



Société anonyme with a Management Board and a Supervisory Board and with share capital of €6,056,220

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**Declaration of extra-financial performance  
Or Corporate Social Responsibility Report**

**2019**

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## Introduction

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Since 2012, the CNIM Group has provided, in addition to its management reports, a corporate social responsibility (CSR) report or declaration of non-financial performance, which aims to set out information on the way in which deals with the social and environmental consequences of its activities.

A significant proportion of CNIM's activities and its future development are founded on its capacity for innovation in environmental matters: producing energy from waste or biomass, improving energy efficiency at its industrial facilities, cutting emissions of pollutants into the air and producing renewable energy. In these activities, the Group's current and future commercial success is therefore directly linked to the challenges of sustainable development and CSR.

With its strong commitment to health, safety and the environment, the Group is mobilizing all its staff and making them aware of their responsibilities in the face of these major challenges, using corporate social responsibility as a means of adding momentum to its progress. By implementing a pro-active CSR initiative, CNIM aims to pursue its economic development, ensuring that balanced and sustainable relationships are maintained with all its partners and stakeholders.

### **CNIM's CSR performance recognized by Gaïa-Index**

For the fifth year in succession, CNIM is among the top 70 companies monitored by Gaïa-Index, the Ethifinance subsidiary that specializes in analyzing and rating CSR performance for European SMEs and mid-sized companies. In 2019, Gaïa-Index awarded CNIM a score of 81/100 for its CSR policy, i.e. 27 points higher than the average score for industrial companies. Ranked 17th out of 86 companies reporting revenues in excess of €500 million, this performance is proof of the commitment of our management and staff to the sustainable development of the Group's activities.

Over 500 small-cap and mid-cap companies were assessed by Gaïa-Index in 2019. The data collected is used to score the transparency and performance level of the companies concerned. The top 70 performers make up the Gaïa Index.

# 1 BUSINESS MODEL

## 1.1 Partners

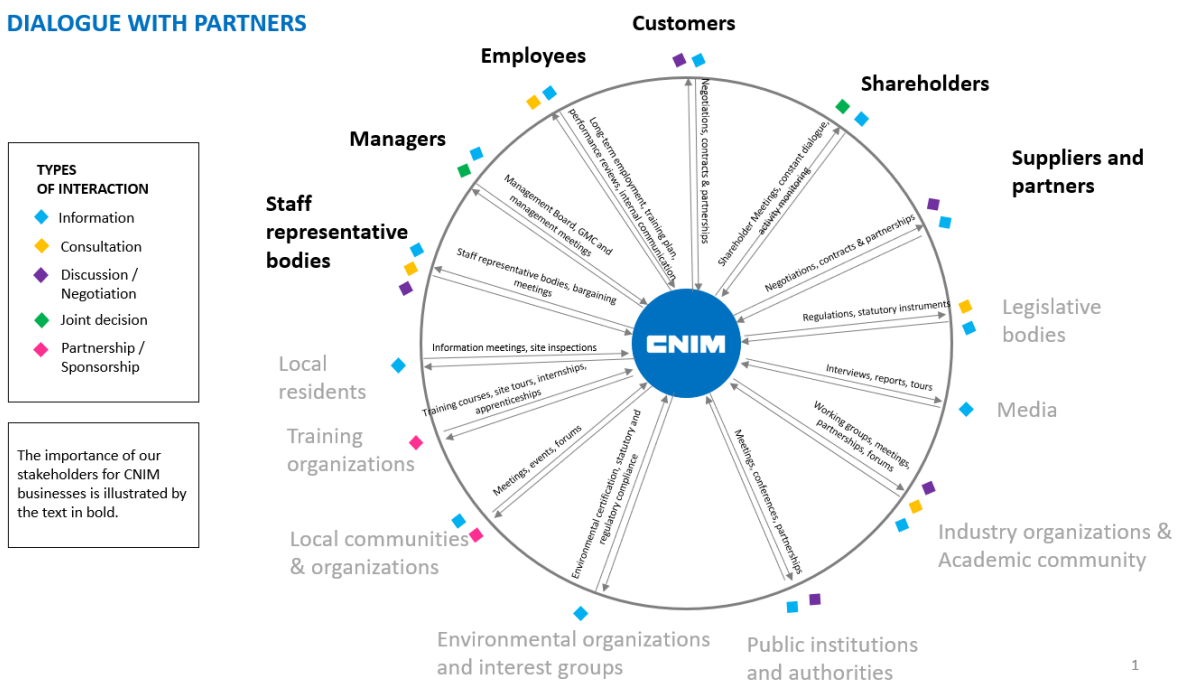
The CNIM Group first produced a map of its partners in 2013.

This map:

- shows all stakeholders with which CNIM interacts in the course of its activities,
- identifies the extent and forms of dialogue with each partner, as well as the related mutual expectations.

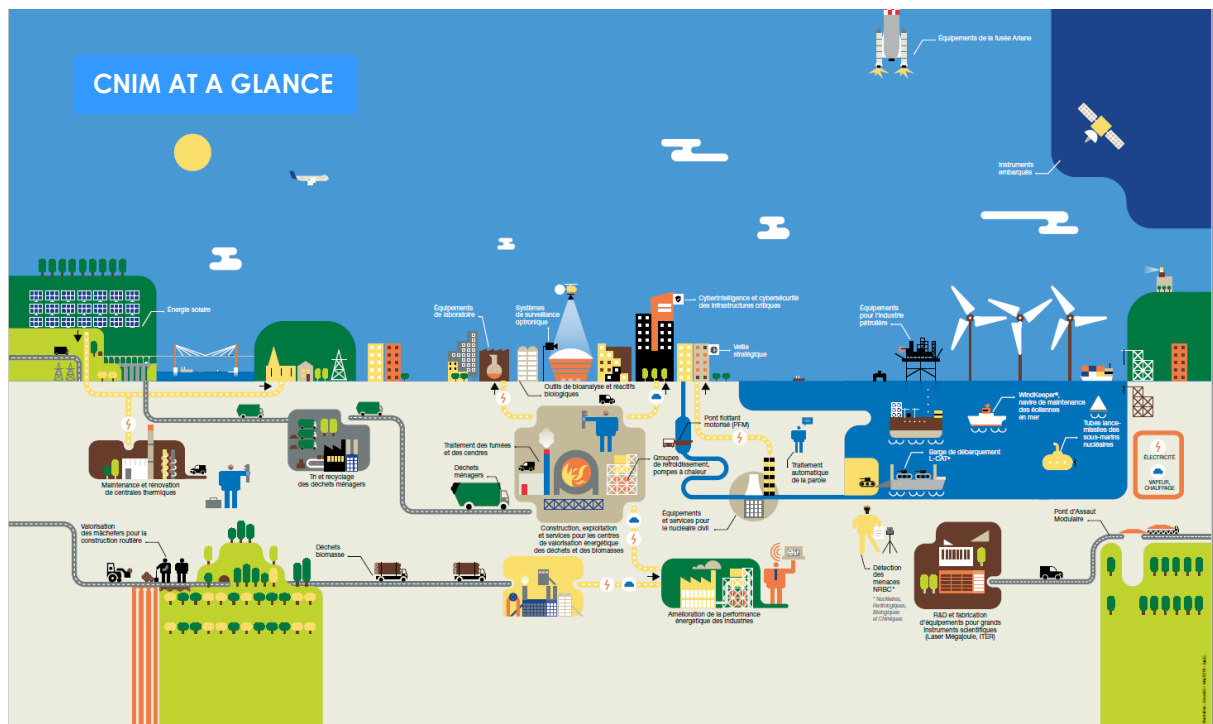
The CSR Manager is responsible for producing this map, which is then subject to internal approval via the CSR reporting framework.

### IALOGUE WITH PARTNERS

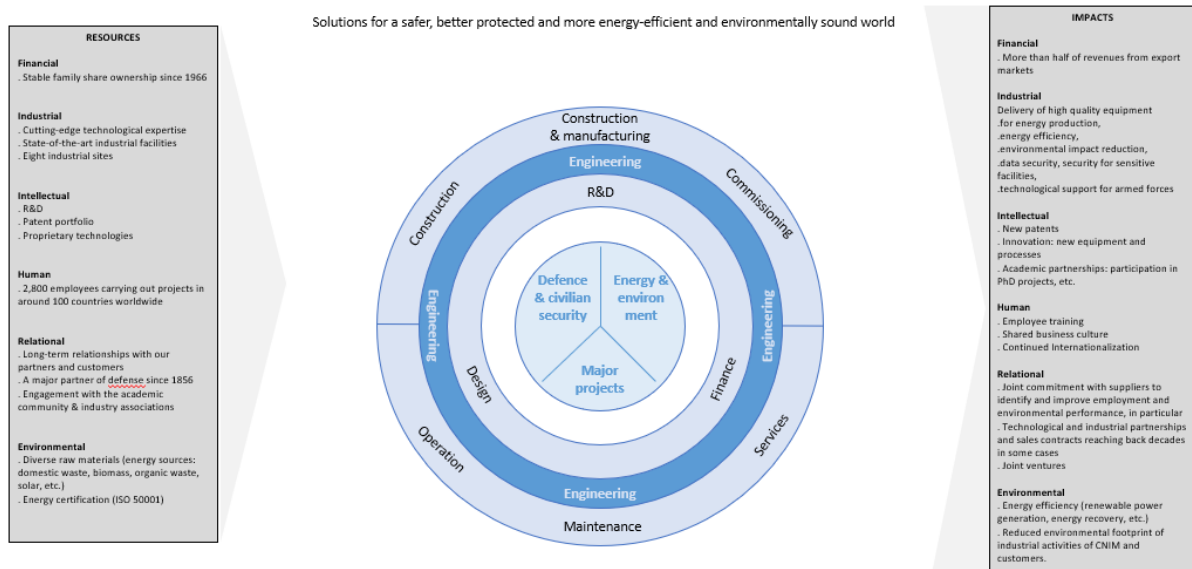


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## 1.2 Our business model



### OUR BUSINESS MODEL



Founded in 1856, CNIM is a French equipment manufacturer and industrial contractor operating on a worldwide basis. The Group supplies products and services to major public and private sector organizations, local authorities and national governments in the Environment, Energy, Defense, and high technology markets.

Technological innovation is at the heart of the equipment and services designed and produced by the Group. They contribute to the production of cleaner and more competitive energy, to limiting the environmental impacts of industrial activities, to making sensitive facilities and infrastructures safer and protecting individuals and nation states.

The Group is listed on the Euronext exchange in Paris. It relies on a stable family-based majority shareholding structure committed to its development.

### Trends and principal factors that may have an impact on developments to the Group's commercial environment.

Several major trends are crossing borders and having an impact on companies, including geopolitical changes, technological revolutions and changing mindsets.

CNIM has acted on several of these trends, which provide structure to its development strategy.

- **Heightened awareness of the need to limit the environmental impact of business activities:**

People the world over have become gripped by environmental issues and are now putting pressure on States and companies to accelerate environmental transition. The need to optimize the energy performance of facilities while, at the same time, reducing their environmental impact is no longer a matter of debate.

Through its innovations in the production of renewable energy, waste recovery, flue gas treatment, energy recovery and the control of industrial risks, CNIM is meeting these challenges, by helping to limit the environmental impact of human and industrial activities.

- **Growing energy needs:**

With 8.3 billion people worldwide in 2030 and growing energy needs, the construction of the tomorrow's energy industry is one of the great challenges of the future.

CNIM is meeting this challenge by offering a comprehensive service involving the design and manufacture of equipment and the provision of services for all types of energy - fossil fuel, nuclear or renewable. The expertise developed by the Group includes waste sorting and processing, the recovery of unavoidable energy, contributing to major energy-related scientific research programmes and developing equipment for decarbonizing the shipping industry, and it continually aims to improve energy efficiency and optimize resources.

- **An unstable world faced with growing threats:**

Globalization and digitization require States and companies to rethink their approach to security.

CNIM is providing a solution to the physical and digital security issues faced by States, local authorities, citizens and critically important stakeholders, companies and institutions. This involves ensuring people's security, as part of a stable society, by preserving infrastructure and protecting exchanges.

To meet these major challenges, CNIM has significant research and development expertise together with market-leading industrial capabilities. Innovation and the solidity of its industrial projects are at the heart of the solutions offered by CNIM to its clients. Its historic expertise (thermal and mechanical engineering, expertise as a lead contractor) and its mastery of new technologies make CNIM a preferred partner of international energy and environment, defense and security operators.

## 1.3 Our Values

CNIM's core values are excellence, creativity, commitment and trust. They are based on respect for individuals, the law and the internal rules in force within the Company.

<b>Excellence:</b>	<ul style="list-style-type: none"><li>- of our professional skills and expertise;</li><li>- of our industrial tools;</li><li>- of our collective achievements and services.</li></ul>
<b>Creativity:</b>	<ul style="list-style-type: none"><li>- of our solutions to anticipate and meet the expectations of our customers;</li><li>- of our teams to put forward powerful and competitive solutions.</li></ul>
<b>Commitment:</b>	<ul style="list-style-type: none"><li>- to Group shareholders over the long term;</li><li>- to our customers, by offering them quality, flexibility and performance;</li><li>- to our partners, by developing balanced and lasting relationships;</li><li>- to our employees, by helping them to achieve their ambitions.</li></ul>
<b>Confidence:</b>	<ul style="list-style-type: none"><li>- to consolidate our relationships with our employees;</li><li>- to underpin our customer relations;</li><li>- at the heart of our activities to achieve greater success with responsibility and enthusiasm.</li></ul>

## 2 PRINCIPAL RISKS AND OPPORTUNITIES

For a description of the main risks and opportunities associated with the business activities of all the companies included in CNIM SA's consolidated financial statements, please see Chapter 2.7 of this document.

### 2.1 Overall risk management strategy

The overall risk management strategy is based on a process for (1) identifying, (2) assessing and (3) ranking the group's major risks.

**1. Risks were identified on the basis of individual interviews with members of the Management Board and the Group's departmental Managers. A risk sheet has been produced for each identified risk, describing:**

- the risk;
- the root cause(s);
- the existing management provisions;
- the principal vulnerabilities/improvement areas;
- feedback;
- a risk materialization scenario or scenarios.

**2. Risk assessment:**

The gross risk takes account of both the following factors:

- the financial and/or human and/or reputational impacts;
- the probability of occurrence within 5 years;

The net risk takes account of the gross risk plus the effectiveness of the existing risk control system.

Once the net risks have been identified, those for which significant areas for improvement have been identified result in actions coordinated by a member of the Group's Managers' Committee (CDG). Where the area for improvement is more limited, the risk remains under review, but the action plan is monitored not by the CDG but by the operational managers.

For each criterion, a risk scale appropriate to the Group was defined by Management in order to identify which risks are liable to have a significant financial, human or reputational impact.

**3. Ranking: On completion of the assessment process, only high (significant or material) critical (serious and recurrent) risks and/or risks for which the risk control system is the subject of a material improvement plan are categorized as priority major risks.**

Each of these risks is the subject of an action plan monitored by the Group's Management Board and Managers' Committee.

- For each major risk, a member of the Management Board or a Group Operational Manager is assigned to:
- define and supervise the action plan;
- define and monitor related risk and performance indicators;
- appoint (a) dedicated coordinator(s) to manage these actions.

These action plans aim to reduce risks to within acceptable limits by eliminating, mitigating, transferring or accepting them.

Using this methodology, the Group determined the principal risk factors to which it was exposed, and implemented the associated action plans.

As part of the periodic update, the Group's risk mapping was updated in 2019 using the approach described above.

