

2016 Annual Report

BUSINESS &
RESPONSIBLE COMMITMENT





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“In a particularly competitive sector, GSF's organisation model continues to demonstrate its relevance.”

A UNIQUE MODEL, GENERATING HIGH PERFORMANCE

How do you explain GSF's overall performance?

When I created the company, I devised a model based on strong principles and values: independence, high standards, out-performance, pride in work well done, honour commitments. This concept has proved its worth in terms of solid and steady growth, as well as social cohesion. Based primarily on customer satisfaction and therefore customer loyalty, this has always been part of my long-term vision for the company. GSF's overall performance can therefore be defined as follows: acquire new customers, new markets, cultivate innovation and agility, and create new solutions that benefit everyone without losing sight of our fundamentals.

We are constantly preparing for the future, and the Group can count on the new governance structure that I have put in place to perpetuate this model.

What is your assessment of 2016 for GSF?

The remarkable commitment and involvement of the people who work for GSF have enabled the Group's turnover to grow by 7.5%, still without any business acquisitions. New contracts wins of all sizes in all sectors: the services, industry, health, food industry and airport sectors grew the most. 2016 was marked by the renewal of major contracts for which technical or organisational innovation was absolutely essential. GSF has demonstrated its ability to meet its clients' expectations in a rapidly changing environment.

What challenges lie ahead for GSF in 2017?

Above all, the quality of the relationship established with our clients at all levels has always been at the core of our success. What sets GSF apart is its structure and supervision.

While the deployment of digital tools allows us to meet our clients' needs with more flexibility, responsiveness and traceability, there is no substitute for direct contact and ongoing dialogue with each client.

There is a second challenge: to strengthen the joint development of new solutions with our partners, be they clients, suppliers or innovative companies. We are committed to being a central player in cleaning services, but we would also like to offer an extended range of related services.

The third challenge as I see it concerns our people, the lifeblood of GSF. We must, as a priority, ensure a safe, high-quality working environment for all. Then, our employees must bring young people into the workforce through learning programmes. Providing training and encouraging employee development to bring out their talents that will support our growth is the essence of the Group's approach to corporate social responsibility. GSF has always favoured internal promotion. I want this to be perpetuated because it is a guarantee of the continuation of our corporate culture. This challenge is strongly linked to our social responsibility. Our renewed commitment to the UN Global Compact reflects the importance of this matter for GSF.

How is GSF prepared to meet all of these challenges?

We have a unique entrepreneurial culture based on an efficient organisational model. Maintaining this balance and the collective commitment that characterises us will allow us to continue to grow. I have confidence in everyone's commitment to make it happen.

// Group Management



Jean Louis Noisiez
Chairman
Member of the Supervisory
Committee



1

Thierry Chéron
Vice-chairman
Member of
the Executive Board
Associate, GSF Partenaires

2

Christophe Cognée
Member of
the Executive Board
Associate, GSF Partenaires

3

Gilles Margalet
Member of
the Executive Board
Associate, GSF Partenaires

4

Lionel Yvant
Member of the
Supervisory Committee
Associate, GSF Partenaires

5

Yves Magaud
Member of the
Supervisory Committee
Associate, GSF Partenaires

// Group Profile

Set up in 1963 by **Jean Louis Noisiez, its Founder and Chairman, the GSF Group is one of the leaders in the cleaning and associated services sector in France. Today, the company employs over 30,000 people.**

With steady, uninterrupted growth for over fifty years, the GSF Group has always pursued its self-development in complete financial independence.

To ensure a close relationship with its clients, GSF relies on a network of 26 subsidiaries and 121 branches across France, and one subsidiary in Monaco.

GSF also operates in North America and Europe through 5 subsidiaries and is a member of the European partnership, European Customers Synergy (ECS). GSF teams are involved in all business sectors: services, distribution, food,

nuclear, pharmaceutical, heavy industry, automobile, transport, museums, etc.

Our clients are businesses of all sizes, from small and medium-sized companies to almost all of the CAC 40 listed companies. Their loyalty, which demonstrates the quality of the partnerships established and the services we provide, forms the basis of the Group's growth. GSF adapts to their various demands under all conditions by offering services related to cleaning, which remains its core business.

Firmly convinced since the outset that a Group's strength is also rooted in its corporate social and environmental performance, the Group pursues its proactive CSR programme with determination, respecting its teams and clients.

**GSF, an independent
French group, specialised
in hygiene and cleaning
services, across all
industries throughout
France.**



121

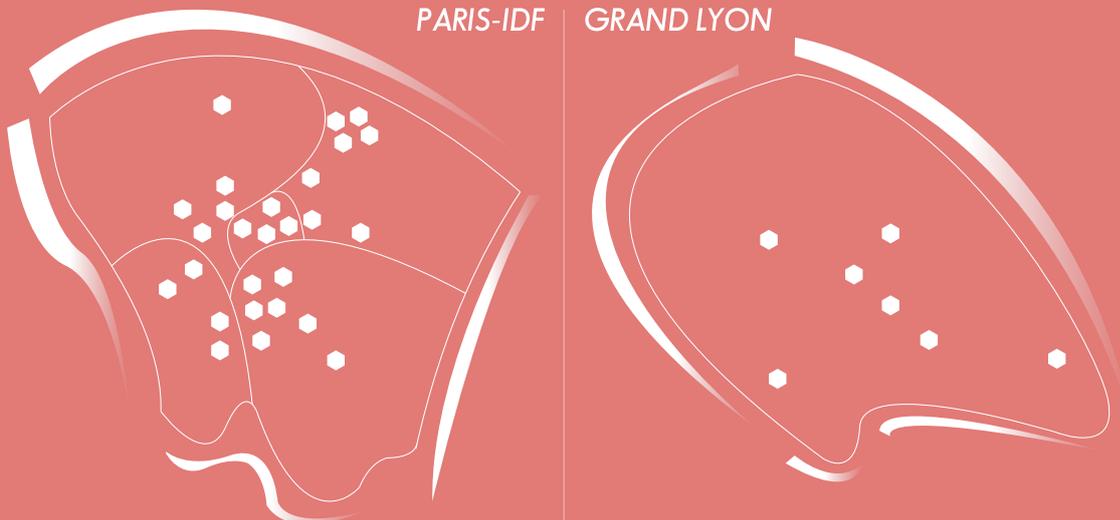
branches in
France

4

new branches
created in 2016

1

subsidiary
dedicated to the
airport sector
created in 2016



PARIS-IDF

GRAND LYON

// Key figures

796 M€

Group turnover⁽¹⁾



7.5% +32%
over five years⁽²⁾

GSF Group turnover
growth rate in France



Services sector

35%

of turnover generated in France
in 2016



Related services

+38%

grew in 2016

32,500 **+23%**
employees⁽³⁾ **over five years**

39%

Share of certified branches awarded Quality, Safety and Environment triple certification

2.63%

Share of total payroll dedicated to training

736
work-study contracts⁽⁴⁾

³ Average Group headcount in 2016
⁴ Workforce paid under work-study contracts.

// Highlights



Innovation

In January, GSF SAS launched its innovation unit, GSF'Lab, to explore new uses and innovative solutions for improving processes, equipment and products. In addition to internal teams, GSF'Lab works with innovative companies to identify digital and automation solutions.



Healthcare

As part of the UniHa preferred supplier framework, the Hospices civils de Lyon renewed their trust in GSF Mercure, while the University Hospitals in Strasbourg choose to continue their partnership with GSF Saturne.



Added value

The GSF Group received a bronze medal in the ARSEG Collaboration Awards. ARSEG is the leading professional network of corporate services managers in France. ARSEG rewarded the GSF/L'Oréal client-service provider partnership for a project where cleaning generates value: operational efficiency, continuous improvement, targeted and sustained quality, social worth and integration. GSF is particularly proud of this award, which recognises the importance of the human element in its daily success story.



Nuclear industry

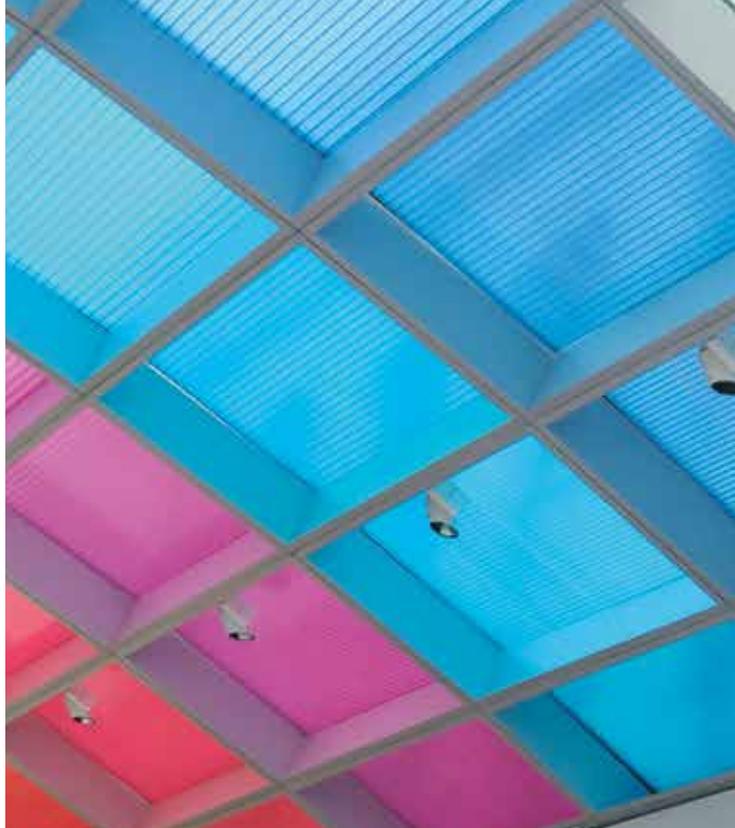
GSF Energia opened its second branch to clean and manage the protective wear at the Bugey nuclear power plant in the French Alps region.



Services

GSF Trévise has renewed its contract with the **OECD** for the third time, with a five-year agreement to clean its headquarters in Paris. GSF's reliable organisation and the skills development and support of the teams were key elements in the decision to pursue this partnership.

Bouygues Telecom chose the GSF Group through a national bid; the subsidiary **GSF Ariès** won the contract to clean Bouygues Telecom's head office in Meudon (92). The comfort and well-being of employees was a major concern in the design of this HQE Exploitation certified building; **GSF Ariès** meets these needs with the quality of its services.



