1 million for Spill Tech Group's Enviroserv Polymer Solutions subsidiary and €0.5 million in Mexico.

At December 31, 2021, unrecognized deferred tax assets relating to tax loss carryforwards amounted to €5.8 million, compared with €6 million a year earlier. They mainly concerned Chile for €2.3 million (€1.4 million for the subsidiary Soluciones Ambientales Del Norte and €0.8 million for the subsidiary CICLO), Peru for €1.1 million, South Africa for €1.3 million and French subsidiaries not consolidated for tax purposes for €0.9 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, 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	(228)	234
Offsetting of deferred taxes	(10,438)	(9,932)	(506)
At December 31, 2020	23,438	6,076	17,361
Income	(389)	1,847	(2,235)
Change in fair value of other comprehensive income	(1,058)	(874)	(184)
Change in consolidation scope	2,186	1,324	861
Currency translation differences	(177)	(67)	(110)
Other	(0)	136	(136)
Offsetting of deferred taxes	(2,553)	(3,060)	506
At December 31, 2021	21,446	5,383	16,064

3.2.4.12 Off-balance sheet commitments

(In thousands of euros)	December 31, 2020	December 31, 2021
Commitments given in the ordinary course of business	161,253	165,880
Commitments given in connection with Group debt	46,479	38,591
Commitments given	207,732	204,471
Commitments received	-	-
Off-balance sheet commitments	207,732	204,471

a. Off-balance sheet commitments arising from normal operations

(In thousands of euros)	December 31, 2020	December 31, 2021
Financial guarantees ⁽¹⁾	80,401	81,320
Guarantees and bonds (given)	57,335	61,255
Lease commitments on contracts not restated for IFRS 16	16,534	20,055
Other commitments arising from normal operations	6,983	3,250
Commitments given in the ordinary course of business	161,253	165,880

(1) Sureties pledged to a financial institution on the setting up of guarantees granted by it under the Ministerial Order of February 1, 1996.

b. Off-balance sheet commitments given or received in connection with Group debt

(In thousands of euros)	December 31, 2020	December 31, 2021
Sureties and letters of intent - Other liabilities	33,308	28,382
Property, plant and equipment and intangible assets pledged as guarantees and collateral	13,170	10,209
Commitments given in connection with Group debt	46,479	38,591

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.

3.2.4.13 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, 2020 and December 31, 2021.

The number of shares with a double voting right at December 31, 2021 was 3,567,121, versus 3,567,553 at December 31, 2020.

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. Translation reserve

The translation reserve decreased by -€3 million, including -€0.5 million resulting from the translation of the equity of subsidiaries outside the euro zone, and a -€2.5 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
2020.12					
Average rate	4.00	900.11	80.96	24.46	18.67
Closing rate	4.42	868.89	102.85	24.42	18.02
2021.12					
Average rate	4.59	898.25	112.53	23.99	17.48
Closing rate	4.53	957.94	116.49	23.14	18.06

d. Own shares

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, 2021, share buybacks (for the whole of 2021) broke down as follows:

	December 31, 2020	December 31, 2021
Number of own shares held ⁽¹⁾	57,856	54,022
Percentage of own shares held	0.74%	0.69%
Net book value of own shares held (€)	2,305,558	2,772,376
Market value of own shares held at the end of the period (€)	2,311,347	3,878,780
based on the closing price of Séché Environnement's shares at the end of December (€)	39.95	71.80

(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, 2020	December 31, 2021
Profit of the period attributable to ordinary shareholders used to calculate basic earnings per share	13,815	28,384
Weighted average number of ordinary shares used to calculate basic earnings per share	7,857,732	7,857,732
Weighted average number of own shares used to calculate basic earnings per share	57,856	54,022
Weighted average number of shares used to calculate basic earnings per share	7,799,876	7,803,710
Earnings per share (€)	1.77	3.64
Diluted earnings per share (€)	1.77	3.64

The Group has no dilutive instruments, so diluted EPS is equal to net EPS.

f. Dividends

In 2021, Séché Environnement paid out €7,409,554.45 in dividends, or €0.95 per share, to all share types. Payment was made in July 2021.

On March 4, 2022, the Board of Directors decided to propose to the General Meeting a dividend payout of 7,857,732.00, equal to €1.00 per share.

3.2.4.14 Income from ordinary activities

a. Breakdown of revenue by type

(In thousands of euros)	December 31, 2020	December 31, 2021
Services	248,821	301,373
Circular economy and decarbonization	218,860	243,077
Hazard management	173,974	191,384
Contributed revenue	641,656	735,834
<i>IFRIC 12 revenue</i>	<i>571</i>	<i>8,659</i>
<i>TGAP revenue</i>	<i>30,849</i>	<i>45,624</i>
Total revenues	673,076	790,117
Other business income	780	1,207
Income from ordinary activities	673,856	791,324

The company Mo'UVE holds the public service concession granted by the Sirtomad waste treatment joint venture in Montauban for a period of 20 years (2021-2040). The financial fee received by the company for construction work was recognized as work in progress, in accordance with the IFRIC 12 interpretation, in the amount of €8.5 million.

b. Breakdown of revenue by type of waste

(In thousands of euros)	December 31, 2020	December 31, 2021
Hazardous Waste division	405,168	483,858
Non-Hazardous Waste division	236,487	251,976
Contributed revenue	641,656	735,834

c. Breakdown of income from ordinary activities by geographical region

(In thousands of euros)	December 31, 2020	December 31, 2021
France	520,176	588,338
Europe (outside France)	73,357	82,618
South America	15,786	14,676
South Africa	58,808	101,162
Rest of the world	5,729	4,529
Total	673,856	791,324

The increase observed in South Africa followed the acquisition of Spill Tech Group in 2021 for €34 million (see Note 3.2.2.1 a).

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”). At December 31, 2021, total revenue not yet recognized from the Group’s long-term contracts was around €66.7 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” in the consolidated financial position must be detailed.

(In thousands of euros)	December 31, 2020	December 31, 2021
Contract assets	25,143	32,812
Contract liabilities	7,738	6,402

3.2.4.15 EBITDA

a. External expenses

(In thousands of euros)	December 31, 2020	December 31, 2021
Subcontracting	(137,254)	(168,267)
Lease expenses	(18,137)	(20,814)
Maintenance and repairs	(35,172)	(34,580)
Insurance	(9,735)	(11,386)
Other external expenses	(39,727)	(44,994)
External expenses	(240,026)	(280,042)

The increase in “Subcontracting” at December 31, 2021 was linked to the increase in activity in 2021 compared to 2020.

Lease expenses break down as follows:

(In thousands of euros)	December 31, 2020	December 31, 2021
<i>Amortization of right-of-use assets</i>	(14,895)	(15,925)
<i>Interest on lease liabilities</i>	(1,660)	(2,030)
Expenses on lease payments restated under IFRS 16	(16,555)	(17,955)
<i>Variable, short-term and/or low value lease payments</i>	(18,137)	(20,814)
Lease payments recorded as external expenses	(18,137)	(20,814)
Total	(34,691)	(38,769)

b. Taxes and duties

(In thousands of euros)	December 31, 2020	December 31, 2021
Tax, duties and related payments	(9,778)	(7,706)
TGAP (tax on polluting activities)	(34,032)	(48,974)
Property ownership tax	(3,232)	(1,729)
Other	(620)	(612)
Taxes and duties	(47,663)	(59,021)

The increase in the “TGAP” line was due to an increase in volumes treated in relation to 2020, and an increase in TGAP rates.

The decrease in the “Property Ownership Tax” item is explained by a reduction in French corporate tax rates in the 2021 Finance Act.

c. Payroll costs

(In thousands of euros)	December 31, 2020	December 31, 2021
Wages and salaries (including social security expenses)	(161,554)	(180,132)
Profit-sharing and incentive schemes	(2,679)	(3,969)
Contributions towards end-of career payments	79	(117)
Employee expenses	(164,154)	(184,218)

The increase in Employee expenses was mainly due to the consolidation of Spill Tech Group from March 1, 2021 for €9.8 million (see Note 3.2.1.1 a) and by the increase in wages.

3.2.4.16 Current operating income

a. Operating income and expenses

(In thousands of euros)	December 31, 2020	December 31, 2021
Losses on bad debts	(508)	(946)
Other	(526)	(734)
Operating expenses	(1,034)	(1,680)
Other	889	211
Operating income	889	211
Other operating items	(144)	(1,469)

At December 31, 2021 losses on irrecoverable loans were mainly located in France. At December 31, 2020, they were mainly located in Spain.

The “Other” line of operating expenses at December 31, 2021 corresponds mainly to expenses that were covered by provisions at December 31, 2020, and for which the provisions were written back (see Note 3.2.4.10). At December 31, 2020, this corresponded to the risk of a tax adjustment for the TGAP tax following an incident at the subsidiary Sénerval, for -€0.4 million.

At December 31, 2021, operating income was not material. At December 31, 2020, operating income was related to insurance and transactional repayments of €0.4 million, and the balance of the asbestos risk mentioned above, in which the Group won the case in 2020, for €0.4 million.

b. Net allocations to depreciation & amortization, provisions and impairment

(In thousands of euros)	December 31, 2020	December 31, 2021
Amortization of intangible fixed assets	(9,576)	(10,298)
Depreciation of property, plant and equipment	(67,579)	(72,743)
Amortization of deferred expenses	(9)	(7)
Net allocations to depreciation & amortization	(77,164)	(83,048)
Net impairment of fixed assets	(280)	(94)
Net impairment of inventories, trade receivables, and other assets	298	(1,098)
Net change in current and non-current provisions	306	(2,384)
Net allocations to provisions and impairment	324	(3,576)
Depreciation & amortization, impairment, and provisions	(76,840)	(86,624)

The line “Net impairment of inventories, trade receivables, and other assets” corresponds mainly to the impairment of trade receivables. Impairment mainly concerns assets located in Spain and South Africa.

The “Net change in current and non-current provisions” is explained in Note 3.2.4.10.

3.2.4.17 Operating income

(In thousands of euros)	December 31, 2020	December 31, 2021
Intangible fixed assets	38	(190)
Property, plant and equipment	180	(267)
Consolidated securities	7	(3)
Non-consolidated securities	(27)	-
Income on disposal of fixed assets	198	(460)
Impairment	-	(1,643)
Business combination effects	(1,148)	(867)
Other	(2,341)	157
Other non-current items	(3,292)	(2,813)

The “Impairment” line corresponds to the impairment of:

- goodwill on Kanay, for €0.9 million (see Note 3.2.4.1); and
- property, plant and equipment at Moz Environmental, following damage to the site in 2021, for an amount of €0.8 million (see Note 3.2.4.2).

At December 31, 2021, the effects of business combinations mainly correspond to the amounts committed for the acquisition of Spill Tech Group (see Note 3.2.2.1 a) and the sanitation business of SARP-OSIS IDF (see Note 3.2.2.2 c).

At December 31, 2020, the line “Other” was mainly impacted by:

- the recognition of costs related to the South African B-BBEE program in the amount of -€0.6 million;
- expenses incurred in respect of performance plans for -€0.4 million.

3.2.4.18 Net financial income

a. Breakdown of the cost of net financial debt

(In thousands of euros)	December 31, 2020	December 31, 2021
Interest income from cash and cash equivalents	300	226
Income from cash and cash equivalents	300	226
Interest expenses on borrowings ⁽¹⁾	(17,066)	(18,040)
Income from derivatives ⁽²⁾	(255)	(370)
Cost of gross financial debt	(17,320)	(18,410)
Cost of net financial debt	(17,020)	(18,184)

(1) Of which €10.7 million in interest expenses for Séché Environnement (unchanged from December 31, 2020) and €1.5 million in cost of debt at amortized cost at December 31, 2021 (€0.7 million at December 31, 2020), representing an increase of €0.8 million following early repayments of loans (see Note 3.2.2.2 b).

(2) See note 3.2.4.8 g.

b. Breakdown of other financial income and expenses

(In thousands of euros)	December 31, 2020	December 31, 2021
Net income on sales of financial fixed assets	(5)	(247)
Accretion of 30-year provisions ⁽¹⁾	(657)	(440)
Fair value of equity instruments	(122)	(22)
Other impairment losses and provisions	0	0
Foreign exchange gain (loss) ⁽²⁾	(1,743)	(500)
Other ⁽³⁾	(892)	(4,732)
Other financial income and expenses	(3,419)	(5,941)

(1) See Note 3.2.4.10.

(2) The foreign exchange loss at December 31, 2020 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.

(3) Of which €4.4 million related to early repayment of loans following the bond issue in November 2021 (see Note 3.2.2.2 b).

3.2.4.19 Taxes

(In thousands of euros)	December 31, 2020	December 31, 2021
Income tax payable	(8,204)	(11,816)
Deferred tax	(201)	(2,235)
Total	(8,404)	(14,051)

The net tax expense for the financial year is broken down between:

- a tax expense of €9.7 million for the French subsidiaries (€7.5 million in 2020), mainly related to Séché Environnement SA's consolidated tax group comprising 20 subsidiaries;
- a tax expense of €4.4 million for foreign subsidiaries (€0.9 million in 2020) including €2.3 million following the acquisition of Spill Tech Group (see Note 3.2.2.1 a).

The Group's effective tax rate stood at 31.5% in 2021, compared with 35.3% in 2020.

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, 2020	December 31, 2021
Profit before tax and income from equity-accounted investees	23,804	44,558
Theoretical tax rate in force in France	32.02%	28.41%
Expected theoretical tax	(7,622)	(12,659)
Re-estimate of deferred taxes due to changes in tax rates	283	159
Impact of subsidiaries' different tax rates	75	238
Tax assets not recognized in losses for the period	(1,865)	(1,493)
Use of previous losses not carried forward	18	53
Tax assets recognized on past losses	1,658	86
Cancellation of previously recognized losses	-	(66)
Effect of permanent differences between parent company results and tax results and other	(451)	(253)
Impact of permanent differences between parent company results and consolidated income	(500)	(116)
Tax actually recognized	(8,404)	(14,051)
Nominal tax rate	35.3%	31.5%

The Group's tax rate excluding social security contributions stands at 27.50%. Including social security contributions on income, the Group's tax rate is 28.41%.

In 2021, the tax loss carryforwards recognized at December 31, 2020 were not adjusted. Within Séché Environnement's tax consolidation scope, a cap of €5.6 million in net opening deferred tax assets was recorded following the recognition of a share of previous losses.

Deferred tax assets on new deficits observed in 2021 were not recognized for an overall amount of €1.5 million, including €1.2 million internationally (mainly in South Africa and Peru) and €0.3 million in France.

3.2.4.20 Share of profit of equity-accounted investees (net of tax)

(In thousands of euros)	December 31, 2020	December 31, 2021
Gerep	(1,266)	(601)
Karu Energy	-	(29)
La Barre Thomas	(55)	55
Sogad	(156)	(333)
M53 Investments	-	-
Total	(1,477)	(908)

(*) See Note 3.2.4.3.c.

3.2.4.21 Breakdown by region

a. Non-current assets by geographical region

At December 31, 2021:

(In thousands of euros)	France	Europe (outside France)	Rest of the world	Total
Goodwill	237,035	38,905	48,215	324,156
Intangible fixed assets under concession arrangements	36,821	-	25	36,846
Other intangible fixed assets	26,776	12,209	2,916	41,901
Property, plant and equipment	242,716	32,119	70,012	344,847
Investments in equity-accounted investees	49	-	0	50
Non-current financial assets	10,419	171	464	11,054
Non-current derivatives - assets	-	-	-	-
Non-current operating financial assets	29,516	-	-	29,516
Deferred tax assets	14,860	2,912	3,675	21,446
Total	598,192	86,317	125,307	809,816

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 equity-accounted investees	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

3.2.4.22 Additional notes to the consolidated statement of cash flows

a. Other income and expenses

Other income and expenses calculated at December 31, 2021 amounted to €4 million, due mainly to the following impacts:

- costs amortized using the effective interest rate method and expenses in accordance with IFRIC 12, for €1.5 million;
- acquisition expenses for acquired and unacquired targets for €0.9 million;
- the discounting of liabilities, for €0.6 million.

b. Acquisitions of subsidiaries net of cash and cash equivalents

The amount of €29.3 million recorded at December 31, 2021 mainly corresponds to:

- payment of the fair value of the consideration acquired net of cash and cash equivalents from the South African company Spill Tech Group Holdings (Pty) Ltd, including acquisition expenses, for an amount of €23.6 million (see Note 3.2.2.1 a);
- and the final earnout payment for the Italian group Mecomer, in the amount of €5.5 million (see Note 3.2.4.6).

c. Cash and cash equivalents without gain of control

The impact of €2.1 million recorded at December 31, 2021 mainly corresponds to the payment of:

- the acquisition of an additional 5% of the shares of the Spanish company Solarca SL, for €1.4 million (see Note 3.2.2.1 b);
- the acquisition of an additional 7% of the shares of the South African company Envirosure Underwriting Managers Pty Ltd, for €0.6 million;
- and €0.2 million in target project acquisition costs.

3.2.4.23 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.

- *Ongoing tax audits for which a proposed adjustment has been received:* None.
- *Ongoing tax audits for which no proposed adjustment has been received:*
 - Séché Environnement (France) relating to all tax returns for the years 2018 through 2020: this audit of accounting records initiated on June 23, 2021 is still ongoing.
 - Sénerval (France) relating to all tax returns for the years 2018 through 2020: this audit of accounting records initiated on July 6, 2021 is still ongoing.
 - Trédi (France) relating to all tax returns for the years 2018 to 2020: this audit of accounting records initiated on September 27, 2021 is still ongoing for the years 2019 and 2020. An adjustment was made for 2018, for an immaterial amount recognized at December 31, 2021.

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.

3.2.4.24 Related-party transactions

The Group maintains relations with the following related parties:

- Non-consolidated Group subsidiaries, equity-accounted investees and the company, Séché Group SAS: the Group maintains no significant relationship with these related parties;
- The compensation of officers and directors (and benefits of any kind) is presented in Note 3.2.4.26.

3.2.4.25 Average headcount

The consolidated average headcount (excluding subsidiaries accounted for by the equity method) breaks down as follows:

By region	December 31, 2020	December 31, 2021
France	2,008	2,056
Europe (outside France)	240	252
South Africa	1,802	1,978
Rest of the world	374	347
Total	4,424	4,633

3.2.4.26 Compensation of senior management

The short-term benefits of senior managers and directors amounted to €1,607,754 at December 31, 2021. These benefits totaled €1,531,506 at December 31, 2020.

3.2.4.27 Key events since the closing of accounts

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.

3.2.4.28 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, 2020	December 31, 2021	December 31, 2020	December 31, 2021
Certification of the financial statements and limited six-month audit of the individual and consolidated financial statements				
Séché Environnement	119	121	119	131
Fully consolidated subsidiaries	218	497	166	167
Services other than certification of financial statements				
Séché Environnement	-	85	263	118
Fully consolidated subsidiaries	-	-	-	-
Total	337	703	548	416

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2021

Séché Environnement SA

A French public limited company (société anonyme)
Registered in the Laval Trade and Companies register under number 306 917 535

Statutory Auditors' Report on the Consolidated Financial Statements

For the year ended December 31, 2021

To the Shareholders,

Opinion

In compliance with the assignment entrusted to us, we have audited the accompanying consolidated financial statements of Séché Environnement for the year ended December 31, 2021.

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, 2021 and of the results of its operations for the year then ended in accordance with the International Financial Reporting Standards 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 *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2021 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) 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Observation

We draw your attention to the matter presented in note 3.2.1.20 to the consolidated financial statements concerning the change in accounting method for retirement obligations, pursuant to the decision of the IFRS Interpretations Committee (IFRS IC).

Our opinion is not modified in respect of these matters.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Some of those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code 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 expressed in the first part of this report. We do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill

Risk identified

As part of its development, the Group has carried out acquisitions and has recognised goodwill in several cases.

Goodwill, which is the difference between the price paid and the fair value of the assets acquired or liabilities assumed, appears under assets in the consolidated statement of financial position for a total amount of €324,156 thousand. It is allocated to the cash-generating units (CGUs) of the business lines into which acquired companies are incorporated, as described in the notes to the consolidated financial statements in the section on accounting policies, 3.2.1.7.a. Goodwill and 3.2.1.7.d. Recoverable amount of intangible assets and property, plant and equipment.

At each annual reporting date and whenever there is an indication of impairment, Management ensures that the carrying amount of goodwill is not higher than the recoverable amount of the underlying assets. The recoverable amount is the higher of value in use and fair value less costs to sell.

Value in use is calculated using discounted cash flows, determined from the consolidated business plan of each CGU covering three financial years (years 4 and 5 are forecast as identical to year 3) as examined by the Board of Directors, and assumptions regarding the discount rate and perpetual growth rate as described in Note 3.2.1.7.d. to the consolidated financial statements. Any adverse change in expected returns from the business lines to which goodwill is allocated (from either internal or external factors such as the economic and financial environment in which the business line operates) may significantly affect the recoverable amount and require recognition of impairment. A change of this type would involve reassessing the appropriateness of all assumptions used to determine the recoverable amount, and the reasonableness and consistency of the calculation parameters.

The determination of the recoverable value of goodwill depends on Management's judgment, particularly with regard to cash flow forecasts, discount rates, the business' growth rate over the first three years of the business plan and the perpetual growth rates used to determine value in use. We have therefore considered the measurement of goodwill to be a key audit matter.

Our response

We examined the methodology applied by the Company to ensure its compliance with the accounting standards in force.

We also conducted a critical audit of how the methodology is implemented. We:

- Corroborated the main business assumptions in the Business Plans used for impairment testing prepared by the Finance Department and validated by the Group's Management, by conducting interviews and comparing with following year forecast examined by the Board of Directors;;
- Analysed differences between actual performance at December 31, 2021 and the 2021 Business Plans;
- Corroborated the actuarial assumptions, including the calculation of discount rates applied to expected cash flows, by assessing the discount parameters used for the weighted average cost of capital of the CGUs;
- Tested the mathematical accuracy of measurements performed by Management.