The priority major risks that were revealed by this process are set out in the following table:



Risk	Category	Description/ Example of scenario	Existing management measures	Areas for improvement
<b>Risk of inefficiency in the process for monitoring project implementation</b>	Operational	Defective process for monitoring project implementation that may lead to deviations that are detected late (delay, non-compliance, non-performance, breaches by subcontractors) in one or more projects, exposing CNIM to increased costs and penalties.	The project organization and the monitoring and auditing process put in place serve to identify and mitigate these risks at quarterly reviews attended by the Project Lead/Manager and the relevant operational Departments.	CNIM proposes strengthening the resources allocated to the project management process, reinforcing schedules and contract management.
<b>Risk of inefficiency in managing projects at the bid stage</b>	Operational	Defective process for selecting and managing projects at the bid stage, which may lead to significantly increased costs on one or more major projects, owing to the risk of: penalties, make good costs, contract termination or the impact on the Group's reputation or financial situation.	The bid review procedure in place reviews the commercial, technical, contractual and financial (costs and margin) risks.	CNIM proposes strengthening the bid management process (including increasing the selectivity and analysis of technical, completion, financial and legal risks).
<b>Risk of default of a key co-contractor or sub-contractor</b>	Operational	Risk of a key co-contractor or sub-contractor defaulting during execution of one of more major contracts, involving significant contractual commitments in terms of timeframe and/or performance.	CNIM performs a risk analysis during the process of selecting partners, sub-contractors and suppliers, the results of which may lead to: - a refusal to contract; - a request for the third party concerned to provide bank guarantees or parent-company guarantees; - an adjustment of the payment terms in line with the risks borne.	CNIM proposes strengthening its monitoring of the financial situation (due diligence then periodic monitoring), technical situation (monitoring of performance) and contractual situation (contract management). CNIM also proposes expanding its panel of key partners, factoring in their financial standing.
<b>Risk of industrial accidents</b>	Operational	Serious fire at La Seyne-sur-Mer causing the site to be unusable for an extended period.	On-site audits are carried out periodically at the La Seyne-sur-Mer sites with insurers and a specialist company to analyze and prevent the risk of fire. Their recommendations are taken into account by CNIM.	Based on the audits and complementary internal risk analysis, CNIM will draw up a crisis management plan and a business continuity plan for the industrial sites in La Seyne-sur-Mer.

<b>Liquidity risk</b>	Finance	Risk of being unable to cope with a significant rise in WCR for E&E EPC	Four times a year, the Group, at the level of Group Executive Management, carries out a review of the consolidated profit/cash flow forecasts for the “year in progress and the following year”, based, for the E&E EPC division, on a detailed monthly contract-by-contract analysis of forecast inflows at each contractual billing milestone and forecast outflows and, for all Divisions, forecast cash flows including EBITDA analyses, working capital requirements and investments. Financing requirements are deducted from this Group cash flow forecast. The sizeable loss recognised in 2019 has led to the implementation of a financial restructuring plan described in paragraph 2.11 that seeks, in time, to rebuild the Group’s financial capacity.	Significant operational measures have been put in place to reduce the Group’s “Civil Engineering” risk under E&E EPC contracts, including strengthening dedicated structures and redefining the industrial structure. The assessment - particularly at the “bid” stage” - of the cash curve under contracts is the subject of particular attention.
<b>Defective crisis management</b>	Strategic	Defective management of a crisis affecting business continuity potentially causing long-term damage to the Group’s reputation. Operational crisis (industrial accident, environmental damage, malfunction on a key project, cyber attack, etc.) Financial crisis (defective communication, etc.).	CNIM has put in place: - an internal network of communication and marketing officers, which has been in place for a number of years; - a multi-year contract with a major media relations agency; - a media and social network monitoring tool.	CNIM proposes to continue with the crisis management and communication system, including for financial communications.

**Note - COVID-19:**

*As a result of the COVID-19 epidemic, CNIM has identified the principal risks to which it is exposed and has implemented management measures.*

*In view of the epidemic's development over time and its consequences, this process will be regularly updated.*

*This analysis was carried out based on the principal geographic regions in which CNIM operates.*

*The following principal risks have been identified:*

- *the health of its employees (risk of contagion);*
- *absenteeism among CNIM employees and its on-site sub-contractors;*
- *restrictions on the movement of CNIM employees, hindering the completion of contracts;*
- *stoppages (plants/sites/factories);*
- *requests from customers to close sites or suspend operations;*
- *the failure of sub-contractors/suppliers;*
- *delays in the delivery of equipment or key products;*
- *reduced productivity due to employees working from home;*
- *the cancellation or postponement of orders or potential amendments to contracts.*

On this basis, CNIM has implemented the following principal management measures:

- Crisis cells: Management Board, Group Managers' Committee, Business Line, HR and health;
- Business continuity plan specific for COVID-19 compliant with employee health and safety rules. Plans drawn up by HR managers alongside operational managers establishing working conditions as a result of COVID-19 and reduced activity procedures;
- Internal communications to managers and employers by: the Management Board, the Human Resources Department and the Information Systems Department;
- Human resources:
  - o monitoring of confirmed and suspected cases;
  - o communications and regular health information for employees, in particular on protective measures;
  - o implementation of the recommendations made by the various State Ministries and bodies;
  - o organisation and management: of remote working, short-time working, working conditions at sites, plants and factories;
  - o providing information to and consulting with employee representative bodies.
- Legal:
  - o analysis of contractual clauses;
  - o notification of legal consequences and contractual discussions with clients.
- Financial:
  - o use of government support measures available to companies: short-time working, postponement of tax and social security payments deadlines, etc.
  - o financial assessment of the impacts of COVID-19: cash flow, revenue and margins.

These risks and management measures are assessed at the levels of the Group, business sectors, the divisions of each of the two sectors, and principal projects/business of each Division.

A summary presentation is given to the Management Board at least once a week, depending on developments to the situation and its impacts.

## 2.2 Materiality of non-financial considerations

In parallel with the high-priority major risks monitored by the Group Managers' Committee, the risks identified include non-financial risks considered as major risks, within the meaning of Article L225-102-1 of the French Commercial Code. In order to identify its major non-financial risks, the Group has analyzed their materiality.

The purpose of this step was to:

1. ensure that all non-financial information referred to in Decree no. 2012-557 of 24 April 2012 on transparency by companies in employment and environmental matters was properly analyzed;
2. prioritize this information, taking into consideration the Group's activities, economic and non-financial environment and partners.

The initiative was coordinated by the CSR manager and was subject to internal approval procedures. It was based on an in-depth understanding of the Group and its multiple interactions with partners, and did not include consultations with partners.

Note on methodology:

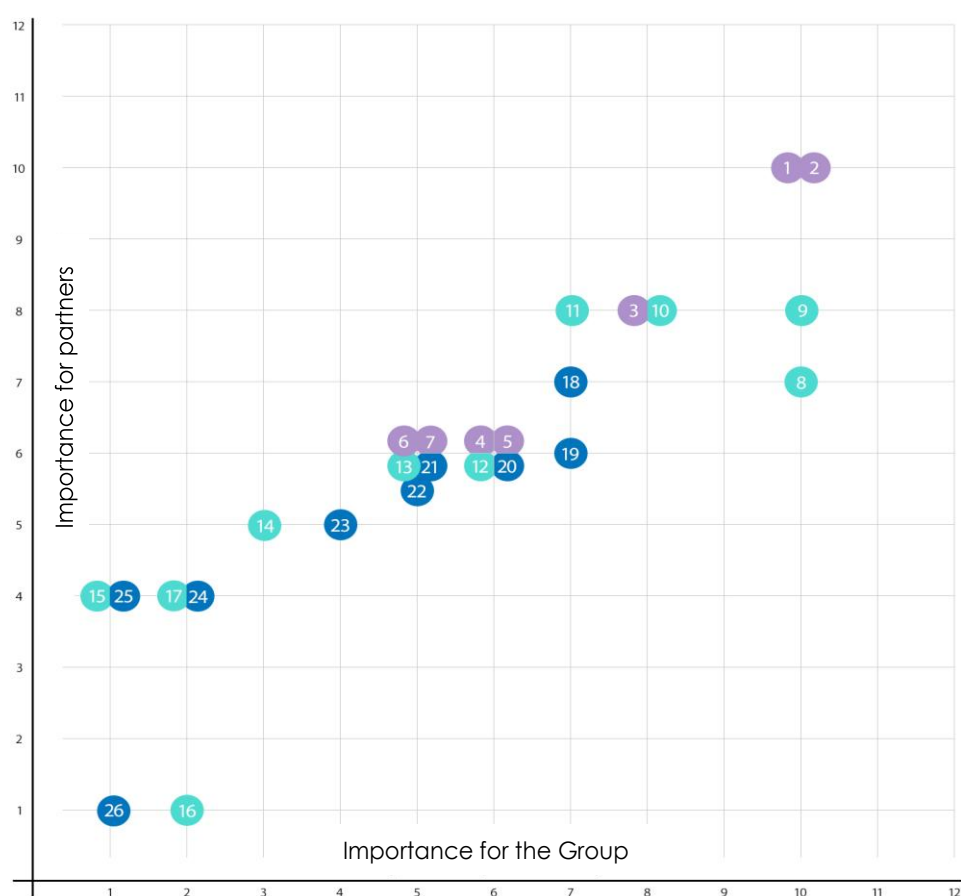
- Materiality is assessed based on the potential economic, human, environmental and reputational impacts;
- Only the principal risks are monitored at Group level;
- Depending on their significance, the other issues may be monitored at division, site or subsidiary level; where this is the case, the risk scale has been adapted to the relevant structure.

Furthermore, CNIM Group companies have implemented quality, health & safety, environmental and energy management systems, which play a valuable role in controlling financial and non-financial risks. The table below lists Group companies' certifications in these areas.

	SOCIETES	SOCIETES FILIALES / Business Units	SITES / ACTIVITES	CERTIFICATS							
				QUALITE	SANTÉ & SÉCURITÉ				ENVIRONNEMENT		
				ISO 9001	OHSAS 18001	ISO 45001	MASE	Autres	ISO 14001	ISO 50001	Autres
GROUPE CNIM SECTEUR E&E	CNIM Groupe	BU EPC	Paris, La Seyne sur mer, Saint Aubin	o	o				o		
		CPCM	Sharjah (EAU)	o							
	CNIM E&E Services	BU Proximité et Industrie	La Plaine Saint Denis, Gardanne, Villepinte	o			o				
			La Plaine Saint Denis, Gardanne, Villepinte, Saint Herblain, Saint Avoird, Le Barp, Ilzsch, Maromme, Chassieu, Wattrelos	o							
		BU WTE Biomasse	La Seyne sur mer	o		o			o		
		CNIM Babcock Maroc	Mohammedia (Maroc)	o							
	LAB SA	Lyon		o		o	o		o		
		LAB GmbH	Stuttgart, Coburg	o		o			o		
	CNIM E&E O&M	CNIM THIVERVAL GRIGNON	Unité de Valorisation Énergétique de Thiverval Grignon		o				o	o	
			Centre De Tri de Thiverval Grignon		o				o	o	
		CNIM OUEST ARMOR	Unité de Valorisation Énergétique de Pluzunet		o				o	o	
			Centre de compostage des déchets et de traitement des algues vertes de Lantic		o				o		
		CNIM CENTRE France	Unité de Valorisation Énergétique de Saint Pantaléon de Larche		o				o	o	
		CNIM TERRE ATLANTIQUE	Usine d'Incinération d'Ordures ménagères de Plouharnel		o				o	o	
		CNIM Paris Batignolles	Centre De Tri de Paris Batignolles			o			o	o	
		SUNCNIM	La Seyne sur mer	o							
		MES ENVIRONMENTAL LTD	Unité de Valorisation Énergétique de Dudley (GB)	o	o				o		
			Unité de Valorisation Énergétique de Stoke on Trent (GB)	o	o				o		
			Unité de Valorisation Énergétique de Wolverhampton (GB)	o	o				o		
		CNIM AZ	Unité de Valorisation Énergétique de Baku (Azerbaïdjan)		o				o		
GROUPE CNIM SECTEUR I&S	CNIM Systèmes Industriels		La Seyne sur mer	o		o		CEFRI			
		CNIM China	Foshan (Chine)	o	o				o		
		CNIM Singapour	Singapour	o	o				o		
		CNIM Air Space	Ayguësvelles	o							
	BERTIN TECHNOLOGIES		Montigny le Bretonneux, Aix en Provence, Tarnos, Thiron Gardais, Saint Aubin	o	o				o		
			Montigny le Bretonneux, Aix en Provence, Thiron Gardais, Montbonnot					CEFRI			
			Energie Process Environnement, Tarnos, Saint Aubin	o	o		o		o		OPQ/BI
		Wirlight	Pertuis	o							

\*Note: the new certifications achieved in 2019 are highlighted in yellow

## Materiality matrix of the CNIM Group's non-financial risks for 2019:



### SOCIAL

- 1 Hiring and compensation
- 2 Occupational health and safety
- 3 Training policies implemented
- 4 Industrial relations: organization and assessment of collective agreements
- 5 Health and safety - Certification procedures
- 6 Organization of working time
- 7 Equal treatment: anti-discrimination policy

### ENVIRONMENTAL

- 8 Energy consumption and efficiency
- 9 Recycling and recovery of waste
- 10 GHGs and GHG reduction
- 11 Prevention, reduction of releases to air, water and land
- 12 Environmental risk prevention - Certification procedures
- 13 Water consumption
- 14 Adapting to the consequences of climate change
- 15 Protection of biodiversity
- 16 Consumption of raw materials
- 17 Land use

### LABOUR RELATED

- 18 Actions taken to prevent corruption
- 19 Taking social and environmental issues into account in the purchasing policy
- 20 Impact on riparian populations
- 21 Involvement in civil society and local development
- 22 Consumer health and safety
- 23 Human rights
- 24 Respect for human rights in the supply chain
- 25 Partnership or sponsorship
- 26 Combating food waste

The materiality matrix above is used to rank the CNIM Group's major non-financial challenges based on net risk i.e. factoring in the risk control and continuous improvement systems already put in place. Consequently, it should be stressed that certain strategic areas for the Group are unable to be included in this matrix.

Following this analysis, the CNIM Group's principal non-financial considerations, which were monitored as required by French law (Article L.225-102-1), were identified as follows:

1. Attracting and retaining talent (1);
2. Development and skills management (3);
3. Health and Safety (2);
4. Waste recovery (9);
5. Energy consumption and energy efficiency (8);
6. Pollution: prevention and reduction of atmospheric emissions (10 and 11);
7. Ethics and anti-corruption measures (18);
8. Subcontracting and suppliers (19).

These principal non-financial considerations have been factored into the overall risk management strategy, as described in chapter 2.7.1.

## 3 POLICIES, ACTION PLANS, PERFORMANCE INDICATORS AND RESULTS

### 3.1 Attracting and retaining talent

#### 3.1.1 Human Resources policy

##### **Employment policy:**

We aim to support our managers and employees in their everyday working lives, enabling every individual to fulfil his or her potential based on his/her expectations, planning for future projects and matching resources with the needs of the business. CNIM's ambition is to position itself as a Group that offers its current and future employees a working environment that is fulfilling, empowering and caring, in which they are able to express their inventiveness, potential and talent and in which the pride at overcoming challenges and the pleasure of working together give, for all employees, meaning to collective action.

##### **Recruitment initiatives and relationships with higher education**

The appeal of the CNIM Group derives from certain specific strengths, including our size, which makes for great agility, our independence, our creativity, innovation and our ability to take on large projects, and the highly technical nature of our businesses. The Group nurtures a huge diversity of talent, both in France and further afield.