Food industry

Providing services to the largest producers of foie gras in the south-west France, GSF Atlantis was hit hard by the consequences of avian flu. It managed to optimise the situation by organising training for its agents during this period of forced inactivity. More than 3,000 hours of literacy courses and 500 hours of technical training (electrical certification, OHS, occupational first aid, machine operations) were given to 60 agents. Furthermore, two vehicles were provided to staff to facilitate travel to the training centres.



GSF Phocéa won a contract to rehabilitate the production workshops at the **Perrier** plant in Vergèze in the Gard region, covering an area of 46,000 m² from floor to ceiling. This service allowed GSF to establish a relationship of trust with its client: GSF is now responsible for the daily cleaning of the workshops and 11 production lines.



Industry

Partner of the PSA Group in Sevelnord for the last twenty-three years, GSF won a tender in 2016, which includes three plants belonging to the Group's Polaris project: UMV in Trith-Saint-Léger, Sevelnord in Lieu-Saint-Amand and Française de Mécanique in Douvrin.



Airports

The **GSF Group is leader in France** for the number of aircrafts cleaned per day (267 on average), thanks to its ACNA clients: Air France and Avia Partner.



Transport

GSF Celtus has renewed its long-standing contract with the public transport network of the greater Nantes area: the cleaning of buses, tramway stations and 80% of the depots of the urban network, among the largest in France, has been provided by our subsidiary for more than thirty years.



ISO 9001

GSF's overall quality approach has been certified by AFNOR (French Association for Standardization) in accordance with ISO 9001 version 2015, following audits carried out at its head office and in a representative sample of companies, facilities and clients of the Group in France. The experts from AFNOR were very positive about the processes implemented by GSF in all areas.



Canada

GSF Canada became the service provider of the Palais des Congrès de Montréal and its 51 190 m² of exhibition halls.

Environment

The scope of the GSF environmental management system covered by ISO 14001 certification increased further in 2016. Fifty-three facilities are now certified according to the 2015 version of the standard, reflecting GSF's desire to pursue a demanding approach to compliance with the standards recognised by its clients.

For the first year, GSF supported the association *Let's Do It France* whose ambition is to clean up the illegal dumps invading our territory. The purchasing department and branches provided 1,500 pairs of gloves and 25,000 bags to be used by the association's volunteers. They were joined by the employees of the subsidiary operating in Nantes (**GSF Celtus**) during a citizens' day organised on 27 November 2016.



Society

In September 2016, the "*Coups de Pouce*" (GSF Helping Hand) competition for all employees was launched to recognise their commitment to projects in which they are personally involved. The aim is to highlight the solidarity initiatives of employees to change the way their skills and commitments are viewed.

The links of each subsidiary to the local community is reflected in local sponsorship initiatives. **GSF Mercure** decided to give financial support to one of its EHPAD residential care clients who wanted to create a therapeutic garden for their patients suffering from Alzheimer's disease. This is a local example of GSF's strong commitment to medical sponsorship, of which the Fondation GSF Jean Louis Noisiez is the earliest example.



People

The safety of employees is at the heart of GSF's prevention concerns and policies. Everyone is a participant in his/her own safety and that of their colleagues, and even that of our clients' employees. For this reason, **GSF Celtus** decided to promote the best safety initiatives of its teams by launching a photo contest to reward them. An innovative and inspiring approach.



Governance

The Group's CSR approach and the results it achieves are recognised both by the **Global Compact**, which qualifies GSF's communication on progress as "**Advanced**" and by **EcoVadis**⁽¹⁾ which awarded it a mark of 77 out of 100 in 2017. GSF is among the top performing and highest rated companies in its industry.

(1) EcoVadis : 497.842.914 RCS Paris

// Shared Values and Commitments



Respect for clients and employees

GSF is committed to its clients and thus builds their trust, as can be seen in the high loyalty rate achieved in 2016. Its services meet the quality requirements of ISO 9001, version 2015. GSF also continuously monitors the working conditions and equipment used by its agents, proud to contribute to the Group's success.

Growth

Serving clients ever-better: this is the driving force behind GSF's growth since the beginning. With these strengths, GSF has grown organically, continuously adapting its organisation to suit its needs. Opened over the years in response to the development of its client base, the 121 GSF branches in France are spread throughout the entire country. They allow for greater proximity to GSF's clients and increased responsiveness of the teams.

Innovation

Innovation is second nature to the Group, and guarantees performance: the Research and Development department at GSF's head office in Sophia-Antipolis and GSF'Lab, the in-house innovation unit, continuously monitor and test innovative products and equipment that meet high quality and environmental protection standards. These innovations are regularly implemented across the sites we service.



////////////////////////////////////

94.5%

**Customer loyalty rate
in France in 2016**

////////////////////////////////////

732 M€

Turnover in France

////////////////////////////////////

Close to

10,000

**new machines purchased in
France in 2016**



53

ISO 14001
certified sites



36%

of subsidiaries have a work accident
severity rate lower than 1.5
(objective set at Group level
for workplace accidents)

**Thanks to the values and
commitments shared,
at all levels of the organisation,
the GSF Group is able to achieve
uninterrupted, steady growth.**





Environment

Our ISO14001 certified environmental management system is at the heart of our offer, and the analysis of the life cycle of our products and equipment allows us to control our environmental footprint and improve our energetic performance.

Ethics and transparency

Our governance is based on these principles. In addition to compliance with regulations, our ethical charter has allowed us to formalise practices rooted in our corporate culture. Our approach to Corporate Social Responsibility is recognised as very effective by EcoVadis and Global Compact.

Employee development

The Group's primary asset is the performance of our employees and their commitment to our values. The primary objectives of our social policy are to train them to prepare for developments in their profession, to supervise them with a rate recognised by our clients as a guarantee of social dialogue, and to provide them with a fulfilling and safe working environment.



// A successful year

A VARIED CLIENT PORTFOLIO

The GSF Group has multisectoral expertise. Its teams work in all business sectors, including the most technical ones: services, distribution, food industry, nuclear sector, pharmaceutical, heavy industry, automobile, transport, museums, etc.

Our clients encompass businesses of all sizes, from small and medium-sized companies to almost all of the CAC 40 listed companies. In an intensely competitive environment, 2016 was an excellent year for our business, with a 7% increase in GSF's turnover in France, thanks to new clients and numerous contract renewals and extensions.

**More than
5,000**
clients in France

94.5%
Average customer
loyalty rate over the
last ten years



Long-term partnerships

In 2016, the GSF Pluton/Opale contract renewal rate (+ 30% of company turnover) was exceptional, reaching 95%. This success is due to the consistency and quality of work carried out by the teams, but also to GSF's ability to support its clients as they change and evolve, proposing solutions that constantly meet their needs.

GSF adapts to changes in client activity and demand by changing its services while maintaining a good social climate, thanks to the quality of the dialogue established with its employees and their representative bodies.

ARC Group, client since 2006

The ARC Group, the world leader in tableware, for which we have been working since 2006, was a family company. Today, it is owned by an American investment fund. We were able to adapt our services to match these changes and to support them throughout the restructuring of their activities. In addition to cleaning, since 2010 we have been managing their post and switchboard and since 2011, their delegated waste management. The social engineering we have implemented throughout these different stages has been crucial and contributed to the sustainability of our relationship: in 2016, we signed a new contract for three years.

La Redoute, client since 2003

This partnership began in 2003 for one site and was extended in 2005 to the Daxon and Vert Baudet brands. La Redoute changed ownership in 2014 and refocused on its core business. Thanks to its experience and customer satisfaction, GSF is supporting La Redoute with a new, atypical contract where, besides performing multiservice tasks, we manage the interventions of a Facility Manager, a first

for us. The involvement and the relationship of trust established by our management team and in particular, Emmanuel Hanicot, Area Manager, were invaluable in the successful renewal of this contract.

We are also able to identify solutions for their specific needs, promptly putting at their disposal a team for a move to new premises or other tasks. They adopted our traceability and tracking solution, GSF Box: 500 RFID chips and 8 smartphones are deployed to allow the client to continuously monitor scheduled tasks.

Partner of Aluminium Dunkerque since 1998

Another example is Aluminium Dunkerque, which has been our client since 1998 and is now a subsidiary of the Anglo-Australian group, Rio Tinto. We have supported them throughout the years with their restructuring and shareholder changes. They awarded us a new contract in 2016 for the cleaning of their industrial facilities, including sweeping and dusting activities. GSF's values, our flexibility and our concern for the human element were crucial in their decision to continue to work with us."

REGION HAUTS-DE-FRANCE



ARC GROUP
LA REDOUTE
ALUMINIUM DUNKERQUE



“Three contracts were renewed in the Hauts-de-France region in 2016, showing that GSF's more than just a service provider but a partner that can support them to the best of its abilities, even in difficult times.”



Sébastien Mullié
Deputy Director
GSF Pluton

Clients in all sectors



Services

GSF's original sector, the services sector remains the leading contributor to the Group's turnover in France, with 28% in 2016. GSF carries out the cleaning of the head offices and offices of many companies and administrations. Companies' increasing concern for employee welfare means the tendency in this market is to upgrade services, and this benefits GSF, whose quality standards are widely recognised.

Industry

GSF ensures the end-to-end cleaning of factories from all sectors, from factory floors and workshops to machines and production lines. As required, the Group makes available the skills of its engineers and equipment adapted to the specific activity. Its teams provide technical services, such as the cleaning of paint booths or the maintenance of ventilation pipes.

Retail

GSF's clients include many retailers – supermarkets, hypermarkets and clothing, furniture and telephony stores. Its teams are trained to deal with the specific context of general maintenance of a sales area with high public footfall.

Healthcare

GSF's healthcare services are growing in the form of pharmaceutical factories and healthcare facilities, hospitals, clinics and residential care facilities (EHPAD). At the end of 2016, GSF managed more than 200 "healthcare" sites across all fields. The Group is listed as a preferred supplier by the two purchasing groups in the sector: UniHa and RESAH. To better train its teams in hygiene and bacteriological safety, GSF has a complete technical platform with a clean room, a ward and an operating theatre.

UniHa: group purchasing network of 67 public hospitals.
RESAH: non-profit purchasing network for public and private health, medical and social care in Ile-de-France.



10%
Healthcare



9%
Transport & logistics



6%
Public and leisure places



2%
Other



Airports

GSF is developing its offer in this sector with a wider range of services, such as aircraft cabin cleaning, luggage handling, trolley management and airport terminal cleaning in Lyon Saint-Exupéry, Orly and, more recently, Roissy (2E) airports.