Finally, we assessed the appropriateness of the information provided in the Notes to the consolidated financial statements on accounting policies..

Specific verifications

As required by law, we have also verified the information pertaining to the Group presented in the management report of the Board of Directors, in accordance with professional standards applicable in France.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the statement on non-financial performance required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) has been included in the Group disclosures provided in the management report. We specify that, in accordance

with Article L. 823-10 of the French Commercial Code, we have not verified whether the information contained in the statement gives a true and fair view or that it is consistent with the consolidated financial statements. The information must be audited by an independent third party.

Information and verifications required by other laws or regulations

Format of presentation of the financial statements to be included in the Annual Financial Report

In accordance with professional standards on the work of statutory auditors relating to annual and consolidated financial statements presented in the European Single Electronic Format, we also verified that the format set forth in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 was followed for the presentation of the consolidated financial statements intended for inclusion in the annual financial report mentioned in Article L. 451-1-2, paragraph I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the CEO. As these are consolidated financial statements, our work included verifying that the financial statements were prepared according to the format stipulated by the aforementioned delegated regulation.

Based on our work, we have concluded that the presentation of the consolidated financial statements intended for inclusion in the annual financial report is compliant with the European Single Electronic Format in all material respects.

It is not our responsibility to verify that the consolidated financial statements actually included in the annual financial report filed with the French Markets Authority (AMF) are those that we reviewed.

Appointment of the Statutory Auditors

We were appointed statutory auditors of Séché Environnement S.A. by your annual general meetings: Mazars in 2018 and KPMG S.A. in 1997.

As at December 31, 2021, KPMG S.A. was in its twenty-fifth year of its total uninterrupted audit engagement and Mazars in its fourth year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Audit objective and process

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. 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 the consolidated 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 auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the audit committee presenting our audit, the schedule of work conducted, and our conclusions. If applicable, we also point out material weaknesses identified in internal control, as regards the procedures for preparing and processing accounting and financial data.

Our report to the audit committee includes the risks of material misstatement that we deemed the most significant for the audit of the consolidated financial statements for the year ended and which constitute the key audit matters we describe in this report.

We also provide the audit committee with confirmation of independence as required by Article 6 of Regulation (EU) 537-2014, and defined by the rules applicable in France stipulated in Articles L.822-10 to L.822-14 of the French Commercial Code and the French code of ethics for statutory auditors. If needed, we discuss risks affecting our independence with the audit committee and present the safeguards applied.

The Statutory Auditors

Mazars

Rennes, March 14, 2022

Ludovic Sevestre
Partner

KPMG Audit

Nantes, March 14, 2022

Gwenaël Chedaleux
Partner

Benoît Boddaert
Partner

PARENT COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2021

3.4.1 BALANCE SHEET

3.4.1.1 Balance Sheet Assets

	12/31/2021			12/31/2020
	Gross	Amortization Depreciation Provisions	Net	Net
Uncalled part of subscribed capital				
Intangible fixed assets				
Start-up costs				
Development costs	164,350	68,554	95,796	150,579
Concessions, patents and similar rights	197,440	196,109	1,331	2,331
Goodwill (1)				
Other intangible fixed assets				
Prepayments on intangible fixed assets				
Total intangible fixed assets	361,790	264,663	97,127	152,910
Property, plant and equipment				
Land				
Buildings	3,000	1,512	1,488	2,088
Technical facilities, equipment and industrial tools	28,223	28,223		84
Other equipment	537,770	534,346	3,424	13,933
Fixed assets under construction				
Prepayments				
Total property, plant and equipment	568,993	564,082	4,911	16,104
Long-term investments (2)				
Equity interests valued using the equity method				
Other equity interests	526,729,118	167,856,505	358,872,612	344,825,029
Investment-related receivables	52,376,403		52,376,403	57,196,213
Other long-term investments	2,267,728	1,980,362	287,366	384,533
Loans	57,391		57,391	57,391
Other long-term investments	3,665,426		3,665,426	2,948,608
Total long-term investments	585,096,065	169,836,868	415,259,198	405,411,775
FIXED ASSETS	586,026,848	170,665,613	415,361,236	405,580,789
Inventories				
Raw materials, supplies				
Goods in process				
Services in progress				
Intermediate and finished products				
Goods				
Total inventories				
Receivables (3)				
Advances and prepayments on orders	83,995		83,995	334,050
Trade and accounts receivable	4,937,999		4,937,999	4,309,543
Other receivables	206,141,333	7,500,000	198,641,333	154,416,832
Subscribed and called capital, unpaid				
Total receivables	211,163,327	7,500,000	203,663,327	159,060,425
Cash and other assets				
Transferable securities o/w own shares:	20,000,000		20,000,000	7,010,012
Cash and cash equivalents	105,119,002		105,119,002	53,369,100
Total cash and other assets	125,119,002		125,119,002	60,379,112
CURRENT ASSETS	336,282,329	7,500,000	328,782,329	219,439,537
Prepaid expenses	1,399,330		1,399,330	2,216,031
Amortized debt issuance costs	4,719,705		4,719,705	1,609,841
Bond redemption premiums				
Unrealized exchange losses	296,308		296,308	14,948
TOTAL	928,724,521	178,165,613	750,558,909	628,861,146

3.4.1.2 Balance Sheet Liabilities

	12/31/2021	12/31/2020
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	82,127,460	44,021,440
Profit or loss for the year	30,880,011	45,515,574
Total shareholders' equity	188,813,144	165,342,687
Investment subsidies		
Regulated provisions		1,196
SHAREHOLDERS' EQUITY	188,813,144	165,343,883
Income from issues of non-voting shares		
Advances subject to conditions		
OTHER EQUITY CAPITAL		
Provisions for risks	296,308	14,948
Provisions for contingencies	73,913	153,945
PROVISIONS FOR RISKS AND CONTINGENCIES	370,221	168,893
Financial debt		
Convertible bonds		
Other bonds	430,000,000	230,000,000
Bank loans	65,566,311	172,010,053
Sundry loans and financial liabilities	49,617,514	45,566,686
Total financial debt	545,183,825	447,576,739
Operating liabilities		
Advances and prepayments received on outstanding orders	74,618	78,294
Trade and other accounts payable	7,138,673	5,932,017
Tax and social security accounts payable	8,942,743	9,728,539
Total operating liabilities	16,156,033	15,738,850
Other debts		
Asset liabilities and related expenses	1,450	1,430
Other debts		
Total other debts	1,450	1,430
Accruals and deferred expenses		
Prepaid income	31,684	31,251
LIABILITIES	561,372,992	463,348,270
Unrealized exchange gains	2,552	100
TOTAL	750,558,909	628,861,146

3.4.2 Income statement

			12/31/2021	12/31/2020
	France	Export	Total	
Sale of goods				
Production sold: - goods				
Production sold: - services	12,177,356	1,379,882	13,557,238	11,466,046
NET REVENUE	12,177,356	1,379,882	13,557,238	11,466,046
Ending inventory				
Capitalized production				
Operating subsidies				15,635
Write-backs of amortization, depreciation and provisions, transfers of expenses (9)			4,942,607	72,196
Other income (1) (11)			1,506	13
TOTAL OPERATING INCOME (2)			18,501,351	11,553,890
External expenses				
Purchase of goods (including customs duties)				
Change in inventories (goods)				
Purchase of raw materials and other supplies (including customs duties)			2,348	
Change in inventories (raw materials and supplies)				
Other purchases and external expenses (3) (6 bis)			22,246,636	12,776,284
Total external expenses			22,248,984	12,776,284
Tax, duties and related payments			386,008	104,281
Employee expenses				
Wages and salaries			3,149,564	3,062,385
Social security expenses (10)			1,286,437	1,244,415
Total employee expenses			4,436,001	4,306,800
Operating provisions				
Depreciation and amortization of fixed assets			1,549,389	600,469
Provisions for fixed assets				
Provisions for current assets				
Provisions for risks and contingencies				746
Total operating provisions			1,549,389	601,215
Other expenses (12)			161,005	171,888
TOTAL OPERATING EXPENSES			28,781,387	17,960,467
OPERATING INCOME			(10,280,036)	(6,406,577)
Joint operations				
Allocated gain or transferred loss				
Sustained loss or transferred gain				

	France	Export	12/31/2021 Total	12/31/2020
Financial income				
Financial income from equity interests (5)			39,625,114	49,953,605
Income from other transferable securities and fixed asset receivables (5)				
Other interest and similar income (5)			3,690,000	3,274,074
Write-backs of provisions and transfers of expenses			20,596,423	849,447
Exchange rate gains			408,334	3,034
Net income from sales of marketable securities				
TOTAL FINANCIAL INCOME			64,319,872	54,080,160
Financial expenses				
Depreciation and amortization allowance and provisions			20,678,996	30,795,664
Interest and similar expenses (6)			16,269,138	13,294,239
Exchange rate losses			22,693	1,784,037
Net expenses on sales of marketable securities				
TOTAL FINANCIAL EXPENSES			36,970,828	45,873,940
NET FINANCIAL INCOME			27,349,044	8,206,220
OPERATING INCOME BEFORE EXTRAORDINARY ITEMS AND TAX			17,069,008	1,799,643
Extraordinary income				
Extraordinary income on management transactions				
Extraordinary income on equity transactions			5,512,155	3,868,749
Write-backs of provisions and transfers of expenses			1,196	34,300,679
TOTAL EXTRAORDINARY INCOME			5,513,351	38,169,428
Extraordinary expenses				
Extraordinary expenses on management transactions				83
Extraordinary expense on equity transactions			5,403,038	4,838,738
Extraordinary depreciation, amortization and provisions				271
TOTAL EXTRAORDINARY EXPENSES			5,403,038	4,839,092
EXTRAORDINARY INCOME			110,314	33,330,336
Employee profit-sharing				
Income taxes			(13,700,689)	(10,385,595)
TOTAL INCOME			88,334,574	103,803,478
TOTAL EXPENSES			57,454,563	58,287,904
PROFIT or LOSS			30,880,011	45,515,574

(1) o/w partial net income from long term transactions

(2) o/w real estate rental income

261,541

(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 from affiliated companies

43,170,112

(6) o/w interest related to affiliated companies

412,119

(6 bis) o/w donations made to general interest organizations

35,078

(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

4,862,575

(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 methods

The financial year ended December 31, 2021 covers the 12 months from January 1, 2021 to December 31, 2021.

The balance sheet total before appropriation of income is €750,558,909 and the income statement for the year, presented as a list, shows a profit of the period of €30,880,011.

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, except the points noted below:

Change in estimate

None.

Change in accounting policy

Following the decision of the IFRS Interpretations Committee (IFRS IC) published in the first half of 2021, the French accounting standards authority, the ANC, amended its Recommendation 2013-02 of November 7, 2013 on the rules for the measurement and recognition of pension and similar benefit obligations and thus allowed companies (subsidiaries) that are consolidated in IFRS financial statements to choose to align their commitments in their individual financial statements with those of the IFRS consolidated financial statements.

The company has applied this option. Entitlements are now spread out on a straight-line basis over the last years of each employee's career eligible for new benefits, instead of over the entire career.

This represents a change in accounting policy. It had no impact on previous financial years

Highlights of the period

In 2021, Séché Environnement continued to manage its equity investments, and:

- acquired the South African group Spill Tech in March 2021. This company specializes in hazardous waste management via its South African subsidiary Séché Holdings SA
- acquired an additional stake in Solarca SL (a subsidiary in Spain) in July 2021, increasing its interest from 86% to 91%
- signed an agreement in August 2021 to acquire a business specializing in the maintenance of sanitation networks and facilities in the Ile de France region from SARP-OSIS IDF SAS, a subsidiary of Véolia, comprising eight service centers. The deed of acquisition was signed on January 1, 2022 and this business will be operated by Séché Assainissement.

Béarn Environnement was dissolved through a full transfer of assets and liabilities to Séché Environnement.

Séché Environnement issued a €300 million, seven-year bond with a coupon of 2.25% with two sustainability performance criteria relating to its strategy to reduce its own greenhouse gas emissions and increase the greenhouse gas emissions avoided by its customers thanks to its recycling activities.

This bond enabled the Group to refinance, on improved terms, the senior bank loan maturing in 2023, which was itself subject to sustainability criteria and certain euro-PPs maturing on the same date, as well as covering the costs and expenses associated with this refinancing transaction. This transaction will also finance the acquisition of OSIS IDF.

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 facilities	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.

Value in use:

- of fully consolidated companies and companies consolidated using the proportionate method in the Group’s consolidated financial statements is determined using the estimated discounted cash flows of each company, net of debt. The discount rate is 6% and is applied over a period of six years, with the value for the sixth year corresponding to a nominal value extrapolated using year five flows at a perpetual growth rate of 0.20%.
- of companies accounted for under the equity method in the Group’s consolidated financial statements is determined using the last known Group share in consolidated shareholders’ equity.

In 2021, impairment was recorded on shares in certain subsidiaries, including Sénerval (€10.5 million) and Alcea (€2 million), while an impairment write-back of €20 million was recognized on Trédi shares.

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 own shares for a total of €2,772,376. These 53,926 shares held a market value of €3,871,887 on December 31, 2021 (based on the closing price of €71.80).

“Investment-related receivables” are loans granted to entities in which Séché Environnement holds an equity interest. They 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.

For the measurement of equity investments regarding current account advances made to subsidiaries, impairment is recognized where applicable when the value-in-use of these receivables falls below their nominal value. As such, at December 31, 2021, an impairment loss of €7.5 million was recognized on current account advances made to Sénerval.

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
1,949	40¼ years	60	65
1,950	40½ years	60	65
1,951	40¾ years	60 + 4 months	65 + 4 months
1,952	41 years	60 + 9 months	65 + 9 months
1,953	41¼ years	61 + 2 months	66 + 2 months
1,954	41½ years	61 + 7 months	66 + 7 months
1955 - 1957	41½ years	62	67
1958 - 1960	41¾ years	62	67
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 0.90%
c) wage increase assumptions of 2% for executives and 1.60% for non-executives.
d) life expectancy (INSEE life tables by gender)
e) employee turnover rate depending on age with a distinction between executive and non-executive level staff based on CNCC (French Institute of Statutory Auditors) recommendations

	EXECUTIVES	NON-EXECUTIVES
Under 25	10.00%	7.00%
25 - 29 years	10.00%	7.00%
30 - 34 years	4.00%	6.50%
35 - 39 years	4.00%	3.50%
40 - 44 years	3.75%	2.50%
45 - 49 years	3.75%	1.25%
50 - 54 years	1.00%	0.75%
55 - 59 years	0.00%	0.50%
60 and older	0.00%	0.00%

- f) social security contribution rate of 48% for executives and 37% 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, 2021, retirement obligations amounted to €295,594, and plan assets totaled €261,699. In view of actuarial gains of €30,923, the provision for retirement obligations recorded in the balance sheet as a provision for expenses amounted to €64,818.

A change in accounting method for pension obligations was made during the financial year, the impacts of which are detailed in the “Change in accounting policy” section.

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 12/31/2021, long-service award commitments amounted to €9,095.

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 Translation differences.

Unrealized foreign exchange losses that are not offset are covered by a provision.

Financial instruments

None

Notes on income statement items

Non-recurring income

Non-recurring income amounted to €110,314. 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.

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.

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

Registered in the Laval Trade and Companies register under number B 306 917 535

Furthermore, Séché Environnement Group is an entity consolidated by Séché Group

A French SAS with share capital of €103,304,070.00

Registered office: Les Hêtres, CS 20020, 53811 Changé Cedex

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.

3.4.3.2 Property, plant and equipment

	Opening gross value 01/01/2021	Increases	
		Revaluations during year	Acquisitions 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:			
- Buildings on own land	3,000		
- Buildings on others' land			
- General facilities, fixtures and fittings of buildings			
Technical facilities, equipment and industrial tools	28,223		
Other property, plant and equipment:			
- General facilities, other fixtures and fittings	5,292		
- Transportation equipment	159,946		2
- Office and IT equipment and furniture	507,580		1,552
- Recoverable and sundry packaging			
Property, plant and equipment under construction			
Prepayments			
Total property, plant and equipment	704,041		1,554
Long-term investments			
Equity interests valued using the equity method			
Other equity interests	580,492,913		18,675,902
Other long-term investments	2,317,708		20
Loans and other long-term investments	3,511,809		5,544,046
Total long-term investments	586,322,430		24,219,968
TOTAL	587,388,261		24,221,522

	Write-backs		Closing gross value at 12/31/2021
	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			3,000
- On others' land			
- General facilities, fixtures and fittings of buildings			
Technical facilities, equipment and industrial tools			28,223
Other property, plant and equipment:			
- General facilities, other fixtures and fittings			5,292
- Transportation equipment		136,602	23,346
- Office and IT equipment, furniture			509,132
- Recoverable and sundry packaging			
Property, plant and equipment under construction			
Prepayments			
Total property, plant and equipment		136,602	568,993
Long-term investments			
Equity interests valued using the equity method			
Other equity interests		20,063,295	579,105,521
Other long-term investments		50,000	2,267,728
Loans and other long-term investments		5,333,038	3,722,817
Total long-term investments		25,446,333	585,096,065
TOTAL		25,582,934	586,026,848

3.4.3.3 Amortization

Depreciable fixed assets	Opening amount 01/01/2021	Increases	Write-backs	Closing amount 12/31/2021
Intangible fixed assets				
Start-up, research and development costs	13,771	54,783		68,554
Other intangible fixed assets	195,109	1,000		196,109
Total intangible fixed assets	208,880	55,783		264,663
Property, plant and equipment				
Land				
Buildings:				
- Buildings on own land	912	600		1,512
- Buildings on others' land				
- General inst, fixt. and fittings bldgs				
Technical facilities, equipment and ind. tools	28,139	84		28,223
Other property, plant and equipment:				
- General facilities, other fixtures and fittings	5,284	8		5,292
- Transportation equipment	159,946	1	136,602	23,345
- Office and IT equipment, furniture	493,655	12,053		505,709
- Recoverable and sundry packaging				
Total property, plant and equipment	687,937	12,747	136,602	564,082
TOTAL	896,817	68,530	136,602	828,745

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					1,196		(1,196)
- Recoverable and sundry packaging							
Total property, plant and equipment					1,196		(1,196)
Acquisition costs of equity investments							
TOTAL					1,196		(1,196)

Expenses distributed over several years	Opening amount January 2021	Increases	Allocations to amortization	Closing amount December 2021
Amortized debt issuance costs	1,609,841	4,590,723	1,480,859	4,719,705
Bond redemption premiums				

3.4.3.4 Maturities of receivables and debts

RECEIVABLE	Gross	Less than 1 year	More than 1 year	N-1
Fixed assets				
Investment-related receivables	52,376,403	15,366,663	37,009,740	57,196,213
Loans ^{(1) (2)}	57,391		57,391	57,391
Other long-term investments	3,665,426		3,665,426	3,454,418
Total fixed assets	56,099,220	15,366,663	40,732,557	60,708,022
Current assets				
Doubtful receivables and litigation				
Other trade receivables	4,937,999	4,937,999		4,309,543
Receivables representing loaned securities				
Personnel and related accounts	5,181	5,181		3,525
Social security and related contributions				
Income taxes	159,451	159,451		425,038
Value added tax	1,075,401	1,075,401		686,866
Other tax, duties and related payments	1,050	1,050		1,050
Others	46,539	46,539		72,613
Group and associates ⁽²⁾	204,853,647	204,853,647		153,227,654
Other debtors	63	63		25,087
Total current assets	211,079,332	211,079,332		158,751,375
Prepaid expenses	1,399,330	1,399,330		2,216,031
TOTAL RECEIVABLES	268,577,882	227,845,325	40,732,557	221,675,428

(1) Loans granted during the period

(2) Repayments obtained during the period

(3) 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)	430,000,000		80,000,000	350,000,000	230,000,000
Bank loans					
- less than 1 year	2,223,774	2,223,774			2,869,454
- more than 1 year	63,342,536	17,169,457	43,027,055	3,146,025	169,140,599
Sundry loans and financial liabilities (1) (2)	22,000			22,000	23,987
Trade and other accounts payable	7,213,291	7,213,291			6,010,311
Personnel and related accounts	223,344	223,344			226,480
Social security and related contributions	357,126	357,126			384,869
Income taxes					514,373
Value added tax	8,127,066	8,127,066			8,456,858
Guaranteed bonds					
Other tax	235,207	235,207			145,959
Asset liabilities and related expenses	1,450	1,450			1,430
Group and associates (2)	49,595,514	49,595,514			45,542,699
Other debts					
Debt representing borrowed securities					
Prepaid income	31,684	31,684			31,251
TOTAL LIABILITIES	561,372,992	85,177,912	123,027,055	353,168,025	463,348,270

(1) Loans subscribed during the period

365,000,000

(2) Loans repaid during the period

270,798,062

(3) Amount of loans and debts due to associates

3.4.3.5 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	

3.4.3.6 Changes in shareholders' equity

Item	Amount
A Position at start of period	
1 Shareholders' equity at end of period N-1 before allocations	119,828,309
2 Allocation of income to net position by AGM	45,515,574
3 Shareholders' equity at start of period N	165,343,883
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	165,343,883
D Changes during the period	
1 Changes in capital	
2 Changes in premiums, reserves, retained earnings	
3 Changes in "provisions" relating to shareholders' equity	(1,196)
4 Revaluation counterparties	
5 Changes in regulated provisions and equipment subsidies	
6 Other changes	(7,409,554)
7 Income for period	30,880,011
E Shareholders' equity on closing balance sheet of period N before AGM (= C + or - D)	188,813,144
F TOTAL CHANGE IN SHAREHOLDERS' EQUITY DURING THE PERIOD (= E - C)	23,469,261
G of which: changes due to structural changes during the period	
H Change in shareholders' equity during the period excluding structural transactions (F - G)	23,469,261

3.4.3.7 Provisions

Nature of provisions	Opening amount 01/01/2021	Increases: Allocations for period	Write-backs:			Closing amount 12/31/2021
			Used during period	Not used during period	Write-backs in the period	
Regulated provisions						
Depletion allowances						
Provisions for investments						
Provisions for price increases						
Other depreciation and amortization <i>O/w exceptional increases of 30%</i>	1,196			1,196	1,196	
Provisions for installation loans						
Other regulated provisions						
TOTAL REGULATED PROVISIONS	1,196			1,196	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	14,948	296,308		14,948	14,948	296,308
Sub-total provisions for risks	14,948	296,308		14,948	14,948	296,308
Provisions for retirement and similar obligations	143,908		79,090		79,090	64,818
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	143,908		79,090		79,090	64,818
Other provisions for risks and contingencies	10,037			942	942	9,095
TOTAL PROVISIONS FOR RISKS AND CONTINGENCIES	168,893	296,308	79,090	15,890	94,980	370,221
Provisions for impairment						
On intangible fixed assets						
On property, plant and equipment						
On investments in equity-accounted securities						
On equity investments	178,471,671	12,785,501		23,400,666	23,400,666	167,856,505
On other long-term investments	2,438,984	97,188		555,809	555,809	1,980,362
On inventories and work in progress						
On trade receivables						
Other impairment provisions	25,000	7,500,000		25,000	25,000	7,500,000
TOTAL IMPAIRMENT PROVISIONS	180,935,655	20,382,688		23,981,475	23,981,475	177,336,868
TOTAL	181,105,744	20,678,997	79,090	23,998,561	24,077,651	177,707,089
					80,032	
		20,678,997			20,596,423	
					1,196	

3.4.3.8 Expenses payable

Nature of expenses	Dec. 2021	Dec. 2020
Financial debt		
Convertible bonds		
Other bonds		
Bank loans	2,223,774	2,863,133
Sundry loans and financial liabilities	95,482	77,273
Advances and prepayments received on orders in progress		
Total financial debt	2,319,256	2,940,406
Operating liabilities		
Trade and other accounts payable	897,909	1,857,891
Tax and social security accounts payable	506,422	504,303
Total operating liabilities	1,404,332	2,362,193
Other debts		
Asset liabilities and related expenses		
Other debts		
Total other debts		
Other		
Total other debts		
TOTAL	3,723,588	5,302,599

3.4.3.9 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	1,609,841	4,590,723	1,480,859	4,719,705
Total costs of taking out loans	1,609,841	4,590,723	1,480,859	4,719,705
Deferred expenses:				
Total deferred expenses				
TOTAL	1,609,841	4,590,723	1,480,859	4,719,705

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.