Initiatives are undertaken in schools to explain and present our activities and businesses and attract young future talents. Apprenticeships and professional development contracts are particularly sought after and a growing area.

Employee recruitment and capacity building by transmission constitute a major challenge for the CNIM Group's future success.

##### **Mobility**

CNIM's history, the continuity of its businesses and the Group's extensive network of locations enable its employees to look to the future and build their careers. Our two-pronged approach as both designer and builder enables us to offer varied career opportunities and the chance to explore a vast range of possibilities that our Human Resources staff work hard to highlight and make accessible.

##### **Diversity in action**

Female members represent 45% of the Supervisory Board. This means that the CNIM Group's governance complies with French Act No. 2011-103 of 27 January 2011 concerning gender equality in the workplace.

Our commitments to gender equality are set out in a 2016 agreement.

During 2016, management met on several occasions with trade union representatives in order to discuss observations, issues and actions aimed at underpinning the CNIM Group's commitment to gender equality in the workplace. The signatories to the agreement wished efforts to be continued towards promoting gender diversity at the workplace, especially as regards access to jobs and work/life balance, and towards preventing all unjustified gaps in terms of pay, promotion and access to professional training (in equal positions, irrespective of skills, age and seniority). Precise metrics have been developed. These will be monitored annually, over and above the gender balance report given each year to the Central Works Council.

#### **Policy on combating discrimination**

The CNIM Group's discrimination policy relating to age, disability and gender, in particular, is explained and discussed with managers during employment law training sessions that have been held since 2015. This training program contains a specific module that raises managers' awareness of the various forms of discrimination that must be eradicated in the Group. Establishments' internal rules, which apply to all employees, contain a number of provisions on combating discrimination and prohibited behaviour.

#### **Measures to promote the employment and integration of disabled people**

Committed to non-discrimination and equal opportunities for disabled employees, the Group wishes to continuously strive to promote the appointment, retention, training and development of disabled people.

### **3.1.2 Action plans**

#### **Mobility**

A Mobility Committee made up of HR managers from Group entities meet every two months in order to proactively address employees' mobility needs and support their career paths.

The challenge is to discuss opportunities and present them first to any employees who had submitted requests during:

- annual appraisals;
- interviews with Human Resources managers.

An internal mobility charter was issued in 2017, setting out a framework, principles and guidelines relating to mobility within the CNIM Group.

Vacancies are initially advertised in-house, to encourage employee mobility.

#### **International development**

As a result of our growth, the CNIM Group is now able to offer international career opportunities, which it intends to promote more heavily in the future. Such opportunities include overseas missions, secondments, relocations and international volunteering positions.

The International Mobility guide is issued to employees who will be working abroad. International mobility terms are determined according to the type of placement, and may vary according to the country of destination. The Group has also implemented safety measures to protect employee health and safety.

#### **Manager bonding and coordination**

In 2019, the Group organized a CNIM Day event, at which the Management Board spent the morning discussing the Group's enterprise project, ambition and strategy with all employees. All 2,500 employees were given the opportunity to attend, either in a physical meeting with the Management Board or via a webinar, and were invited to ask questions that were answered by the Management Board during the event.

The Group's Executive Management has put together a managerial community, named WeCNIM, made up of the top 160 leaders and managers, and disseminates its guidelines and decisions via the Group Managers' Committee.

#### **Policy on combating discrimination**

The Group is pursuing its policy against age discrimination through the following measures:

- developing block-release training with apprenticeship and professional development contracts;
- offering value-added work experience to students;
- the recruitment of employees aged over fifty;
- listening attentively to any specific request relating to health and the organization of working time.

### Measures to promote the employment and integration of disabled people

In France, the Group offers disabled employees three days' leave during which to apply to authorities for recognition as a disabled worker.

Such employees may arrange for their workstations to be adapted and benefit from specific attention in respect of their working hours.

## 3.1.3 Performance indicators and policy results

### Performance indicators:

#### Our KPIs:

- Employee departure rate<sup>1</sup> target: ≤ 15% by 2023

Scope: Group.

Reporting standard: GRI G4-LA1.

- Target internal mobility rate (percentage of positions filled through internal mobility): 30% by 2023

Scope: Group.

#### Status in 2019:

- Staff turnover rate: 12%.

This rate was a significant improvement on the 2018 rate and is already in line with the target rate for 2023.

- Internal mobility rate: 25%.

There were 223 internal movements in the Group in 2019; these involved employees who had either changed roles within the same company or changed roles and/or company within the Group.

### CNIM received HappyIndex®/Trainees label from ChooseMyCompany

In 2019, CNIM was awarded the HappyIndex® /Trainees label for the first time by ChooseMyCompany. Almost 80% of CNIM's trainees, interns and volunteers who participated in the survey carried out by ChooseMyCompany recommended the Group.

The "Choosemycompany/HappyTrainees" label is based on the answers of almost 55,000 students, interns and trainees at 3,200 businesses. The young people answered the questionnaire anonymously, spontaneously or at their employer's invitation. The questionnaire contains 18 questions organized into 6 sections: career progression, stimulating environment, management, motivation, pride and job satisfaction.

### Other indicators

#### Pay gap between male and female employees

	Engineers and executives (Managers)		Employees, technicians and supervisors (White-collar staff)		Workers (Blue-collar staff)		TOTAL	
	Men	Women	Men	Women	Men	Women	Men	Women
< 25 years	722	708	505	415	100	0	501	608
25-29 years	781	799	560	510	149	NS	711	763
30-34 years	901	905	570	559	490	0	769	810
35-39 years	1,039	1,031	536	611	165	273	836	909
40-44 years	1,134	1,077	625	651	382	NS	918	877
45-49 years	1,297	1,141	629	630	563	0	904	824
50-54 years	1,361	1,237	669	611	580	NS	994	774
55-59 years	1,430	1,318	707	617	611	471	935	697
> 60 years	1,707	1,549	671	570	748	NS	1,143	688
TOTAL	1,094	965	595	595	521	465	823	794

The lowest median value by category and gender is the 100 index and all other median values were then correlated to that 100 index.

Age groups containing fewer than three employees are considered to be not significant and marked "NS".

<sup>1</sup> This rate refers to voluntary departures; it excludes employees who retire or leave upon contract expiry.



The gender wage gap at the CNIM Group is 3.7%. This compares to a wage gap of 16% between men and women in the EU as a whole (Source: ILO, data for 2016). It should be noted that, for all age groups taken together, there is no gender wage gap for employees, technicians and supervisors.

The Group is attentive to all fairness issues, and staff remuneration in particular. Remuneration is the subject of a special action plan envisaged in the agreement on gender equality at work signed by management and labour in France.

In order to prevent gender discrimination, the Group takes part in regular pay surveys. The surveys put the Group's pay levels in perspective compared to the rest of the market, to ensure fair pay for the same level of responsibility, without gender distinctions. A special action plan has also been included in the agreement on gender equality at work signed by management and labour in France.

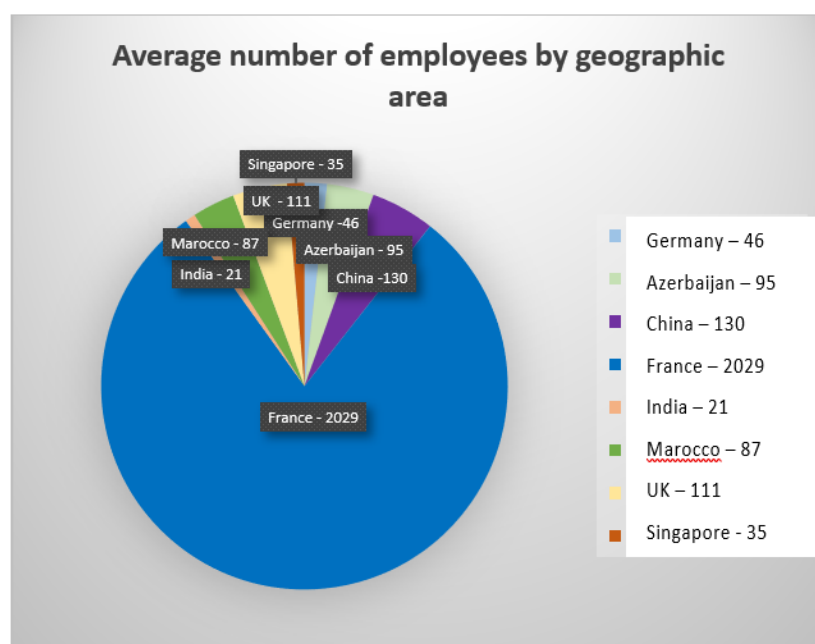
### 3.1.4 CNIM Group employees

**Average total headcount and breakdown of employees by company, gender and geographical area:**

		Men	Women	TOTAL	
BERTIN TECHNOLOGIES	France	70%	30%	380	15%
CNIM Ouest Armor	France	90%	10%	31	1%
CNIM S.A.	France	79%	21%	1,220	48%
CNIM Thiverval Grignon	France	88%	12%	17	1%
CNIM Centre France	France	100%	0%	23	1%
BERTIN IT	France	79%	21%	88	3%
CNIM Terre Atlantique	France	100%	0%	17	1%
SUNCNIM	France	91%	9%	23	1%
LAB S.A.	France	76%	24%	100	4%
CNIM INSERTION	France	64%	36%	29	1%
CNIM Paris Batignolles	France	80%	20%	11	0%
CNIM Activ'emploi	France	75%	25%	5	0%
CNIM AIRSPACE	France	50%	50%	43	2%
BERTIN GmbH	Germany	80%	20%	27	1%
CNIM Babcock Maroc	Morocco	89%	11%	87	3%
CNIM Martin Private Ltd	India	95%	5%	21	1%
CNIM AZ	Azerbaijan	92%	8%	95	4%
CNIM China	China	88%	12%	130	5%
CNIM SINGAPORE	Singapore	86%	14%	35	1%
LAB GmbH	Germany	65%	35%	19	1%
MES Environmental Ltd	United Kingdom	92%	8%	111	4%
WINLIGHT	France	82%	18%	43	2%
<b>Combined total</b>		<b>79%</b>	<b>21%</b>	<b>2,553</b>	<b>100%</b>

Based on the same companies taken into account in the 2018 report, the number of employees was slightly lower, down by less than 1%:

- More than 91% of the Group's total workforce is covered by the declaration of non-financial performance;
- 79 % of the staff covered are based in France, with the rest distributed evenly between the UK, Germany, Morocco and Asia;
- 21% of the Group's employees are women, but it should be noted that this figure is skewed by the subsidiaries that operate waste recovery sites, which practically only employ men.



**Proportion of executives, employees and blue-collar workers in the average total number of employees:**

	Engineers and executives (Managers)	Employees, technicians and supervisors (White-collar staff)	Workers (Blue-collar staff)
BERTIN TECHNOLOGIES	67%	33%	0%
CNIM Ouest Armor	20%	80%	0%
CNIM S.A.	64%	24%	12%
CNIM Thiverval Grignon	12%	88%	0%
CNIM Centre France	18%	82%	0%
BERTIN IT	90%	10%	0%
CNIM Terre Atlantique	10%	90%	0%
SUNCNIM	51%	41%	8%
LAB S.A.	88%	12%	0%
CNIM INSERTION	3%	97%	0%
CNIM Paris Batignolles	13%	87%	0%
CNIM Activ'emploi	0%	100%	0%
CNIM AIRSPACE	55%	22%	23%
BERTIN GmBH	31%	40%	28%
CNIM Babcock Maroc	15%	33%	52%
CNIM Martin Private Ltd	43%	57%	0%
CNIM AZ	25%	17%	58%
CNIM China	27%	18%	55%
CNIM SINGAPORE	17%	13%	70%
LAB GmBH	64%	36%	0%
MES Environmental Ltd	13%	11%	76%
WINLIGHT	46%	54%	0%
<b>Combined total</b>	<b>55%</b>	<b>28%</b>	<b>18%</b>

The CNIM Group is mainly made up of engineers and executives, but substantial variation exists:

- Certain subsidiaries, such as LAB SA and Bertin IT are engineering companies and therefore have a high proportion of engineers and executives.
- Most employees of subsidiaries that operate waste processing plants (e.g. CNIM Terre Atlantique and CNIM Ouest Armor) are employees and supervisors.
- Almost 70% of the workforce at manufacturing subsidiaries such as CNIM Babcock Maroc and CNIM China are blue-collar workers and supervisors.
- Almost one employee in six is a manual worker, which demonstrates the importance of industrial activities to the Group.

#### Proportion of staff employed under fixed-term/permanent contracts

	TYPE OF CONTRACT	
	CDI	CDD
BERTIN TECHNOLOGIES	95%	5%
CNIM Ouest Armor	94%	6%
CNIM S.A.	96%	4%
CNIM Thiverval Grignon	86%	14%
CNIM Centre France	99%	1%
BERTIN IT	94%	6%
CNIM Terre Atlantique	96%	4%
SUNCNIM	81%	19%
LAB S.A.	97%	3%
CNIM INSERTION	3%	97%
CNIM Paris Batignolles	39%	61%
CNIM Activ'emploi	13%	87%
CNIM AIRSPACE	98%	2%
BERTIN GmbH	96%	4%
CNIM Babcock Maroc	90%	10%
CNIM Martin Private Ltd	100%	0%
CNIM AZ	87%	13%
CNIM China	35%	65%
CNIM SINGAPORE	100%	0%
LAB GmbH	100%	0%
MES Environmental Ltd	95%	5%
WINLIGHT	100%	0%
<b>Combined total</b>	<b>91%</b>	<b>9%</b>

9% of the Group's employees are employed on fixed-term contracts.

Most of these employees work for CNIM China and the French companies that manage employees under reintegration contracts, CNIM Insertion et CNIM ACTV'EMPLOI, whose purpose is to offer fixed-term reintegration contracts.

### Breakdown of contracts: full-time and part-time

	Part-time	Full-time
BERTIN TECHNOLOGIES	6%	94%
CNIM Ouest Armor	3%	97%
CNIM	3%	97%
CNIM Thiverval Grignon	0%	100%
CNIM Centre France	0%	100%
BERTIN IT	9%	91%
CNIM Terre Atlantique	0%	100%
SUNCNIM	4%	96%
LAB S.A.	5%	95%
CNIM INSERTION	0%	100%
CNIM Paris Batignolles	0%	100%
CNIM Activ'emploi	0%	100%
CNIM AIRSTAR	5%	95%
BERTIN GmbH	14%	86%
CNIM AZ	2%	98%
CNIM Babock Maroc	0%	100%
CNIM Martin Private Ltd	0%	100%
CNIM CHINA	0%	100%
CNIM Singapore	0%	100%
LAB GmbH	16%	84%
MES Environmental Ltd	7%	93%
WINLIGHT	0%	100%
<b>Combined total</b>	<b>4%</b>	<b>96%</b>

4% of the group's employees work part-time, a figure than is unchanged from previous years. A significant majority of such employees have chosen to be on part-time contracts.

Employees are generally hired on full-time contracts.

### Hiring:

	Men	Women	Total	
< 25 years	81%	19%	111	17%
25-29 years	71%	29%	134	20%
30-34 years	74%	26%	142	21%
35-39 years	77%	23%	92	14%
40-44 years	86%	14%	65	10%
45-49 years	80%	20%	65	10%
50-54 years	69%	31%	35	5%
55-59 years	94%	6%	17	3%
> 60 years	83%	17%	6	1%
<b>TOTAL</b>	<b>77%</b>	<b>23%</b>	<b>667</b>	<b>100%</b>

Reporting standard: GRI G4-LA1

In 2019, more than half of new recruits were less than 35 years of age and also one in every four people hired was female, which shows how the proportion of woman employed by the Group has increased. It should also be noted that the CNIM Group is attentive to skills and expertise, and does not discriminate on the basis of age: 9% of staff recruited in 2019 were aged 50 or above.