Related services

GSF is increasingly providing services related to its cleaning services, which remain its core business: delegated waste management, routine building maintenance, flow management and logistics. This stems naturally from the relationship of trust established with our clients. These services help to strengthen their loyalty by establishing genuine partnerships with them.

Food industry

GSF is a French leader in this emblematic sector and has been providing its services to food factories for more than forty years. Its engineers, with a presence throughout the country, develop rigorous intervention protocols that meet the performance and traceability requirements of this industry.

Nuclear industry

GSF Energia, a subsidiary dedicated to the nuclear industry, brings together a team of experts, engineers, operators and specialist trainers. Currently, the Group is in charge of the cleaning of two plants: Dampierre (45) and Le Bugey (01).

Partner of Facility Management players

GSF is a preferred supplier of the 7 largest national Facility Management operators, which appreciate the density of its network, its authorisations to work on sensitive sites, compliance by its teams with safety rules and the implementation of its CSR policy (use of Green products, etc.).



... **Stories from employees**

A smooth take-off for GSF at Roissy-Charles-de-Gaulle : a team effort

In 2016, GSF was awarded the contract to clean terminal 2E at Roissy-Charles-de-Gaulle airport, with a capacity of 24 million passengers per year. Thierry Deflandre, Regional Director of GSF Concorde, reveals the secrets of the success of the start of this emblematic contract.

REGION ÎLE-DE-FRANCE



ROISSY-CHARLES-DE-GAULLE AIRPORT



“The preparation for this opening was long and meticulous.”



Thierry Deflandre
Director
GSF Concorde

“In order to win the 24/7 cleaning contract for the Air France terminal, we successfully integrated the needs of our client, the ADP Group (Aéroports de Paris), and responded with concrete solutions. Our experience in Orly Sud helped us a lot, because the ADP Group is very satisfied with the work carried out by our teams.

We started our service provision at 10 p.m. on 1 December 2016. Given the complexity of this market, we worked very closely with the client beforehand in an exemplary collaborative effort, particularly when we took over more than 100 employees.

We set up committees by sector to determine the best solutions to implement for each area (social, security, equipment, health supplies, etc.).

The teams were trained in our methods and supervised by area managers.

On the evening of 1 December, about thirty colleagues – area managers, team leaders, directors, quality coordinators, assistants – from other GSF facilities in Ile-de-France came to lend us a hand in order to ensure that the transition was a success. They also helped us during the first few weeks: their implication was instrumental to the successful launch of operations on this site.

The extra local teams appreciated our supervision and the respect we showed them. Some details are important: we gave them outfits in their size and the machines quickly carried our visual identity. We are very satisfied to have quickly gained their confidence and were able to manage the influx of passengers over the Christmas holidays.”



Setting up new types of partnerships

Blanc Aéro Industries (BAI) is a subsidiary of the LISI Aerospace Group, a leading aeronautical equipment manufacturer, which designs and manufactures fasteners and structural components for civil and military aircraft. Located in Saint-Ouen-l'Aumône, Val-d'Oise, the industrial site has seen a strong increase in business activity in response to the latest launches of aircraft models. The plant is a showcase for the Group's operational excellence. BAI also has a clear health and safety policy. The quality and performance requirements are consistent with the type of activities performed on site.

How did GSF and its employees integrate into the operation of the workshops?

GSF started to work on site in 2008, cleaning the administrative areas, and then, at our request, they progressively extended their scope of intervention: maintenance of the painted floors of the workshops, replenishment of the PPE vending machines, followed by that of our automatic tools stores for our machining operations used in our production processes.

GSF is also in charge of managing and changing machine oils and spare parts. These new tasks were gradually rolled out due to the on-site presence and responsiveness of the GSF teams. The company is organised into APUs (Autonomous Production Units) by product and by building as separate SMEs with all the functions of a company. GSF therefore adapted its organisational model to that of BAI with a multi-skilled, multi-functional team for each building. Their staff use our visual management tools to orient themselves within our business activities. Similar to our own employees, they receive specific health and safety training by zone, information on ethics and the main principles of our human resource policy.

What are the strengths of the GSF organisation?

Their teams are well trained and responsive. They have a good knowledge of the terrain and are provided with quality equipment. We appreciate the proximity management established by GSF: it is pragmatic and has allowed them to meet our ever-increasing standards.

What do you expect in the future from GSF?

We are still seeking to perfect our partnership with GSF, in particular the monitoring and reporting of the processing of their tasks, while maintaining a high level of cleanliness and service provision. The implementation of their new TELERIC tool will make it possible to better measure their productivity and efficiency in the field. We are constantly attentive to the performance of our suppliers and service providers. In 2017, we will intensify the selective sorting of paper and bio-waste in partnership with GSF.



“With the Lean Manufacturing LEAP programme (LISI Excellence Achievement Program), the company has deployed methods and tools that perpetuate continuous improvement in all areas and across all corporate business lines.”



// Key performance factors

QUALITY, EXPERTISE, INNOVATIONS

A true partner of its clients, GSF enjoys a very good reputation in its business sector and is behind many innovations in the profession. The Group focuses on quality and equips its teams with the best means to achieve it.

Quality services adapted to its clients' needs thanks to in-house R&D experts internes R&D

GSF's services are designed to meet the specific needs of its clients: each activity, each company, each site has its specific requirements, requiring appropriate practices and dedicated equipment. The Research and Development department contributes to this adaptation and to the overall quality of the services provided. Professional engineers, PhDs and pharmacists, its 14 specialists in the food, industry, nuclear and health sectors provide their expert diagnostic skills.

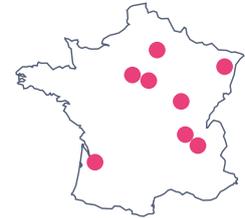
In consultation with facility managers and clients, they develop and implement innovative solutions and processes adapted to each site. They perform regular audits to verify the control of the processes implemented.

“GSF manages innovation with its employees by valuing use cases resulting from exchanges with its clients.”

Laurent Prulière
Research & Development Director



The Group reacts quickly to new challenges



MERCK
Sites in France

In June, the pharmaceutical giant Merck launched a consultation for its nine French sites. GSF was already providing its services for a number of the sites, but Merck was looking for a single cleaning and multiservice management service provider. The aim was to facilitate the intervention of other players: operators of food and beverage vending machines, florists, people in charge of green areas, and to manage inventories of consumables such as protective gloves, a strategic activity for the laboratory. The use of a computer-aided maintenance management (CMM) tool quickly became a requirement.

It was necessary to select the IT application, to configure and then deploy it. The system, developed thanks to an exemplary collaborative approach with Jean-Luc Troia, Assistant to the Director of Research and Development, and Caroline Schnelzauer, Health Coordinator of GSF Saturne, supported by Philippe Sol, Head of studies and development at the It Services Department, is now known as the GSF Box.

NFC chips⁽¹⁾ are positioned in the areas concerned by the GSF services. With a smartphone or tablet, the agent can scan these elements, identify the tasks to be performed, integrate any modifications and trace its performance. Dashboards are published, any discrepancies detected and the corrective actions initiated. The client can also directly transmit new requests to GSF and monitor their implementation. The relationship is more fluid: there are numerous benefits for the client.

The people who manage these tools also make a difference. The GSF Box requires skills in terms of support services provided by our lead hands or site managers. They have been trained to track the data collected, feed the information back to the client and solve any issues. Their work is more meaningful and values their skills."



“Proving that GSF could open up to other business lines was a real challenge that all the teams embraced. Our experience with Merck and the CMMS tool enables us to take on new markets. We can approach them with confidence, without underestimating the time spent deploying the solution, but it provides a customer benefit that differentiates GSF's offer in the related services segment.”



Patrice Chatelux
Director
GSF Saturne

(1) Near Field Communication

Quality, expertise, innovations

Advances in technology and methodology

GSF constantly adapts the equipment used on client sites and assesses any technological changes that will develop their practices and increase the efficiency of the cleaning tasks while preserving the health of its employees.

The R&D department designs training courses and ensures the technical support of the teams when necessary. In 2016, it developed tools for visual performance management, a practice borrowed from the industrial sector.

Sharing best practices

GSF teams working in the same sector regularly exchange best practices, making the Group's expertise available to its clients by sharing their best-performing solutions.

With a growing presence in the pharmaceutical industry, in 2016, GSF formalised a "Pharma Kit", a database that summarises GSF's answers to the requirements of good manufacturing practice in this industry, chapter by chapter. The Pharma Kit describes the roles and responsibilities of each GSF player, the processes to be implemented, the products and equipment to be used, as well as the qualification/training modules offered to the staff via e-learning.

In the food sector, annual meetings – Particip Agro – are organised in several regions to discuss issues, challenges and practices. They bring together lead hands, GSF's food engineers and clients.

Excellent responsiveness

GSF is a true partner of its clients, providing real added value in all situations. Satisfaction surveys regularly highlight the high responsiveness of the GSF teams as they help their clients deal with unforeseen events. Every effort is made to respond to potential problems in a timely manner, including by mobilising GSF teams outside the site if necessary.

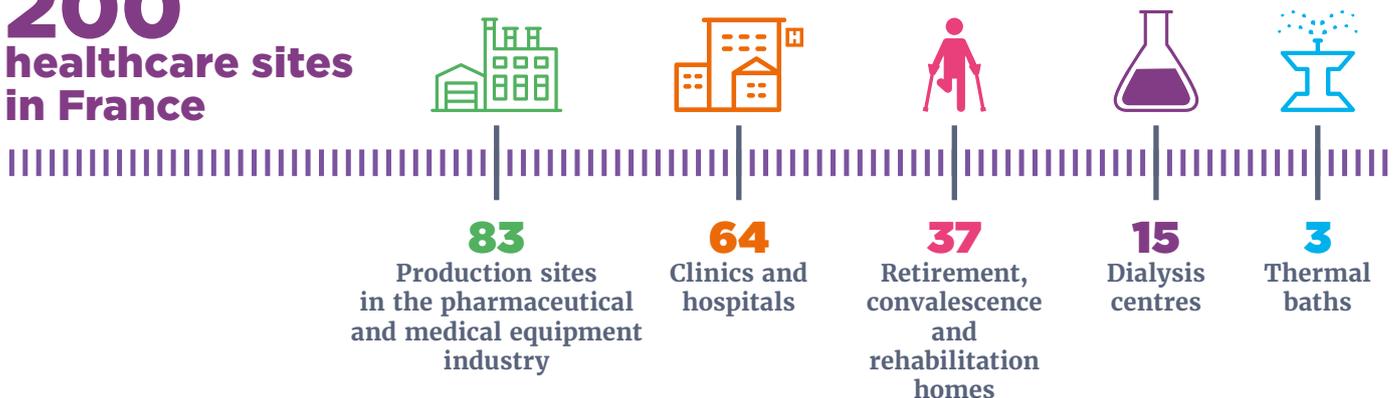
Mutual trust

To build mutual trust, GSF guarantees the fluidity of the information shared with its clients. Daily schedules are drawn up with them. They are informed about the products and equipment used. The results of the checks carried out are communicated to them and can be discussed at "round tables" in order to optimise our services.