3.4.3.10 Accrued income

Accrued income	Dec. 2021	Dec. 2020
Long-term investments		
Investment-related receivables	59,953	75,831
Other long-term investments		
Total long-term investments	59,953	75,831
Receivables		
Trade and other accounts receivable		
Other receivables	2,281,340	2,963,424
Total receivables	2,281,340	2,963,424
Cash and other assets		
Transferable securities		
Cash and cash equivalents	5,366	32,582
Total cash and other assets	5,366	32,582
Other		
Total other		
TOTAL	2,346,659	3,071,837

3.4.3.11 Prepaid expenses and unearned income

Nature of expenses	12/31/2021	12/31/2020
Operating expenses:		
Other	1,399,330	2,216,031
Total operating expenses	1,399,330	2,216,031
Financial expenses:		
Total financial expenses		
Extraordinary expenses:		
Total extraordinary expenses		
TOTAL PREPAID EXPENSES	1,399,330	2,216,031
Nature of income	12/31/2021	12/31/2020
Operating income:		
Others	31,684	31,251
Total operating income	31,684	31,251
Financial income:		
Total financial income		
Exceptional income:		
Total exceptional income		
TOTAL UNEARNED INCOME	31,684	31,251

3.4.3.12 Breakdown of revenue

Breakdown of revenue	12/31/2021			12/31/2020			Change
	France	Exports and deliveries in EU	Total	France	Exports and deliveries in EU	Total	%
Sales of goods							
Sales of finished products							
Works							
Waste treatment							
Transportation							
Technical support services	11,410,197	1,244,522	12,654,719	9,347,213	1,349,243	10,696,455	18.31%
Income from ancillary activities	441,067	135,360	576,427	447,496	177,225	624,720	-7.73%
Reinvoicing of taxes							
Other	326,092		326,092	144,870		144,870	125.09%
TOTAL	12,177,356	1,379,882	13,557,238	9,939,579	1,526,468	11,466,046	

3.4.3.13 Breakdown of income tax

	12/31/2021					12/31/2020
	Income before loss carryforward	Loss carryforward	Income before tax	Tax payable	Profit of the period	Profit of the period
Operating income before extraordinary items and tax	17,069,008		17,069,008		17,069,008	1,799,643
Non-recurring income	110,314		110,314		110,314	33,330,336
Accounting income (excluding equity investments)	17,179,322		17,179,322		17,179,322	35,129,979
Tax consolidation income						
Employee profit-sharing						
Tax receivables				(64,487)	64,487	85,657
Total before tax	17,179,322		17,179,322	(64,487)	17,243,809	35,215,636
Other						
Allocation of prior-year losses against income						
Income tax audit and corrections				(3,123)	3,123	43,314
Tax consolidation				(13,633,079)	13,633,079	10,256,624
Total other				(13,626,202)	13,636,202	10,299,938
Grand total	17,179,322		17,179,322	(13,700,689)	30,880,011	45,515,574

3.4.3.14 Change in future tax liability

Increase in future tax liability	Amount	Corresponding tax
Regulated provisions		
Other depreciation and amortization		
Provisions for price increases		
Provisions for price fluctuations		
<u>Other regulated provisions:</u>		
Investment subsidies		
TOTAL		

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	64,818	(16,742)
Other unrecognized expenses not deducted	178,595	(46,131)
TOTAL	243,412	(62,873)

Total loss carryforwards 63,922,332

Total deferred depreciation and amortization

Total long-term capital losses

The total loss carryforwards corresponds to the tax consolidation deficits.

3.4.3.15 Breakdown of transfers of expenses

Subject	Dec. 2021	Dec. 2020
Transfers of operating expenses	4,590,723	
Transfers of benefit in kind expenses	37,156	37,150
Transfer of retirement pay/bonus reimbursement expenses	234,696	
Other		
TOTAL	4,862,575	37,150

3.4.3.16 Non-recurring income

	Dec. 2021			Dec. 2020		
	Income	Expenses	Income	Income	Expenses	Income
Non-recurring income from management transactions						
Income from prior years					83	(83)
Income from disposals of assets	15,548	50,000	(34,451)	215,484	1,191,702	(976,217)
Income from other exceptional items	5,496,607	5,353,038	143,569	3,653,265	3,647,036	6,229
Non-recurring income excluding impairment and provisions	5,512,155	5,403,038	109,118	3,868,749	4,838,821	(970,071)
Share of investment subsidies transferred to profit or loss						
Extraordinary impairment					271	(271)
Extraordinary write-backs	1,196		1,196	34,300,679		34,300,679
Other:						
Provisions for exceptional risks and contingencies	1,196		1,196	34,300,679	271	34,300,407
TOTAL	5,513,351	5,403,038	110,314	38,169,428	4,839,092	33,330,336

3.4.3.17 Related-party transactions

A commercial lease with Séché Group SAS 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 SAS 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 SAS provides the company and its subsidiaries with services in a number of areas (strategy, sales, finance, legal).

The expense recognized for these agreements in 2021 was €3.2 million.

3.4.3.18 Average headcount

Categories	Average headcount	
	12/31/2021	12/31/2020
Executives	22	21
Supervisors		
Employees and technicians	7	6
Other:		
TOTAL	29	27

3.4.3.19 Compensation of senior management

Categories	Amounts
Board members	970,063
Management Board members	
Supervisory Board members	
TOTAL	970,063

3.4.3.20 Financial commitments given

Commitments given	Total	Senior managers	Subsidiaries	Equity investments	Affiliated companies	Other
Financial guarantees	104,453,616		104,453,616			
Actuarial losses/gains related to retirement commitments	30,923					30,923
Commitments receivables assigned to the factor						
Other						
In connection with Group debt						
- Endorsements						
- Sureties	13,246,188					13,246,188
- Guarantees						
In relation to the management of interest rates	15,135,619		15,135,619			
Swaps						
Caps						
Collars						
TOTAL	132,866,346		119,589,235			13,277,111

3.4.3.21 Table of subsidiaries and equity investments

Company <i>Amounts in thousands of euros</i>	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 during the period
				Gross	Net					
ALCEA	2,500.00	213.56	100	4,710.00	2,105.00		597.82	15,725.24	476.05	
BARRE THOMAS	375.00	n/a	40	215.03	50.37			n/a	n/a	
UPER RETIERS	5.00	-	100	5.00	5.00	18.03		0	(260.83)	
DRIMM	152.45	2,031.91	100	12,832.33	12,832.33	3,626.67		44,326.32	8,378.11	6,800.00
ECO SITE CROIX IRTELLE	100.00	3,252.54	99	13,339.00	13,339.00	897.07	1,949.14	13,290.74	1,874.56	495.00
GABARRE ENERGIES	600.00	(536.42)	51	306.00	306.00			1,464.97	196.00	
KARU ENERGY	8.00	n/a	24	1.92	0	146.00		n/a	n/a	
LA CROIX DES LANDES	8.00	345.60	99.8	86.98	86.98			82.32	55.51	
LES CHENES SECS	8.00	(289.61)	99.8	66.25	66.25	659.93		10.00	(25.48)	
MEZEROLLES	160.00	1,881.22	99.99	1,098.56	1,098.56	1,304.76		864.26	623.43	299.97
MO'UVE	1,000.00	0	100	1,000.00	1,000.00	4,841.5	622.38	4,229.45	(1,089.60)	
OPALE ENVIRONNEMENT	1,000.00	375.18	100	8,278.00	8,278.00	1,968.65	2,948.16	14,599.31	461.00	100.00
SECHE ASSAINISSEMENT	150.00	0	100	150.00	150.00			0	(297.35)	
SECHE 202	5.00	0.03	100	5.00	5.00			0	(0.13)	
SECHE ALLIANCE	47.88	902.91	100	2,873.39	2,873.39	7,902.78		21,428.98	(739.3)	
SECHE DEVELOPPEMENT	10.00	227.32	100	1,830	1,830.00			14,404.09	593.37	600.00
SECHE ECO INDUSTRIES	2,011.38	10,438.79	100	27,986.66	27,986.66	9,915.56	38,141.86	141,118.13	32,244.69	20,742.32
SECHE ECO SERVICES	500.00	5,970.20	100	496.23	496.23	4,837.34	10,262.20	102,783.44	715.60	500.00
SECHE ENVIRONNEMENT OUEST	820.00	(577.28)	100	1,663.00	0	187.34		8,043.37	171.16	
SECHE HEALTHCARE	250.00	(3,259.65)	100	8,798.00	2,625.00	4,979.74		11,872.95	(410.13)	
SECHE TRANSPORTS	192.00	1,027.25	100	531.30	0.96			36,080.57	286.28	300.00
SECHE URGENCES INTERVENTIONS SENERGIES	150.00	1,856.17	100	150.00	150.00			12,942.81	2,799.83	3,450.00
SENERGIES	400.00	526.82	80	320.00	320.00	401.24		2,146.57	337.96	64
SENERVAL	4,000.00	(18,028.38)	99.90	19,743.36	0	71,007.91	5,635.57	24,412.63	(14,308.40)	
SOGAD	75.00	n/a	50	1,513.37	0			n/a	n/a	
SOLENA VALORISATION	1,000.00	(0.81)	60	600.00	600.00			0	(48.90)	
SPEICHIM	150.00	2,225.89	100	18,750.00	18,750.00	9,544.36	1,219.59	31,827.29	1,597.02	2,000.00
TREDI	15,000.00	1,636.19	100	268,752.87	159,426.21	32,812.24	38,946.15	143,578.7	3,683.85	
TRIADIS SERVICES	3,808.51	(1,321.67)	100	16,135.10	0	334.40	2,775.72	59,675.73	3,300.85	
SECHE 204	5.00	-	100	5.00	5.00			0	0	
SECHE 205	5.00	-	100	5.00	5.00			0	0	
SECHE 206	5.00	-	100	5.00	5.00			0	0	
Foreign subsidiaries										
DEPO	52.00	882.00	90	1,906.68	1,906.68			947.00	116.45	59.83
KANAY	1,760.00	(2,128.00)	100	20,401.70	10,401.70			9,060.00	(614.43)	
MECOMER	52.00	14,088.00	90	46,804.97	46,804.97			49,364.00	4,421.16	3,363.44
SECHE CHILE	5,721.00	(120)	100	5,973.59	5,973.59	1,874.06		0	(152.41)	
SECHE HOLDINGS	0	4,275.00	100	0	0	71,206.28		0	(1,330.21)	
MAYENNE INVESTMENTS	0	0	100	0	0			0	0	
SOLARCA SL	343.00	4,689.00	91	27,599.74	27,599.74	7,860.09		11,374.00	(850.20)	
SOLUCIONES AMBIENTALES	6,918.00	(3,723.00)	99.99	7,667.91	7,667.91	6,865.47		4,438.00	(939.57)	
UTM TECHNIK METALLRECYCLING	100.00	1,007.00	100	4,122.11	4,122.11		750.00	3,246.00	236.51	90

ND: Not disclosed

STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2021

Séché Environnement SA

Registered office: Les Hêtres - CS 20020 - 53811 Changé Cedex 09

Share capital: €1 571 546,4

Statutory Auditors' report on the parent company financial statements

Year ended December 31, 2021

To the Shareholders,

Opinion

In compliance with the assignment entrusted to us, we have audited the accompanying annual financial statements of Séché Environnement S.A. for the year ended December 31, 2021.

In our opinion, the annual 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, 2021 and of the results of its operations for the year then ended in accordance with French generally accepted accounting principles.

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 audit opinion.

Our responsibilities under those standards are further described in the “Statutory Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2021 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) 537/2014.

Matters to report

We draw your attention to the matter presented in note 3.4.3.1 to the annual financial statements, "Accounting principles, valuation methods, comparability of the financial statements", concerning the change in accounting method for retirement obligations, pursuant to the decision of the IFRS Interpretations Committee (IFRS IC), which led the French accounting standards board (ANC) to modify its guidelines on the measurement and recognition of these obligations.

Our opinion is not modified in respect of these matters..

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Some of those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code 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 annual 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 annual financial statements as a whole, and in forming our opinion thereon expressed in the first part of this report. We do not provide a separate opinion on specific items of the annual financial statements.

Measurement of equity securities, related receivables and advances to subsidiaries

Risks identified

Equity securities are one of the largest items on the balance sheet, totalling €358.9 million net at December 31, 2021. They are recognised at acquisition cost when acquired and are impaired based on their value in use.

Receivables relating to equity investments and advances to subsidiaries amounted to a net total of €52.4 million and €197.4 million respectively at December 31, 2021.

As stated in the "Financial assets" note in the accounting policies section, Management determines value in use based on several criteria, including the share of net assets of the subsidiary or discounted expected future cash flows net of debt.

As stated in the "Financial assets" and "Receivables" notes in the accounting policies section, impairment is recognised if the value in use of receivables from equity investments or advances to subsidiaries falls below their carrying amount.

Management's judgment is required to determine the value in use of equity securities and receivables, in terms of the choice of historical or forward-looking information depending on the equity interests concerned.

We believe that the measurement of equity securities, related receivables and advances to subsidiaries is a key audit matter, due to potentially material impairment of these items and to the extent of estimates and judgment required by Management to determine value in use. For instance, judgment is required when making assumptions of expected future cash flows from equity interests, and when determining the appropriate discount rate and perpetual growth rates applicable to these cash flows.

Auditing procedures used to address identified risks

To assess the reasonableness of the estimated value in use of equity securities, related receivables and current account advances, on the basis of information shared with us, our work mainly involved verifying that Management's estimate of these amounts was made using an appropriately justified measurement method and quantitative data, and depending on the type of equity securities:

For measurements based on historical data:

- We verified that the equity used corresponded to amounts reported in the financial statements of the entities that were audited or subject to analytical procedures..

For measurements based on forward-looking information, we also conducted a critical review of how the methodology was implemented. We:

- Corroborated the main business assumptions in the Business Plans used for impairment testing, which were prepared by the Finance Department and validated by Group General Management, by interviewing Management and comparing them to the following year budget examined by the Board of Directors;
- Analysed differences between actual performance at December 31, 2021 and the budgets in the 2021 Business Plans;
- Verified that the assumptions used were consistent with the economic environment at the reporting date and at the date of the financial statements;
- Tested the mathematical accuracy of measurements performed by Management;
- Verified that the value calculated from expected future cash flows was adjusted for the amount of debt of the entity in question.

Finally, we assessed the appropriateness of the information provided in the Notes to the financial statements on accounting policies..

Specific verifications

As required by law, we have also verified the information pertaining to the Company presented in the management report of the Board of Directors, in accordance with professional standards applicable in France.

Information in the management report and other documents provided to the Shareholders with respect to financial position and financial statements

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 provided to the Shareholders with respect to the financial position and the financial statements.

We attest the accuracy and fair presentation of information relating to payment terms, mentioned in Article D.441-4 of the French Commercial Code (Code de commerce).

Disclosures relating to corporate governance

We attest that the disclosures required under Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (Code de commerce) are included in the Governance Report of the Board of Directors.

Concerning information provided in accordance with Article L.22-10-9 of the French Commercial Code on remuneration and benefits paid or allocated to corporate officers and commitments made on their behalf, we verified that these amounts corresponded to the amounts reported in the financial statements or to data used to prepare the financial statements and, where appropriate, to information compiled by your company from consolidated companies over which it exercises control. Based on this work, we attest the accuracy and fair presentation of this information.

Other Disclosures

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests, as well as the identity of shareholders and holders of voting rights, has been properly disclosed in the management report.

Information and verifications required by other laws and regulations

Format of presentation of the financial statements to be included in the Annual Financial Report

In accordance with professional standards on the work of statutory auditors relating to annual and consolidated financial statements presented in the European Single Electronic Format, we also verified that the format set forth in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 was followed for the presentation of the annual statements intended for inclusion in the annual financial report mentioned in Article L. 451-1-2, paragraph I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the CEO.

Based on our work, we have concluded that the presentation of the annual financial statements intended for inclusion in the annual financial report is compliant with the European Single Electronic Format in all material respects.

It is not our responsibility to verify that the annual financial statements actually included in the annual financial report filed with the French Markets Authority (AMF) are those that we reviewed.

Appointment of the Statutory Auditors

We were appointed statutory auditors of Séché Environnement S.A. by your annual general meetings: Mazars in 2018 and KPMG in 1997.

As at December 31, 2021, KPMG S.A. was in its twenty-fifth year of its total uninterrupted audit engagement and Mazars in its fourth year.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The annual financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Audit objective and process

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. 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 the annual 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 auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the annual financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and

appropriate to provide a basis for his 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;

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the annual financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the annual financial statements and for the opinion expressed on these annual financial statements.

Report to the Audit Committee

We submit a report to the audit committee presenting our audit, the schedule of work conducted, and our conclusions. If applicable, we also point out material weaknesses identified in internal control, as regards the procedures for preparing and processing accounting and financial data.

Our report to the audit committee includes the risks of material misstatement that we deemed the most significant for the audit of the annual financial statements for the year ended and which constitute the key audit matters we describe in this report.

We also provide the audit committee with confirmation of independence as required by Article 6 of Regulation (EU) 537-2014, and defined by the rules applicable in France stipulated in Articles L.822-10 to L.822-14 of the French Commercial Code and the French code of ethics for statutory auditors. If needed, we discuss risks affecting our independence with the audit committee and present the safeguards applied.

The Statutory Auditors

Nantes and Rennes, March 7, 2022

KPMG S.A.

Gwenaël Chedaleux and Benoit Boddaert
Partners

Mazars

Ludovic Sevestre
Partner



04. Corporate governance



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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 and on the AFEP website https://afep.com/wp-content/uploads/2020/01/Code-Afep_Medef-r%C3%A9vision-janvier-2020_002.pdf.

Séché Environnement's Board of Directors separated the functions of Chairman and Chief Executive Officer in December 2019.

Until December 10, 2019, Joël Séché served as Chairman of the Board of Directors and Chief Executive Officer. On November 12, 2019, the Board of Directors decided to change the Company's governance structure and the functions of Chairman of the Board of Directors 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 2021, there were no changes to the composition of Séché Environnement's Board of Directors.

- The General Meeting of April 30, 2021 renewed the terms of office of Joël Séché, Maxime Séché, and Anne-Sophie Le Lay, applying the principle of staggering the reappointment of members of the Board established in 2020.
- The Group Committee renewed Philippe Guérin's term as Director Representing Employees for two years from the Ordinary General Meeting of April 30, 2021.

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 (3) and eighteen (18) members, unless otherwise provided by law.
- The term of office of directors is three (3) years and the renewal of directors' terms is staggered. Since 2020, the reappointment of directors has been staggered in accordance with the recommendations of the AFEP-MEDEF Code. One directorship will expire at the General Meeting convened on April 29, 2022. Subsequently, two directorships will expire in 2023, two in 2024, and two in 2025. To implement this staggered reappointment of directors, the Combined General Meeting of April 30, 2020 amended Article 16.II of the by-laws to provide that the Ordinary 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.
- When the legal conditions are met, the Board of Directors may appoint directors on a temporary basis for the remainder of their predecessor's term of office. In accordance with the law, such appointments are subject to the ratification of the next Ordinary General Meeting.
- 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 expires at the end of the General Meeting called to approve the financial statements of the year preceding the year in which the 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 30, 2021, 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 2023 financial statements.