#### Departures:

	Men	Women	Total		Turnover rate
< 25 years	79%	21%	66	13%	3%
25-29 years	73%	27%	86	17%	3%
30-34 years	69%	31%	78	16%	3%
35-39 years	79%	21%	66	13%	3%
40-44 years	82%	18%	50	10%	2%
45-49 years	85%	15%	46	9%	2%
50-54 years	78%	22%	45	9%	2%
55-59 years	93%	7%	27	5%	1%
> 60 years	83%	17%	30	6%	1%
<b>Total</b>	<b>78%</b>	<b>22%</b>	<b>494</b>	<b>100%</b>	<b>19%</b>

The overall departure rate fell by 5 percentage points compared to 2018, which is consistent with the objective of the Human Resources department to attract and retain talent.

#### Reasons for departures:

	Men	Women	Total		Turnover rate
Involuntary departures	80%	20%	55	11%	2%
Voluntary departures	80%	20%	252	51%	10%
Retirement	80%	20%	25	5%	1%
End of contract	74%	26%	162	33%	6%
<b>Total</b>	<b>78%</b>	<b>22%</b>	<b>494</b>	<b>100%</b>	<b>19%</b>

Only one of every ten departures was due to termination of the contract by the employer.

#### Remuneration and changes in remuneration

The annual payroll for 2019, including wages and social security contributions, as recorded in the accounts of the 23 companies covered by the report, was €183 million. Based on the same companies taken into account in the 2018 report, the annual payroll increased by 7.4% compared with 2018.

## 3.2 Development and skills management

### 3.2.1 Development and skills management policy

#### Commitments:

The CNIM Group's capacity building policy is directly in line with the business development strategy.

Our goal is to upskill CNIM Group employees, not only in terms of technical, occupational or personal development aspects, but also in areas such as safety and "corporate" issues:

- technical or occupational training courses aimed at developing and maintaining the technical skills of Group staff. Examples include training for a particular activity sector (such as the defense or nuclear industry) or training specific to a particular profession. "Operational support" training has also been put in place in areas such as procurement, legal, accounting and quality;
- safety training intended to enhance health and safety risk prevention. The Group attaches great importance to these courses, which can account for up to a quarter of its total investment in training.
- "corporate" training courses set out to develop the skills of managers, project leaders and sales personnel.
  - A training session designed to improve the skills of new managers was given over two days.

- A multi-modal training session was put in place for managers, involving three days of face-to-face training, one day of practical case studies interspersed with videos and three hours of personal coaching per person.
- Two other programs, addressing topics such as complex sales and project management, have also been organized for sales personnel, project leaders or staff interacting with customers.
- Varied teaching approaches are used, with an emphasis placed on webinars (live group online training sessions).

### **Skills strategy**

The Group actively pursues a Skills strategy with the following objectives:

- anticipate future skills needs in connection with CNIM's strategic management, to lay the ground for inter-generational skills transfer;
- adapt skills to evolve with changing job requirements, and optimize workforce management and the overall performance of our operating structures;
- help employees maintain their employability.

### **Organization:**

Each Group sector or company has its own Human Resources Department with responsibility for capacity building plans.

The Group's Human Resources Department is responsible for developing and managing employees' skills and places specific emphasis on the development of managers. It coordinates the network of Human Resources Managers to ensure that capacity building plans are consistent with the Group's growth strategy.

## **3.2.2 Action plans**

### **Process for developing individual capacity building plans:**

In order to provide support for the challenges faced by the Group and with a view to continually improving the managerial function, the decision was taken in 2019 to alter the appraisal and capacity building process.

The developments were communicated to all employees at the end of 2019 before the annual review and professional development process, which began in early 2020.

Individual capacity building will, from now on, be included within the annual review meeting, rather than being discussed in advance.

The manager completes the employee's capacity building plan in the annual review meeting, taking account of the needs of the department/business, with a view to developing the organization's collective expertise and the employee's professional aspirations.

Scope: Group companies in France.

### **Optimization of capacity building development plans across Group entities:**

To enhance budget allocation and management, the teams in charge of training are also tasked with optimizing travel and training costs for employees, in-house trainers and third-party providers alike. They also focus on pooling capacity building plans across Group entities and companies, organizing sessions at our various locations in-house.

By working both to improve the training requirement identification process and to pool training courses, the Group aims to provide more training hours and train more employees at equivalent cost.

### **In-house trainers pass on their knowledge:**

The Group has introduced a system of in-house trainers who help to develop training modules appropriate to their skills. Our in-house trainers are employees with a mastery of a skill or area of know-how that they are willing to pass on to other Group employees. The CNIM Group takes pride in developing in-house training modules that reflect the specificities of our markets and businesses, while coordinating our in-house trainers and providing them with teaching support and digital tools.

To provide additional support to in-house trainers, we aim, in the future, to implement a computerized training platform known as the "Learning Management System". This platform - the "Learning Management System" - will form the nucleus of a community of in-house trainers, facilitating communication between them. The entertaining yet effective approach will also enable employees to consolidate their knowledge, whether in the workplace or via remote access.

### Skills strategy

Skills catalogues were produced for all Group businesses and rolled out during annual reviews. This will provide the Group with an integrated tool from which it can manage the assessment, training and development of our employees' skills, as well as anticipating future changes in skills and staffing needs and aiding career mobility. The mapping of businesses, jobs and skills is reviewed each year in line with developments thereto.

Accompanying this approach, an annual review is conducted to detect, support and nurture potential high-flyers.

## 3.2.3 Performance indicators and policy results

### **Our KPIs:**

- Number of training hours per employee: target of 28 hours.
- Scope: Group.
- Reporting standard: GRI G4-LA9.
- Number of employees who took part in one or more training initiatives over the course of the year: target of 80%.
- Number of employees who received an annual performance review and career assessment over the course of the year: target of 98%.

Scope: Group.

Reporting standard: GRI G4-LA11.

### **Status in 2019:**

- 21 hours of training per employee, on average.
- 81% of all employees took part in one or more training initiatives over the course of the year.
- 78% of all employees received an annual performance review and career assessment over the course of the year.

Although the number of training hours per employee is stable, the percentage of employees who attended at least one training session during the year was up significantly from 2018, and surpassed the target figure. It should be noted that, for CNIM SA, 25% of training hours are linked to professional development contracts, which illustrates the Group's ambition to both develop this method of recruitment and its cooperation with higher education bodies.

However, the percentage of employees who received an annual performance review fell compared to previous years. That can be partly explained by the fact that headcount grew over the year, with annual performance reviews taking place at the beginning of the year, and that new companies, like CNIM Airspace, were integrated during the year, and by the commissioning of new facilities over the year such as SUNCNIM, CNIM Paris Batignolles and CNIM Activ'Emploi.

### **Other 2019 training results:**

- 49 managers took a leadership course than extended over several months.
- 41 internal trainers gave training sessions in 2019, and the aim is to increase this figure in 2020.

## 3.3 Health and safety

### 3.3.1 Health and safety policy

The CNIM Group strives for excellence in relation to health and safety across all our products and businesses. This continuous improvement approach aims to deliver "zero-accident" and "zero work-related illness" performance.

#### Commitments by Directors:

- Adopt the Group's objectives and incorporate them into their own health, safety and environment (HSE) policy;
- Deploy appropriate technical, human, physical and financial resources to achieve those objectives;
- Apply the Group's HSE Best Practices and roll them out among all employees, suppliers, subcontractors and other stakeholders in Group businesses;
- Address the needs and expectations of all stakeholders in Group businesses;
- Uphold their statutory and regulatory requirements;
- Implement one or more management systems to support continuous improvement in terms of HSE performance;
- Involve all employees in efforts to identify and effectively address incidents, with particular focus on their major risks;

#### Organization:

Directors of Group companies and Sectors have a mandate to manage health and safety and to implement Group policy. To this end, Directors are supported by one or more HSE managers per entity or company. HSE managers are responsible, among other things, for risk analyses, monitoring action plans and objectives, management systems, implementation of necessary training and advisory services for employees.

Health and safety coordination at corporate level enables best practices to be shared, and ensures that objectives set by the Group are satisfactorily rolled out and achieved.

### 3.3.2 Action plans

#### Group HSE coordination

The missions of the Group HSE coordinator include submitting HSE policy proposals for the Group, rolling out the orientations adopted by the CNIM Group's Executive Committee and providing cross-disciplinary support to teams responsible for HSE throughout the Group.

#### Group HSE policy and implementation across Group entities and companies

The Group's HSE policy forms the bedrock for the CNIM Group's commitments to excellence in the area of health, safety and the environment. It informs development of the HSE policies and objectives of Group entities and companies.

Each Group Department is supported by one or more HSE managers tasked with maintaining one or more HSE management systems, and defining and monitoring action plans designed to achieve Group and Entity-level objectives.

All Group employees at all levels of seniority are closely involved in this process, and the effectiveness of our management systems is reflected in multiple health and safety certifications.

#### HSE training and best practices

All employees enroll in a safety training program consistent with the regulations and risk assessments applicable to their activities.

HSE Managers in each Entity regularly discuss the adopted HSE best practices and share related feedback.

#### 2023 roadmap

Procedures and action plans are currently being rolled out to address the Group's major risks, identified as relating to fire, overhead working, falls, handling and road hazards.

Our goal is to ultimately achieve zero-accident operation by responding to near-accidents and deviations from our HSE best practices.



### 3.3.3 Performance indicators and policy results

#### Our KPIs:

- Frequency rate of accidents at work: Target of < 10 by 2024.
- Severity rate of accidents at work: Target of < 0.20 by 2024.

Scope: Group.

Reporting standard: GRI G4-LA6.

#### Status in 2019:

- Accident frequency rate: 9.85

As an illustration of the importance placed by the Management Board on employee health and safety, the frequency rate of accidents at work improved markedly from 2018. This is the result of daily accident prevention efforts made by everyone involved in accident prevention and the continuous improvement made in obtaining health and safety certifications for Group companies (see Chapter 2.7.2).

- Accident severity rate: 0.26

This rate also improved compared with previous years, given the significant proportion of staff working in factories, as itinerant site workers or on customers' premises.

#### **Work-related illness performance**

No recognized work-related illness was recorded by the Group in 2019<sup>2</sup>.

#### **Parc Adfer Energy Recovery Facility achieves five-star grading in the British Safety Council's Occupational Health and Safety Audit**

CNIM, the engineering, procurement and construction contractor at Wheelabrator Technologies' Parc Adfer Energy Recovery Facility, has successfully completed a best practice Five Star Occupational Health and Safety Audit conducted by the British Safety Council. The audit demonstrates the company's commitment to the continual improvement of its health and safety management systems and associated arrangements. This five-star grading is testament to the quality of the initiative introduced by CNIM.

In addition, the construction work sites at the Parc Adfer and Avonmouth energy recovery facilities (in the United Kingdom) were also awarded a certificate of excellence and the "Sword of Honour", the highest possible level of health and safety performance.

#### **1,200 accident-free days at La Seyne-sur-Mer Lagoubran**

In 2019, no accidents requiring an employee to take time off work were recorded at the Lagoubran manufacturing site in La Seyne-sur-mer. To mark 1,000 accident-free days, this performance was celebrated over the summer. At the end of 2019, the site had recorded 1,200 accident-free days.

Several Group companies also obtain ISO 45001 certification in 2019, demonstrating the Group's commitment to involving all employees in risk prevention. The reporting and handling of dangerous situations notified by employees is a case in point.

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<sup>2</sup> Work-related illnesses reported by individuals employed during the period.

## 3.4 Waste recovery

### 3.4.1 Waste recovery policy

The CNIM Group's major challenges relating to waste recovery and recycling largely concern the CNIM E&E EPC division, which designs, builds and commissions turnkey waste-to-energy plants.

#### **Commitments:**

CNIM E&E EPC aims to provide waste-to-energy facilities that fulfil customers' requirements while delivering optimized environmental performance.

When designing a waste processing plant, multiple factors and regulations must be taken into account. These inputs may be aligned or they may conflict with each other. The principal factors are:

- the existing regulatory framework;
- the customer's specifications;
- the customer and the host country.

Based on these factors, the industrial process is designed and optimized to comply with regulatory and environmental requirements and maximize cost-effectiveness without exceeding the customers' budget.

#### **Objectives:**

A facility's environmental performance is essentially determined by the technical choices made while developing the proposal. These choices must reflect:

- the facility's level of sensitivity;
- any special requirements in the request for proposals;
- the environmental impact reduction measures adopted;
- optimization of the heat cycle and flue gas treatment according to the customer's priority, i.e. power generation and/or district heating/steam production.

The following principles are applied, depending on the project, in order to optimize the plant's environmental performance:

- integrate flue gas treatment into the waste treatment process, to maximize the energy recovered from flue gases;
- use recovered energy to supply heat to a district heating network or enhance the plant's power generation performance;
- choose technologies that minimize the plant's on-site consumption;
- reinject waste water into the process, in order to approach zero liquid waste emissions;
- recover storm water for use instead of mains water;
- recover runoff water to avoid the risk of transferring pollution into the storm water system;
- limit noise-related nuisances by enclosing loud equipment;
- enclosing areas prone to odours or dust.

A project's economic parameters, as well as local or national waste-to-energy regulations, have a major influence on the choice of technical solutions and hence the performance achievable by the plant.

#### **Organization:**

The design is optimized by teams of heating engineers and specialists in flue gas treatment and industrial water management technologies. If necessary, the HSE Manager assists these specialists for the purpose of the project's environmental impact assessment.

### 3.4.2 Action plans

To achieve the stated objectives, CNIM has developed methodological tools that enable plants to deliver and demonstrate optimized environmental performance going forward. These tools consider a plant's full life cycle, compiling exhaustive data relating to its potential environmental impacts and identifying technological solutions for each impact that would mitigate its negative effect or amplify its positive effect on the environment.

A multi-stage process is used:

- review the request for proposals in order to identify the future facility's sensitivity, any special requirements in the RFP, and the customer's wishes and requirements;
- optimize the heat cycle and flue gas treatment process with the aid of best practices and methodological tools.

#### **Recyclability and recovery of waste from facilities owned or operated by the CNIM Group:**

Alongside its waste-to-energy plant design, construction and commissioning activities, the CNIM Group identifies all waste produced by its own activities and takes all necessary steps to ensure that such waste is sorted, reused, recycled or otherwise recovered.

### 3.4.3 Performance indicators and policy results

#### **Performance indicators:**

##### **Our KPI:**

- CNIM's share of the European waste-to-energy market.

This indicator is monitored by the Management Board, but CNIM declines to publish the result for confidentiality reasons.

#### **Waste sorting, treatment and recovery performance at facilities owned or operated by the CNIM Group:**

- Waste sorting and recovery activities:
  - 1,308,836 tons of input waste processed, up by 2.6%,
  - resulting in 366,580 tons of output waste,
  - of which 87% was converted to energy, recycled or recovered as materials.
- Activities at the Group's industrial and tertiary facilities generated:
  - 2443 tons of non-dangerous waste, of which 95% was recycled, recovered as materials or converted to energy;
  - 253 tons of dangerous waste, of which 22% was recycled, recovered as materials or converted to energy.
- construction activities generated 1,302 tons of non-dangerous waste, of which 79% was recycled, recovered as materials or converted to energy;

Reporting standard: GRI G4-EN23.