Focus on CSR

Protecting the health and safety of individuals and meeting the expectations of clients and other stakeholders while respecting our environment are key priorities for the Group. This is reflected in the preference given to eco-label products and solutions that minimise the environmental impact (see reduction of water use in industry, use of products designed using biotechnology) and socially, with the implementation of continuous work in collaboration with our clients for the benefit of employees.

GSF works for more than 200 healthcare sites in France





GSF'Lab, preparing for tomorrow

2016 saw the launch of the GSF'Lab, a team of around twenty Group employees from different departments. Its objective is to identify new practices, products and equipment and to seek solutions to put GSF at the forefront of innovation.

The 3 pillars of GSF'Lab are:

Creativity : creativity sessions are organised where "thinking outside the box" is encouraged, producing innovative practices and principles.

Value creation: the next step is to find partners who will create value based on the ideas generated by the GSF'Lab team.

Experimentation: several pilots are planned or currently underway.

Fybots : robot sweeper that returns autonomously to the waste bin loading and emptying dock. **Swingobot :** autonomously operating washer for large areas. The **TRAXxs** sole incorporates a IWP (Isolated Worker Protection) module to detect hazardous situations :

a fall or loss of verticality, absence of movement, shocks, etc. and immediately sends an alert to the smartphone or computer of the person in charge. **Vijeo 360**, a technology proposed by Schneider Electric that allows the fusion of virtual objects and the real physical world, in real live situations. **Picomto**, a SaaS solution⁽¹⁾ to create, manage, share and analyse multi-support and multi-lingual operating procedures and internal procedures. **Editag** offers a connected objects solution to simplify flows and processes. There are several possible uses, including the pairing of machines with an operator to flag their use and facilitate fixed asset inventories.

(1) Software as a Service

AN ORGANISATION THAT SUPPORTS PERFORMANCE

GSF's organisation is one of the keys elements of its enduring success. Whenever necessary, GSF adapts to new requirements, whether sectoral or geographical.

Regular creation of structures

To ensure its development while maintaining a close relationship with clients, GSF's policy is to open new structures dedicated to a region or a sector. The Group now has 19 production subsidiaries in France and one in Monaco, and seven specialised companies: Aéro, Aérotech, Airport, Energia, GSF Airport CDG, GSF Transnord and GSF Opale. In 2016, GSF opened four new branches, reaching a total of 121 in France.

Professionalism, supervision, proximity

GSF implements all human and technical means to ensure that its services are carried out with the utmost professionalism. The supervision rate of agents ensures that clients benefit from high-quality interventions in conformity with the signed contract. The stable, qualified teams are regularly trained; the area managers, who are often promoted internally and espouse the philosophy of the GSF service, engage with clients and support the professional development of operational staff. GSF employees work with passion and are committed to fulfilling their mission. Attentive to their needs and easily reachable, our managers are true partners of their clients and are able to respond quickly to their requests, even in emergency situations.

Detailed operating procedures

The working methods are proven and shared among all the teams. For each supported site, an operating procedure is established. It details the tasks to be carried out, the methods to be applied, the safety instructions and the environmental protection rules to be implemented. Standardised and shared by all subsidiaries, these operating procedures enable the teams to provide services of consistently high quality.

Substantial investments

The products and equipment provided are carefully selected for their effectiveness. They change regularly thanks to research by the Purchasing department and the Research and Development department. Communication with clients is now facilitated by digital tablets, with which all area managers are now equipped. The total investment in equipment by our French subsidiaries amounted to over €19 million in 2016.



27 000
agents

2 400
lead hands

493
inspectors

121
facilities

27
companies



At GSF, the production teams are attached to human-scale facilities located close to our clients. This proximity allows for regular contact, excellent responsiveness and effective monitoring of teams and sites.

The supervision rate of the GSF teams is unrivalled in the profession, with almost 500 inspectors supervising 2,400 team leaders.

The inspectors are supervised by branch managers who are themselves supported by the regional directors.

NPDs, catalysts for performance

The National Production Directors (NPD) play a key role in the Group's long-term growth. Acting as a pivotal contact between the Group's General Management and the field, relaying values, the NPDs boost performance and confidence, guaranteeing compliance with commitments at a national level. As the majority of them have spent most of their career at GSF, they know the business and its requirements very well and are able to support subsidiary and branch managers in several areas: sales, recruitment, management, technical, etc. They also provide strategic monitoring of sectoral markets.



Guy Juston

NPD of GSF Atlantis, GSF Phébus, GSF Orion Sud, GSF Energia and nuclear sector



Jean-Marc Torlet

NPD of GSF Concorde, GSF Atlas and airport sector



Denis Pollet

NPD of GSF Tréville, GSF Grande Arche, GSF Ariès and services sector

“**A NPD acts as an advisor for the subsidiaries under his responsibility.**

Each subsidiary manager designs his/her strategy. The NPD is there to provide support and establish the overall framework outlined by GSF. Experience is essential to respond efficiently in the event of problems. In 2016, we were able to renew all our large contracts in the north of France thanks to the commitment of all those who work there and the quality of the services provided. I am also particularly proud and pleased that GSF Energia did not have any workplace accidents in 2016 across the two nuclear power plants under our responsibility.”

“**I am a pure GSF product: I began working here in my first job thirty-six years ago!**

The mission of a NPD is to convey the culture and compliance with GSF's commitments to our clients and all our employees. We accomplish these missions in close collaboration with our regional directors by accompanying them to field meetings or to more general consultative meetings. For the airport sector, 2016 saw multiple successes: the ADP Group awarded us the contract to clean terminal 2E at Roissy-Charles-de-Gaulle Airport, and thanks to our many other contracts we have become the leader in the number of aircraft cleaned per day in France.”

“**For me, the NPD leads the Regional Directors, but they are not the head Regional Director... He shares his experience, giving advice and opinions.**

It is a relationship of trust: the NPD must be available as needed, and the Regional Director must feel that he/she is not alone. One of our roles is also to increase their skills. Thanks to the good work by the teams and the quality of the interventions undertaken, 2016 was a great year for GSF Tréville, which saw the renewal of important contracts such as the OECD and Crédit Agricole. GSF Ariès was awarded three new contracts: Bouygues Telecom and Thales in Vélizy (78), and IFPEN (former French Institute of Petroleum) in Rueil-Malmaison (92).”



“The NPDs are the guarantors of the Group's fundamental priorities and culture.

At their hierarchical level, they exemplify the expertise, proximity and human element that are at the heart of GSF's organisation and appreciated by our clients. Their territorial distribution allows them to be very responsive and close to the companies for which they are responsible. They must supervise them while giving their managers the freedom of action and creativity. They also help them find solutions with the support of head office services.

In 2016, GSF consolidated its position as leader in cleaning services in the food sector, thanks to the professionalism of our teams, our forty years of experience working on these sites and our seven specialised engineers spread throughout the country.”

Stéphane Massé

Executive Director of GSF SAS



Vincent Ortega

NDP of GSF Celtus, GSF Neptune, GSF Auriga, GSF Athena, and non-nuclear industry sector, pharmaceuticals and food industry



José Da Costa

NDP of GSF Ariane, GSF Saturn, GSF Orion Nord, GSF Mercure and health sector



Renaud Fournieux

NDP for GSF Jupiter, GSF Pluton, GSF Opale, GSF Phocéa, GSF Stella, and Entretien Technique Services (Monaco subsidiary)

“ NPDs have multiple missions: business support, technical, financial and human management.

They play a cross-functional role and circulate information and best practices. The human dimension is very important: I participate in the recruitment of facility managers and inspectors, where necessary, and I review candidates for promotions. I also monitor the relevance of the training plans, which are important as they ensure the development of our agents and the quality of the services provided. From a technical point of view, it is up to the NPDs to request the R&D service to perform a diagnosis or identify a solution, as needed. 2016 was a very good year, with, for example, the renewal of the transport cleaning contract for the Greater Nantes area and our winning of the contract with Novo Nordisk, France's leading insulin producer.”

“ Acting as an interface between the Group's General Management and the Regional Directors, the DNP's ensure that the subsidiaries operate in unison.

Working autonomously, they are all organised in the same way, and approach problems in the same manner: offering innovative solutions that meet clients' needs. The profiles of the teams are relatively homogeneous: We have committed people everywhere, motivated by their profession. In 2016, the health sector grew again by 14.8%. The GSF teams have been able to position themselves in this very specific market for the cleaning of hospitals, clinics and retirement homes, thanks in particular to the work of four R&D health engineers based throughout France who lend their expertise to each site.”

“ The NPD has a global view of the markets. He must communicate good ideas to all the subsidiaries.

NPDs help ensure the same level of service throughout France, in all facilities, by constantly communicating the Group's values and messages. They help the Regional Directors meet their objectives. In 2016, at GSF Pluton, by leveraging the skills of our inspectors in the building and logistics trades, we developed related services that are a source of client loyalty. We were also able to adapt to the needs of La Redoute by setting up an innovative sample management service.”

REGION
HAUTS-DE-FRANCE



TOYOTA
in VALENCIENNES (59)



“We have a good reputation in the region. Our partnership with the PSA Group is a good reference, especially since their factory in Sevelnord assembles certain vehicles for Toyota.”



Mickael Lefebvre
Branch Manager
GSF Pluton

A collective victory

Since 1 April 2016, GSF has been responsible for the maintenance of the Toyota plant at Onnaing, the manufacturing site of the Toyota Yaris located near Valenciennes in the Nord department. The plant employs 3,950 people with an annual production capacity of 270,000 units. GSF's teamwork and its experience working for the PSA Group were decisive factors in obtaining this contract.

“We had been in contact with Toyota for several years. For this contract, our first meetings were held in 2014. Six companies participated in the October 2015 consultation. The response to the very technical specifications, which included more than 4,000 price lines, took a long time to develop: visits were organised at weekends to refine the proposals. Our service includes the cleaning of the workshops, paint booths, welding stations... 7 days a week.

We used our experience on the Sevelnord site to build our offer and we dedicated a technical facility to the factory. Thanks to effective

teamwork, the launch of operations was very successful: a dozen colleagues from the Sevelnord website came to help us. All the staff were retained; we put in place the necessary training for each agent, in particular in relation to safety.