As of December 31, 2021, the Company's Board of Directors had the following members:

		Male/ Female	Date of 1st appointment	AGM that renewed the current term as of December 31, 2021	Term expires at end of AGM held in
Directors and corporate officers	Joël Séché Chairman of the Board of Directors	M	October 19, 1981	April 30, 2021	2025
	Maxime Séché Director and Chief Executive Officer	M	November 12, 2019	April 30, 2021	2024
Directors	Pascaline de Dreuzy	F	April 27, 2017	April 30, 2020	2023
	Nadine Koniski-Ziadé	F	April 30, 2020		2023
	Anne-Sophie Le Lay	F	April 27, 2018	April 30, 2021	2024
	Philippe Valletoux	M	May 11, 2007	April 26, 2019	2022
Director Representing Employees	Philippe Guérin	M	December 12, 2018		2023 (*)
Non-voting director	Guillaume Séché	M	Board meeting of April 28, 2015	Board meeting of April 30, 2021	2024

(*) By decision of December 4, 2020, the Group Committee renewed the term of office of Philippe Guérin as Director Representing Employees for a term of two years from the Ordinary General Meeting to be held in 2021 to approve the 2020 financial statements, i.e. 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: 24 avenue Théophile Gautier - 75016 Paris

Offices and positions:

Current offices as of December 31, 2021		Terms expired over the last five financial years	
Séché Environnement SA	Director Member of the Audit Committee	Séché Environnement SA	Chairman of the Compensation and Nomination Committee until April 2021
Bouygues SA	Director Member of the Audit Committee and Member of the Selection and Compensation Committee	Navya SAS	Director until December 2018
Peugeot Invest SA	Director	P2D Technology SAS	Founding Chairman until March 2021
Fondation Hugot du Collège de France	Director	Fondation Œuvre de la Croix Saint-Simon (Foundation acting in the public interest)	Director until June 2017
Fondation Mallet	Director	Groupe Hospitalier Diaconesses—Croix Saint- Simon (ESPIC)	Director until June 2017
		TF1 SA	

Current offices as of December 31, 2021	Terms expired over the last five financial years
	Director, Chairman of the Compensation and Appointments Committee and member of the Audit Committee until April 2021
	Samu social international (non-profit under the 1901 law) Director until June 2019

As of December 31, 2021, Pascaline de Dreuzy was a corporate officer of two listed companies other than Séché Environnement SA: Bouygues SA and Peugeot Invest SA.

As of the date of this Universal Registration Document, Pascaline de Dreuzy held 50 Séché Environnement SA shares.

Profile:

French citizen born on September 5, 1958.

Pascaline de Dreuzy is a graduate of EMBA-HEC business school, and holds the ICCF-HEC Corporate Finance Certificate in financial analysis and business valuation and the SciencesPo-IFA Certificate of Director. She has worked in a wide variety of sectors with far-reaching human impacts, enabling her to transfer her experience and establish synergies between seemingly different universes.

From 2013 to 2021, she was founding president of P2D Technology, a company combining human and digital solutions for remote care of vulnerable patients and the prevention of certain diseases. She invests in start-ups in connected health and AI while supporting their development.

Pascaline entered the business world early as a Director of one of the family holding companies controlling the PSA group. She is very committed to corporate governance: after a mandate on the board of directors of the IFA, she joined various groups of experts, covering ESG (Environment and Co-Chair of Corporate Social Responsibility), Integrated Reporting, Risk Appetite, and Family Business Governance, among others. She also coordinates one of the IFA teaching modules.

From 2011 to 2015, she served as a doctor-manager at a number of strategy consulting firms then as founding president of the Institut Autonomie & Technologie non-profit.

As a doctor with the Hôpitaux de Paris, she managed innovative, cross-functional and pioneering projects in the Necker-Enfants Malades children’s hospital from 1986 to 2011. She participated in crisis management seminars for the emergency services in Paris and Chamonix and with the elite tactical unit of the French National Gendarmerie (GIGN).

Pascaline de Dreuzy brings to Séché Environnement her knowledge of the healthcare and new technologies sectors, expertise in corporate governance and experience in innovation, ESG, and risk management.

She is a knight of the French Legion of Honor.

Nadine Koniski-Ziadé - Director

Business address: 28 Cours Albert 1er - 75008 Paris

Offices and positions:

Current offices as of December 31, 2021	Terms expired over the last five financial years
Séché Environnement SA Director Member and Chairman of the Audit Committee Member of the Strategy Committee	N/A
Stakeholder Advisors SARL	Manager

As of December 31, 2021, Nadine Koniski-Ziadé was not a corporate officer of any listed company other than Séché Environnement SA. As of the date of this Universal Registration Document, Nadine Koniski-Ziadé held one Séché Environnement SA share.

Profile:

French and Lebanese citizen born on November 14, 1975.

A graduate of ESSEC, Nadine Koniski-Ziadé has over 25 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 five 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.

Nadine Koniski-Ziadé provides Séché Environnement with expertise in corporate finance, private equity/venture capital, investor relations, impact investing, and her knowledge of family business governance.

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, 2021		Terms expired over the last five financial years	
Séché Environnement SA	Director Member of the Audit Committee Member of the Compensation and Appointments Committee	Séché Environnement SA	Member of the Compensation and Nomination Committee until April 2021
Air France-KLM SA group	Corporate Secretary Member of the Executive Committee Secretary of the Board of Directors	Air France-KLM International Mobility SA	Director until May 2021
ORANO SA	Member of the Audit Committee	Big Blank SAS	Chairman until July 2020
Circle Montesquieu, a non-profit association	Director - Vice-Chairman Education Director of Executive Master General Counsel		

As of December 31, 2021, Anne-Sophie Le Lay was a corporate officer of one other listed company other than Séché Environnement SA. As of the date of this Universal Registration Document, Anne-Sophie Le Lay held 10 Séché Environnement SA shares.

Profile:

French citizen born on May 8, 1971.

Anne-Sophie Le Lay holds a Master's degree in Business and Real Estate Law (1994) and a Professional Lawyer's Certification (1995).

She began her career in 1996 as a lawyer specializing in business and real estate law in Paris. She later moved to Toronto, Canada, where she worked as a consultant in a law firm.

In 2001, she joined the Legal Affairs Department at Renault Group, where she was 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, Energy and Real Estate Law Department. A year later, she was placed in charge of the Europe/Mediterranean region. In that capacity, 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.

In 2011, she became Chief Legal Officer of Renault Group in connection with the development of the Renault-Nissan Alliance.

She joined Air France-KLM Group in February 2018, where she was Corporate Secretary of Air France-KLM and Air France.

Anne-Sophie Le Lay is also Vice-Chairman of the Cercle Montesquieu, an association of general counsels, and also the Education Director of the General Counsel's Masters Degree program in partnership with Science-Po Paris.

She provides Séché Environnement with her expertise in legal and governance matters.

Philippe Valletoux - Director

Business address: 28 boulevard Raspail - 75007 Paris

Offices and positions:

Current offices as of December 31, 2021		Terms expired over the last five financial 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, 2021, Philippe Valletoux was not a corporate officer of any listed company other than Séché Environnement SA. As of the date of this Universal Registration Document, Philippe Valletoux held one Séché Environnement SA share.

Profile:

French citizen, born on July 24, 1943.

Philippe Valletoux held successive positions as:

- 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 until 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.

He provides Séché Environnement with his financial knowledge.

Philippe Guérin – Director Representing Employees

Business address: ZI Portuaire - 519 rue Denis Papin - 28150 Salaise-sur-Sanne.

Offices and positions:

Current offices as of December 31, 2021	Terms expired over the last five financial 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.

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, 2021		Terms expired over the last five financial 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
Interwaste Holdings Pty Ltd (South Africa)	Non-executive Director		
Spill Tech Pty Ltd (South Africa)	Non-executive Director		
Spill Tech Group Holdings Pty Ltd (South Africa)	Non-executive Director		
One Spill Response (South Africa)	Chairman of the Board of Directors		
Solarca SL (Spain)	Director		
Mecomer (Italy)	Chairman of the Board of Directors		
Depo (Italy)	Chairman of the Board of Directors		
Ciclo SA (Chile)	Director		
Soluciones Ambientales del Norte SA (Chile)	Director		
Kanay SAC (Peru)	Director		
Séché Group SAS	Chairman		
Pari Mutuel Urbain EIG	Director		

As of December 31, 2021, Joël Séché was not a corporate officer of any listed company other than Séché Environnement SA and did not carry out any other primary activity outside Séché Environnement SA that is material in relation to Séché Environnement SA.

As of the date of this Universal Registration Document, Joël Séché held one Séché Environnement SA 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 company was the first 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 the Board of Directors of Séché Environnement SA. At December 31, 2021, the Group had around 4,700 employees worldwide.

He is an Officer 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, 2021		Terms expired over the last five financial 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
Sénergies SAS	Chairman Member of the Management Board	Trédi SAS	Director until October 1, 2019
Séché Développement SAS	Chief Executive Officer of the Chairman, Séché Environnement SA	Séché Energies SAS	Permanent representative of the Chairman, Séché Environnement, until July 1, 2018
Solena SAS	Member of the Executive Committee	Sodicome SAS	Permanent representative of the Chairman, Séché Environnement, until April 13, 2016
Séché Environnement Ouest SAS	Chief Executive Officer of the Chairman, Séché Environnement SA	Taris (Peru)	Director until December 31, 2019
Écosite Croix Irtelle SAS	Chief Executive Officer of the Chairman, Séché Environnement SA	Béarn Environnement SAS	Chief Executive Officer of the Chairman, Séché Environnement SA, until October 2, 2021
Trédi SAS	Chief Executive Officer of the Chairman, Séché Environnement SA		
Séché Urgences Interventions SAS	Chief Executive Officer of the Chairman, Séché Environnement SA		
Speichim Processing SAS	Chief Executive Officer of the Chairman, Séché Environnement SA		
Triadis Services SAS	Chief Executive Officer of the Chairman, Séché Environnement SA		
Énergécie SAS	Permanent Representative of the Chairman, Ecosite Croix Irtelle SAS Member of the Strategy Committee		
Sogad SA	Chief Executive Officer of the Director, Séché Environnement SA		
Alcea SAS	Chief Executive Officer of the Chairman, Séché Environnement SA		
Mo'Uve SAS	Chief Executive Officer of the Chairman, Séché Environnement SA		
Opale Environnement SAS			

Current offices as of December 31, 2021	Terms expired over the last five financial years
	Chief Executive Officer of the Chairman, Séché Environnement SA
Séché Alliance SAS	Chief Executive Officer of the Chairman, Séché Environnement SA
Séché Eco Industries SAS	Chief Executive Officer of the Chairman, Séché Environnement SA
Séché Eco Services SAS	Chief Executive Officer of the Chairman, Séché Environnement SA
Séché Transports SAS	Chief Executive Officer of the Chairman, Séché Environnement SA
Sénéral SAS	Chief Executive Officer of the Chairman, Séché Environnement SA
Séché Assainissement SAS	Chief Executive Officer of the Chairman, Séché Environnement SA
Uper Retiers SAS	Chief Executive Officer of the Chairman, Séché Environnement SA
Sotrefi SAS	Chief Executive Officer of the Chairman, Séché Environnement SA
Séché Group SAS	Chairman of the Supervisory Board
Pégase 53 SAS	Chairman
SCI Pégase 1	Manager
SCI Pégase 2	Manager
Stade Lavallois Mayenne FC (SA Sportive Pro)	Director
Kanay SAC (Peru)	Director
Soluciones Ambientales del Norte SA (Chile)	Director
Ciclo SA (Chile)	Director
Séché Chile SpA (Chile)	Legal representative
Sem Tredi SACV (Mexico)	Chairman
Trédi Argentina SA (Argentina)	Chairman
Solarca SL (Spain)	Spokesman for the Board of Directors
Depo (Italy)	Director
Mecomer (Italy)	Director
Ecosys Group Limited (Uganda)	Director
Interwaste Holdings Pty Ltd (South Africa)	Non-executive Director
Mayenne Investments Proprietary Limited (South Africa)	Director

Current offices as of December 31, 2021	Terms expired over the last five financial years
Africa)	
One Spill Response (South Africa)	Director
Séché South Africa PL (South Africa)	Director
M53 Investments Pty Ltd (South Africa)	Director
Varenne Investments Pty Limited (South Africa)	Director
Séché Holding SA Pty Ltd (South Africa)	Director
Spill Tech Pty Ltd (South Africa)	Director
Séché Spilltech Holdings Pty Ltd (South Africa)	Director
Spill Tech Group Holdings Pty Ltd (South Africa)	Director
Envirosure Underwriting Managers Pty Ltd (South Africa)	Director

As of December 31, 2021, Maxime Séché was not a corporate officer of any listed company other than Séché Environnement SA and did not carry out any other primary activity outside Séché Environnement SA that is material in relation to Séché Environnement SA.

As of the date of this Universal Registration Document, Maxime Séché held two Séché Environnement SA shares.

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.

Guillaume Séché – Non-voting Director

Business address: Les Hêtres – CS20020 – 53811 Changé cedex 09

Offices and positions:

Current offices as of December 31, 2021		Terms expired over the last five financial years	
Séché Environnement SA	Non-voting director	Kanay SAC (Peru)	Director up to December 31, 2019
Séché Healthcare SAS	Permanent representative of the Chairman, Séché Environnement	Taris (Peru)	Director until December 31, 2019
Interwaste Holdings Pty Limited (South Africa)	Non-executive Director		
Ecosys Group Limited (Uganda)	Director		
Soluciones Ambientales del Norte SA (Chile)	Director		
Séché Group SAS	Member of the Supervisory Board		
Paris Foreign Trade Advisors Committee	Substitute member		

As of December 31, 2021, 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 Environnement 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 Environnement Group as Head of International Development in 2014.

In 2019, he became Head of Medical Waste.

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, 2021, three out of the six members of the Board of Directors (not taking into account Philippe Guérin, Director Representing Employees, in accordance with AFEP-MEDEF Code recommendations), can be considered to be independent directors under the criteria of this Code, to which the Company refers, which stipulate that half of the Board members should be independent 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, and/or by the Board of Directors 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" means: 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 2021.

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 Company's by-laws and the Board of Directors' Internal Regulations set out the operating procedures of the Board and its duties. The Board has chosen to separate the positions of Chairman of the Board and Chief Executive Officer.

The Board elects a Chairman from among its natural person members and sets the Chairman's term of office, which may not exceed the term of his office as a director. The Chairman organizes and oversees the work of the Board and reports on the same to the General Meeting of Shareholders. He ensures the proper functioning of the Company's management bodies and makes sure that the Directors are capable of carrying out their duties, in particular by ensuring that they receive clear and appropriate information in a timely manner. The Chairman has the authority to speak on behalf of the Board.

The Board may appoint a Vice-Chairman from among its members to chair Board meetings if the Chairman is absent or unable to attend. Failing this, a member of the Board will be specially appointed by his or her colleagues to chair such meeting. The Board shall also appoint a secretary, who is not necessarily a member of the Board, for a term of its own choosing. In the absence of the secretary, the Board shall appoint a person to perform this function.

The Board may be assisted by between one (1) and three (3) non-voting directors, appointed by the Board for a period of three (3) years. Non-voting directors attend Board of Directors' meetings without voting rights. They must observe the same rules applicable to the Directors (detailed in Article 3 below) and may be revoked by the Board of Directors at any time at the request of the Chairman of the Board of Directors.

In accordance with the law and regulations and the Company's by-laws, a Director Representing Employees is appointed by the Group Committee and sits on the Board.

The Board of Directors meets as often as the interests of the Company so require and at least four times a year.

The Board of Directors establishes the guidelines of the Company's business activities, in particular its strategy, and ensures that these guidelines 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 on the Chairman's initiative 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. In such case, 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 and monitor the assessment of ordinary transactions concluded at arm's length each year
- 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, and in order to limit conflicts of interest, the Directors are asked each year, and before each Board meeting depending on the meeting agenda, to declare that they have no conflicts of interest, nor have they identified a potential conflict of interest between their duties arising from their positions at Séché Environnement and their professional or private interests and/or other duties. Directors abstain from taking part in discussions and from voting if a conflict of interests should arise.

The Board of Directors completed a self-assessment of its performance in 2021 in early 2022. 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 improvements have been proposed, for example, the provision of more exhaustive information further ahead of Board meetings and also between meetings in order to optimize the preparation of meetings; the development of internal controls and the strategic review; the holding of an annual meeting between independent directors; and the strengthening of relations between the Audit Committee and the Group's Statutory Auditors. A discussion on improving the way the Board and its committees operate, including how best to follow the Group's CSR commitments, is ongoing.

Main activities of the Board of Directors during the 2021 financial year

In 2021, Séché Environnement's Board of Directors met seven 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:

- Management of offices on the Board of Directors and Committees,
- Compensation policy,
- Monitoring of the 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 2022 budget,
- Preparation of forward-looking management documents,
- Financial communications,
- Preparation and convening of the Combined General Meeting of Shareholders,
- Drafting 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,
- Financing through a bond issue with sustainability performance criteria meeting decarbonization objectives,
- Authorization for acquisitions.

4.1.2.2 Absence of conflicts of interest or convictions

At the date of filing this Universal Registration Document and to Séché Environnement's knowledge, no conflict of interest has been identified between the duties of each of the directors and members of the management bodies arising from their office at Séché Environnement and their other professional and private interests and/or other duties. No director and member of the management bodies:

- Is or has been convicted of fraud in the past five years,
- Is or 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,
- Is or has been involved in legal proceedings and/or subject to an official public sanction by the legal or regulatory authorities (including by official professional organizations),

- Is or 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 in the past five years.

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 attends and provides assistance to 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 2021, as well as reviewing the Group's results and the interim and annual financial statements, examining the budget for 2022 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,
- Monitored material transactions in France and abroad that changed the Group's scope,
- Reviewed draft financial communications,
- Verified the independence of the Statutory Auditors,
- Reviewed services other than the certification of the accounts provided to the Group by the Company's Statutory Auditors.

The Board of Directors also reviewed non-financial performance indicators through to 2025 and the associated action plan to reduce the Group's carbon footprint, as well as the new European Single Electronic Format (ESEF) for the 2021 financial statements, which were initially due to be considered by the Audit Committee.

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 duties of the Compensation and Appointments Committee are to:

- Examine 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 financial 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 2021, 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 minutes of the self-assessment of the Board and the Committees for the 2020 financial year,
- The pay ratios to be published in the Universal Registration Document,
- 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, and the compensation policy, subject to prior and ex-post approval.

The Compensation and Appointments Committee had three members until the Board of Directors' meeting of April 30, 2021: Pascaline de Dreuzy, Anne-Sophie Le Lay, both independent directors, and Philippe Valletoux. Pascaline de Dreuzy chaired the Compensation and Appointments Committee since November 12, 2019.

The terms of office of Pascaline de Dreuzy and Anne-Sophie Le Lay expired in 2021 and they indicated during the meeting of the Board of Directors on April 30, 2021 that they did not wish to be reappointed to the Committee. This Committee therefore temporarily had one member, Philippe Valletoux, and it has not been able to rule since this date, because the composition of the Board does not allow for the establishment of a new Compensation and Appointments Committee. The provisions of the AFEP-MEDEF Code and the Board's Internal Regulations were temporarily not observed. Since May 2021, the Board of Directors has performed the duties of the Compensation and Appointments Committee in collegiate form. The corporate officers do not take part in the discussions or voting on matters relating to their compensation. A review of the nature and organization of the Board committees is in progress.

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 Strategy Committee is currently made up of Nadine Koniski-Ziadé, independent director, and Maxime Séché, who is its chairman.

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 2021, the Strategy Committee examined various projects, including some significant transactions to pursue the Group's external growth strategy both internationally and in France. In particular, it worked on the closing of the acquisition of Spill Tech in South Africa and the planned acquisition in France of eight operational centers of OSIS IDF, a subsidiary of Véolia, specializing in wastewater network maintenance and sanitation facilities in Ile-de-France. It also reviewed several development opportunities currently under consideration in France and abroad. The Strategy Committee also worked on the issue of an ESG impact bond in March 2021 and the issue of a bond with sustainability performance criteria meeting decarbonization objectives in November 2021. The Committee also monitored the Group's resilience given the ongoing health crisis caused by the COVID-19 pandemic.

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	7/7	100%	-	-	-	-	-	-
Pascaline de Dreuzy	7/7	100%	3/3	100%	1/1	100%	-	-
Philippe Guérin	7/7	100%	-	-	-	-	-	-
Nadine Koniski-Ziadé	7/7	100%	3/3	100%	-	-	4/4	100%
Anne-Sophie Le Lay	7/7	100%	3/3	100%	1/1	-	-	-
Maxime Séché	7/7	100%	-	-	-	-	4/4	100%
Philippe Valletoux	7/7	100%	2/3	66.66%	1/1	100%	-	-
Number of meetings in 2021	7	-	3	-	1	-	4	-
Overall attendance rate	-	100%	-	91.66%	-	100%	-	100%

COMPENSATION AND BENEFITS PAID TO MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

4.2.1 Corporate officer compensation policy

The compensation policy presented below was reviewed and approved by the Board of Directors at its meeting of March 4, 2022 and will be submitted for approval by the General Meeting of April 29, 2022 in accordance with Article L.22-10-8 of the French Commercial Code.

The General Meeting of Shareholders of April 29, 2022 will also be asked to approve the past and future compensation of corporate officers in accordance with the “*Say on pay*” principle.

At its meeting on March 4, 2022, the Board of Directors did not change the compensation policy for the Chairman of the Board of Directors and the Chief Executive Officer for the 2022 financial year, compared with the policy applied last year, and it did not change the compensation of the Chairman of the Board of Directors and the Chief Executive Officer for 2022 as part of its annual review.

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 submitted to the Compensation and Appointments Committee for its opinion and is reviewed annually by the Board of Directors before being submitted to the Annual General Meeting for approval.

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 or the Board of Directors ensures that the corporate officer compensation policy has been correctly applied, and suggests ways of preventing or managing conflicts of interest. The Board rules on the performance of this task, based on a report by the Compensation and Appointments Committee.

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 of the Chairman of the Board of Directors is set by the Board based on the level and complexity of his responsibilities, experience and background, in particular within the Group, and a peer comparison. It is reviewed annually by the Board of Directors.