## 3.5 Energy consumption and energy efficiency

### 3.5.1 Electricity consumption and energy efficiency policy

The CNIM Group's major challenges relating to waste recovery and recycling largely concern the CNIM Operations & Maintenance Division, which operates waste-to-energy plants.

#### **Commitments:**

CNIM Group policy relating to waste-to-energy plants is based on a commitment to:

- continuously improve energy performance;
- put in place the necessary means - in terms of information availability and resource allocation - to achieve the stated energy-related objectives;
- uphold compliance with statutory requirements.

### **Objectives:**

The CNIM Group's waste-to-energy plants have been assigned the following objectives:

- achieve optimal power generation/steam production performance;
- optimize plant availability rates;
- optimize on-site energy use, and therefore:
  - monitor, measure and analyze energy consumption;
  - implement the necessary procedures and instructions;
  - train employees and raise awareness of their role in managing energy in their working lives.

### **Resources:**

To track progress toward these goals, the following monthly global operational performance indicators have been defined for these plants:

- tonnage burnt;
- quantity of steam produced;
- quantity of electricity produced;
- quantity of electricity consumed;
- quantity of electricity purchased.

## **3.5.2 Action plans**

The following actions are performed to enable each company to achieve its objectives:

- analyze energy uses and consumption;
- identify significant energy uses;
- identify and rank potential sources of energy performance improvements;
- define energy consumption benchmarks;
- set targets associated with the energy performance indicators;
- analyze the results achieved;
- identify improvement actions and quantify the potential gains.

## **3.5.3 Performance indicators and policy results**

### **Our KPIs:**

- Waste processing and waste-to-energy plants currently operated by the CNIM Group in France holding ISO 50 001 certification: target of 100%.
- Waste processing and waste-to-energy plants currently operated by the CNIM Group outside France holding ISO 50 001 certification: target of 100% by 2025.
- Availability rate of waste-to-energy facilities: target of 90%.

### **Status in 2019:**

- All waste-to-energy plants in France are ISO 50 001-certified (see table of certifications in Chapter 2.7);
- No overseas waste-to-energy plants currently hold ISO 50 001 certification.
- Plant availability rate: 87.5%, due to the renovation works carried out at the Thiverval Grignon site.

#### Energy consumption in 2019 for all sites owned or operated by the CNIM Group:

Data	Unit	Quantity
City gas for heating and processes	MWh	60,881
Ordinary domestic fuel	L	910,250
Mobile sources of petrol fuel (light and heavy vehicles)	L	471,519
Non-road diesel	L	215,763
Mobile sources of petrol fuel	L	87,105
Forklift gas (propane)	kg	5,712
Process gases (acetylene)	m <sup>3</sup>	934
Electricity	MWh	113,789
Heating network	MWh	219

Reporting standard: GRI G4-EN3.

#### SUNCNIM and Banque des Territoires inaugurate the world's first Fresnel type thermodynamic solar energy plant with energy storage in Llo, Occitania

On 20 September 2019, SUNCNIM and Banque des Territoires, shareholders in the ELLO project company, inaugurated the Llo thermodynamic solar power plant with energy storage in Cerdagne (Pyrénées-Orientales). It is the first thermodynamic Fresnel solar energy concentrator with energy storage in the world. Built and operated by SUNCNIM, a subsidiary of the CNIM Group, it will contribute to the energy independence of Cerdan region and reduce the use of fossil fuels. With a power output of 9 MWe and thermal energy storage, i.e. the electricity consumption of more than 6,000 homes, the Llo power plant produces electricity both during the day and part of the night.

#### CNIM optimizes renewable heat production for Nantes' district heating network

CNIM entered into an agreement concerning the energy efficiency optimization at the waste-to-energy plant serving the cities of Nantes and Saint Nazaire. Under the terms of this agreement, CNIM will install an absorption heat pump to boost the supply of hot water to Nantes. The new system has been designed to inject 3.1 MW of heat energy into Nantes' district heating system.

This project consolidates CNIM's status as a major player in district heating system optimization using heat pumps connected to waste to energy plants.

#### CNIM and the French naval architects VPLP Design co-develop the Oceanwings® hybrid ship propulsion system

Oceanwings® is a fully-automated, high-performance, furlable and reefable wingsail that can be used to create a hybrid ship propulsion system harnessing a combination of wind power and conventional propulsion. Based on a wind propulsion concept designed by VPLP Design, in November 2018 CNIM and VPLP Design jointly developed the design for a product suitable for industrial production. CNIM supplied its expertise to ensure that the Oceanwings® design satisfied the technical and industrial requirements for mass production. The first two units produced at CNIM's plant in La Seyne-sur-Mer will be mounted aboard Energy Observer, which is the world's first hydrogen-powered vessel designed to operate autonomously.

#### Bertin Energy & Environment looks for green energy supply solutions for the giant SKA radio telescope

Bertin Energie Environnement has received a grant from the French private sector research and assistance fund (FASEP) to study possible energy supply solutions for the South African part of the SKA giant telescope. The company will thus offer SKAO (SKA Organization) and SARAO (South African Radio Astronomy Observatory) scenarios for an economical, reliable and environmentally friendly energy supply. This comparative study will allow it to design an energy supply solution that is based on renewable energies and that deals with the project's technical challenges.

#### The Ninh Thuan solar energy plant is now operational

Developed in Vietnam, this 50MW solar energy plant is located in a region that enjoys plenty of sunshine and a favourable regulatory framework. The feasibility study, design and drafting of the technical specifications were entrusted to Bertin Energie Environnement with the support of SUNCNIM in the exploratory phase. Based on these documents, the client, MSHLV, was then able to engage a contractor and build its power plant within the prescribed timeframe.

### **Enerbird equips France's largest solar power energy facility**

At the end of November 2019, Total Quadran inaugurated the Boulouparis 2 power plant in New Caledonia. It has 16Mwp of solar panels and a 10MW storage system. Bertin Energie Environnement supplied its ENERBIRD solution, which controls, optimizes and monitors hybrid power plants. It determines the plant's optimal production program based on meteorological forecasts. The objective is to maximize the producer's revenue while minimizing battery degradation.

### **An absorption heat pump for the world's leading brick manufacturer**

The world's largest brickmaker and Europe's leading supplier of tiles, the Austrian group Wienerberger sought to reduce gas consumption in its complex, energy-intensive product manufacturing processes. In its plant in the Linz region of Austria, CNIM has developed a complete heat recovery system consisting of an absorption heat pump, a scrubber and 14 air-to-water heat exchangers. Previously purely and simply wasted, the heat produced by the dryer is now recovered and re-injected into the process.

### **Energy audits**

Since 2015, energy audits pursuant to European Directive 2012/27/EU and the EN 16 247 standard have been conducted in all Group companies subject to them. This measure is aimed at encouraging companies exceeding certain size or revenue thresholds to put an energy efficiency strategy in place for their businesses. Following this structured approach enables opportunities to improve energy efficiency to be identified, as well as the capital expenditure that would be required and the payback period for the investments. These audits confirmed that steps had already been under way for several years to control energy consumption at the main sites.

## **3.6 Pollution - Preventing and reducing atmospheric emissions**

### **3.6.1 Atmospheric emissions prevention and reduction policy**

The major challenges facing CNIM in terms of atmospheric emissions prevention and reduction are tackled primarily by the Environment & Energy (E&E) sector:

- LAB designs, builds and commissions turnkey systems and facilities that process polluting emissions;
- CNIM Operations & Maintenance (CNIM O&M) oversees the subsidiaries tasked with operating the waste incineration and recovery plants.

#### **Policy, commitments and organization of LAB:**

LAB is a global player in engineering, construction and services, backed by around 200 highly qualified engineers. LAB provides its customers with integrated solutions to decrease their pollutant emissions, based on state-of-the-art technologies. In this business, particular emphasis is given to preventing and reducing atmospheric emissions.

To achieve its goals, the company has developed a portfolio of businesses including, among other things, the supply of:

- turnkey combustion gas treatment systems, designed specifically but not exclusively to reduce atmospheric emissions from thermal power plants and other industrial facilities;
- marine scrubbers for the shipping industry, and more generally, solutions to decrease nitrous oxide and sulphur dioxide emissions from ships;
- turnkey integrated facilities designed to improve energy efficiency and decrease pollutant emission levels.

Improving environmental impact performance is a core focus of LAB's activities and its quality, hygiene, health, safety and environment policy, and is central to the mindset of management and employees alike. Constantly striving for improvement, the Quality, Health, Hygiene, Safety and Environment Department plays an active organizational role and covers the full spectrum of these issues. LAB surpasses the requirements of its highly regulated, fiercely competitive market, proving its ability and determination to improve the environmental footprint of its customers' activities, and society more generally.

This focus on environmental impacts is the very essence of LAB's business. Accordingly, in order to achieve its quality targets, the company is ISO 9001, ISO 45001, ISO 14001 and MASE certified, enabling it to commit to the highest performance standards required by the market or required by the regulatory framework. Compliance with these

quality, health & safety and environmental standards is also a key success factor for sustainable development of the company's businesses.

In view of the environmental impact of the construction, commissioning and service businesses, LAB endeavours to apply its expertise and best practices to satisfy the requirements of its customers and partners, and to implement a continuous improvement approach.

This mentality also leads us to develop cutting-edge technologies. In this respect, Research and Development are strategically important for LAB's activities and organization. LAB operates its own Research and Development Department, which drives the company's short- and long-term development and fosters an innovation culture. LAB's status as a technological leader in the field of environmental footprint reduction is underpinned by around 50 patents as well as a portfolio of projects benefiting its customers and the environment alike.

### 3.6.2 Action plans

Achieving our goals requires us to continuously improve our technologies. LAB must not only retain its status as a technological leader, but also ensure that the supply, construction and commissioning of its polluting emissions reduction systems are carried out to the highest standards. All tasks contributing to these objectives are integrated into LAB's employees' work processes and its long-term business plan.

The key features of this action plan are as follows:

- carry out Research and Development activities so as to remain the leader in the current technologies, and develop new technologies that address customer expectations and environmental necessities.
- deliver cutting-edge operational excellence, constantly optimizing processes and providing the necessary support to customers to ensure that the systems perform at maximum efficiency.
- develop our talents and teams, so that our organization is always developing skills, ready to tackle new challenges and able to achieve our shared goals with flying colours.

Implementing this action plan will ensure that LAB is ready to rise to future challenges, just as it has achieved its goals in past years.

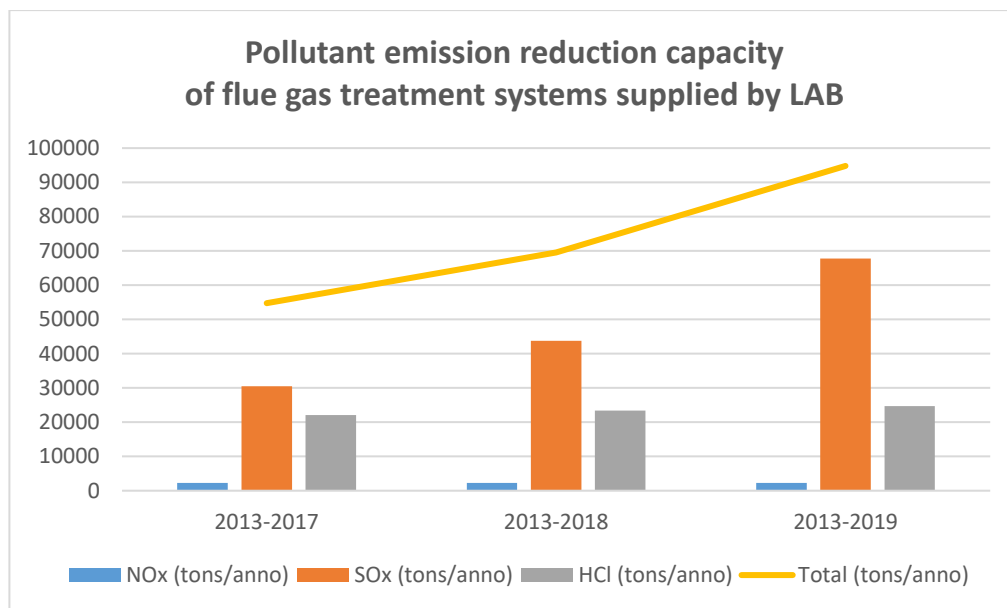
### 3.6.3 Performance indicators and policy results

#### **LAB activities:**

Using state-of-the-art technologies, LAB strives to reduce the environmental impact of combustion systems by supplying the most efficient atmospheric emission reduction systems possible. To achieve this goal, LAB designs and builds combustion gas scrubbing systems using the best available techniques consistent with customers' requirements.

**Our KPI:** Pollutant emission reduction capacity of our completed projects.

The chart below shows the pollutant emission reduction capacity of the flue gas treatment systems handed over by LAB. It is clear from the chart that the efforts invested in Research and Development, winning new contracts and the efforts made in terms of quality and environmental impact have yielded significant reductions in atmospheric emissions. In this respect, LAB is a major contributor to improvements in the environmental footprints and operating conditions of its clients, partners and stakeholders.



Reporting standard: GRI G4-EN19.

The chart above measures the cumulative annual reduction since 2013 of NOx, SOx and HCl emissions achieved by the flue gas treatment systems delivered by LAB to its clients.

It should be noted that LAB's ability to reduce polluting emissions partly depends on the choices made by its clients, who may opt for:

- a solution that complies with their legal obligations; or
- a solution that goes beyond their legal obligations, and choose a solution that uses the best available techniques.

An illustration of LAB's work is its marine scrubber for the shipping industry. These systems help to significantly reduce sulphur dioxide (SOx) emissions into the atmosphere. LAB installed and commissioned a number of systems in 2019 for well-known shipping companies. After these systems were commissioned, the level of emissions measured by independent inspection bodies were lower than those required by its clients and to which LAB had committed.

#### CNIM Group greenhouse gas performance:

In 2019, aggregated greenhouse gas emissions for the CNIM Group were 515,333 tCO<sub>2</sub>e, with uncertainty of almost 42%:

- Direct emissions from non-energy processes (waste processing) represent more than 87% of emissions;
- The 42% uncertainty rating is largely attributable to the significant waste incineration business, as the incineration emission factor has an uncertainty of 50%.