In relation to Toyota's Kaizen production efficiency methods, in addition to their supervisory work, our inspectors must describe each cleaning operation by an illustrated range of work: over 2,000 will be developed in just one year. This is the first time we have had to respond to such a request: this meticulous analysis will certainly help us to make further progress.”





Significant investment in equipment

Tereos Syral, the agro-industrial cooperative group transforms beets, cane and cereals into sugars and alcohols. In 2016, it entrusted GSF with the cleaning of the industrial and commercial premises at its Nesle plant, the Group's largest starch-glucose production facility. The 3-year contract, which began in October 2016 and will last three years, involves a dozen full-time staff.

“Several factors enabled us to win this contract. First of all, the fact that GSF is already the service provider for six Tereos production sites in France, and this relationship is working well: the buyers called their colleagues to check that our services meet their quality requirements. Then, GSF decided to invest €200,000 in a high-performance suction unit. This machine makes it possible to suck up the large quantities of cereals which can overflow during certain operations. This heavy investment in equipment was decisive: it also allows us to provide additional services in response to unforeseen situations.

We were able to point out that, since GSF has a strong presence in the region, we can call in reinforcement teams, as necessary. This flexibility was greatly appreciated, as was the fact that the inspector in charge of the site had his office in the immediate vicinity of the site.

The implementation of the Teleric reporting tool, which works with RFID chips⁽¹⁾, demonstrates our ability to adapt to our clients' requirements.

We have carried our very thorough, careful work to clarify all the points of the specifications in advance and provide the best solutions. All this explains the successful launch of operations on the site!

REGION
HAUTS-DE-FRANCE



TEREOS SYRAL
in NESLE (80)



“GSF decided to invest €200,000 in a high-performance suction unit.”



Manuel Pelagatti
Director
GSF Stella

(1) Radio Frequency Identification

STRONG CSR POLICY

Considering that the performance of a company is evaluated globally, the GSF Group has been committed to CSR for many years.

GSF has been a member of the United Nations Global Compact since 2005 and renews its membership each year. Its Communication on Progress (COP) has been described as "Advanced" since 2013, along with 64 of the 1,255 members of this initiative in France. GSF is presenting its results for the first time in accordance with the Sustainable Development Goals (see pp. 68-69).

The corporate social responsibility (CSR) strategy implemented at GSF for several years has evolved according to the expectations of its stakeholders and civil society. Based on the challenges of our business lines and our business sector, it is enhanced by initiatives carried out locally by the subsidiaries with the aim of creating overall added value.

An updated CSR program

4 challenges

Governance at the service of our difference, our stakeholders and our local presence.

Solutions dedicated to sustainable performance and customer satisfaction.

Employees supported during the development of the company with respect for everyone.

Responsible purchasing at the core of our value chain

14 objectives

- //// Capitalise on our values
- //// Be an exemplary company in all aspects

- //// Maintain a permanent emphasis on innovation
- //// Support our clients with related services

- //// Provide everyone with a safe and fulfilling working environment
- //// Develop skills and employability

- //// Integrate product and equipment life cycle in our choice of suppliers.
- //// Secure the purchasing process

- //// Reduce our ecological footprint
- //// Initiate local sponsorship actions

- //// Satisfy and retain clients

- //// Support our clients in their CSR and QSE actions⁽¹⁾

- //// Promote diversity and inclusion

- //// Make the employer brand attractive

(1) Quality Safety Environment

The CSR policy covers the Group's activities in France and the Principality of Monaco with a total of 121 facilities. The indicators are consolidated on this basis (unless otherwise stated). The subsidiaries outside France implement their own procedures using the framework given by the Group.

Each of these entities is responsible for its own approach and adapts the policy according to the level of maturity and local regulations in force. The indicators identified in this report are managed by the operational teams who report on them three times a year as part of a management review. For the past three years, an independent third party organisation⁽¹⁾ has been monitoring their consolidation over the calendar year.

An effective supervisory model



Recognised CSR results

We are committed to providing objective and relevant information to our business partners, which is why we voluntarily evaluate our CSR approach on an annual basis, performed by the independent non-financial rating agency, EcoVadis.

The methodology and criteria used are based on international CSR standards such as the UN Global Compact, the Global Reporting Initiative (GRI) and ISO 26000.

The mark obtained ranks GSF in the top 1% of companies across all sectors evaluated by EcoVadis worldwide, and in the top 1% of cleaning companies.



⁽¹⁾ FINEXFI report (537 551 434 RCS Lyon). See page 71 of this report.
⁽²⁾ QSEE Quality Safety Environment and Energy.

SUPPORT FOR COMMUNITY

Proximity is at the heart of GSF's values and this can be seen in the territorial network of its branches, its local presence and the level of supervision of its employees.

We wanted to take a step further and, as part of a participatory approach, identify and reward initiatives taken by our employees.



The winners of this competition will benefit from the financing of a social, environmental or social integration project in which they are fully involved. This approach is in line with GSF's history and its strategy of social responsibility.

The 2016 winners



H el ena Grolier
Team Leader
GSF Celtus

Winner in the Solidarity category, creator of the *association* "Les B eachus", which brings the elderly out of isolation with the help of children, in a transgenerational approach.

"Creating the link, it's about putting people forward, it's interesting, it's fun."



François Leforestier

Executive Director of GSF SAS and
Chairman of the "Coups de Pouce" jury

Putting our employees at the forefront

The professionalism employees demonstrate in their day-to-day work is also expressed, for some of them, in charitable and solidarity work. The GSF "Coups de Pouce" challenge was created to recognise and value their commitments to associations of public interest.

We must not forget that the human element is a core component of our business activity. The Group's aim is to highlight and promote our employees' commitments in order to value them in another way.

We established a jury made up of members of GSF management and civil society representatives, such as Yohann Quilliou, the disabled athlete whom we support financially and Élisabeth Fuchs, PACA Director of the Les Entreprises pour la Cité network. Two deliberation sessions were required to select the three winners of this first edition.

It was not an easy task because the associative sectors concerned were so varied: childhood, environment, solidarity. This valuable learning experience will be repeated, following in the footsteps of this first successful event."



Jordane Coutet

Healthcare Division Inspector
GSF Mercure

Winner in the Social Insertion category for the **association "Ô gré des vents"** which organises cultural outings and short breaks for the physically and mentally disabled.

"I was not surprised by this GSF initiative, as it has held these values for a long time."



Laurence Bénit

Service Agent
GSF Ariane

Winner in the Environment category for the **Kergomard Social and Cultural Centre** in Metz for her project to raise awareness about recycling among users of the centre.

"It is the recognition of what you can do, not only as an employee but also as a volunteer. Seeing the competition entry form next to my payslip was proof that the company was taking our commitments into account."

TAILOR-MADE SUPPORT FOR ALL EMPLOYEES

The tasks performed by GSF staff are valuable in many ways. In specific environments such as the food industry and hospitals, the cleaning of spaces and machines is linked to the performance of our clients' business activity and to the safety of their own customers, both consumers and patients.

+2.2 M€

**spent on personal
protective equipment**

**20% increase between
2015 and 2016**

In the services sector, the use of inspiring workspaces, performance levers for companies, is becoming more frequent. It is about offering smart modular workstations that optimise the use of space without any concessions with respect to their cleanliness and maintenance. Concerns for the quality of life at work improves employee comfort and productivity.

These changes in social practices have also had an impact at GSF. In short, it is about providing everyone with a safe environment, developing their expertise and employability, and promoting diversity and inclusion to help raise the attractiveness of the employer brand.

As our employees perform their jobs in our clients facilities, we need to address this challenge through innovative work approaches. We attach great importance to their working conditions, their outfits and their equipment, in particular in relation to personal protection.

The first issue is that of security

Given the many business sectors in which we operate, the occupational risks are diverse and varied. Under the responsibility of the director of each subsidiary, the prevention and occupational health and safety procedures are implemented locally and are coordinated by the Quality Safety Environment and Energy coordinators within the framework set by the Group's Safety Prevention Unit. Some repetitive tasks are still performed by our employees despite our efforts in terms of training and to improve the equipment used.

Julien Rougier, Regional Director of GSF Mercure, has taken a proactive approach to improving the safety of its employees: "Every team meeting now starts with a safety item. Safety talks and OUF⁽¹⁾ sheets were relaunched. The entire safety monitoring system was reviewed. In one year, the frequency rate decreased by 40% and the severity rate by 35%. The Lyon Sud facility currently has more than one hundred and fifty days without accidents leading to work stoppage. A spirit of competition between the facilities was created naturally."

Health and safety in the workplace results



2.96
Rate of contributions payable in connection with work accidents and occupational disease (AT/MP) for GSF France, 30% less than figure for the profession (FEP data)

7 subsidiaries saw their frequency and severity rates drop between 2015 and 2016

Number of safety certified facilities according to ILO-OSH 2001 and OHSAS 18001 as part of the QSE triple certification
2014 : 20 | 2015 : 38 | 2016 : 48
2017 objective : **55**

As a result, 70% of the occupational diseases that affect them are related to musculoskeletal disorders. This was the main topic of the Group's third Prevention Health and Safety meeting held last November.

On this occasion, the diplomas for musculoskeletal disorder prevention leaders (A.P.T.M.S.) were awarded to the inspectors concerned. The A.P.T.M.S. provide an ergonomic consultancy service when working on new client sites with a view to improving the working conditions of

employees and limiting their exposure to strenuous activity. As Jean-Claude Le Touzé, Deputy Group Security Coordinator, stated : "The objective of one A.P.T.M.S. per company has been achieved and we are now aiming for one A.P.T.M.S. per facility. They assess risk situations and verify the effectiveness of the solutions implemented following the deployment of the action plan. We rely heavily on this prevention network to further advance and improve our safety results."

(1) Tool for analysing "near misses".

DEVELOP SKILLS AND EMPLOYABILITY

Training is seen by GSF as an effective instrument to implement its social responsibility agenda. Developing skills and integrating employees are the objectives of our policies.

The Field Internal Promotion Department now brings together training programmes, skills development and issues related to internal promotion. It has been renamed GCPT (for staff training and promotion) and must facilitate the social ladder in an area where it is still a reality. Our subsidiary managers, all from the field, are proof of this.