The amount of the fixed compensation of the Chairman of the Board of Directors was set by a decision of the Board in December 2019 and has not been modified since then.

The Chairman of the Board of Directors also benefits from the supplementary defined contribution pension plan set up within Séché Environnement, which was replaced by

a PERO (mandatory retirement savings plan) as of January 1, 2022. Under the PERO scheme, 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. The PERO, like the supplementary collective pension plan, is a funded pension plan with a contribution of 4% calculated based on the portion of the salary falling in level C of the annual social security ceiling. The Company, which makes contributions to a third party insurer that manages this retirement scheme, is responsible for funding this plan. The rights vested by the Chairman of the Board of Directors on the former supplementary pension scheme should be transferred to the PERO in the second quarter of 2022.

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 of the Chief Executive Officer of the Company is set by the Board based on the level and complexity of his responsibilities, experience and background, in particular within the Group, and a peer comparison. It is reviewed annually by the Board of Directors.

The fixed compensation of the Chief Executive Officer was increased by a decision of the Board of Directors on March 5, 2021, taking into account the Group's financial results and his managerial performance in the COVID-19 health crisis in 2020.

The Chief Executive Officer also benefits from the supplementary defined contribution pension plan set up within Séché Environnement, which was replaced by a PERO (mandatory retirement savings plan) as of January 1, 2022. Under the PERO scheme, 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. The PERO, like the supplementary collective pension plan, is a funded pension plan with a contribution of 4% calculated based on the portion of the salary falling in level C of the annual social security ceiling. The Company, which makes contributions to a third party insurer that manages this retirement scheme, is responsible for funding this plan. The rights vested by the Chief Executive Officer on the former supplementary pension scheme should be transferred to the PERO in the second quarter of 2022.

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 2021

4.2.2.1 Compensation paid to Joël Séché

In 2021, Joël Séché received compensation for his position as Chairman of the Board of Directors.

The fixed compensation of the Chairman of the Board of Directors was set, based on the opinion of the Compensation and Appointments Committee, by a decision of the Board of Directors on December 10, 2019, at an annual gross amount of €500,000, taking into account the size of Séché Environnement Group and the compensation of executive directors of comparable companies. This amount has not been changed since then.

Compensation, stock options and shares allocated to Joël Séché

In respect of his position as Chairman of the Board of Directors

(In euros)	2020	2021
Compensation for the year (details below)	520,547	520,547
Value of multi-year variable compensation awarded during the financial year	-	-
Value of stock options awarded during the financial year	-	-
Value of free shares awarded during the financial year	-	-
Value of other long-term compensation plans	-	-
Total	520,547	520,547

Summary of compensation paid to Joël Séché

In respect of his position as Chairman of the Board of Directors

(In euros)	2020		2021	
	Due	Paid	Due	Paid
Fixed compensation	500,000	500,000	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	520,547	520,547	520,547	520,547

(*) Company car

Pension plan – Joël Séché

a) Type of plan	Defined contribution funded pension plan replaced by a PERO (mandatory retirement savings plan) as of January 1, 2022
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	GAN fund closed, transferred to PERO
i) Taxes and social security charges payable on the commitment and borne by the Company	Flat rate of 16% of contributions paid

4.2.2.2 Compensation paid to Maxime Séché

In 2021, Maxime Séché received compensation for his corporate offices as Chief Executive Officer and Director.

The fixed compensation of the Chief Executive Officer was set, based on the opinion of the Compensation and Appointments Committee, by a decision of the Board on March 5, 2021, at an annual gross amount of €425,000, taking into account the size of Séché Environnement Group and his managerial performance during the COVID-19 health crisis in 2020. This compensation takes into account the size of Séché Environnement Group and compensation paid to Chief Executive Officers in comparable companies. This amount has not been changed since then.

This amount has not been changed since then.

Compensation, stock options and shares awarded to Maxime Séché

In respect of his role as Chief Executive Officer and Director

(In euros)	2020	2021
Compensation for the year (details below)	394,873	449,517
Value of multi-year variable compensation awarded during the financial year	-	-
Value of stock options awarded during the financial year	-	-
Value of free shares awarded during the financial year	-	-
Value of other long-term compensation plans	-	-
Total	394,873	449,517

Summary of compensation paid to Maxime Séché

In respect of his role as Chief Executive Officer and Director

(In euros)	2020		2021	
	Due	Paid	Due	Paid
Fixed compensation	375,000	375,000	425,000	425,000
Annual variable compensation (*)	2,273	2,273	-	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Benefit in kind (**)	2,100	2,100	5,017	5,017
Compensation paid in respect of his role as Director	15,000	15,000	19,500	19,500
Total	394,373	394,373	449,517	449,517

(*) This amount was received by Maxime Séché in respect of profit-sharing/incentive schemes under his employment contract that ended on December 10, 2019.

(**) Company car.

Pension plan – Maxime Séché

a) Type of plan	Defined contribution funded pension plan replaced by a PERO (mandatory retirement savings plan) as of January 1, 2022
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	GAN fund closed, transferred to PERO
i) Taxes and social security charges payable on the commitment and borne by the Company	Flat rate of 16% of contributions paid

4.2.2.3 Directors' compensation

The guidelines for distributing the total amount allocated to directors' compensation in 2021 were as follows:

The General Meeting on April 30, 2021 set the overall annual amount of compensation allocated to directors for the 2021 financial year at €150,000. On April 30, 2021 the Board of Directors, acting on a proposal from the Compensation and Appointments Committee, renewed the rules for allocating directors' compensation set in 2020 as follows (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)	2020	2021
Guillaume Cadiou	19,500	-
Pascaline de Dreuzy	21,500	19,500
Philippe Guérin	-	-
Nadine Koniski-Ziadé	10,500	25,500
Anne-Sophie Le Lay	16,000	18,000
Joël Séché	10,000	10,000
Maxime Séché	15,500	19,500
Philippe Valletoux	20,500	14,000
Total	113,500	106,500

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	2017	2018	2019	2020	2021
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	420,547	420,547	426,192	520,547	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 ⁽⁶⁾	N/A ⁽⁶⁾	21,425	392,773 ⁽¹⁾	449,517
Compensation paid or awarded to Guillaume Cadiou by Séché Environnement in respect of his directorship	16,000	17,500	20,000	19,500	N/A ⁽²⁾
Compensation paid or awarded to Pascaline de Dreuzy by Séché Environnement in respect of her directorship	6,000	10,000	17,000	21,500	19,500
Compensation paid or awarded to Philippe Guérin (Director Representing Employees) by Séché Environnement in respect of his directorship	N/A	N/A	N/A	N/A	N/A ⁽³⁾
Compensation paid or awarded to Séché Group SAS (represented by Maxime Séché) by Séché Environnement in respect of its directorship	15,500	17,000	15,500	N/A ⁽²⁾	N/A ⁽²⁾
Compensation paid or awarded to Nadine Koniski-Ziadé by Séché Environnement in respect of her directorship	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾	10,500	25,500
Compensation paid or awarded to Anne-Sophie Le Lay by Séché Environnement in respect of her directorship	N/A ⁽²⁾	7,143	10,000	16,000	18,000
Compensation paid or awarded to Marina Niforos by Séché Environnement in respect of her directorship	6,000	10,000	10,000	N/A ⁽²⁾	N/A ⁽²⁾
Compensation paid or awarded to Philippe Valletoux by Séché Environnement in respect of his directorship	18,000	16,500	19,500	20,500	14,000

In euros	2017	2018	2019	2020	2021
Séché Environnement's performance ⁽⁴⁾	€511.9 million	€560.5 million	€687.7 million	€641.7 ⁽⁷⁾ million	€735.8 million
Average full time equivalent compensation of permanent employees of Séché Environnement Group based in France (excluding corporate officers) ⁽⁵⁾	42,928	42,798	42,577	41,437	42,773
Median full time equivalent compensation of permanent employees of Séché Environnement Group based in France (excluding corporate officers) ⁽⁵⁾	38,514	39,928	36,499	35,413	36,724
Ratio between the compensation of Joël Séché and the average full time equivalent compensation of permanent employees of Séché Environnement Group based in France (excluding corporate officers) ⁽⁵⁾	9.8	9.8	10	12.6	12.17
Ratio between the compensation of Maxime Séché and the average full time equivalent compensation of permanent employees of Séché Environnement Group based in France (excluding corporate officers) ⁽⁵⁾	N/A ⁽⁶⁾	N/A ⁽⁶⁾	8.9	9.47	10.51
Ratio between the compensation of Joël Séché and the median full time equivalent compensation of permanent employees of Séché Environnement Group based in France (excluding corporate officers) ⁽⁵⁾	10.9	10.5	11.7	14.7	14.17
Ratio between the compensation of Maxime Séché and the median full time equivalent compensation of permanent employees of Séché Environnement Group based in France (excluding corporate officers) ⁽⁵⁾	N/A ⁽⁶⁾	N/A ⁽⁶⁾	10.3	11.09	12.24

(1) Compensation paid or awarded in 2020, less the amount received in respect of profit-sharing/incentive schemes.

(2) The person was not a corporate officer for the year or years in question.

(3) No compensation is paid to the Director Representing Employees.

(4) Performance means consolidated contributed revenue. Contributed revenue corresponds to reported revenue, less IFRIC 12 revenue and, since 2021, the general tax on polluting activities (TGAP); in addition, diversion compensation (net of variable cost savings on tons not incinerated, collected to cover costs incurred to ensure continuity of public service) received by Sénerval until 2019 had been restated for reported revenue up to that date. IFRIC 12 revenue corresponds to the amount of investments in concession arrangements, recorded as a financial asset or an intangible asset relating to the facility in question (depending on whether or not the operator has an unconditional right to receive cash from the grantor) but also as revenue in accordance with the recommendations of IFRIC 12 (Note 3.2.1.8).

(5) Pursuant to Article 26.2 of the AFEP-MEDEF Code, as Séché Environnement has few employees in relation to Séché Environnement 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 Séché Environnement Group in France and present on a continuous basis from the start to the end of the financial 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 Séché Environnement Group based in France.

(6) Maxime Séché was not a corporate officer from 2016 to 2018.

(7) This amount has been restated to allow comparison with the amount for 2021, which is calculated according to the new presentation of consolidated contributed revenue excluding the TGAP. The restated amount for 2020 is €641.7 million (instead of €672.5 million).

TRANSACTIONS WITH CORPORATE OFFICERS OR SHAREHOLDERS

In 2021, no new agreements subject to Article L.225-38 of the French Commercial Code were authorized and entered into 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. The Statutory Auditors' special report on related-party agreements presented to the Ordinary General Meeting of April 29, 2022 addresses this situation.

Between January 1, 2022 and the date of this Universal Registration Document, the Board of Directors, at its meeting of March 4, 2022, authorized a new agreement covered by Article L.225-38 of the French Commercial Code and the Ordinary General Meeting convened in 2023 to approve the financial statements for 2022 will be asked to vote on the approval of this agreement after having taken note of the special report of the Statutory Auditors.

No loan or other guarantee was granted to any 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 L.225-38 et seq of the French Commercial Code.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATED TO FINANCIAL REPORTING

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.).

From January 1, 2022, the 2021 annual financial report is published in the European Single Electronic Format (ESEF). The ESEF report is the combination of XBRL language and an XHTML format. Only the five primary financial statements are concerned for the time being: balance sheet, income statement and statement of comprehensive income, cash flow statement, statement of changes in shareholders' equity, as well as ten categories of mandatory non-accounting information. The ESEF will apply to the Notes to the consolidated financial statements as of the 2022 annual financial report published in 2023.

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.



05. Information about the Company and its share capital

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SHARE CAPITAL

As of December 31, 2021 (and as of the date of this Universal Registration Document), the share capital amounted to €1,571,546.40, divided into DES7,857,732 shares of par value €0.20 each, fully paid up and fully negotiable.

Transaction date	Number of new shares	Total number of outstanding shares	Par 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 (Warrants)	596,408	-	-	-	-	-	€10,908,302	€1,607,692
4/24/2007 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)	-	€1,571,546.40

** 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

MAJOR SHAREHOLDERS

5.2.1 Share ownership and voting rights

Share ownership at December 31, 2021	Number of shares	%	Voting rights ⁽⁴⁾	%
Joël Séché	1	0.00%	2	0.00%
Séché Group SAS ⁽¹⁾	4,859,483	61.85%	8,385,950	73.40%
Pégase 53 SAS ⁽²⁾	564,407	7.18%	564,407	4.94%
Controlling group	5,423,891	69.03%	8,950,359	78.34%
Own shares ⁽³⁾	54,022	0.69%	54,022	0.47%
Employees	44,344	0.56%	77,163	0.68%
Free float	2,335,475	29.72%	2,343,309	20.51%
Total	7,857,732	100.00%	11,424,853	100.00%

(1) Séché Group SAS is majority-owned by Joël Séché, and his two sons, Guillaume Séché and Maxime Séché.

(2) Pégase 53 SAS is 60% owned by Séché Group SAS and 40% owned by Unexo, an investment company of the Crédit Agricole group.

(3) Own shares are stripped of voting rights. However, the table here presents the calculation of voting rights as recommended by the AMF for shareholding notification requirements.

(4) Pursuant to Article 33, 1°) of Séché Environnement's by-laws, 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 on corporate governance.

Séché Group SAS holds a significant number of registered Séché Environnement 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.

On March 26, 2021, Séché Group SAS, acting through the company Pégase 53, which it controls, exercised the second unilateral promise of sale of Séché Environnement shares granted to it by ICM SA on September 15, 2020. This second unilateral promise of sale concerned 564,407 Séché Environnement shares at the price of €44.00 per share. These shares were acquired on April 7, 2021.

As a result:

- Pégase 53 SAS reported an increase in its holding in Séché Environnement beyond the threshold of 5% of the share capital on March 26, 2021, with this increase in its holding resulting from Séché Group's transfer to Pégase 53 of the promise of sale agreement dated September 15, 2020;

- The Séché family Group, comprised of Joël Séché and the companies Séché Group SAS and Pégase 53 SAS, reported an increase in its holding beyond two-thirds of Séché Environnement's share capital on April 7, 2021, with this increase in its holding arising when Pégase 53 SAS came into possession of 564,407 shares previously held by Séché Group SAS.

Séché Environnement was not notified of any crossing of legal or statutory shareholding thresholds between January 1, 2021 and the Board of Directors' meeting held on March 4, 2022.

5.2.2 Transactions carried out on Company shares by the corporate officers, associated persons and their relatives

In 2021, the following transactions in the Company's shares by the corporate officers, associated persons and their relatives were reported to the Company:

- On March 26, 2021, Séché Group SAS, owned by Joël, Guillaume, and Maxime Séché, exercised the second unilateral promise to sell Séché Environnement shares granted to it by ICM SA on September 15, 2020, covering 564,407 shares at a price of €44.00 per share.

5.2.3 Change in share ownership over the past three years

Share ownership at December 31, 2021	2019	2020	2021
Joël Séché family (*)	59.0%	61.84%	61.85%
Pégase 53 Group (**)	-	-	7.18%
ICM Group	10.1%	7.89%	-
Free float	29.7%	28.99%	29.72%
Own shares	0.7%	0.74%	0.69%
Employees	0.4%	0.54%	0.56%
Total	100%	100%	100%

(*) Joël Séché and Séché Group SAS, majority controlled by Joël Séché and his two sons, Guillaume Séché and Maxime Séché.

(**) Pégase 53 SAS is 60% owned by Séché Group SAS and 40% owned by Unexo, an investment company of the Crédit Agricole group.

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 2021
04/30/2021	14th	Share buyback	18 months October 29, 2022	10% of shares comprising the share capital	Purchase of 145,087 shares between 05/01/2021 and 12/31/2021
	15th	Capital reduction via cancellation of shares	24 months April 29, 2023	10% of share capital	None
	16th	Capital increase by incorporation of reserves, profits or additional paid-in capital followed by the issue and free award of equity securities or by the increase in the nominal value of existing equity securities	26 months June 29, 2023	€157.154 ⁽¹⁾	None
04/30/2020	18th	Issue of shares or securities with pre-emptive rights	26 months June 29, 2022	€314,309 ⁽¹⁾ Debt securities: €19,644,350 ⁽²⁾	None
	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⁾	None
	20th	Issue of shares or securities through an offering covered by Article L.411-2 paragraph 1 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⁾	None
	21st	Issue of shares or securities as payment for contributions in kind	26 months June 29, 2022	10% of share capital ⁽¹⁾	None
	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⁾	None
	23rd	Share subscription and/or purchase options without pre-emptive rights for employees and corporate officers of Group companies	38 months June 29, 2023	2% of share capital ⁽¹⁾ with limit for corporate officers	None
	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

(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 29, 2022 will be asked to renew those authorizations granted to the Board of Directors that are due to expire in 2022. The resolutions concerned (14th to 19th resolutions included in section 6.4.1.3 of this Universal Registration Document) are presented in the report of the Board of Directors on the resolutions proposed to the Annual General Meeting of April 29, 2022 in section 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, 2021, in its fourteenth 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 sixteenth resolution of the Annual General Meeting of April 30, 2020.

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, 2021.

Situation at 12/31/2021	
Number of shares purchased, sold or transferred since the start of the program (April)	145,087
Percentage of own shares held directly or indirectly	0.69%
Number of shares canceled over the last 24 months	-
Number of shares held in the portfolio	54,022
Book value of portfolio (in euros)	2772376
Market value of portfolio at 12/31/2021 ⁽¹⁾ (in euros)	3,878,780

(1) Based on the closing share price of €71.80 at December 31, 2021

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 shares in circulation, i.e. 78,577 shares;
- An average purchase price of €64.77 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: 2.76% before taxes.

Based on these assumptions, the impact of the share buyback program on the 2021 consolidated financial statements as presented in the Universal Registration Document would have been as follows:

	Based on the consolidated financial statements as reported at December 31, 2021*	Buyback of 1% of the share capital (excl. impact on provisions)	Pro forma data after buyback and cancellation of 1% of the share capital (excl. impact on provisions)	Impact of buyback (in %)
Shareholders' equity (attributable to company shareholders) (€ thousands)	269,469	(5,089)	264,380	(1.9)
Consolidated shareholders' equity (€ thousands)	274,895	(5,089)	269,806	(1.9)
Net financial debt (€ thousands) **	474,884	5,089	479,973	1.06
Profit of the period (attributable to company shareholders) (€ thousands)	28,384	(94)	13,748	(0.5)
Weighted average number of shares in circulation (thousands)	7,857	(79)	7,778	(1.0)
Net earnings per share (€)	3.64	0.04	3.68	1.08
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 (€)	3.64	0.04	3.68	1.08

(*) After the closing of the accounts by the Board of Directors' meeting on March 4, 2022 and subject to their approval by the Annual General Meeting of April 29, 2022.

(**) 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 29, 2022

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, 2021 to trade in the Company's shares is due to expire on October 29, 2022, the Annual General Meeting to be held on April 29, 2022 will be asked (in the thirteenth resolution - see Chapter 6.4.1 "Combined Annual General Meeting of April 29, 2022") to renew the authorization to the Board of Directors to purchase the Company's shares up to a maximum price of €90 per share. The maximum price has been increased to €80 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 54,022 shares (0.69% of the share capital) on December 31, 2021 - 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 731,751 (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 €70,719,570.

The objective of the share buyback program submitted for the approval of the Combined General Meeting of April 29, 2022 is to enable the Company to purchase its own shares, mainly in order to:

- allow market-making or liquidity enhancement on 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 corporate 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;
- hold 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 General Meeting;
- 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.

5.2.9 Shares pledged as collateral

As at December 31, 2021, 1,927,233 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 L.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 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, with no limits other than those set out in Article 36 of the by-laws limiting the maximum number of voting rights a single person may hold in their own name and on behalf of others.

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 any additional 1% fraction beyond this 3% threshold and up to 30% of the Company's capital or voting rights, must inform the Company of the total number of shares and voting rights held, by registered letter with acknowledgment of receipt before the close of trade on the fourth trading day after crossing such threshold. 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. For the purposes hereof, 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 of the French Commercial Code).

INFORMATION AND DETAILS ABOUT THE COMPANY'S LEGAL SITUATION DURING THE PAST FINANCIAL YEAR

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.

5.5.1 Séché Environnement Group scope of consolidation

The Group's scope of consolidation is provided in the Notes to the financial statements in section 3.2.3 of this Universal Registration Document.

In 2021, the Group directly or indirectly completed the following acquisitions:

- *Acquisition with takeover of South African company Spill Tech Group Holdings (Pty) Ltd and its subsidiaries.*

On March 1, 2021 Séché Holdings SA acquired full and exclusive control of the South African Group Spill Tech Group Holdings (Pty) Ltd and its subsidiaries, hereinafter referred to as Spill Tech. To meet B-BBEE criteria, the Group set up Séché Spill Tech Group Holdings in South Africa and performed various transactions in the shares of its subsidiaries, prioritizing its partners.

- *Acquisition without gain of control of an additional stake in the Spanish company Solarca SL*

On July 6, 2021, Séché Environnement exercised its purchase options to acquire an additional 5% stake in Solarca SL, taking its interest in this company from 86% to 91%.

In 2021, Séché Environnement directly or indirectly created the following companies:

- On 16 March 2021, creation of Uper Retiers, an energy recovery unit, in France. Séché Environnement owns 100% of the company.

In addition, Séché 201, which was created on October 29, 2020, changed its name to Séché Assainissement. This company is expected to start operations on January 1, 2022 with the takeover of eight sanitation facilities previously owned by OSIS IDF (see Note 3.2.2.1 d). Séché Environnement owns 100% of the company.

A full transfer of assets and liabilities from French incinerator operator, Béarn Environnement, to Séché Environnement was completed on September 1, 2021 following the end of its delegated management contract.

Solarca SL's subsidiaries, Solarca Chile Colectiva Civil, Solarca South Africa and Solarca Morocco, were consolidated for the first time in 2021.