Emissions categories	Numbers	Emission items	Greenhouse gas emissions							Emissions avoided
			CO <sub>2</sub> (t CO <sub>2</sub> e)	CH <sub>4</sub> (t CO <sub>2</sub> e)	N <sub>2</sub> O (t CO <sub>2</sub> e)	Other gases (t CO <sub>2</sub> e)	Total (t CO <sub>2</sub> e)	CO <sub>2</sub> b (t CO <sub>2</sub> e)	Uncertainty (t CO <sub>2</sub> e)	
Direct greenhouse gas emissions	1	Stationary combustion emissions	15,744	35	161	0	15,940	31	516	0
	2	Mobile emissions	1,052	1	10	0	1,063	189	25	0
	3	Emissions from non-energy processes	412,207	46	0	580	449,444	0	207,928	174
	4	Fugitive emissions	1	0	0	0	1	0	0	0
	5	Biomass emissions (soils and forests)	0	0	0	0	0	0	0	0
		<b>Sub-total</b>	<b>429,004</b>	<b>82</b>	<b>170</b>	<b>580</b>	<b>466,448</b>	<b>220</b>	<b>208,469</b>	<b>174</b>
Indirect emissions associated with energy	6	Indirect emissions associated with electricity consumption	4,541	0	0	0	4,541	0	155	149,528
	7	Indirect emissions associated with steam, heat or cold energy consumption	36	0	0	0	36	0	6	27,622
		<b>Sub-total</b>	<b>4,577</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,577</b>	<b>0</b>	<b>161</b>	<b>177,151</b>
Other indirect greenhouse gas emissions	8	Energy-related emissions not included in items 1-7	2,999	883	43	0	3,926	-220	99	56,765
	9	Purchased goods and services	0	0	0	0	0	0	0	0
	10	Capital property	0	0	0	0	0	0	2	0
	11	Waste	34,799	3,754	1,829	0	40,382	20,632	9,995	67
	12	Upstream goods transport	0	0	0	0	0	0	0	0



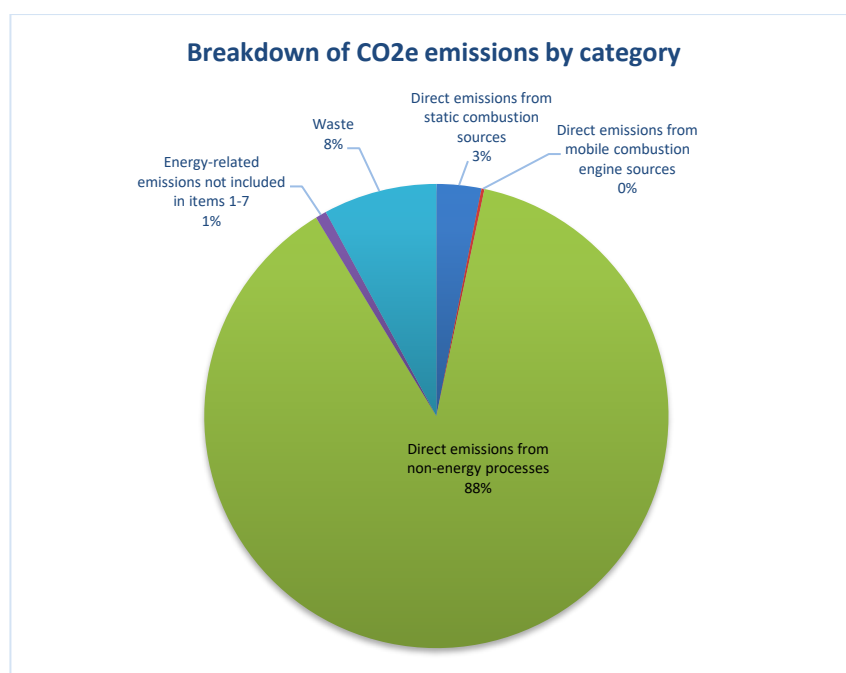
13	Business travel	0	0	0	0	0	0	0	0
14	Upstream leasing	0	0	0	0	0	0	0	0
15	Investments	0	0	0	0	0	0	0	0
16	Visitor and customer transport	0	0	0	0	0	0	0	0
17	Downstream goods transport	0	0	0	0	0	0	0	0
18	Use of products sold	0	0	0	0	0	0	0	0
19	End-of-life of products sold	0	0	0	0	0	0	0	0
20	Downstream tax exemption	0	0	0	0	0	0	0	0
21	Downstream leasing	0	0	0	0	0	0	0	0
22	Commuting	0	0	0	0	0	0	0	0
23	Other indirect emissions	0	0	0	0	0	0	0	0
Sub-total		37,799	4,637	1,872	0	44,308	20,411	10,097	56,832
TOTAUX		471,380	4,719	2,042	580	515,333	20,632	218,726	234,157

*Avoided emissions: emissions that would have been generated in order to produce the same quantity of energy or raw material according to conventional production methods (national energy mix).*

Reporting standard: GRI G4-EN15/EN16/EN17.

#### Breakdown of CO2e emissions by category:

- The item 'Direct emissions from non-energy processes' represents 88% of the CNIM Group's CO2 emissions. These emissions are related to waste-to-energy operations, which also make a very important contribution to avoided emissions.
- The item 'Waste', which accounts for 8% of the Group's CO2 emissions, is also linked to the sorting and processing of waste.
- The other greenhouse gas emissions, amounting to approximately 4%, are due to energy consumption (gas, electricity and diesel, etc.) by the Group's vehicles and buildings.



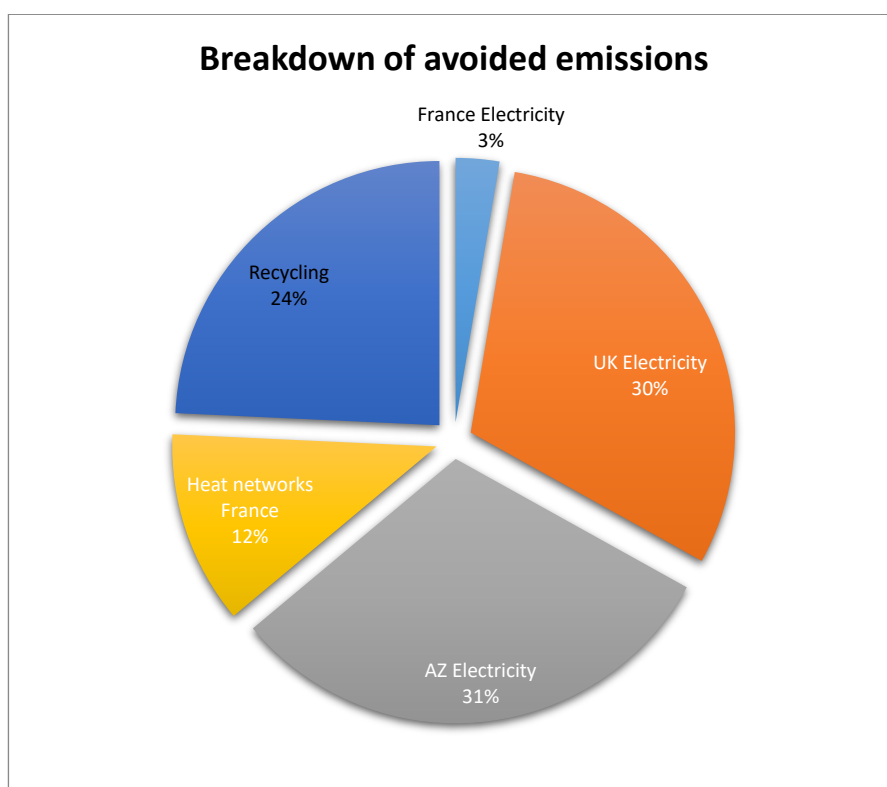
### CNIM Group avoided-emissions performance:

The Carbon Accounting method estimates the emissions avoided by a certain activity. In the case of CNIM, this activity is waste-to-energy reprocessing and the recycling of materials.

In 2019, CNIM Group sites enabled 206,362 tCO<sub>2</sub>e of emissions to be avoided, representing 45% of total emissions.

	Emissions factor	Emissions avoided
	kgCO <sub>2</sub> e/MWh	tCO <sub>2</sub> e
Electricity in the UK	457	71,118
Electricity in Azerbaijan	439	72,170
Electricity in France	40*	6,241
Heat in France	279	27,622
Recycling of materials		56,764

\*The carbon database emissions factor is 57kg CO<sub>2</sub>e/MWh for France, but 40kg CO<sub>2</sub>e/MWh if the part related to the distribution and transportation of electricity (which is outside CNIM's scope) is excluded. This figure is very low in comparison with the UK or Azerbaijan, which is due to the very considerable role of nuclear power in France's energy mix.



## 3.7 Ethics and anti-corruption measures

### 3.7.1 Ethics and anti-corruption policy

#### Commitments:

In carrying out its business, CNIM promotes a culture of integrity and compliance, based on upholding and adapting to applicable incoming ethics standards and legislation, both in France and in other countries where our employees conduct our business.

Since 2013, the CNIM Group has been committed to raising staff awareness to the risk of fraud. Initially aimed at managers, it was then extended to purchasers and clients. Acknowledging incoming French legislation (i.e. the Sapin II law on transparency, anti-corruption measures and modernizing economic life), the Group updated and enhanced its corruption risk management system, applicable to CNIM and to all companies controlled by CNIM.

With reference to the eight measures highlighted by the *Agence Française Anti-corruption*, the principal documents on which this system is based are:

- an Ethical Charter;
- an Anti-Corruption Code of Conduct;
- a Purchasing Code of Conduct;
- a stock market and confidentiality charter;
- a sales agent selection and monitoring procedure;
- a corruption risk management procedure for partnerships;
- a gifts and invitations management procedure;
- a whistleblowing procedure covering recording and processing aspects.

Reporting standard: GRI G4-56 and G4-58.

#### **Structure of the Compliance function in the CNIM group**

The Compliance function is run by the Group Head of Legal, the de facto Chief Compliance Officer, who reports to the Chairman.

Following on from the action taken to enhance the anti-corruption mechanism, and in line with the recommendations of the *Agence Française Anti-corruption*, at the end of 2019, the Group decided to create a Compliance network, the operations of which are described below. This system is organized with the aim of enabling a combination of centralized management, ensuring controlled, uniform application, and operational management implemented locally by the various subsidiaries and entities.

In addition, the Compliance function and the internal control function operate separately for the purposes of the anti-corruption mechanism.

#### **The Group Chief Compliance Officer (CCO):**

- Reports to the Chairman of the Management Board on these issues;
- Sits on the steering committee;
- Defines and organizes the Compliance function and ensures that its work is implemented in the Group;
- Is the principal contact of the supervisory authorities, with the ability to intervene in compliance matters, in the broadest sense of the term;
- Is responsible for compliance issues before the various governance bodies (Management Board, Supervisory Board, Audit Committee).

#### **The Group Compliance Officer:**

- Reports to the Group CCO;
- Designs the compliance program and, first and foremost, the anti-corruption system;
- Coordinates and oversees the deployment, implementation and updating of the system, and leads the Compliance network within the Group;
- Monitors regulatory changes and best practices;
- Organizes, leads or co-leads training within the Group;
- Is the point of contact for operational functions;
- Organizes meetings of the Compliance steering committee and reports to the Group's executive bodies on the implementation and effectiveness of the program;
- Contributes to any internal or external investigations into the program, or any that may be launched in the event that the internal alert system is used.

#### **Compliance Officers:**

- Distributed across the Group's various sectors, divisions and companies, they assist in deploying the compliance program and, in particular, ensure that anti-corruption procedures are properly applied;
- Work as separately and independently as possible from the Group's operational activities;
- Report on the deployment and implementation of the Group Compliance Officer's program;
- Alert the Group Compliance Officer and their managers if they become suspicious or in the event of conduct or situations that breach applicable charters, codes and procedures;

- Participate in and contribute to the Compliance network;
- Functionally report to the Group Compliance Officer in respect of Compliance activities.

## 3.7.2 Action plans

### Sales agent evaluations

The sales agent selection and monitoring procedures specifies the selection criteria and requirements relating to the evaluation, approval and monitoring of sales agents with whom a business relationship is under consideration.

This procedure mainly concerns the following functions: Sales managers, Group Compliance Officer, Compliance Officers, Sector, Division and Business Line Directors and Finance and Legal Departments.

Sales agent evaluations are systematically informed by:

- analyzing due-diligence questionnaires;
- processing data in specialist databases;
- examining the findings of independent due-diligence reviews.

### Partner evaluations

The corruption risk management procedure applicable to partnerships specifies the selection criteria and requirements relating to the evaluation, approval and monitoring of third parties with which a partnership - in the form of a joint business or joint-venture - is under consideration or already exists.

This procedure principally involves:

- the employees responsible for identifying, selecting, approving and monitoring partners;
- the employees responsible for drafting, negotiating and approving partnership agreements;
- employees representing the interests of CNIM or one of its subsidiaries as members of a decision-making body in a partnership.

Partner evaluations are systematically informed by:

- the partnership terms and conditions;
- analyzing due-diligence questionnaires and processing data in specialist databases;
- examining the findings of independent due-diligence reviews, where applicable.

### Management of gifts and invitations

The "gifts and privileges" management procedure specifies the conditions for accepting and registering gifts and invitations received or given.

### Employee awareness and training for exposed individuals

Communication and training are the basis of the internal and external awareness-raising strategy, and an area of priority in the anti-corruption initiative put in place by the Group.

Accordingly, following on from the training and awareness initiatives implemented since 2013, a new wide-ranging training and awareness plan was launched in 2019.

### 3.7.3 Performance indicators and policy results

#### Performance indicators:

##### Our KPIs:

- CNIM Group employees most exposed to corruption and influence-peddling risks: target of 100% trained or made aware of the risks by 2021.
- New hires to positions exposed to corruption and influence-peddling risks: target of 100% trained or made aware of the risks within one year of induction (with effect from 2020).

Scope: Group.

Reporting standard: GRI G4-S04.

##### 2019 roadmap:

Special training for all the following employees and functions:

- Management Board members, Supervisory Board members, Audit Committee members, Group Managers' Committee members, Environment & Energy and Innovation & Systems Executive Committee members, and CEOs of operational subsidiaries;
- Sales representatives, developers, purchasing managers, buyers, project managers, institutional relationship managers, legal specialists, Human Resources managers and compliance officers, with the following scope: CNIM, LAB SA and the Bertin Group.

##### 2020 roadmap:

The aim is to finalize training and awareness measures for all operational subsidiaries of CNIM and all employees thereof not already trained or made aware of the risks in 2019.

##### Status in 2019:

- 665 Group employees have been identified as being exposed to the risk of corruption and influence peddling.
- Out of these 665 people, 438 were invited to a face-to-face training session on the Group's anti-corruption mechanism, and 295 actually participated in the session, resulting in:
- 66% of exposed employees being invited to the sessions;
- 67% of exposed employees invited to the sessions attending the sessions.
- In addition, 162 employees of foreign subsidiaries attended a training program on raising awareness of anti-corruption issues.
- The percentage of new hires to positions exposed to corruption and influence-peddling risks are to be trained or made aware of the risks within one year of induction will only be able to be calculated from the 2020 declaration of non-financial performance.

##### Training of employees whose role is identified as risky:

	Attendance rate <sup>3</sup>
Supervisory Board	81.8%
CDG	100.0%
Bertin Management Committee	100.0%
CSI Management Committee	90.9%
E&E Management Committee	66.7%
CEOs of Subsidiaries	100.0%
Operational Management	93.3%
Sales	85.0%
Buyers	43.0%
Project managers	58.2%

<sup>3</sup> These rates show the participation rate of employees invited to a face-to-face training sessions; an additional 219 are still to be invited to such sessions.

#### **2020 roadmap:**

The training initiative launched in 2019 will continue in 2020, in particular with:

- all employees in functions identified as the most exposed being invited to training,
- international deployment.

The growth in the training rate is monitored by the Group's Managers' Committee.

#### **Performance in terms of confirmed cases of corruption:**

During the 2019 financial year:

- no confirmed cases of corruption were identified;
- no employees were dismissed or disciplined in relation to corruption;
- no contracts were terminated or allowed to lapse due to corruption-related infringements;
- no corruption-related conviction was imposed on the CNIM Group or any of its subsidiaries or employees.

Reporting standard: GRI G4-S05.

## **3.8 Subcontracting and suppliers**

### **3.8.1 Purchasing policy**

The CNIM Group Purchasing policy strives to build fair, long-term, win-win relationships with suppliers and subcontractors, in order to satisfy our customers and achieve the Group's profitability, performance and innovation goals.

In all countries in which the Group operates, our ambition is to conduct our purchasing activities with integrity, upholding CNIM's values in accordance with the Group's Ethics Charter and Purchasing Code of Conduct.