94%
of facility manager positions were filled internally

Training

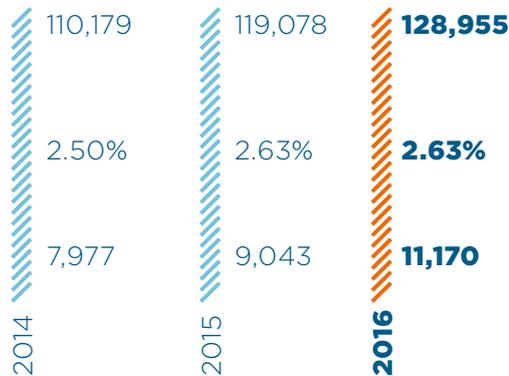
Hours of training

(excluding individual training leave and vocational training contracts)

Share of the total wage bill dedicated to training

Number of trainees trained

(excluding individual training leave and vocational training contracts)



It is important for the Group to constantly maintain exacting standards on client sites in relation to the conduct, hygiene and safety of our service staff. The close monitoring performed by team leaders and area managers is now supplemented by a module "The GSF fundamentals" designed specifically for this purpose.

The training provided by external agencies and by the Group's internal training organisation (AFPENG) aims to improve the quality of services

401
Number of CQP certificates started during the year

provided, with dedicated training programmes by industry. In 2016, Gesture and Posture training courses, aimed at preventing occupational diseases and reducing accidents at work, were particularly in demand. 12% of the total training hours were related to these courses.

The professional qualification certificates (CQP) are awarded by the French Cleaning Companies Federation (FEP) in recognition of the skills obtained. They demonstrate the desire of the Group's employees to have their skills recognised and valued, at any age : at GSF, 38% of CQP courses in 2016 were by taken by employees aged over 45.

Training, also through vocational training contracts, reflects the efforts and involvement of the employees involved in this process, which often exceeds 200 hours of training. This ambitious policy was initiated a number of years ago and was widely deployed in 2016, as the target of 400 CQPs was exceeded.

The tasks performed by our employees are becoming more complex, the quality procedures are being reinforced and our clients want to ensure that our employees understand the procedures. We therefore decided to pursue our efforts in terms of training in French language proficiency. 54 employees had been trained in 2015, 55 were trained this year. This skill is an asset both in the workplace and in everyday life.

124
different nationalities within the Group

7.9%
Percentage of employees with disabilities

75%
sites exceeding the legal requirement of 6%

763
trainees
(Workforce paid under work-study contracts in 2016)

Promoting diversity and inclusion

The GSF Group is committed to promoting diversity over the long term and adhered to the Diversity Charter in 2014. It is a moral commitment that urges signatory companies to guarantee the promotion and respect for diversity among their employees. The sector's business lines are recognised as vehicles of integration and inclusion.

Efforts to integrate people with disabilities have made it possible for the Group to achieve an employment rate of people with disabilities of close to 8%, which is higher than the rate for the profession (FEP 2015 figures). The subsidiaries are committed to this process and some, such as GSF Trévisé, are working to hire work-study staff with

disabilities with the help of a dedicated assistant. The Group is also seeking to secure its future by relying on young talent. Almost 11% of the short-term contracts signed in 2016 concerned employees under 25 years. The profession remains attractive for this age group and the new digital tools put in place are particularly appealing to them. "Tremplins GSF", the initiative established by GSF in 2010, has reached its cruising speed. This competition is now well known in schools providing Advanced Technician Degree Programmes (BTS) in Environmental Services and Nuclear Environment. Teams of up to five students have a unique collective and professional experience by proposing innovative projects, with the help of their sponsor, a GSF employee.



ENVIRONMENTAL PERFORMANCE AT THE SERVICE OF OUR CLIENTS



GSF's activities are largely carried out on client sites and the environmental impact is linked to the products and equipment used to provide the service. We therefore voluntarily defined two components under the environmental dimension of GSF's CSR strategy: reducing our ecological footprint and supporting our clients in their CSR/QSE strategies.

In view of the quality and certification processes we have been carrying out for a long time, we have decided to gradually deploy ISO 14001: 2015 across our subsidiaries, either independently or as part of a triple Quality, Safety and Environment qualification. In concrete terms, the Quality, Safety, Environment and Energy Coordinators are in charge of the environmental management system and the energy management system (ISO 50001). They are assisted by the Legal Department and the Environment

Energy Division, which issue regular monitoring bulletins and support any initiatives taken by subsidiaries.

In 2016, for example, GSF Atlas and GSF Grande Arche, located in the Paris region, adopted the bicycle kilometer allowance for their facilities to compensate employees who use this means of transport to get to work. This action was decided in partnership with the representative bodies.



Eric Noleau

Executive Director of GSF SAS
Paris Ile-de-France

Delegated waste management GSF expertise recognised by its clients

Delegated waste management provides a solution to a problem that has been increasing for our clients for several years now, consistent with the emergence of CSR strategies and the tightening of environmental regulations. In addition to being complex and time-consuming, waste treatment is costly if it is not optimised. Moreover, this issue often requires internal change, which makes it even more difficult to deal with. We are confronted on the ground with resistance to changes in waste sorting habits or intake at collection points.

To respond to these challenges, under the initiative of Jean-Luc Troia, head of the Group industry, environment and energy division, we have developed real expertise across the entire value chain in four dimensions: human, logistics, IT and legal.

After completing a necessary diagnostic phase, assessing flows and gathering information on premises, such as waste disposal sites, and the level of maturity of the occupants who will generate the waste concerned by our offer, we provide support to the occupants, with information kits and an educational stand. The waste streams are then mapped, the collection area of the company organised and a check weighing system put in place. By more accurately assessing the quantities of waste to be disposed of, this makes it possible to reduce the removal costs for the benefit of our clients. Its introduction resulted in an increase

in the recycling rate and an adjustment of the bin rotation process by compacting the waste and removing it on request. Finally, it results in improved cost control for our clients, in particular thanks to the reduction in the volume of waste incinerated.

In terms of information technology, tools for monitoring, traceability and information on the type of waste and its evolution are being put in place. The maintenance of the waste register is thus improved.

The last fundamental dimension, the legal aspect is crucial. Updating the waste register, implementing the regulations related to their transport according to their hazard potential, defining the authorisations of drivers... these are all themes that rely on constantly evolving regulations on the matter. We have a highly efficient legal department which, after careful monitoring, issues summary notes for the benefit of our services and therefore of our clients. This provides real added value for our clients.

Once again, the success of this approach is based on the presence and quality of our proximity management."

22%
reduction in
the amount
of waste⁽¹⁾
produced at
the OECD site
between 2014
and 2015

(1) Non-hazardous waste.

RESPONSIBLE PURCHASING AT THE CORE OF OUR VALUE CHAIN

The provision of cleaning services has a technical dimension, which is performed with the help of increasingly innovative and efficient products and equipment. This technical component corresponds to precise specifications depending on sectoral constraints (healthcare, airport, food, etc.) and according to social and societal expectations. For several years, the chemicals used have eco-labels and they provide added environmental value.

47%

Share of environmentally friendly products purchased in 2016

79.1 M€

spent with our suppliers, an increase of 26% compared to 2015



Marie Calautti,
Deputy Director, Purchasing Department

Collaborative performance with our suppliers

“**T**he Responsible Purchasing approach has two main dimensions that benefit our teams and clients: the protection of the purchasing processes and the integration of product and equipment life cycle as well as their energy performance in our choice of suppliers.

All of our major partners, representing over 82% of our total purchases, are referenced in Afnor's Acesia Platform, which allows us to follow their commitment to sustainable development thanks to constantly refined quotations.

In 2016, we initiated special support for small suppliers, often start-ups, that offer innovative solutions but do not necessarily have enough cash to launch production. By guaranteeing a purchase volume and positioning ourselves as a security bond between the supplier and a distributor, we have allowed innovative companies to bring their products to the market and find outlets. This tripartite approach is encouraged by the Responsible Supplier Relations Charter, which we signed in February 2016. This approach also allows us to support products made in France and short supply chains because the initial production runs are done locally, close to the inventor. We also raised the minimum order amount to €150 to group orders and facilitate the operation of start-ups.

The payment terms are those established by law but they never put our suppliers at risk. We consider it our responsibility to perpetuate the economic fabric that supports our business and we are vigilant as regards the risk of financial dependence of suppliers.

Our aim is to provide our employees with chemicals "without hazard statements". This means that two people in the Purchasing department study the product safety data sheets and their technical specifications in colla-



boration with our health safety unit, identify equivalent products on the market, make users aware of these developments and finally remove any controversial products. There are other occupational health and safety issues as regards equipment. The difficulty of using the equipment in our catalogue was assessed and any equipment considered the most strenuous for our employees are gradually being replaced. This process is being carried out in consultation with the users.”

 **Let's do it!**

In September 2016, the Purchasing department immediately swung into action to meet the expectations of the Let's do it France association that GSF had decided to support.