5.5.2 Table of subsidiaries and equity investments

The table of subsidiaries and equity investments is provided in the Notes to the consolidated financial statements in section 3.4.3.21 of this Universal Registration Document.

RELATED-PARTY AGREEMENTS

5.6.1 Transactions with corporate officers or shareholders

Transactions performed either directly or through an intermediary between the Company and its corporate officers or shareholders holding more than 10% of the total voting rights or, in the case of a corporate shareholder, the company controlling the same within the meaning of Article L.233-3 of the French Commercial Code, are described in the special report of the Statutory Auditors (see section 5.6.3 below).

No new agreements between the Company and corporate officers were entered into in 2021. Agreements already approved by the General Meetings in previous financial years and which continued in 2021 are detailed in the special report of the Statutory Auditors on related-party agreements presented to the Ordinary General Meeting of April 29, 2021.

As indicated in the special report of the Statutory Auditors (see section 5.6.3 below), no other new agreements covered by Article L.225-38 of the French Commercial Code were entered into in 2021.

Between January 1, 2022 and the date of this Universal Registration Document, the Board of Directors authorized, in accordance with the provisions of Article L.225-38 of the French Commercial Code, rider no. 3 to the administrative services agreement entered into between Séché Group SAS and the Company on April 28, 2016, as amended by rider no. 1 of May 2, 2018 and rider no. 2 of December 11, 2018. This administrative services agreement, as amended, was approved by the General Meeting in previous financial years and has continued since then. In accordance with the provisions of the French Commercial Code, rider no. 3 to the administrative services agreement will be submitted to a vote at the General Meeting to be held in 2022, after presentation of the special report of the Statutory Auditors, which will detail the terms and conditions thereof.

5.6.2 Related-party transactions

Related-party transactions are described in the Notes to the consolidated financial statements of Séché Environnement (section 3.4.3.17 of this Universal Registration Document).

5.6.3 Rapport spécial des Commissaires aux comptes sur les conventions et engagements réglementés

Séché Environnement SA

Registered office: Les Hêtres - CS 20020 - 53811 Changé Cedex 09

Share capital: €1,571,546

Annual General Meeting approving the financial statements for the year ended December 31, 2021

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 (French Institute 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

Pursuant to Article L.225-38 of the French Commercial Code, we have been notified of the following agreements approved by the Board of Directors that were entered into between the closing date and the date of this report:

Rider no. 3 amending the 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:

It is proposed to increase the maximum annual compensation paid to Séché Group in respect of this administrative services agreement to €2,765,750 before tax as of January 1, 2022.

Justification by the Board of Directors that the agreement is in the Company's interests:

On March 4, 2022, the Board of Directors considered Séché Environnement SA's interest in taking into account the need to update the maximum annual amount invoiced in respect of this agreement in order to allow Séché Group SAS to make appropriate human and material resources available to Séché Environnement SA with regard to the coordination arrangements between Séché Environnement SA and its subsidiaries, mainly a result of the significant change in the size of Séché Environnement Group and the major increase in its financial aggregates.

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, 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 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.

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 guarantee deposit of €143,050 before tax was paid.

The expense recognized for 2021 was:

- Rent: €606,257
- Building management fees: €306,949

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, 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 in terms of 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 2021 was.

- Services: €2,283,784
- Travel expenses: €28,793.

Signed in Nantes and Rennes, March 7, 2022

KPMG AuditKPMG SA

Gwenaël Chedaleux and Benoît Boddaert
Partners

Mazars

Ludovic Sevestre
Partner

5.7.1 Headcount

The Group's headcount is presented in section 1.3.4.3.1.

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.

5.7.3 Incentives and profit-sharing

The Group's companies have signed various incentive and profit-sharing agreements to involve their employees in their company's performance. 98% of the workforce in France is covered by an employee savings plan (profit-sharing or incentive schemes).

For the companies concerned, profit-sharing bonuses are calculated by taking into account the amount of their equity, their accounting profit, their payroll and the company's added value.

Incentive bonuses, which must be of a random nature, are calculated using a formula set out in the agreement, related to the company's results or/and performance (in terms of quality, safety, productivity, etc.).

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, 2021, Séché Environnement Group's employees held 44,344 Séché Environnement shares via the Séché Croissance employee savings fund. These holdings accounted for 0.56% of the share capital and 0.68% of voting rights.
- 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.



06. Additional information

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**PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION
DOCUMENT**

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 Universal 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 (included in this Universal Registration Document and referred to in the cross-reference table provided in section 6.6.3) 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.

In Changé, on March 11, 2022

The Chief Executive Officer,
Maxime Séché

STATUTORY AUDITORS

6.2.1 Statutory auditors

The statutory auditors of Séché Environnement are:

KPMG SA

Gwenaël Chedaleux
Statutory Auditor
7 boulevard Albert Einstein
Boîte Postale 41125
44311 Nantes Cedex 3

The General Meeting of Shareholders of April 27, 2018 appointed KPMG as Statutory Auditor for a period of six financial years. Its mandate will expire at the end of the General Meeting called to approve the financial statements for 2023.

KPMG has been the Company's Statutory Auditor since August 14, 1997.

MAZARS SA

Ludovic Sevestre
Statutory Auditor, Member of the Rennes Regional Association of Statutory Auditors
9, rue Maurice Fabre
35000 Rennes

The General Meeting of Shareholders of April 27, 2018 appointed Mazars as Statutory Auditor for a period of six financial years. Its mandate will expire at the end of the 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 chapter 3.2.4.28 "Statutory Auditors' fees" of this Universal Registration Document.

6.2.2 Person responsible for auditing the consolidated non-financial performance report

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 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/en/investors/regulatory-information>.

6.4.1 Combined General Meeting of April 29, 2022

6.4.1.1 Report of the Board of Directors on the resolutions submitted to the Combined General Meeting of April 29, 2022

To the Shareholders,

We have convened the General Meeting today to submit for your approval twenty-one resolutions which are set out in this report.

Resolutions for consideration by the Ordinary General Meeting

Approval of the financial statements (first to third resolutions)

The first three resolutions concern the approval of Séché Environnement's operations, financial statements and consolidated financial statements for the financial year ended on December 31, 2021, respectively showing a profit of €30,880,010.86 and a consolidated profit attributable to company shareholders of K€28,384.

We also ask you to approve the total amount of expenses and charges referred to in Article 39-4 of the French Tax Code, namely the sum of €22,359 and the corresponding tax of €6,149.

The Board of Directors proposes that the General Meeting allocate profit of the period as follows:

- Dividend payment: €7,857,732.00, and
- Allocation of the balance of €23,022,278.86 to retained earnings.

The gross dividend per share would be €1.00 (one euro), payable from July 12, 2022. The ex-dividend date is set at July 8, 2022.

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.

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 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 deducted from 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 Tax Code).

In accordance with the provisions of Article 243 bis of the French Tax Code, we hereby inform you that for the last three financial years, the distribution of dividends and income has been as follows:

For the year:	INCOME ELIGIBLE FOR THE 40% ALLOWANCE		INCOME NOT ELIGIBLE FOR THE 40% ALLOWANCE
	Dividends	Other distributed income	
2018	€7,464,845.40* or €0.95 per share	-	-
2019	€7,464,845.40* or €0.95 per share	-	-
2020	€7,464,845.40* or €0.95 per share	-	-

* Including the amount of the dividend on own shares which is not paid and is allocated to the retained earnings account.

Information about the Company's management, the Company's financial statements and consolidated financial statements for 2021, and the proposed allocation of earnings is provided in the annual management report for 2021. This report contains a section containing the report on the Group's management and a section containing the report on the Corporate governance.

Related-party agreements (fourth resolution)

We ask you, after hearing the Statutory Auditors' special report on the agreements covered by Articles L. 225-38 et seq. of the French Commercial Code, to approve a new related-party agreement previously authorized by the Board of Directors between Séché Group SAS and Séché Environnement, as described in the Statutory Auditors' report.

Renewal of the directorship of Philippe Valletoux (fifth resolution)

Philippe Valletoux's term as director expires at the end of this General Meeting. We propose:

- in the fourth resolution, renewing Philippe Valletoux's term of office as Director for three years, in accordance with the provisions of Article 16 II of the by-laws, or until the end of the General Meeting convened in 2025 to approve the financial statements for the previous financial year.

Information about the candidate's expertise and experience is provided in the 2021 Universal Registration Document.

Approval of the corporate officer compensation policy referred to in Article L.22-10-8 of the French Commercial Code (sixth to eighth resolutions)

In accordance with the provisions of Article L.22-10-8 of the French Commercial Code, the Board of Directors asks you to approve:

- in the sixth resolution, the compensation policy for members of the Board of Directors, and
- in the seventh resolution, the compensation policy for the Chairman of the Board of Directors, and
- in the eighth resolution, the compensation policy for the Chief Executive Officer.

This information is presented in the report on corporate governance in Chapter 4 of the 2021 Universal Registration Document.

Setting of the total annual compensation awarded to Directors (ninth resolution)

The ninth resolution is a proposal to set the total annual compensation awarded to Directors at €150,000 for 2022, unchanged from that proposed for 2021.

Approval of the information referred to in I of Article L.22-10-9 of the French Commercial Code relating to the compensation of corporate officers (tenth resolution)

In the tenth 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 featuring in chapter 4.2.2 of the 2021 Universal Registration Document.

Approval of the compensation and benefits of all kinds paid during in 2021 or awarded in respect of 2021 to Joël Séché, Chairman of the Board of Directors (eleventh resolution)

In accordance with Article L.22-10-34 III of the French Commercial Code, the eleventh resolution seeks to obtain your approval of the total compensation and benefits paid in 2021 or awarded in respect of 2021 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 2021 Universal Registration Document.

Approval of the compensation and benefits of all kinds paid in 2021 or awarded in respect of 2021 to Maxime Séché, Chief Executive Officer (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 total compensation and benefits paid in 2021 or awarded in respect of 2021 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 2021 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 (thirteenth resolution)

In the thirteenth 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 General Meeting of April 30, 2021, 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 French Financial Markets Authority (AMF) 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 at a later date;
- 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 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 €90 per share and to set an overall limit of €70,719,570 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 General Meeting

Authorization for the Board of Directors to reduce the share capital by canceling the shares owned by the Company (fourteenth resolution)

The fourteenth 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 previous authorization granted by the General Meeting on April 30, 2021, which was not used.

Authorization granted to the Board of Directors to issue shares or securities redeemable for shares in the Company or in its parent company or a subsidiary, or to award debt securities, either maintaining or canceling pre-emptive rights for shareholders (fifteenth, sixteenth, and seventeenth resolutions)

In the fifteenth, sixteenth, and seventeenth resolutions, shareholders are asked to authorize the Board of Directors, with the right of delegation provided for by law, to increase the Company's capital in order to provide it with more flexibility in managing capital increases and allow it to respond faster to the Company's financing requirements, and to decide on the most appropriate form of securities to issue should this situation arise.

The Board of Directors may decide, for a period of twenty-six (26) months, on one or more occasions, in the proportions and at the times it deems fit, either to issue shares or securities redeemable for shares in the Company, its parent company or a subsidiary, or to allocate debt securities, maintaining shareholders' pre-emptive subscription rights (fifteenth resolution), or to issue shares or securities redeemable for shares in the Company, its parent company or a subsidiary, or to allocate debt securities, canceling shareholders' pre-emptive subscription rights via a public offer (with the exception of offers referred to in paragraph 1 of Article L.411-2 of the French Monetary and Financial Code) (sixteenth resolution), or to issue shares or securities redeemable for shares in the Company, its parent company or a subsidiary, or to allocate debt securities, canceling shareholders' pre-emptive subscription rights through a public offer referred to in paragraph 1 of Article L.411-2 of the French Monetary and Financial Code) (seventeenth resolution).

The nominal amount of the capital increase carried out immediately or at a future date as a result of all issues completed under the authorization granted to the Board of Directors in respect of each resolution may not exceed €314,309 for the resolution to issue securities while maintaining shareholders' pre-emptive rights, or €47,146 for the resolutions to issue securities without maintaining pre-emptive rights, or the equivalent in any other authorized currency. It is understood that (i) these amounts will be increased by the amount of any capital increase required to make the adjustments needed to maintain the rights of holders of shares or securities redeemable for shares, (ii) the limit for issues of securities canceling shareholders' pre-emptive rights (sixteenth and seventeenth resolutions) will be included in the limit for issues of securities maintaining shareholders' pre-emptive rights (fifteenth resolution), and (iii) these amounts will be included in the overall limit of €314,309 set in the twentieth resolution.

For issues that maintain shareholders' pre-emptive rights, the Board of Directors may award shareholders a preferential right to subscribe for shares or securities not claimed in respect of other shareholders' pre-emptive rights, to be exercised in proportion to their subscription rights and within the limit of their requests. If subscriptions by holders of pre-emptive rights and requests for unclaimed shares do not cover the entire issue, the Board of Directors may either limit the capital increase to the amount of subscriptions received, provided this amount equals at least three quarters of the issue announced, or freely distribute all or some of the remaining securities, or offer all or some of them to the public.

For a capital increase without pre-emptive rights made via a public offer with the exception of offers covered by 1 of Article L.411-2 of the French Monetary and Financial Code, the Board of Directors may decide to set a deadline for preferential subscriptions by holders of pre-emptive rights and/or requests by existing shareholders for shares not claimed in respect of pre-emptive rights. The minimum length of time for such subscriptions shall be set in accordance with the applicable legal and regulatory requirements. The Board may set such deadline and the terms and conditions of its application in accordance with Article L.225-135 of the French Commercial Code.

The issuance of securities redeemable for shares implies the waiving by shareholders of their pre-emptive rights to the shares redeemed either immediately or at a future date.

The securities issued may be debt securities or they may be redeemable for debt securities. Such debt securities may or may not be dated subordinated securities. The maximum principal amount of these debt securities may not exceed €19,644,350 or the equivalent in any other currency on the date the issuance is decided for issues of securities maintaining shareholders' pre-emptive rights (fifteenth resolution) or €11,786,600 or the equivalent in any other currency on the date the issuance is decided for issues of securities canceling shareholders' pre-emptive rights (sixteenth and seventeenth resolutions). These limits are common to all debt securities issued pursuant to the authorizations granted to the Board of Directors under the fifteenth, sixteenth, and seventeenth resolutions.

When debt securities are issued, the Board of Directors will have full powers, with the right of delegation provided for by law, to decide on the characteristics of the securities, in particular whether or not they will be subordinated, to set their interest rate, maturity, fixed or variable redemption price, whether with or without a premium, repayment terms and the conditions under which the securities shall confer rights to the Company's shares, and to confirm the completion of any resulting capital increases and make the corresponding amendments to the Company's by-laws.

Each of these authorizations would be valid for twenty-six months from the date of the General Meeting. They would replace all previous authorizations having the same purpose, as of the date of the General Meeting.

Authorization to the Board of Directors to issue shares or securities redeemable for shares to pay for contributions in kind made to the Company, for a period of twenty-six (26) months (eighteenth resolution)

The eighteenth resolution seeks to authorize the Board of Directors, in accordance with Article L.225-147 of the French Commercial Code, and based on the conclusions of the report of the independent auditor, to complete one or more capital increases, within the limit of 10% of the share capital, as payment for contributions in kind to the company comprising equity securities or securities redeemable for shares.

This authorization would be valid for twenty-six months from the date of the Meeting. It will replace the authorization granted by the General Meeting of April 30, 2020 in the twenty-first resolution.

Authorization for the Board of Directors to carry out capital increases reserved for members of a savings plan, with the waiving by shareholders of their pre-emptive rights in favor of the savings plan members, and to award free shares or securities redeemable for shares, for a period of twenty-six (26) months (nineteenth resolution)

The nineteenth resolution intends to authorize the Board of Directors to issue shares or other securities reserved for members of a Company Savings Plan and to award these shares or securities redeemable for shares free of charge.

The nominal amount of the immediate or deferred capital increase resulting from all issuances of shares, equity securities or other securities under the authorization granted to the Board of Directors would be €47,146. It is understood that this total will be increased by the amounts of any capital increase needed to make any adjustments required, in accordance with legal, regulatory, or contractual terms, subsequent to the issue of securities redeemable for shares, and that the nominal amount of the capital increase completed under this authorization will be included in the total limit on capital increases provided for in the twentieth resolution, or, as applicable, in the total limit set in any similar resolution that may replace said resolution during the period of validity of this authorization.

The purchase price for shares issued under this authorization shall be determined in accordance with Articles L.3332-18 to L.3332-24 of the French Labor Code.

This authorization implies the waiving by shareholders of their pre-emptive rights in favor of the employees for whom the capital increase is reserved.

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 authorization granted by the General Meeting of April 30, 2020 in the twenty-second resolution.

Overall limit on capital increases (twentieth resolution)

Pursuant to Article L.225-129-2 of the French Commercial Code, the twentieth resolution sets the overall limit on immediate or future capital increases that may arise from all issues of shares or securities performed under the authorizations granted to the Board of Directors in the sixteenth resolution of the General Meeting of April 30, 2021 and the fifteenth to nineteenth resolutions of this General Meeting, at a nominal amount of €314,309.

Powers to complete formalities (twenty-first resolution)

The twenty-first 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 General Meeting informing shareholders of the completion of share purchases that they authorized under a share buyback program

Pursuant to the provisions of Article L.22-10-62 et seq of the French Commercial Code and Article 241-1 et seq of the General Regulation of the French Financial Markets Authority (AMF), the General Meeting of April 30, 2021, in its fourteenth resolution, authorized the Board of Directors to purchase up to 10% of the shares comprising Company's share capital at a maximum price of €80 per share, for a period of 18 months.

This authorization, granted for a period of 18 months, replaced the previous authorization granted by the seventeenth resolution of the General Meeting of April 30, 2020.

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, 2021:

Situation at 12/31/2021

Number of shares purchased, sold or transferred since the start of the program (April)	145,087
Percentage of own shares held directly or indirectly	0.68%
Number of shares canceled over the last 24 months	-
Number of shares held in the portfolio	54,022
Book value of portfolio (in euros)	2,772,376
Market value of portfolio at 12/31/2021 ⁽¹⁾ (in euros)	3,878,780

(1) Based on the closing share price of €71.80 at December 31, 2021

6.4.1.3 Resolutions

Resolutions for consideration by the Ordinary General Meeting

First resolution

(Approval of operations and the parent company financial statements for the year ended December 31, 2021 - Approval of non-tax 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 (which includes the report on corporate governance in a specific section), the Statutory Auditors' reports, and the parent company financial statements at December 31, 2021:

- Approves the parent company financial statements for the year ended December 31, 2021 as presented by the Board of Directors, showing profit after tax of €30,880,010.86, 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 €22,359, and the amount of the corresponding tax charge, of €6,149.

Second resolution

(Approval of the consolidated financial statements for the year ended December 31, 2021)

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 (which includes the report on the management of the Group in a specific section), the Statutory Auditors' reports, and the consolidated financial statements at December 31, 2021, approves the consolidated financial statements for the year ended December 31, 2021 as presented by the Board of Directors showing consolidated profit attributable to company shareholders of k€28,384, 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 the net profit for the 2021 financial year amounts to €30,880,010.86, that the legal reserve is full, and that retained earnings amount to €82,127,460, decides on the following allocation of income as proposed by the Board of Directors:

- Dividend payment: €7,857,732.00, and
- Allocation of the balance of €23,022,278.86 to retained earnings.

The gross dividend payment for the year is set at €1.00 (one euro) per share.

The ex-dividend date is set at Friday, July 8, 2022 and the dividend will be paid from Tuesday, July 12, 2022.

The amount corresponding to the dividend not paid on own shares held by the Company on the ex-dividend date will be allocated to Retained earnings.

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 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 deducted from 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 Tax Code).

In accordance with the provisions of Article 243 bis of the French Tax Code, the Meeting is hereby informed that for the last three financial years, the distribution of dividends and income has been as follows:

For the year	INCOME ELIGIBLE FOR THE 40% ALLOWANCE		INCOME NOT ELIGIBLE FOR THE 40% ALLOWANCE
	Dividends	Other distributed income	
2018	€7,464,845.40* or €0.95 per share	-	-
2019	€7,464,845.40* or €0.95 per share	-	-
2020	€7,464,845.40* or €0.95 per share	-	-

* Including the amount of the dividend on own shares which is not paid and is allocated to the retained earnings account

Fourth resolution

(Related-party agreements)

The General Meeting, voting under the quorum and majority conditions required for ordinary meetings, having considered the Statutory Auditors' special report on the agreements referred to in Articles L.225-38 et seq of the French Commercial Code, approves rider No. 3 to the administrative services agreement entered into by Séché Group SAS and Séché Environnement, as described in the Statutory Auditors' report.

Fifth resolution

(Renewal of the directorship of Philippe Valletoux)

The General Meeting, voting under the conditions required for ordinary meetings as to quorum and majority, notes that the directorship of Philippe Valletoux expires at the end of this Meeting, and, in accordance with Article 16 II of the by-laws, decides to renew his term in office for a period of three years, which will end at the General Meeting held in 2025 to approve the financial statements for the previous year.

Sixth resolution

(Approval of the compensation policy for 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 members of the Board of Directors as presented in the report on corporate governance in chapter 4.2.1 of the 2021 Universal Registration Document.

Seventh 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 in chapter 4.2.1.2 of the 2021 Universal Registration Document

Eighth 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 in chapter 4.2.1.3 of the 2021 Universal Registration Document.

Ninth resolution

(Setting of the total annual compensation awarded to the Directors for their activities in accordance with the provisions of Article L.225-45 of the French Commercial Code)

In accordance with the provisions of Article L.225-45 of the French Commercial Code, the General Meeting, voting under the quorum and majority conditions required for ordinary meetings, having considered the report of the Board of Directors and based on a proposal by the Board of Directors, sets the total amount of compensation awarded to the Directors for 2022 at €150,000.

Tenth resolution

(Approval of the information referred to in Article L.22-10-9 I of the French Commercial Code relating to 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 2021 Universal Registration Document.