The primary mission of Purchasing teams is to ensure that all Group companies have reliable access to the products and services they need for their respective businesses, by selecting and qualifying the best suppliers. To this end, they strictly monitor the suppliers with which they work, conducting regular performance reviews, including corporate social responsibility aspects.

#### **Commitments by Purchasing teams:**

Working in coordination with the project teams of which they are a part, the Group's Purchasing organizations are tasked with ensuring:

- the economic competitiveness of purchased products and services;
- compliance of purchased and services, including compliance with technical and quality requirements;
- compliance with schedules;
- safety of people and property;
- compliance with environmental obligations;
- compliance with applicable regulations;
- prevention of corruption, conflicts of interest and fraud;
- compliance with fair competition law;
- compliance with human rights, and in particular the Universal Declaration of Human Rights, the International Labour Organization's Fundamental Conventions on human rights, and the Modern Slavery Act.

#### **Organization:**

Each Group company and sector has its own Purchasing department responsible for operational purchasing relating to its activity; this department implements the Group's Purchasing policy, allowing for any specificities relating to its markets.

The Group's Corporate Purchasing Department is responsible for non-production-related purchases and for contracting cross-disciplinary services. It acts as the information system owner for the Purchasing business, and organizes purchasing-related training to enhance skills and spread best practices.

## 3.8.2 Action plans

### **New supplier qualification process:**

Owing to the highly technical nature of CNIM Group products and services, properly qualifying new suppliers can be a critical success factor in delivering the performance required for our products and services. To this end, each sector, division and company has established a proprietary procedure, reflecting the specificities of its markets.

Qualification procedures are graded according to the supplier's criticality, and are based on a document analysis, where appropriate accompanied by on-site inspections or audits. They aim to reduce the risks relating to:

- Quality => technical capability of the supplier to deliver the required product or service
- Cost => robustness of supply and ability to fulfil economic commitments
- Schedules => ability to deliver within agreed lead times
- Management => financial strength of the company; management commitment to the contractual relationship; compliance with employment and environmental legislation
- Health & safety => ability to protect the health and safety of employees and comply with statutory and contractual requirements (in the case of industrial and work site-based activities).

### **Supplier assessment policy:**

The CNIM Group strives to forge long-lasting business relationships with suppliers and subcontractors. To this end, each sector, division and company has established a proprietary assessment procedure, reflecting the specificities of its markets. Depending on the entity, supplier and subcontractor assessments may be conducted either during or at the end of a contract, or else at regular intervals in cases involving recurrent business.

### **Purchasing practices:**

Statutory compliance is an essential prerequisite for lasting business relationships with suppliers and subcontractors. Accordingly, CNIM regularly reviews its procurement terms and conditions to reflect regulatory changes.

Whenever appropriate, CNIM prefers to work with local suppliers based near the Group's facilities around the world. The Purchasing Policy does not include criteria relating to the size of partner companies: the CNIM Group works with a host of small and medium-sized organizations, provided they can demonstrate their ability to fulfil their contractual commitments. Furthermore, due to the highly technical, innovative nature of the fields in which the Group operates, no guideline calling for contracting at least-cost exists.

Lastly, although compliance with commitments is a major criterion for Purchasing teams, contract terms may in some cases be reviewed if the original arrangements change, to ensure that agreements remain equitable to both parties.

## 3.8.3 Performance indicators and policy results

### **KPIs relating to the new supplier qualification process:**

Products and services that have an impact on subsequent production of a product, on the quality of an end service or on safety: target of 80% of new suppliers assessed using employment-related and environmental criteria.

Reporting standard: GRI G4-EN32 and G4-LA14.

Scope:

- For 2019: 60% of the Group's total Purchasing expenditure
- This measure will be gradually rolled out to the remaining Group companies, with the aim of covering 80% of Group Purchasing expenditure by 2022.

Status in 2019:

- Percentage of Group Purchasing expenditure covered: 68%
- Percentage of suppliers analyzed 73%

### Social and/or environmental impact-focussed supplier assessment:

The aim is to ensure that, in respect of fundamental rights and work and the health and safety of employees, the CNIM Group's suppliers and subcontractors comply with legal requirements and, at the very least, those of the International Labour Organization, as stated in the General Procurement Terms & Conditions.

As a result of:

- the stability of the business relationships between the CNIM Group and its suppliers and subcontractors, which have, in many cases, been in place for a number of years,
- the presence of the CNIM Group's employees on the sites of those suppliers and subcontractors, for the purpose of making progress with implementation or the schedule,

this process is limited to "high-risk" suppliers, based on criteria relating to country risk (Global Slavery Index), criticality (strategic suppliers) or risk to personal health and/or safety (manufacturing and/or worksites). In carrying out these audits, the CNIM Group engages an external organization that uses an international auditing framework adapted to the specific nature of the Group's business activities.

After an evaluation, in the case of suppliers with significant (actual or potential) adverse social and/or environmental impacts, all requests for major corrective action, as agreed with the suppliers in question, were tracked.

In the event that a supplier failed to implement requests for major corrective action, or if the action taken failed to yield a significant improvement, the business relationship with the supplier may be terminated.

Scope: Group.

Reporting standard: GRI G4-HR10.

#### Status in 2019:

- Since the system was introduced a year ago, 10 audits of this type have been carried out.

Although discrepancies have been detected, the audits have shown that none of the audited suppliers presented a significant social/health & safety/environmental risk. They were asked to introduce corrective measures to deal with the discrepancies.

## 3.9 Summary of performance indicators and results

	2018	2019	2020	Target	References	
HR: attracting and retaining talent						
Employee departure rate (voluntary departure rate, excluding employees who retire or leave upon contract expiry).	23.70%	12%		≤15% by 2023	GRI G4-LA1	
Internal mobility rate (percentage of positions filled through internal mobility)	not available	25%		≥30% by 2023	Company	SDG 4.4
HR: Training and skills management						
Number of training hours/employee	22	21		28	GRI G4-LA9	SDG 4.4
Proportion of employees who have received at least one training session	74%	81%		80%		
Proportion of employees who have received an annual appraisal	97%	78%		98%	GRI G4-LA11	
Health and safety						
Frequency rate of occupational accidents:	15.59	9.85		<10 by 2024	GRI G4-LA6	SDG 8.8
Severity rate of occupational accidents:	0.29	0.26		<0.20 by 2024		
Energy consumption and energy efficiency (O&M)						
ISO 50 001 certification for waste-to-energy plants in France	100%	100%		100%	Company	SDG 7.3
ISO 50 001 certification for waste-to-energy plants outside France	0%	0%		100% by 2025		
Plant availability rate	90%	87.5%		90%		
Waste recovery						
Share of the European waste-to-energy market.	Confidential			CNIM to be European leader	Company	SDG 12.5
Prevention and reduction of atmospheric emissions (Lab)						
Pollutant emission reduction capacity of our completed projects	70,000 tons	94,800 tons		tons/year (depending on facilities)	Company	SDG 12.4
Ethics and anti-corruption measures						
Proportion of the most exposed employees that have been trained or made aware	0%	67%		100% by 2021	GRI G4-S04	SDG 16.5
Proportion of new hires to exposed positions trained or made aware				100% from 2020		
Subcontracting and suppliers						
Proportion of new suppliers analyzed using social and environmental criteria	not available	73%		80%	GRI G4-EN32 GRI G4-LA14	SDG 8.7



## 4 OTHER AREAS REFERRED TO IN ARTICLE L225-102-1 OF THE FRENCH COMMERCIAL CODE

### 4.1 Social commitments to sustainable development and the circular economy

#### Waste sorting centers: contributing to waste recycling and social inclusion

##### CNIM Insertion

Since 2009 and the creation of the Thiverval Grignon (Yvelines, France) sorting center, whose operating contract was awarded to CNIM, CNIM Insertion has offered social support and employment to people in difficulty to facilitate their integration into the economy. The undertaking is a company for the integration of workers through economic activity whose status has been accredited by the State. The people in question are hired for a maximum of 24 months, trained as sorting team members and helped with their social difficulties, and especially with their search for employment, as this activity is only one stage in their journey and is a stepping stone on the path to long-term employment. CNIM Insertion's mission comprises numerous positive outcome objectives, as the reintegration process can be counted a success only when the person has been able to find a job or take a training course that matches their aspirations and skills.

Since obtaining State certification in 2009, CNIM Insertion received AFAQ EI/ETTI approval in 2013: it is the first integration enterprise in Ile-de-France to obtain AFNOR certification, which aims to validate the social practices of sheltered employment companies.

In 2019, 58 people benefited from a contract with CNIM Insertion. Ten of these went on to obtain either a permanent position, with a six-month or longer fixed-term contract or a place on a training course leading to a qualification.

##### Inauguration of the new Syctom selective sorting center in Paris (17th arrondissement)

The new selective sorting center in the 17th arrondissement of Paris was opened in June 2019 by Jacques Gautier, Chairman of Syctom, and Brune Poirson, Secretary of State attached to the Minister of State, Minister of Ecological and Inclusive Transition, with Nicolas Dmitrieff, Chairman of CNIM's Management Board, in attendance. The consortium led by CNIM was engaged by Syctom to build this center in 2015. The sorting center, which has a capacity of 45,000 tons/year will recycle the waste of 900,000 residents of Paris and the surrounding areas. It will eventually employ 80 staff, of whom 35 will be employed under reintegration contracts, almost twice as many than at Thiverval-Grignon. The process incorporates the latest in automated sorting technology, such as the optical sorting of plastics and paper and mechanical fractioning, so as to limit the amount of work done by hand and allow operatives to focus on quality control.

##### Reuse of IT equipment

Since 2014, the CNIM Group has signed partnership agreements with organizations for the employment of the disabled, respectively concerning the recycling or reconditioning of used IT equipment and screens for all French subsidiaries and the sorting and recycling of third-party site waste.

Under these agreements, the CNIM Group contributes on the one hand to reintegrating people into the job market who find it difficult to obtain work and on the other to the circular economy, by:

- reducing the Group's environmental impact by reducing waste and the associated CO<sub>2</sub> emissions;
- transforming waste into resources, thus limiting the consumption of raw materials;
- prioritizing reuse.

In 2019, the partnership on the management of the Group's end-of-life IT equipment collected 4.6 tons of equipment, with a reuse rate exceeding 65%. Given the low levels of recycling for this type of equipment and their significant environmental impact, the results achieved by this partnership are very positive.

## 4.2 Collective labour agreements

### Collective labour agreements and their impact on the company's economic performance and on employees' working conditions

The number and the diversity of the agreements that have been signed reflects the importance placed by the Group on employment relations.

Type of agreement	Company	Nature of the agreement
Agreements affecting remuneration	CNIM Airspace	Profit-sharing agreement
		Agreement on Annual Mandatory Negotiations
	CNIM SA	Agreement documenting the Annual Mandatory Negotiations
		Overriding Amendment 1 to the Profit-sharing Agreement
		Amendment 1 to the profit-sharing agreement
	Bertin Technologies	Employee profit-sharing agreement for 2019, 2020 and 2021
	SUNCNIM	Agreement on Annual Mandatory Negotiations
	CNIM Terre Atlantique	Profit-sharing agreement
	CNIM Ouest Armor	Profit-sharing agreement
Agreements affecting working conditions	CNIM Centre France	Agreement on Annual Mandatory Negotiations
	LAB SA	Agreement on Annual Mandatory Negotiations
	CNIM Airspace	Agreement on the organization of working time
	CNIM SA	Agreement on paid holiday
	Bertin Technologies	Revision of the agreement on the on-call regime
		Revision of the agreement on giving away days off in lieu
	Bertin IT	Agreement on remote working methods
Other agreements	SUNCNIM	Company agreement on on-call work
		Company agreement on teamwork
	CNIM Babcock Maroc	Signature of the accession agreement to the collective bargaining agreement
		Internal rules of procedure
	CNIM SA	Agreement on the recognition of the economic and social unit (ESU) and on the introduction and operations of the Social and Economic Committee (CSE) signed on 1 July 2019
		Pre-electoral agreement relating to the elections for the CSE of the CNIM ESU.
	Bertin Technologies	Agreement on electronic voting
		Agreement on the introduction of the CSE
		Pre-electoral agreement on the introduction of the CSE
	Bertin IT	Agreement on the PERCO rules
		Agreement on giving away days off in lieu
		Agreement on the right of expression
	SUNCNIM	Amendment 2 to the substitution and adaptation agreement at SUNCNIM.
	CNIM Ouest Armor	Agreement on the company savings plan

## 4.3 Respect for human rights

Bearing in mind its aim of growing its business outside Europe, as well as the passing of the UK's Modern Slavery Act in 2015, a specific action plan has been implemented in the various Procurement Departments of the Group's main companies that aims specifically to ensure that suppliers and subcontractors show respect for human rights.

This action plan underlines the Group's commitment to honour the principles and rights proclaimed under the 1998 Declaration of the International Labour Organization, which promotes dignity in labour and fundamental conventions worldwide, and ensure that its subsidiaries and business partners do the same. The action plan is made up as follows:

- undertaking by the Management Board;
- Group Purchasing Policy describing the Group's CSR commitments and the expectations we have of our business partners;
- inclusion of a clause on respect for human rights in our General Procurement Terms & Conditions;
- inclusion of an undertaking to respect human rights in our supplier approval questionnaire;
- duty of care with regard to the payment of social security contributions by suppliers and subcontractors;

In addition, the CNIM Group's commitments to health and safety conditions at work, training, employment relations and combating discrimination are described in Chapters 4.3.1, 4.3.2 and 4.3.5 of this report.

## 4.4 Measures taken to reduce food waste and insecurity

In response to the Law of 11 February 2016 on combating food waste, the CNIM Group does not buy, process, distribute or sell foodstuffs in the course of its business. In addition, only two Group companies have their own company restaurant. Accordingly:

- reducing food waste,
- combating food insecurity,
- animal welfare,
- and sustainable, fair trade and responsibly produced food,

are not major issues for the Group, and no specific action plan has been established for these topics other than the vigilance and common-sense measures that the Group applies to all of its consumption and waste.

## 4.5 Effects of climate change

In response to the law of 17 August 2015 on energy transition for green growth, the materiality analysis set out in Chapter 2.7 shows that adapting to the consequences of climate change is not a major challenge for the CNIM Group.

In addition, the strategy put in place by the CNIM Group, that seeks to reduce its environmental impact and that of its customers, as well as the consequences of its business activity and the use of the goods and services that it produces on climate change are discussed in Chapters 4.3.4, 4.3.5 and 4.3.6.

## 4.6 Measures taken to combat tax evasion

### Tax policy

The main aim of the CNIM Group tax policy is to secure the Group's positions with regard to the governments of the various countries in which it operates, by complying with the relevant obligations.

This is achieved by i) determining, drafting and regularly updating a transfer pricing policy, demonstrating to tax authorities that the international principles governing the allocation of profits between our entities are upheld; ii) systematically reviewing the accounts of each Group entity, ensuring that the positions adopted are consistent with local tax obligations and iii) providing frequent training for all individuals whose activities affect the tax results of Group entities.

Furthermore, the Tax Department provides supervisory and advisory services for tendering processes, to ensure that the flows between legal entities involved in a project comply with the Group's transfer pricing policy.

This mission appears to be a success, in view of the very limited tax adjustments paid by the Group across all countries in which it operates.

Lastly, the Tax Department maintains a systematic watch over all tax credits recorded by the various Group companies in order to liaise with the relevant tax authorities responsible for refunds.