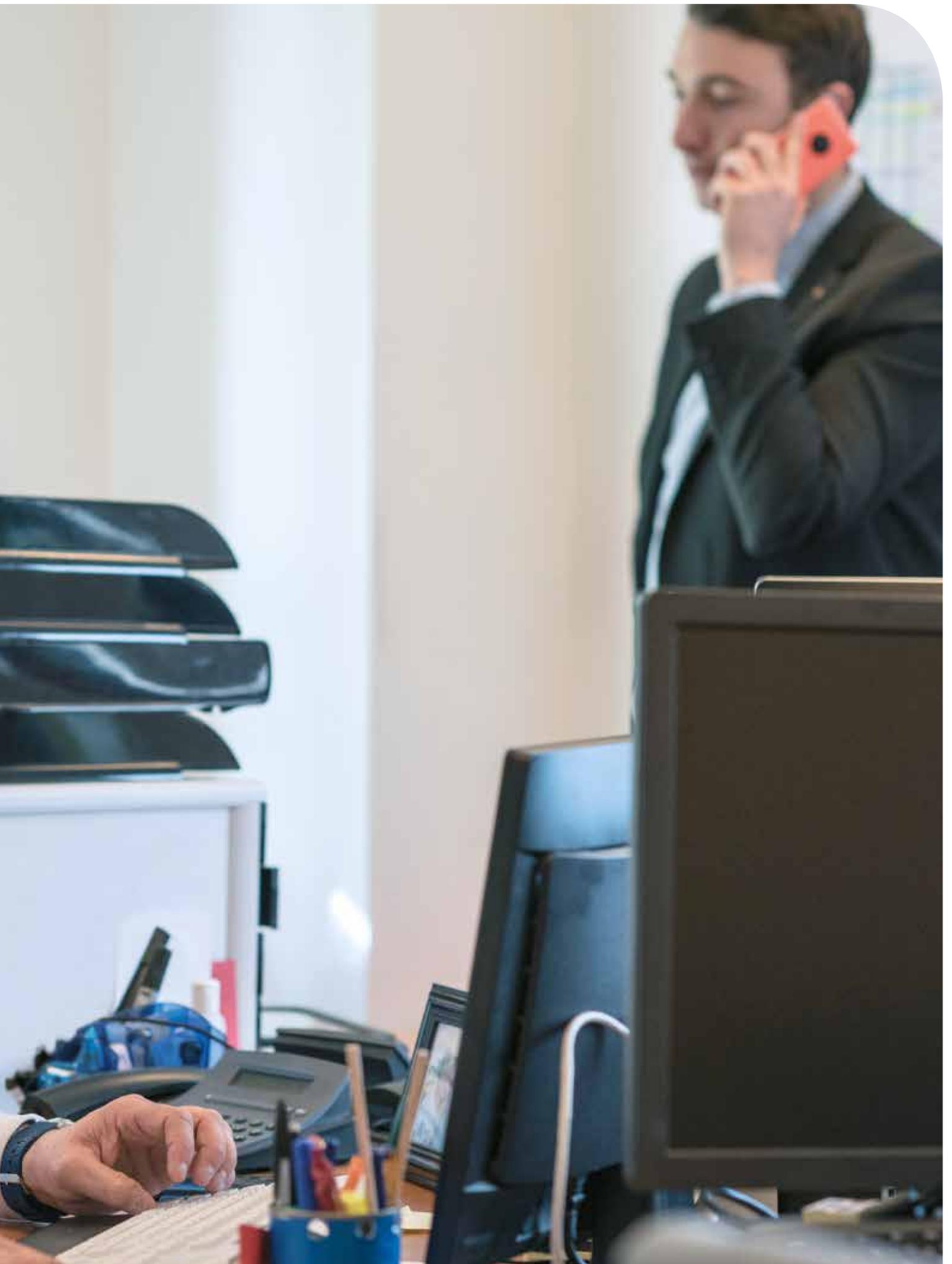
The challenge was to provide logo bags and protective gloves to teams of volunteers working on the illegal waste dumps throughout the country. It was not just a matter of making a donation, but for GSF to take concrete action in the area of environmental protection.

// Financial overview

A SUCCESSFUL FINANCIAL YEAR

Strong growth and good results: combining business success and careful management, our Group is more than ever demonstrating its capacity for long-term success.





TURNOVER: ENHANCED GROWTH

As with every year since the Group's inception, turnover increased in 2016. Reaching 7.5%, this growth is the strongest since 2012 and brings our business activity to nearly €796 million.

An exceptional business year

In France, business volume grew by 6.9%, well above the Group's target of 4.9% and the overall figure of 2.6% recorded in the industry⁽¹⁾. Growth is close to 79% over the last decade (2006-2016).

In addition to the very high renewal rate of our contracts, we owe this performance to the hard work of our sales forces, which recorded their best result since 2011.

A total of 1,168 contracts were signed, up more than 54% from 2015. More than half of the turnover was related to contracts for an annual amount of more than €180,000. The most important contract signed saw the Group become the provider of cleaning services at terminal 2E of Roissy-Charles-de-Gaulle airport.

GSF Group revenue



● Annual growth rate

In thousands of euros

⁽¹⁾ Based on a survey of 300 cleaning companies carried out by I + C for Le Monde de la propreté in January 2017.

Our clients, our business source

Contracts signed in all sectors

35% of the value of new contracts signed in 2016 was from the services sector, slightly higher than in 2015. The proportion is higher than 50% in Ile-de-France thanks to major contracts signed with Crédit Agricole Immobilier Facilities and Bouygues Telecom.

In industry, the flagship contract signed with our new client, Toyota, contributed significantly to the business contribution of this sector, amounting to 14%.

Distribution also generated 14% of new business volume in 2016 (up from 9% in 2015). Several major retail brands, such as Primark, Castorama, Brico Dépôt and Ikea, confirmed their trust in us in 2016 by assigning additional stores.

The dominant position of the services sector

At 28%, the services sector still ranks No.1 in the breakdown of our turnover in France. Industry and distribution remain our second and third largest sources of revenue, accounting for 19% and 14% of turnover, respectively.

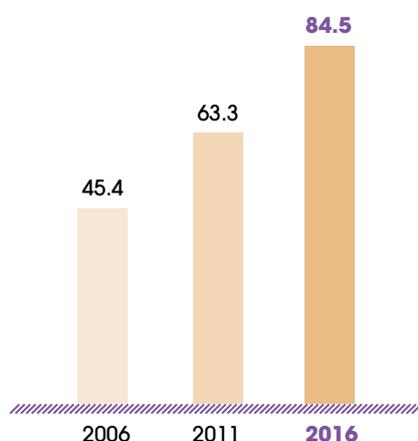
Occasional work experienced the biggest surge, rising from €9.7 million in 2015 to €13 million in 2016. One-quarter of the amount is generated by the industrial sector and 20% by the services sector. The strong development of these services reflects the recognition by GSF's clients of its responsiveness, professionalism and proximity.

Momentum in healthcare and food sectors confirmed

The second strongest increase in sales was recorded in healthcare, where our business grew by 14.8% to almost €71.8 million. We acquired a new, important client, the Danish group Novo Nordisk, a leader in the field of diabetes treatment, with which we signed one of the most important contracts of the year.

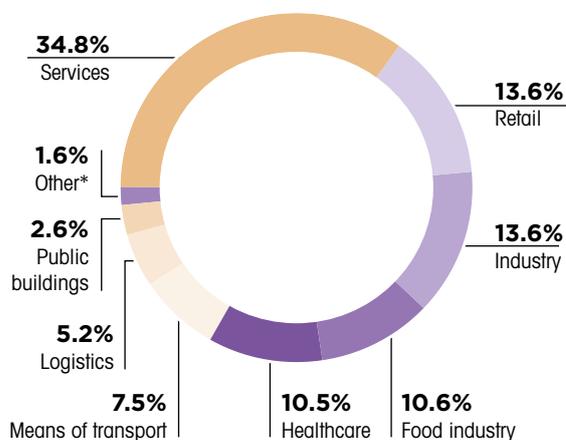
The volume of business generated by clients in the food sector increased by 8.4%. The development in this sector over time has been spectacular: generating €45.4 million of turnover ten years ago (2006), it represents nearly €85 million in 2016.

Development of business activity in the food sector



Group turnover in France in millions of euros

Sector-based distribution of new contracts signed in 2016



The "Other" component includes new business lines, leisure and urban cleaning



Emmanuelle Doliger

Head of Employee Services Division
L'Oréal Cosmétique Active - Asnières-sur-Seine

“Immediate and pragmatic steps are taken with the GSF teams to find a solution to the slightest problem.”



Pulling together to improve performance

“The L'Oréal Campuses are committed to providing employees with a high-quality work environment dedicated to creativity and project-based work. We therefore wanted to associate the GSF teams with our operating method, to jointly develop services aimed at operational excellence. In 2012, GSF won the contract for the maintenance of the five L'Oréal campuses in Paris, which comprise 160,000 m². After two years of collaboration, both companies made the common observation of the requirement to professionalise the management of this activity. In 2016, we worked to implement a process of continuous improvement inspired by industrial methods and involving staff.

What elements should be taken into account in order to achieve operational excellence?

Three areas need to be developed simultaneously. The first is to define the governance, i.e. who to meet, when and why. This is in order to structure and ritualise exchanges. Then the indicators must be identified: we must ask ourselves what we want to monitor, how often and how. Finally, in parallel, we must consider the creation

or adaptation of existing tools to accompany the evolution of practices. I am thinking in particular of everything that has been done in terms of visual management and the publication of good-practice sheets. They are training tools based on simple illustrated tasks dealing, for example, with safety, the wearing of personal protective equipment, points that should not be forgotten. E-learning is also used to increase staff competence and this is one of GSF's strong points.

How do you work with the GSF teams on a daily basis?

We have set up a daily meeting with the team leader which takes place in front of the visual management chart. This meeting is prepared beforehand by the GSF teams who are committed to this operational exchange. The indicators monitored are those relating to the activity (number of intervention requests, increase in potential malfunctions), the quality and compliance of the service and indicators relating to safety in risk situations, "near-misses" and accidents, as appropriate. This approach ensures the fair quality of the services as described in the specifications.

What are GSF's strengths in this process?

We appreciate the responsiveness of all those involved in the process, from agents, lead hands and performance managers to inspectors and facility managers. Immediate and pragmatic steps are taken to find a solution to the slightest problem. A weekly cross-check is used to supplement the action plan reviewed by the various players at the weekly meetings. It is very useful. The implementation of communication tools has generated obvious time savings, with less toing and froing with log books and fewer e-mails. Communication is channelled and simplified with complete confidence and transparency for greater efficiency. This approach to social innovation has been a success and was recognised during the ARSEG awards. A positive collaborative approach for everyone, and especially for the users of spaces maintained by GSF.”

Our subsidiaries, drivers of growth

Growth drivers throughout France

In 2016, the Group continued to adapt its facilities to the needs of its clients. A new subsidiary, GSF Airport CDG, was established in November. It has a physical facility and manages the Roissy-Charles-de-Gaulle airport site, a contract which we won in 2016. Other facilities were established during the year by GSF Pluton and GSF Celtus.

At 31 December 2016, the Group therefore had 27 subsidiaries and 121 facilities, distributed throughout France and the Principality of Monaco.

Shared mobilisation

Reflecting the commercial dynamism of 2016, eight of the Group's subsidiaries recorded growth of more than 10% in France. The two biggest increases are made by recently established specialised companies, which began operations in 2015: GSF Energia, dedicated to the nuclear sector (+131%), and GSF Aérotech, dedicated to the airport sector (+79%). GSF Tréville leads the way for our regional multi-sector companies (+20.3%).

GSF Celtus is ultimately the subsidiary with the highest turnover in 2016. GSF Tréville is the subsidiary that signed the highest amount of new contracts during the year.

Strong international growth

The total turnover of our five subsidiaries located outside France amounted to €64.3 million, setting a new record. It grew by 15.1%, following a 14.5% increase in 2015.

The strongest change was in Canada, where business volume increased by 26.6%, thanks in particular to the flagship agreement signed at mid-year with the Palais des congrès de Montréal and the market acquired from the Telecommunications Group, Bell.

Great Britain also stands out with its growth of 16.4%, which remains to be consolidated. Growth reached 28.4% excluding the conversion effect.

Contribution of European Customer Synergy (ECS)

The European Customer Synergy (ECS) grouping, with its seventeen partners and some 200 clients, is another source of international business activity, up 5% in 2016.