Eleventh resolution

(Approval of the compensation and benefits of all kinds paid in 2021 or awarded in respect of 2021 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 total compensation and benefits paid in 2021 or awarded in respect of 2021 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 2021 Universal Registration Document.

Twelfth resolution

(Approval of the compensation and benefits of all kinds paid in 2021 or awarded in respect of 2021 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 total compensation and benefits paid in 2021 or awarded in respect of 2021 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 2021 Universal Registration Document.

Thirteenth 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 quorum and majority conditions required for ordinary meetings, having considered the report of the Board of Directors 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. This amounts to 785,773 shares at the date of convening this General Meeting.

The 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 on 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 hold 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 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 €90 per share (excluding acquisition costs), 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 €70,719,570.

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, subject to the blackout periods stipulated in the laws and regulations.

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 ninth resolution of the General Meeting of April 30, 2021, as of today's date.

Resolutions for consideration by the Extraordinary General Meeting

Fourteenth 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 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 thirteenth 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 fifteenth resolution of the General Meeting of April 30, 2021, as of today's date.

Fifteenth Resolution

(Authorization granted to the Board of Directors to decide to issue shares or securities redeemable for shares in the Company or in its parent company or a subsidiary, or to award debt securities, while maintaining shareholders' pre-emptive rights, for a period of twenty-six (26) 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, in accordance with Articles L.225-127, L.225-129 et seq of the French Commercial Code and in particular Articles L.225-129-2 and L.228-91 et seq of the same Code:

- 1°) Authorizes the Board of Directors, for a period of twenty-six (26) months from the date of this Meeting, to decide, on its own initiative, on one or more occasions, with the right of delegation provided for by law, in the amounts and on the dates it deems fit (including while a pre-offer or public offer of shares is ongoing), in France or abroad, in euros or in a foreign currency or accounting unit set by reference to several currencies, to issue, in exchange for payment or free of charge, while maintaining shareholders' pre-emptive rights:
 - i. Shares of the Company;
 - ii. Securities that are equity securities redeemable for other existing equity securities or redeemable for debt securities issued by the Company;
 - iii. Securities redeemable for shares to be issued by the Company;
 - iv. Securities redeemable for equity securities to be issued by a company (a) in which the Company directly or indirectly owns more than half of the share capital (the "subsidiary") or (b) that directly or indirectly owns more than half of the Company's share capital (the "parent company"); and
 - v. Securities that are equity securities redeemable for other existing equity securities or redeemable for debt securities issued by an entity in which the Company directly or indirectly owns a share of the capital.
- 2°) Decides that subscription to the shares and/or securities referred to above may be made in cash or in settlement of debts;
- 3°) Decides that the nominal amount of the capital increase carried out immediately or at a future date as a result of all issues completed under the authorization granted to the Board of Directors in respect of this resolution may not exceed three hundred and fourteen thousand three hundred and nine euros (€314,309) or its equivalent in any other authorized currency, it being understood that (i) this amount will be increased by the amount of any capital increase required, pursuant to legal, regulatory, or contractual provisions, to make the adjustments needed to maintain the rights of holders of shares or securities redeemable for shares, and that (ii) this amount will be included in the overall limit of three hundred and fourteen thousand three hundred and nine euros (€314,309) set in the twentieth resolution.
- 4°) Decides that the Board of Directors may award shareholders a pre-emptive right to subscribe for shares or securities not claimed by holders of pre-emptive rights, to be exercised in proportion to their subscription rights and within the limit of their requests. If subscriptions by holders of pre-emptive rights and, if applicable, requests for unclaimed shares do not cover the entire issue, the Board of Directors may, in the order it decides, make use of some or all of the authorizations set out below, to:
 - limit, in accordance with the law, the issue to the amount of subscriptions received provided that this equals at least three-quarters of the amount initially decided;
 - freely distribute all or part of the unsubscribed securities;
 - offer all or part of them to the public.

- 5°) Acknowledges that, in accordance with Article L.225-132 of the French Commercial Code, the issuance of securities redeemable for shares in the Company under this authorization implies, ipso jure, the waiving by shareholders of their pre-emptive rights to subscribe for the shares to which such securities may entitle their holders, either immediately or at a later date.
- 6°) Decides that, in the case of securities redeemable for shares to be issued by a subsidiary or the parent company, the General Meeting of the subsidiary or parent company, as applicable, must authorize the issue and the cancellation of shareholders' pre-emptive rights to the shares to be issued, failing which the decision to issue the securities shall be null and void.
- 7°) Decides that the issuance of stock warrants by the Company may be completed through a subscription offer or by a free award to holders of existing shares. In the case of free awards of stock warrants, the Board of Directors may decide that fractional shares will not be negotiable and that the corresponding shares will be sold.
- 8°) Decides that the maximum principal amount of debt securities issued by the Company under this authorization may not exceed nineteen million six hundred and forty-four thousand three hundred and fifty euros (€19,644,350) or its equivalent in any other authorized currency on the date of the decision, it being understood that (i) this amount includes all debt securities issued pursuant to this authorization granted to the Board of Directors or which may be decided under the sixteenth and seventeenth resolutions set out below, and that (ii) this amount is independent of and separate from the amount of securities that are debt securities redeemable for other debt securities or existing shares, the issuance of which does not fall within the remit of the Extraordinary General Meeting.
- 9°) Decides that when debt securities are issued, the Board of Directors will have full powers, with the right of delegation provided for by law, to decide on the characteristics of the securities, in particular whether or not they will be subordinated, their interest rate (fixed and/or variable, compounded or not), maturity, fixed or variable redemption price, whether with or without a premium, repayment terms and the conditions under which the securities shall confer rights to the Company's shares, with these securities being eligible for redemption on the market or an exchange offer by the Company.
- 10°) Decides that the Board of Directors shall have full powers, with the right of delegation provided for by law, to implement this authorization, and in particular to:
- Carry out the issues, and determine their characteristics, terms and conditions;
 - Set the characteristics, terms and conditions of the securities to be created, in particular the number of securities to be issued, their issue price and subscription price, with or without a premium, the date on which they bear interest, even retroactively, the method of payment and, if applicable, the duration and strike price of warrants or the terms of exchange, conversion, redemption or award in any other form of shares or securities redeemable for shares, the conditions of purchase or exchange on the stock market, at any time or at specified times;
 - Set the conditions for maintaining the rights of holders of securities or securities redeemable for shares in the Company and make any necessary adjustments to the redemption terms of securities, including warrants, in compliance with legal and regulatory provisions;
 - Provide for the option to suspend the exercise of rights attached to the securities issued;
 - Modify the characteristics of the securities concerned during their lifetime in accordance with the applicable formalities;

- Set the terms for the free award of stock warrants and determine, if applicable, the terms under which securities and/or warrants can be bought or exchanged on the stock market or awarded or redeemed, and determine how to treat fractional shares;
- Set the terms for exercising pre-emptive rights and trading rules, if applicable;
- Make any deductions from additional paid-in capital, in particular to cover fees incurred to complete the issuances, and deduct the amounts needed for the legal reserve;
- Confirm the completion of capital increases and make the corresponding amendments to the by-laws;
- Enter into any agreements and more generally complete all formalities required to ensure the completion of planned issues, the listing of the securities and financial services pertaining to the instruments issued.

This authorization terminates with immediate effect the unused portion of the previous authorization granted in the eighteenth resolution approved by the Extraordinary General Meeting of April 30, 2020.

Sixteenth resolution

(Authorization granted to the Board of Directors to issue shares or securities redeemable for shares in the Company or in its parent company or a subsidiary, or to award debt securities, without maintaining pre-emptive rights for shareholders, via a public share offer (with the exception of offers covered by 1 of Article L.411-2 of the French Monetary and Financial Code), for a period of twenty-six (26) 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, under Articles L.225-127, L.225-129 et seq of the French Commercial Code, and in particular Articles L.225-129-2, L.225-135, L.225-136, L.228-91 et seq of the same Code:

- 1°) Delegates its authority to the Board of Directors, for a period of twenty-six (26) months from the date of this Meeting, to decide, on its own initiative, on one or more occasions, with the right of delegation provided for by law, in the amounts and on the dates it deems fit (including while a pre-offer or public offer of shares is ongoing), in France or abroad, in euros or in a foreign currency or accounting unit set by reference to several currencies, to issue, in exchange for payment or free of charge, via a public share offer with the exception of offers covered by 1 of Article L.411-2 of the French Monetary and Financial Code:
 - i. Shares of the Company;
 - ii. Securities that are equity securities redeemable for other existing equity securities or redeemable for debt securities issued by the Company;
 - iii. Securities redeemable for shares to be issued by the Company;
 - iv. Securities redeemable for equity securities to be issued by a company (a) in which the Company directly or indirectly owns more than half of the share capital (the "subsidiary") or (b) that directly or indirectly owns more than half of the Company's share capital (the "parent company"); and
 - v. Securities that are equity securities redeemable for other existing equity securities or redeemable for debt securities issued by an entity in which the Company directly or indirectly owns a share of the capital.
- 2°) Decides to cancel the pre-emptive rights of shareholders to subscribe for these shares or securities;
- 3°) Decides that subscription to the shares and/or securities referred to above may be made in cash or in settlement of debts.

- 4°) Decides that the nominal amount of the capital increase occurring immediately or at a future date as a result of all issues completed under the authorization granted in respect of this resolution may not exceed forty-seven thousand one hundred and forty-six euros (€47,146) or its equivalent in any other authorized currency, it being understood that (i) this amount will be increased by the amount of any capital increase required, pursuant to legal, regulatory, or contractual provisions, to make the adjustments needed to maintain the rights of holders of shares or securities redeemable for shares, and that (ii) this amount will be included in the limit set in the seventeenth resolution and in the overall limit of three hundred and fourteen thousand three hundred and nine euros (€314,309) set in the twentieth resolution.
- 5°) Authorizes the Board of Directors, in accordance with the law, to set a deadline for preferential subscriptions by holders of pre-emptive rights and/or requests by existing shareholders for unclaimed shares, with the minimum length of time for such subscriptions being set in accordance with the applicable legal and regulatory requirements, and to set such deadline and the terms and conditions of its application, in accordance with Article L.225-135 of the French Commercial Code.
- If subscriptions do not cover the entire issue, the Board of Directors may, in the order it decides, make use of all or some of the authorizations set out below, to:
- limit, in accordance with the law, the issue to the amount of subscriptions received provided that this equals at least three-quarters of the amount initially decided;
 - freely distribute all or part of the unsubscribed securities.
- 6°) Acknowledges that the issuance of securities redeemable for shares in the Company under this authorization implies, ipso jure, the waiving by shareholders of their pre-emptive rights to subscribe for the shares to which such securities may entitle their holders, either immediately or at a later date.
- 7°) Decides that, in the case of securities redeemable for shares to be issued by a subsidiary or the parent company, the General Meeting of the subsidiary or parent company, as applicable, must authorize the issue, failing which the decision to issue the securities shall be null and void.
- 8°) Decides that:
- The issue price of shares issued under this authorization will be at least equal to the minimum price set in legal and/or regulatory provisions in force at the date of issue, with this price being adjustable as necessary to reflect differences in the date on which the shares are entitled to dividends;
 - The issue price of securities redeemable for shares and the number of shares for which they are redeemable will be such that the amount received immediately by the Company or, in the case of the issuance of securities redeemable for shares in a subsidiary or the parent company, by the subsidiary or by the parent company, as applicable, plus any amount liable to be received subsequently by the Company, subsidiary or parent company, as applicable, is, for each share issued as a result of the issuance of these securities, at least equal to the minimum issue price set in the paragraph above, adjusted, as appropriate, to reflect differences in the date on which the shares are entitled to dividends.

- 9°) Decides that the maximum principal amount of debt securities issued under this authorization may not exceed eleven million seven hundred and eighty-six thousand euros (€11,786,000) or its equivalent in any other currency on the date of the decision, it being understood that (i) this amount includes all debt securities issued pursuant to this resolution granted to the Board of Directors or which may be decided under the fifteenth and seventeenth resolutions, and that (ii) this amount is independent of and separate from the amount of securities that are debt securities redeemable for other debt securities or existing shares, the issuance of which does not fall within the remit of the Extraordinary General Meeting.
- 10°) Decides that when debt securities are issued, the Board of Directors will have full powers, with the right of delegation provided for by law, to decide on the characteristics of the securities, in particular whether or not they will be subordinated, their interest rate (fixed and/or variable, compounded or not), maturity, fixed or variable redemption price, whether with or without a premium, repayment terms and the conditions under which the securities shall confer rights to the Company's shares, with these securities being eligible for redemption on the market or an exchange offer by the Company.
- 11°) Decides that the Board of Directors shall have full powers, with the right of delegation provided for by law and in the Company's by-laws, to implement this authorization and in particular to:
- Proceed with the issues, set their terms and conditions, and in particular set the terms and conditions under which the securities to be issued under this resolution will be redeemable for shares in the Company, a subsidiary, or the parent company, as well as all other terms and conditions applicable to the completion of the issue or issues (and, for debt securities, their seniority ranking);
 - Set the characteristics, terms and conditions of the securities to be created, in particular the number of securities to be issued, their issue price and subscription price, with or without a premium, the date on which they bear interest, even retroactively, the method of payment and, if applicable, the duration and strike price of warrants or the terms of exchange, conversion, redemption or award in any other form of shares or securities redeemable for shares;
 - Set the conditions for maintaining the rights of holders of securities or securities redeemable for shares in the Company and make any necessary adjustments to the redemption terms of securities, including warrants, in compliance with legal and regulatory provisions;
 - Provide for the option to suspend the exercise of rights attached to the securities issued;
 - Modify the characteristics of the securities concerned during their lifetime, in accordance with the applicable formalities;
 - Determine the conditions of purchase or exchange on the stock market, by any means, at any time or at specified times, applicable to the securities to be issued;
 - Make any deductions from additional paid-in capital, in particular to cover fees incurred to complete the issuances, and deduct the amounts needed for the legal reserve;
 - Acknowledge the completion of the resulting capital increases and make the corresponding amendments to the by-laws, and in particular set the dates and the form and characteristics of the shares or securities to be created;
 - Enter into any agreements and more generally complete all formalities required to ensure the completion of planned issues, the listing of the securities and financial services pertaining to the instruments issued.

This authorization terminates with immediate effect the unused portion of any previous authorization having the same purpose.

Seventeenth resolution

(Authorization granted to the Board of Directors to issue shares or securities redeemable for shares in the Company or in its parent company or a subsidiary, or to award debt securities, without maintaining shareholders' pre-emptive rights, via an offer covered by 1 of Article L.411-2 of the French Monetary and Financial Code, for a period of twenty-six (26) 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, under Articles L.225-127, L.225-129 et seq and L.22-10-49 et seq of the French Commercial Code, and in particular Articles L.225-129-2, L.225-135, L.225-136, L.228-91 et seq of the same Code and the provisions of Article L.411-2,1° of the French Financial and Monetary Code:

- 1°) Delegates its authority to the Board of Directors, for a period of twenty-six (26) months from the date of this Meeting, to decide, on its own initiative, on one or more occasions, with the right of delegation provided for by law, in the amounts and on the dates it deems fit (including while a pre-offer or public offer of shares is ongoing), in France or abroad, in euros or in a foreign currency or accounting unit set by reference to several currencies, to issue, in exchange for payment or free of charge, via a public share offer covered by 1 of Article L.411-2 of the French Monetary and Financial Code:
 - i. Shares of the Company;
 - ii. Securities that are equity securities redeemable for other existing equity securities or redeemable for debt securities issued by the Company;
 - iii. Securities redeemable for shares to be issued by the Company;
 - iv. Securities redeemable for equity securities to be issued by a company (a) in which the Company directly or indirectly owns more than half of the share capital (the "subsidiary") or (b) that directly or indirectly owns more than half of the Company's share capital (the "parent company"); and
 - v. Securities that are equity securities redeemable for other existing equity securities or redeemable for debt securities issued by an entity in which the Company directly or indirectly owns a share of the capital;
- 2°) Decides to cancel the pre-emptive rights of shareholders to subscribe for these shares or securities;
- 3°) Decides that subscription to the shares and/or securities referred to above may be made in cash or in settlement of debts;
- 4°) Decides that the nominal amount of the capital increase occurring immediately or at a future date as a result of all issues completed under the authorization granted in respect of this resolution may not exceed forty-seven thousand one hundred and forty-six euros (€47,146) or its equivalent in any other authorized currency, it being understood that (i) this amount will be increased by the amount of any capital increase required, pursuant to legal, regulatory, or contractual provisions, to make the adjustments needed to maintain the rights of holders of shares or securities redeemable for shares, and that (ii) this amount will be included in the limit set in the sixteenth resolution and in the overall limit of three hundred and fourteen thousand three hundred and nine euros (€314,309) set in the twentieth resolution.
- 5°) If subscriptions do not cover the entire issue, the Board of Directors may, in the order it decides, make use of all or some of the authorizations set out below, to:
 - limit, in accordance with the law, the issue to the amount of subscriptions received, within the limits set by regulations, as applicable;

- freely distribute all or part of the unsubscribed securities.
- 6°) Acknowledges that the issuance of securities redeemable for shares in the Company under this authorization implies, ipso jure, the waiving by shareholders of their pre-emptive rights to subscribe for the shares to which such securities may entitle their holders, either immediately or at a later date.
- 7°) Decides that, in the case of securities redeemable for shares to be issued by a subsidiary or the parent company, the General Meeting of the subsidiary or parent company, as applicable, must authorize the issue, failing which the decision to issue the securities shall be null and void.
- 8°) Decides that:
- The issue price of shares issued under this authorization will be at least equal to the minimum price set in legal and/or regulatory provisions in force at the date of issue, with this price being adjustable as necessary to reflect differences in the date on which the shares are entitled to dividends;
 - The issue price of securities redeemable for shares and the number of shares for which they are redeemable will be such that the amount received immediately by the Company or, in the case of the issuance of securities redeemable for shares in a subsidiary or the parent company, by the subsidiary or by the parent company, as applicable, plus any amount liable to be received subsequently by the Company, subsidiary or parent company, as applicable, is, for each share issued as a result of the issuance of these securities, at least equal to the minimum issue price set in the paragraph above, adjusted, as appropriate, to reflect differences in the date on which the shares are entitled to dividends.
- 9°) decides that the maximum principal amount of debt securities issued under this authorization may not exceed eleven million seven hundred and eighty-six thousand euros (€11,786,000) or its equivalent in any other currency on the date of the decision, it being understood that (i) this amount includes all debt securities issued pursuant to this resolution granted to the Board of Directors or which may be decided under the fifteenth and sixteenth resolutions set out above, and (ii) this amount is independent of and separate from the amount of securities that are debt securities redeemable for other debt securities or existing shares, the issuance of which does not fall within the remit of the Extraordinary General Meeting.
- 10°) Decides that when debt securities are issued, the Board of Directors will have full powers, with the right of delegation provided for by law, to decide on the characteristics of the securities, in particular whether or not they will be subordinated, their interest rate (fixed and/or variable, compounded or not), maturity, fixed or variable redemption price, whether with or without a premium, repayment terms and the conditions under which the securities shall confer rights to the Company's shares, with these securities being eligible for redemption on the market or an exchange offer by the Company.
- 11°) Decides that the Board of Directors shall have full powers, with the right of delegation provided for by law and in the Company's by-laws, to implement this authorization and in particular to:
- proceed with the issues, set their terms and conditions, and in particular set the terms and conditions under which the securities to be issued under this resolution will be redeemable for shares in the Company, a subsidiary, or the - parent company, as well as all other terms and conditions applicable to the completion of the issue or issues (and, for debt securities, their seniority ranking);
 - Set the characteristics, terms and conditions of the securities to be created, in particular the number of securities to be issued, their issue price and subscription price, with or without a premium, the date on which they bear interest, even

- retroactively, the method of payment and, if applicable, the duration and strike price of warrants or the terms of exchange, conversion, redemption or award in any other form of shares or securities redeemable for shares;
- Set the conditions for maintaining the rights of holders of securities or securities redeemable for shares in the Company and make any necessary adjustments to the redemption terms of securities, including warrants, in compliance with legal and regulatory provisions;
 - Provide for the option to suspend the exercise of rights attached to the securities issued;
 - Modify the characteristics of the securities concerned during their lifetime, in accordance with the applicable formalities;
 - Determine the conditions of purchase or exchange on the stock market, by any means, at any time or at specified times, applicable to the securities to be issued;
 - Make any deductions from additional paid-in capital, in particular to cover fees incurred to complete the issuances, and deduct the amounts needed for the legal reserve;
 - Acknowledge the completion of the resulting capital increases and make the corresponding amendments to the by-laws, and in particular set the dates and the form and characteristics of the shares or securities to be created;
 - Enter into any agreements and more generally complete all formalities required to ensure the completion of planned issues, the listing of the securities and financial services pertaining to the instruments issued.

This authorization terminates with immediate effect the unused portion of any previous authorization having the same purpose.

Eighteenth resolution

(Authorization to the Board of Directors to issue shares or securities redeemable for shares to pay for contributions in kind made to the Company, for a period of twenty-six (26) months)

The General Meeting, voting under the conditions of quorum and majority required for extraordinary meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with Article L.225-147 of the French Commercial Code, delegates its authority, for a period of twenty-six (26) months as of the date of this Meeting, to the Board of Directors to allow it to issue shares or securities redeemable for shares in the Company, at any time (including while a pre-offer or public offer of shares is ongoing) and within the limit of 10% of the share capital at the time of the issue. The securities issued will be included in the overall limit set in the twentieth resolution (these limits do not take into account the nominal amount of shares that will need to be issued to maintain the rights of holders of rights or securities redeemable for shares), in payment for contributions in kind made to the Company comprising shares or securities redeemable for shares.

The General Meeting stipulates that, in accordance with the law, the Board of Directors rules on the report of the independent auditor or auditors mentioned in Article L.225-147 of the Commercial Code and acknowledges that this authorization implies the waiving by shareholders of their pre-emptive rights to subscribe for the shares in the Company that may be issued as a result of this authorization.