#### Commitments by the Tax Department

The Group's Tax Department, cooperating with the various divisions:

- establishes general transfer pricing principles enabling compliance with all applicable tax obligations;
- drafts and regularly updates the Group's documentation relating to transfer pricing, enabling documents to be submitted to authorities promptly upon request;
- upholds compliance with filing deadlines across all Group entities;
- verifies the accuracy of tax statements filed by Group entities.

#### Organization

As financial support functions to Group entities are centralized, the Finance Department offers assistance, advice and supervision during account closing procedures, to ensure that the information on which tax statements are based is as reliable as possible.

The Finance Department also reviews all Group proposals i) exceeding a critical size threshold or ii) submitted in a region in which the Group is not present or has no previous contracting history.

## 5 METHODOLOGY APPLIED FOR THE CNIM GROUP'S DECLARATION OF NON-FINANCIAL PERFORMANCE FOR 2019

The format of this report is a declaration of non-financial performance, required pursuant to Decree no. 2017-1265 of 9 August 2017, implementing order no. 2017-1180 of 19 July 2017 that transposed European directive 2014/95/EU. However, in the interests of continuity and information transparency, and with a view to meeting the expectations of certain stakeholders, certain employment, environmental and societal information has been retained.

The scope is fixed as at December 31 of the financial year.

### 5.1 Consolidation scope

The list of entities to be covered by the Group CSR Report is put forward by the Group CSR Manager and approved by the members of the Management Board and the General Management of the subsidiaries concerned.

The Group CSR manager is responsible for collecting and consolidating data and producing the corresponding report. To that end, the manager relies on a network of contacts in the Group's various companies and provides them with a table for collecting data and characterization sheets that seek to ensure that the information is consistent and to limit the risk of error.

The data is archived from year to year, with a view to carrying out checks on consistency and ensuring the reliable collection of data. For the waste-to-energy and sorting sites operated by the Group, the environmental data provided by Operational Managers is checked by Site Managers, then audited by clients.

The process follows a defined schedule, sent at the end of each year to all contributors.

In producing this report, the data of 23 companies has been consolidated (the white area shows how the consolidation scope has increased each year):

	2012	2013	2014	2015	2016	2017	2018	2019
BERTIN IT					o	o	o	o
BERTIN GmbH						o	o	o
Bertin Technologies	o	o	o	o	o	o	o	o
CNIM Activ Emploi								o

CNIM Airspace								0
CNIM AZERBAIJAN				0	0	0	0	0
CNIM Babcock Maroc				0	0	0	0	0
CNIM Centre France		0	0	0	0	0	0	0
CNIM China			0	0	0	0	0	0
CNIM Groupe	0	0	0	0	0	0	0	0
CNIM Insertion			0	0	0	0	0	0
CNIM Martin Pvt. Ltd.							0	0
CNIM Ouest Armor	0	0	0	0	0	0	0	0
CNIM Paris Batignolles								0
CNIM Singapore			0	0	0	0	0	0
CNIM Terre Atlantique				0	0	0	0	0
CNIM Thiverval Grignon	0	0	0	0	0	0	0	0
Lab GmbH								0
Lab SA	0	0	0	0	0	0	0	0
Lab WASHINGTON*					0	0	0	0
MES Environmental Ltd		0	0	0	0	0	0	0
SUNCNIM					0	0	0	0
Winlight								0

\* The indicators presented in this report cover all companies other than Lab Washington, for which only the environmental scope is taken into account, since the other data is insignificant.

As shown by the table above, the Group mobilizes new subsidiaries each year in order to extend the range of the report to all companies controlled by the Group within the consolidation scope.

Entities selected for reporting consolidate the performance and impact of the industrial facilities where they are responsible for operational technical control, including facilities operated on behalf of third parties. These companies account for 95% of the Group's consolidated revenues and cover more than 91% of its headcount over 42 sites.

Certain Group companies are not consolidated, for the following reasons:

- entity with fewer than 20 employees;
- recently-acquired entity in the process of integration into the Group;
- no physical, financial and/or non-financial challenges.

In environmental terms, the scope covers all waste sorting, treatment and recovery center operating business throughout the world.

## 5.2 Note on methodology

This report contains information based on the Global Reporting Index (GRI) sustainability reporting guidelines. This information is identified using references to the GRI standards (GRI xxx).

With regard to the employment data published in this report, the following facts should be noted:

- Headcount: headcount includes employees with an employment contract with the Group during the year to which the report relates, irrespective of the type of contract (permanent, fixed-term or training). Interns, apprentices and temporary employees are not taken into account.
- Health and safety: the frequency and severity of accidents that required an employee to take time off work are taken into account.
- Training: all categories of training are taken into account; this may include training on regulations or on adapting workstations or training that seeks to develop employees' skills.

With regard to the environmental data published in this report, the following facts should be noted:

- For 2019, methods of estimation were defined for data that were not available, to ensure that all of the information required could be delivered within the specified deadlines. Unknown water consumption figures

for certain third-party sites were therefore estimated based on the consumption figures for sites of a similar size and workforce. These estimates account for less than 1% of the total.

- The CNIM Group is concerned about what happens to the waste material produced by its activities and can provide indicators about the recovery of its waste. To this end, it relies on the definitions of 'waste' and 'recovery' established by the local regulations.
- CO2 emissions were calculated based on the V8.1 spreadsheet program of the Association Bilan Carbone (French Carbon Accounting Association), with emission factors from the Carbon Database. In the light of the work of the "Electricity" working group over the period 2017-2018, a major update was implemented, to more accurately reflect the impact of import/export flows and to update the European average CO2 content. The method now uses net hourly import and export data, and the European CO2 content defined by the International Energy Agency (IEA).
- Given that the Group subcontracts all inbound and outbound transportation and that hauliers and freight forwards do not publish figures for the CO2 emissions generated by these services, the CNIM Group does not possess sufficient data to disclose "Other indirect greenhouse gas emissions" (scope 3). The only items described in detail in scope 4 are final waste from waste-to-energy and waste treatment plants and energy emissions that are not included in items 1 to 7 (emissions from the entire final energy production chain, recorded for any use of fuel, electricity or steam).
- The emission factor applied for waste sorting and waste processing centres is 326 kg. eq. CO2 eq./tonne for the incineration of household waste (excluding transport, which is outside the scope) and 128 kg CO2/tonne for landfill disposal of final waste.
- Acetylene gas is used by many Group companies and subsidiaries. It was not referenced in the Carbon Database, and was added to the carbon account as follows: density 1.1 kg/m3, emission factor 3.38 kg.CO2/kg (based on stoichiometric ratios).
- Calculation of uncertainty: as most emissions are due to the incineration of household waste, all these emissions depend directly on the household waste incineration emission factor. These values are not independent, as in previous years the uncertainties were added together.
- The activities of the waste treatment plants operated by CNIM enable energy to be produced (electricity and heat) and materials to be recycled (sorting centres). These activities lead to the avoidance of emissions.
- When calculating its direct greenhouse gas emissions, the CNIM Group includes the CO2 from the vehicles owned, leased or hired by the Group and used within the context of its industrial and business activities.

## 5.3 Cross-reference tables

		Chapters	Pages
Business Model		1	5-7
Principal risks and opportunities		2	8-14
Policies, action plans, performance indicators and results		3	14-140
Other matters covered by Article L.225-102-1			
	Action taken to combat discrimination, to promote diversity and measures taken in favour of disabled people	3.1	14-21
	Anti-corruption measures	3.7	34-38
	Consequences of the business activity and the use of goods and services on climate change	3.4 - 3.5 - 3.6 - 4.5	26-34 43
	Social commitments to sustainable development and the circular economy	4.1	41
	Social commitments to combat food waste and insecurity	4.4	43
	Social commitments to promote sustainable, fair trade and responsibly produced food, and animal welfare	4.4	43

	Collective bargaining agreements and their impact on economic performance and on employees' working conditions	4.2	42
	Respect for human rights	4.3	42
	Measures taken to combat tax evasion	4.6	43

## 6 OPINION OF THE INDEPENDENT THIRD PARTY

To ensure that submitted information is transparent and reliable, RSE France, a subsidiary of the Apave group, was appointed to verify the Group's labour-related, environmental and social information, as required under French law (by Decree 2017-1265 of 9 August 2017 implementing order 2017-1180 relating to the publication of non-financial information).



Accréditation n°3-1051  
Portée disponible sur [www.cofrac.fr](http://www.cofrac.fr)

### Avis motivé de conformité et de sincérité de la déclaration de performance extra-financière

Réf : 20001

#### Aux actionnaires

À la suite de la demande qui nous a été faite par la société CNIM, nous vous présentons notre rapport sur la déclaration consolidée de performance extra-financière relative à l'exercice clos le 31 décembre 2019 (ci-après la « Déclaration »), présentée dans le rapport de gestion du groupe en application des dispositions légales et réglementaires des articles L. 225-102-1, R. 225-105 et R. 225-105-1 du code de commerce. RSE France a la qualité d'Organisme Tiers Indépendant (OTI) accrédité par le Cofrac sous le n°3-1051 (portée disponible sur [www.cofrac.fr](http://www.cofrac.fr)).

#### Responsabilité de la Société

Il appartient au Directoire d'établir une Déclaration conforme aux dispositions légales et réglementaires, incluant une présentation du modèle d'affaires, une description des principaux risques extra-financiers, une présentation des politiques appliquées au regard de ces risques ainsi que les résultats de ces politiques, incluant des indicateurs clés de performance.

#### Indépendance et système de management de la qualité

Notre indépendance est définie par les textes réglementaires, notre code de déontologie ainsi que les dispositions prévues dans la norme ISO 17020. Par ailleurs, nous avons mis en place un système de management de la qualité qui comprend des politiques et des procédures documentées visant à assurer la conformité avec les règles déontologiques, les textes légaux et réglementaires applicables et la norme ISO 17020.

#### Responsabilité de l'Organisme Tiers Indépendant

Il nous appartient, sur la base de nos travaux, de formuler un avis motivé exprimant une conclusion d'assurance modérée sur :

- la conformité de la Déclaration aux dispositions prévues à l'article R. 225-105 du code de commerce ;
- la sincérité des informations fournies en application du 3° du I et du II de l'article R. 225-105 du code de commerce, à savoir les plans actions, les résultats des politiques incluant les indicateurs clés de performance relatifs aux principaux risques, ci-après les « Informations ».

Il ne nous appartient pas en revanche de nous prononcer sur :

- le respect par la société des autres dispositions légales applicables le cas échéant, [en particulier celles prévues par la loi n° 2016-1691 du 9 décembre 2016 dite Sapin 2 (lutte contre la corruption)] ;
- la conformité des produits et services aux réglementations applicables

#### Nature et étendue des travaux

Nos travaux décrits ci-après ont été effectués conformément à l'arrêté du 14 septembre 2018 déterminant les modalités dans lesquelles l'organisme tiers indépendant conduit sa mission.

Nous avons mené des travaux nous permettant d'apprécier la conformité de la Déclaration aux dispositions légales et réglementaires et la sincérité des Informations :



## Avis motivé de conformité et de sincérité de la déclaration de performance extra-financière

- Nous avons pris connaissance de l'activité de l'ensemble des entités incluses dans le périmètre de consolidation, de l'exposé des principaux risques sociaux et environnementaux liés à cette activité, et de ses effets quant au respect des droits de l'homme et à la lutte contre la corruption ainsi que des politiques qui en découlent et de leurs résultats ;
- Nous avons apprécié le caractère approprié du Référentiel au regard de sa pertinence, son exhaustivité, sa fiabilité, sa neutralité et son caractère compréhensible ;
- Nous avons vérifié que la Déclaration couvre chaque catégorie d'information prévue au III de l'article L. 225-102-1 en matière sociale et environnementale ainsi que de respect des droits de l'homme et de lutte contre la corruption ;
- Nous avons vérifié que la Déclaration présente, le modèle d'affaires et les principaux risques liés à l'activité de l'ensemble des entités, y compris, lorsque cela s'avère pertinent et proportionné, les risques créés par ses relations d'affaires, ses produits ou ses services, au regard des informations prévues au I de l'article R. 225-105, ainsi que les politiques, les actions et les résultats, incluant les indicateurs clés de performance ;
- Nous avons vérifié, lorsqu'elles sont pertinentes au regard des principaux risques ou des politiques présentées, que la Déclaration présente les informations prévues au II de l'article R. 225-105 ;
- Nous avons apprécié le processus d'identification, de hiérarchisation et de validation des principaux risques ;
- Nous avons vérifié que la Déclaration couvre le périmètre consolidé, à savoir l'ensemble des entités incluses dans le périmètre de consolidation conformément à l'article L. 233-16. Certaines sociétés n'ont pas été intégrées du fait d'un effectif inférieur à 20 personnes, d'une intégration dans le groupe en cours d'année, ou d'un impact faible. Le périmètre pris en compte représente 95% du chiffre d'affaires du Groupe et 91% des effectifs répartis sur 42 sites.
- Nous avons apprécié le processus de collecte mis en place par l'entité visant à l'exhaustivité et à la sincérité des résultats des politiques et des indicateurs clés de performance devant être mentionnés dans la Déclaration ;
- Nous avons mis en œuvre sur les indicateurs clés de performance liés aux risques principaux (attirer et conserver les talents, santé et sécurité, consommation d'énergie et efficacité énergétique, valorisation de déchets, formation et compétences, prévention et réduction des rejets atmosphériques, éthique et lutte contre la corruption, sous-traitance et fournisseurs), et sur une sélection d'autres résultats que nous avons considérés les plus importants (effectifs, volume des déchets, émissions de gaz à effet de serre) :
  - des procédures analytiques consistant à vérifier la correcte consolidation des données collectées ainsi que la cohérence de leurs évolutions ;
  - des tests de détail sur la base d'échantillonnages, consistant à vérifier la correcte application des définitions et procédures et à rapprocher les données des pièces justificatives. Ces travaux ont été menés auprès d'une sélection d'entités contributrices (Paris, Seyne-sur-Mer, Paris-Batignolles) et couvrent entre 70% et 100% des données consolidées des indicateurs et résultats sélectionnés pour ces tests ;
- Nous avons consulté les sources documentaires et mené des entretiens pour corroborer les informations qualitatives (organisation, politiques, actions, résultats) liées aux principaux risques ;
- Nous avons apprécié la cohérence d'ensemble de la Déclaration par rapport à notre connaissance de la société.

Nous estimons que les méthodes d'échantillonnage que nous avons retenues en exerçant notre jugement professionnel nous permettent de formuler une conclusion d'assurance modérée ; une assurance de niveau supérieur aurait nécessité des travaux de vérification plus étendus.

Du fait du recours à l'utilisation de techniques d'échantillonnage ainsi que des autres limites inhérentes au fonctionnement de tout système d'information et de contrôle interne, le risque de non-détection d'une anomalie significative dans la Déclaration ne peut être totalement éliminé.

### Moyens et ressources

## Avis motivé de conformité et de sincérité de la déclaration de performance extra-financière

Nous avons mené seize entretiens avec les personnes responsables de la préparation de la Déclaration, représentant notamment les directions générales, administration et finances, gestion des risques, conformité, ressources humaines, santé et sécurité, formation, environnement, exploitation, RSE et achats. La mission a été effectuée en janvier et février 2020 et a mobilisé sept jours/hommes. Nous estimons que nos travaux fournissent une base suffisante à la conclusion exprimée ci-après.

### Conclusion

Sur la base de nos travaux, nous n'avons pas relevé d'anomalie significative de nature à remettre en cause le fait que la Déclaration est conforme aux dispositions réglementaires applicables et que les Informations, prises dans leur ensemble, sont présentées de manière sincère.

Paris, le 27 février 2020

Gérard SCHOUN