The General Meeting decides that the Board of Directors shall have full powers, with the right of delegation provided for by law, in particular to decide on the list of securities contributed, to approve the assessment of the contributions and regarding said contributions, confirm the completion thereof, decide on the type and number of shares and securities to be created, as well as their characteristics and the terms of their issue,

to charge all fees, expenses, and duties against additional paid-in capital, with the balance being allocated in any way as decided by the Board of Directors or by the Ordinary General Meeting, to increase the share capital, to deduct any amounts needed to increase the legal reserve, to make any necessary amendments to the by-laws, and more generally, to complete all formalities to implement this authorization.

This authorization terminates with immediate effect the unused portion of the previous authorization granted in the twenty-first resolution approved by the General Meeting of April 30, 2020.

Nineteenth resolution

(Authorization for the Board of Directors to carry out capital increases reserved for members of a savings plan, with the waiving of existing shareholders' pre-emptive rights in favor of the savings plan members, and to award free shares or securities redeemable for shares, for a period of twenty-six (26) 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, and ruling in accordance with the provisions of Article L.3332-18 et seq of the French Labor Code and Article L.225-138-1 I and II of the French Commercial Code and in accordance with the provisions of Articles L.225-129-2 and L.225-129-6 of the French Commercial Code:

- 1°) Delegates its authority to the Board of Directors, for a period of twenty-six (26) months from the date of this Meeting, to complete, on one or more occasions, in the amounts and on the dates it deems fit (including while a pre-offer or public share offer is ongoing), to (i) issue new shares or other securities redeemable for shares reserved for members of one or more company savings plans, or of any other savings plan provided for in applicable regulations, made available by the Company or by an affiliated company or group of companies in France or abroad as described in Article L.3344-1 of the French Labor Code and Article L.225-180 of the French Commercial Code, and to (ii) award free shares or securities redeemable for shares in the Company to employees, within the limits set in Article L.3332-21 of the Labor Code;
- 2°) decides that the nominal amount of the immediate or subsequent capital increase resulting from all the issues of shares, equity securities or securities made under the authorization granted to the Board of Directors in this resolution is limited to forty-seven thousand one hundred and forty-six euros (€47,146) or its equivalent in any other authorized currency, it being understood that (i) the nominal amount of the capital increase performed under this authorization shall be limited by and included within the overall limit on capital increases set in the twentieth resolution to be approved by this Meeting, or, as applicable, in any overall limit set in any similar resolution that may replace said resolution during the period of validity of this authorization, and that (ii) these limits do not take into account the nominal amount of shares that will need to be issued to maintain the rights of holders of rights or securities redeemable for shares;
- 3°) decides that the purchase price for shares issued under this authorization shall be determined within the limits set in Articles L.3332-18 to L.3332-24 of the French Labor Code;

4°) decides to cancel, shareholders' pre-emptive rights to subscribe for the shares and securities redeemable for shares issued under this authorization, in favor of members of a company savings plan, or of any other savings plan provided for in applicable regulations, made available by the Company or by an affiliated company or group of companies in France or abroad as described in Article L.3344-1 of the French Labor Code and Article L.225-180 of the French Commercial Code. This authorization implies the waiving by shareholders of their pre-emptive rights to subscribe for the shares issued in respect of securities issued under this authorization, and of their rights to any free shares granted under this authorization, including the share of reserves, profits or additional paid-in capital incorporated into the share capital in respect of the free award of such securities under this authorization.

The General Meeting grants the Board of Directors full powers, with the right of delegation provided for by law, to implement, this authorization, on one or more occasions, in compliance with this authorization and legal and regulatory requirements, and in particular grants it full powers to determine the conditions of the issue or issues made under this authorization, and notably to:

- Determine whether the issues shall be made directly for their beneficiaries or through collective investment undertakings, determine the conditions said beneficiaries must fulfill, and decide on the number of securities concerned;
- Set the terms and conditions of the issues that will be made under this authorization and in particular the maximum number of shares or securities redeemable for shares that may be subscribed for by each beneficiary, the terms and conditions under which said shares or securities shall bear interest and their terms of payment, and the allocation rules applicable in the event the issue is over-subscribed, as well as all other terms and conditions of the issues, in compliance with the applicable legal or regulatory limits;
- Set the characteristics of the securities, the amounts of the issues that will be made under this authorization and the subscription price of the shares or securities redeemable for shares, in compliance with the law;
- In the event of the issue of new shares or securities redeemable for shares to be awarded to beneficiaries free of charge, to charge the sums needed to pay up the shares or securities against reserves, profits or additional paid-in capital, as appropriate;
- Set the opening and closing dates for subscriptions;
- Set the time limit for payment for the shares, which shall not exceed the maximum limit set by applicable legislation and regulations, as well as any length-of-service criteria restricting employee participation in the plan, and supplementary employer contributions to be made by the Company;
- Record the completion of the capital increases in the amount of the shares subscribed for, and to make the corresponding amendments to the by-laws;
- Enter into any agreements and take all steps needed to ensure the completion of the planned issues and generally to complete all formalities, and, if it deems fit, to charge fees for the capital increase against additional paid-in capital relative to the capital increase and to deduct from this amount the sums needed to increase the legal reserve to one tenth of the new amount of the share capital after each issue.

This authorization terminates with immediate effect the unused portion of the previous authorization granted in the twenty-second resolution approved by the General Meeting of April 30, 2020.

Twentieth resolution

(Overall limit on capital increases)

The General Meeting, voting under the conditions required for extraordinary meetings as to quorum and majority, having considered the Board of Directors' report, in accordance with Article L.225-129-2 of the French Commercial Code, sets the overall limit for any immediate or future capital increase resulting from all issues of shares or other securities under the authorizations granted to the Board of Directors in the sixteenth resolution of the General Meeting of April 30, 2021 and by the fifteenth to nineteenth resolutions of this General Meeting, at a nominal amount of three hundred and fourteen thousand three hundred and nine euros (€314,309), it being understood that this limit will be increased by any amounts needed for adjustments to the capital that may be required, in accordance with the laws and regulations in effect or contractual terms, following the issue of securities or rights redeemable for shares.

This resolution terminates and replaces the unused portion of the twenty-fifth resolution of the General Meeting of April 30, 2020.

Twenty-first resolution

(Powers to complete legal formalities)

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.

DOCUMENTS INCLUDED BY REFERENCE

The following are incorporated in this Universal Registration Document by reference:

- The parent company and consolidated financial statements for 2020, accompanied by the corresponding Statutory Auditors' reports, which feature respectively on pages 142 to 259 of the 2020 Universal Registration Document filed with the AMF on March 12, 2021, and
- The parent company and consolidated financial statements for 2019, accompanied by the corresponding Statutory Auditors' reports, which feature respectively on pages 119 to 221 of the 2019 Universal Registration Document filed with the AMF on April 6, 2020.

CROSS-REFERENCE TABLES

6.6.1 Cross-reference table for the Universal Registration Document

This cross-reference table includes the headings set out in Appendices I and II of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 and refers to the paragraphs of the Universal Registration Document where the information relating to each of these sections is mentioned.

		Paragraphs
1	Persons responsible	
1.1	Persons responsible for the information given in the Universal Registration Document	6.1.1
1.2	Statement by the persons 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	
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4.2	Place of registration, registration number and legal entity identifier (LEI)	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	
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5.2	Principal markets	1.1.6
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5.5	Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.5.1
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6	Organizational structure	
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8	Cash and capital resources	
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9	Regulatory environment	1.1.4 and 1.3.1
10	Trend information	2.4.
10.1 a)	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 Universal Registration Document	2.4
10.1 b)	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 Universal Registration Document (or an appropriate negative statement)	2.4
10.2	Trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Séché Environnement's outlook, for at least the current financial year	2.4.
11	Profit forecasts or estimates	2.4.2
11.1	Profit forecasts or estimates (still valid) published by Séché Environnement	2.4.2
11.2	Principal assumptions upon which Séché Environnement has based its forecast, or estimate	2.4.2.
11.3	Statement that the forecast or estimated profit was prepared and calculated on a basis comparable with the historical financial information and compliant with accounting methods	N/A

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16.2	Indication of whether Séché Environnement's major shareholders have different voting rights, or an appropriate negative statement	5.2.1
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18.1.5	Financial information prepared in accordance with national accounting standards	N/A
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18.2	Interim and other financial information	N/A
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18.3.2	Other information included in the Universal Registration Document which has been audited by the Statutory Auditors	3.1 and 3.2
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18.5.2	Amount of the dividend per share	2.6
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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	5.3.3

		Paragraphs
	issuer	
20	Material contracts	1.1.63.3
21	Documents on display	6.4

6.6.2 Cross-reference table for the annual financial report in the Universal Registration Document

This Universal Registration Document includes all the elements of the annual financial report referred to in Articles L.451-1-2 I of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation. The following cross-reference table identifies, by reference to the paragraphs of the Universal Registration Document, the information that constitutes the annual financial report.

		Paragraphs
1	Parent company financial statements	3.4
2	Consolidated financial statements	3.1 and 3.2
3	Management report	See cross-reference table for the management report in section 6.6.3
4	Certification by the persons responsible 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 Cross-reference table for the management report (which includes the report on the Group's management, the report on corporate governance, and the consolidated non-financial performance report) in the Universal Registration Document

This Universal Registration Document includes all the elements of the management report (which includes the report on the Group's management, the report on corporate governance, and the consolidated non-financial performance report). The following cross-reference table identifies, by reference to the paragraphs of the Universal Registration Document, the information that must appear in the management report, in accordance with the provisions of the French Commercial Code applicable to limited companies with a board of directors.

		Paragraphs
1	Information on the activity of the Company and the Group	
1.1	Situation of the Company during the past financial year and an objective and exhaustive analysis of the business, results and financial position of the Company and the Group, in particular its debt position, in view of the volume and complexity of the business (Articles L.225-100-1 I., 1 ^o , L.232-1 II, L.233-6 and L.233-26 of the French Commercial Code)	Chapter 2
1.2	Key financial indicators for the Company and the Group (Article L.225-100-1, I., 2 ^o of the French Commercial Code)	2.1 and 2.2
1.3	Key non-financial indicators relating to the specific activity of the Company and the Group, in particular information relating to environmental and human resources matters (Article L.225-100-1, I., 2 ^o of the French Commercial Code)	Chapter 1
1.4	Significant events between the balance sheet date and the date on which the management report is prepared (Articles L.232-1, II. and L.233-26 of the French Commercial Code)	2.4.1
1.5	Identity of the main shareholders and holders of voting rights at general meetings, and changes occurring during the financial year (Article L.233-13 of the French Commercial Code)	5.2.1
1.6	Branches (Article L.232-1, II of the French Commercial Code)	5.4.1
1.7	Significant investments in companies having their registered office in France (Article L.233-6 para. 1 of the French Commercial Code)	3.2.2 and 5.5.1
1.8	Disposals of cross-shareholdings (Articles L.233-29, L.233-30 and R.233-19 of the French Commercial Code)	N/A
1.9	Expected developments in the situation of the Company and the Group and future prospects (Articles L.232-1, II and L.233-26 of the French Commercial Code)	2.4
1.10	Research and development activities (Articles L.232-1, II and L.233-26 of the French Commercial Code)	1.5
1.11	Table showing the Company's results in each of the last five financial years (Article R.225-102 of the French Commercial Code)	2.5.4
1.12	Information on supplier and customer payment deadlines (Article D.441-4 of the French Commercial Code)	2.5.2

		Paragraphs
1.13	Amount of intercompany loans granted and Statutory Auditors' declaration (Articles L.511-6 and R.511-2-1-3 of the French Monetary and Financial Code)	N/A
2	Internal control and risk management	
2.1	Main risks and uncertainties faced by the Company and the Group (Article L.225-100-1, I., 3° of the French Commercial Code)	1.2. and 1.3
2.2	Information on the financial risks related to the effects of climate change and presentation of the measures taken by the company to reduce them by implementing a low-carbon strategy in all parts of its business (Article L.22-10-35, 1° of the French Commercial Code)	1.4
2.3	Main characteristics of internal control and risk management procedures set up by the Company and the Group relating to the preparation and processing of financial and accounting information (Article L. 22-10-35, 2° of the French Commercial Code)	4.4
2.4	Information on the objectives and policy regarding the hedging of each main category of transactions and exposure to price, credit, liquidity and treasury risks, which includes the use of financial instruments (Article L.225-100-1., 4° of the French Commercial Code)	3.2.4.17
2.5	Anti-corruption system (Law No. 2016-1691 of December 9, 2016 known as the Sapin II law)	1.3.6.2.3
2.6	Vigilance action plan and report on its effective implementation (Article L.225-102-4 of the French Commercial Code)	N/A
3	Report on corporate governance	
	Information on compensation	
3.1	Compensation policy for corporate officers (Article L.22-10-8, I., paragraph 2 and Article R.22-10-14 of the French Commercial Code)	4.2.1
3.2	Compensation and benefits of any kind paid during the financial year or awarded for the financial year to each corporate officer (Article L.22-10-9, I., 1° and Article R.22-10-15 of the French Commercial Code)	4.2.2
3.3	Relative proportion of fixed and variable compensation (Article L.22-10-9, I., 2° of the French Commercial Code)	N/A
3.4	Use of the option to request the return of variable compensation (Article L.22-10-9, I., 3° of the French Commercial Code)	N/A
3.5	Commitments of any kind made by the Company towards its corporate officers, corresponding to items of compensation, indemnities or benefits due or likely to be due as a result of the performance, termination or change of their duties or subsequent to the exercise thereof (Article L.22-10-9, I., 4° of the French Commercial Code)	N/A
3.6	Compensation paid or awarded by a company included in the scope of consolidation within the meaning of Article L.233-16 of the French Commercial Code (Article L.22-10-9, I., 5° of the French Commercial Code)	4.2
3.7	Ratios between the level of compensation of each executive corporate officer and the average and median compensation of the Company's employees (Article L.22-10-9, I., 6° of the French Commercial Code)	4.2
3.8	Annual change in the compensation, performance of the Company, the average compensation of the Company's employees and the above-mentioned ratios over the five most recent financial years (Article L.22-10-9, I., 7° of the French Commercial Code)	4.2

		Paragraphs
3.9	Explanation of how total compensation complies with the compensation policy, including how it contributes to the long term performance of the Company and how performance criteria have been applied (Article L.22-10-9, I., 8° of the French Commercial Code)	4.2
3.10	How the vote at the last Ordinary General Meeting provided for in I of Article L.22-10-34 of the French Commercial Code was taken into account (Article L.22-10-9, I., 9° of the French Commercial Code)	4.xxx
3.11	Deviation from the procedure for implementing the compensation policy and any exceptions (Article L.22-10-9, I., 10° of the French Commercial Code)	N/A
3.12	Application of the provisions of the second paragraph of Article L.225-45 of the French Commercial Code (suspension of the payment of directors' compensation in the event of non-compliance with the diversity of the Board of Directors) (Article L.22-10-9, I., 11° of the French Commercial Code)	N/A
3.13	Allocation and retention of stock options by corporate officers (Articles L.225-185 and L.22-10-57 of the French Commercial Code)	N/A
3.14	Allocation and retention of free shares by executive corporate officers (Articles L.225-197-1 and L.22-10-59 of the French Commercial Code)	N/A
	Information on governance	
3.15	List of all offices and functions held in any company by all corporate officers during the year (Article L. 225-37-4, 1° of the French Commercial Code)	4.1.1.2
3.16	Agreements between a senior manager or a significant shareholder and a subsidiary (Article L.225-37-4, 2° of the French Commercial Code)	5.6
3.17	Table summarizing the current authorizations to increase the share capital granted by the general meeting (Article L. 225-37-4, 3° of the French Commercial Code)	5.2.5
3.18	General management procedures (Article L.225-37-4, 4° of the French Commercial Code)	4.1
3.19	Composition, preparation and organization of the Board's work (Article L.22-10-10, 1° of the French Commercial Code)	4.1
3.20	Application of the principle of balanced representation of women and men on the Board (Article L.22-10-10, 2° of the French Commercial Code)	N/A
3.21	Any limitations that the Board imposes on the powers of the Chief Executive Officer (Article L.22-10-10, 3° of the French Commercial Code)	N/A
3.22	Reference to a corporate governance code and application of the "Comply or explain" principle (Article L.22-10-10, 4° of the French Commercial Code)	4.1 and 4.1.3.2
3.23	Special conditions for taking part in the Annual General Meeting (Article L. 22-10-10, 5° of the French Commercial Code)	5.3.2
3.24	Procedure for assessing current agreements - Implementation (Article L.22-10-10, 6° of the French Commercial Code)	**
3.25	Information liable to have an impact in the event of a public tender or exchange offer: (i) capital structure of the company; (ii) statutory restrictions on the exercise of voting rights and share transfers, or clauses of agreements brought to the Company's attention pursuant to Article L.233-11; (iii) direct or indirect shareholdings in the Company's capital of which it is aware pursuant to Articles L.233-7 and L.233-12; (iv) a list of the holders of any security with special control rights and a description thereof; (v) control mechanisms provided for in any employee share ownership system, where the control rights are not exercised by the employees; (vi) agreements between shareholders of which the company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights; (vii) rules applicable to the appointment and replacement of members of the Board of	4.1, 4.2, 5.1, 5.2, 5.3

		Paragraphs
	Directors and to the amendment of the Company's by-laws; (viii) powers of the Board of Directors, in particular with regard to the issue or buyback of shares; (ix) agreements entered into by the Company that are modified or terminated in the event of a change in control of the Company, unless such disclosure would seriously prejudice its interests, except in cases where there is a legal disclosure obligation; (x) agreements providing for compensation for members of the Board of Directors or employees if they resign or are terminated without real and serious cause or if their employment terminates as a result of a public purchase or exchange offer. (Article L.22-10-11 of the French Commercial Code)	
4	Ownership structure and share capital	
4.1	Structure, changes in the Company's capital and crossing of disclosure thresholds (Article L.233-13 of the French Commercial Code)	5.1 and 5.2
4.2	Acquisition and disposal by the Company of its own shares (Articles L.225-211 and R.225-160 of the French Commercial Code)	5.2.8
4.3	Statement of employee participation in the share capital on the last day of the financial year (portion of the capital held) (Article L.225-102, paragraph 1 of the French Commercial Code)	5.2.1 and 5.7
4.4	Indication of any adjustments for securities redeemable for shares in the event of share buybacks or financial transactions (Articles R.228-90 and R.228-91 of the French Commercial Code)	N/A
4.5	Information on the transactions in the Company's shares by senior management and related parties (Article L.621-18-2 of the French Monetary and Financial Code)	5.2.2
4.6	Amounts of dividends that have been paid in respect of the three previous financial years (Article 243 bis of the French Tax Code)	2.6
5	Non-financial performance report	
5.1	Business model (Articles L.225-102-1 and R.225-105, I of the French Commercial Code)	1.1
5.2	Description of the main risks related to the activity of the Company or the Group, including, where relevant and proportionate, the risks created by business relationships, products or services (Articles L.225-102-1 and R.225-105, I. 1° of the French Commercial Code)	1.2 and 1.3
5.3	Information on the impact of the activity in respect of human rights and the fight against corruption and tax avoidance, and how the Company or the Group takes into account the social and environmental consequences of its business (description of policies and due diligence procedures implemented to prevent, identify and mitigate the main risks related to the Company's or the Group's business) (Articles L.225-102-1, III, L.22-10-36 and R.22-10-29, R.225-104 and R.225-105, I. 2° of the French Commercial Code)	Chapter 1
5.4	Results of the policies applied by the Company or the Group, including key performance indicators (Articles L.225-102-1 and R.225-105, I. 3° of the French Commercial Code)	Chapter 1
5.5	Human resources information (employment, work organization, health and safety, social relations, training, equality) (Articles L.225-102-1 and R.225-105, II. A. 1° of the French Commercial Code)	Chapter 1
5.6	Environmental information (general environmental policy, pollution, circular economy, climate change) (Articles L.225-102-1 and R.225-105, II. A. 2° of the French Commercial Code)	Chapter 1
5.7	Societal information (social commitments to sustainable development, subcontracting and suppliers, fair practices) (Articles L.225-102-1 and R.225-105, II. A. 3° of the French Commercial Code)	Chapter 1

		Paragraphs
5.8	Information on the fight against corruption and tax avoidance (Articles L.225-102-1, L.22-10-36 and R.22-10-29 and R.225-105, II. B. 1° of the French Commercial Code)	Chapter 1
5.9	Information on actions in favor of human rights (Articles L.225-102-1, L.22-10-36 and R.22-10-29 and R.225-105, II. B. 2° of the French Commercial Code)	Chapter 1
5.10	If the Company or the Group operates at least one facility classified as a Seveso “upper tier” site (facility on the list provided for in Article L.515-36 of the Environmental Code): Specific information: (i) policy implemented by the Company or the Group for preventing the risk of a technological accident; (ii) capacity of the Company or the Group to cover its civil liability resulting from the operation of such facilities with respect to property and persons; (iii) resources provided by the Company or the Group to ensure the management of compensation for victims in the event of a technological accident for which it is liable. (Article L.225-102-2 of the French Commercial Code)	1.3.1.2, 1.3.2.2 1.3.3.2 and 1.3.3.3
5.11	Collective bargaining agreements signed within the company and their impact on the company’s economic performance and on employee working conditions (Articles L.225-102-1, III and R.225-105 of the French Commercial Code)	Chapter 1
5.12	Certification by the independent third party of the information contained in the non-financial performance report (Articles L.225-102-1, III and R.225-105-2 of the French Commercial Code)	1.8
6	Other information	
6.1	Additional tax information (Articles 223 quater and 223 quinquies of the French Tax Code)	6.4.1.3
6.2	Injunctions or financial penalties for anti-competitive practices (Article L.464-2 of the French Commercial Code)	N/A

6.6.4 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 Société Anonyme (French limited company) with share capital of €1,571,546 - registered in the Laval Trade and Companies register under number B 306 915 535

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