This network brings together cleaning and related services companies throughout Europe that share the same values and the same professional requirements. It offers clients in several countries a single entry point and the assurance of homogeneous and quality services.

Regional subsidiaries: strongest growth

GSF Group subsidiary in France	Turnover trends 2016/2015	Turnover 2016 (In thousands of euros)
GSF Tréville	+20.4%	32,726
GSF Athena	+16.7%	28,820
GSF Neptune	+15.8%	52,093

Specialised subsidiaries: a promising start

GSF Group subsidiary in France	Turnover trends 2016/2015
GSF Energia	+131%
GSF Aérotech	+79%

A FINANCIAL YEAR CONSISTENT WITH OUR OBJECTIVES

2016 resulted in a net profit of €27.2 million. While the result is lower than in 2015, the Group maintains a good level of profitability, with a net margin of 3.4%.

Net profit
27.2 millions of euros

Net margin
3.4%

Staff costs contained

Staff costs in 2016 amounted to €577.9 million, compared with €539.5 million in 2015 (+6.9%). Their relative weight decreased slightly despite a significant increase in social security contributions, mainly due to the generalisation of complementary healthcare.

The participation amount fell sharply due to the increasing share of the competitiveness and employment tax credit (CICE) in the result, which excluded from the calculation basis.

Average headcount increased by 4.1%. It had 32,500 employees in 2016, of which 2,501 were outside France.

Operating income and expenses up

Consumables purchased moved at a slower pace than revenues (+6.9%), thanks to efforts to rationalise suppliers and product ranges.

Operating income rose sharply (+27.3%), partly attributable to reversals of provisions.

At the same time, other operating expenses increased by 13.2%, impacted by IT projects. While some overheads are increasing, there was a sharp contraction in spending on car fleets and equipment supplies, which is declining as their volume grows. More than €240,000 of fuel was saved during the year, as well as nearly €470,000 for maintenance and repairs.

Tax burdens provisionally increased

Amounting to €31.5 million, the taxes and levies item weighed heavily on Group turnover (4% versus 3.8% in 2015). The reason for this is a change in the basis for calculating the contribution to continuing professional development, which led us to set aside provisions for this burden twice in 2016.

Provisions for liabilities and charges have been reinforced. The provision for pension liabilities increased considerably due to the increase in headcount and the discount rate used (indexed to the interest rate on private sector bonds). Other provisions were made for an URSSAF audit and the settlement of disputes.

A good operating result

The Group's operating income amounted to €31.9 million. Despite a downturn that can be attributed to the various non-recurring items, the operating margin remained above 4%.

Strong performances were recorded internationally, where operating income, although remaining stable in Great Britain, rose strongly elsewhere. The five subsidiaries generated a total operating profit of €1.1 million.

Solid net income

The financial result was once again affected by the extremely low interest rates and exceptional revenues were lower (€0.6 million compared to €1.1 million in 2015). On the other hand, the corporate tax charge decreased by 12.6%, taking into account the non-taxation of the CICE and the recording of deferred taxes.

Our Group recorded a net profit of €27.2 million, down 8.5% compared to 2015.

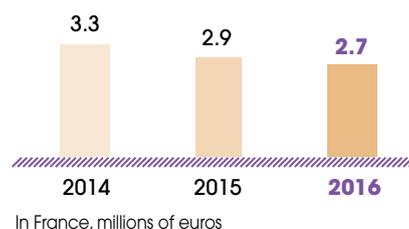
GSF is consolidating its sound management approach in an unchanged competitive environment, where the cleaning and related services sector is characterised by low margins and a downward trend in sales prices.

GSF Group headcount in 2016

	Managerial	Clerical	Manual	Total
France	322	1,198	28,479	29,999
International	36	71	2,394	2,501
Group Total	358	1,269	30,873	32,500

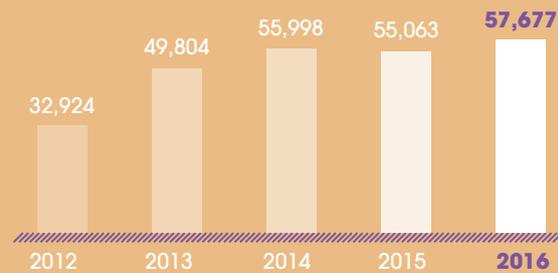
Average annual headcount

Fuel expenditure trends



A STRONGLY POSITIONED GROUP

Changes in cash flow from operations



GSF Group, in thousands of euros

A sound balance sheet

Assets

Intangible assets increased by 16.8% to €7.1 million. This development was mainly related to software acquisitions and setup costs.

Property, plant and equipment amounted to €27.8 million. Over 64% of this amount related to purchases of equipment, the need for which was reinforced by the development of the activity and the acquisition of new construction sites.

Of the current assets totalling €269.4 million, trade receivables amounted to nearly €130 million. The increase of 14.1% compared to 2015 reflects the increase in our clients' average settlement time from 46.2 to 49 days.

Other receivables were up sharply, largely attributable to the excess of corporate income tax paid before the CICE.

Liabilities

Down from €112 million at the end of 2015 to €108.4 million at the end of 2016, the Group's shareholders' equity experienced a slight decline, due to lower earnings and the payment of dividends. Consolidated reserves also suffered from a negative translation adjustment of €0.2 million.

Increased provisions for liabilities and charges were passed. 70% of this amount is attributable to a provision for pension liabilities, which received an additional €2 million in 2016.

The Group's financial debts remains low and was reduced still further in 2016. The accounts payable item was essentially increased by a calendar effect, as the due date of 31 December was on a Saturday and was therefore paid in January. Finally, changes in taxes and social charges were slower than that of turnover.



High cash flow from operations

The relatively large amounts set aside for depreciation and amortisation, which reduced the Group's result, did not affect the cash position. The cash flow statement shows a further increase in cash flow from operations. This amounted to €57.7 million.

Net cash flow from operations was impacted by the increase in trade receivables and other receivables and payables, down 25.2%. Investment and financing operations were negative, at €29.5 million and €31.6 million

respectively, reflecting the higher levels of investment made and dividends paid.

The Group's total cash position was down €25 million. However, the net cash position of current bank overdrafts remained very high, amounting to €55.9 million at 31 December 2016.

(1) Solvency indicator calculated by *Ellisphere*.

EXPECTED PERFORMANCE

The GSF Group has a number of strong points as it faces into the years ahead. Its results demonstrate its ability to grow and develop in an economic context that has been weak for some years.

Continued strong growth

We expect growth of over 5% in 2017, well above the projections made by the French Cleaning Companies Federation (FEP) for the sector as a whole, and the forecast of 1.4% for the French gross domestic product (GDP) by the OECD⁽¹⁾.

Three years after passing the €700 million mark, the Group's turnover will pass the €800 million mark for the first time, with over €830 million.

The Group's expertise and its ability to invest and innovate will serve it well in an ever more competitive world, where supply is constantly increasing and prices are tightening.

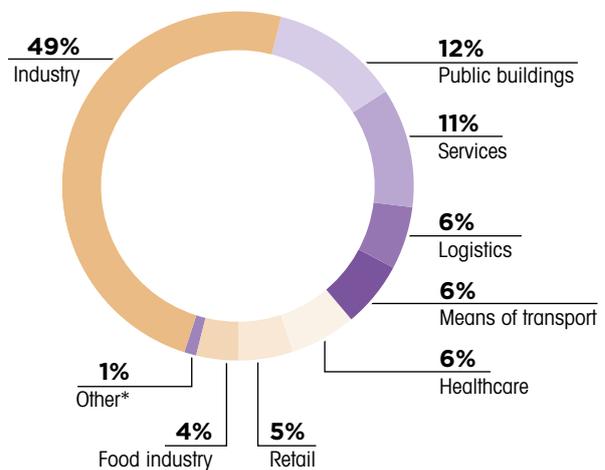
A stable and coherent strategy

Building on its convictions and the relevance of its economic model, the Group will pursue its proven and transparent strategy of purely organic development and financial independence. Our positioning will remain that of a hygiene and cleaning specialist, also able to offer an complementary set of related services to its clients.

In order to maintain growth that exceeds that of GDP, which has remained between 1% and 2% in recent years, the major players in the cleaning market, of which GSF is a member, must develop new sources of growth. Multiservice diversification, the specialisation of certain high value-added skills, and upscaling through technical innovation and in the services we provide, are the key elements of our strategy.

We are convinced that the human element will remain dominant. The services will evolve towards the versatility of operational staff and their flexibility with regard to the use of premises. This vision is integrated into our projects at a rate that is dependent on technical and human investment.

Breakdown of related services by business sector



The "Other" component includes new business lines, leisure and urban cleaning

Most promising sectors

Healthcare: positive outlook despite difficult circumstances

Although it has been suffering for some years due to the reduction in hospital budgets, the healthcare sector, in which we have demonstrated our expertise, should continue to grow in our portfolio.

The continued outsourcing of services and needs arising from the ageing population point to significant market opportunities. The renewal of our UniHa referencing, which took place in 2016, is promising. Private clinics, which currently only outsource half the volume of their cleaning services, constitute a considerable opportunity for the Group.

Important contracts have already been renewed at the beginning of 2017, such as those relating to the University Hospitals of Strasbourg, the Hospices Civils de Lyon and the Centre hospitalier de Caen. A new client, the Centre hospitalier de Chalon-sur-Saône, has also joined us.

Related services: a further expanded offer

Related services are another growth driver for the Group. Their volume grew by 38% in 2016 and their share, set at 7.8% of business activity in France, is expected to grow.

Our structured offer in terms of management, which covers all services and all business sectors, represents a real added value for our clients and allows us to extend our range of services to meet their demand. In addition to delegated waste management, which is more widely deployed, new areas of intervention have been identified in all sectors. For example, in the industrial sector, which today accounts for half of the business volume of these services, first-level maintenance of buildings, of certain equipment or vehicle fleets.

We also have the capacity, through the creation of a network of partners, to strengthen our resources by collaborating with other agents or outsourcing when the need arises.

Breakthroughs in specialised distribution

Historically well established in food distribution, we work with most of the major brands in this sector. The Group is developing strongly in specialised retail outlets, in favour of which a rebalancing is taking place. Our turnover increased by 15% in 2016 – a trend that is set to continue.

 **A new threshold:**
over
800 million euros
of turnover in 2017

We marked our best achievements in the furniture, DIY, clothing and sports sectors: our market share is growing year on year. A number of contract renewals will however take place in this business sector in 2017, which will require our vigilance and the expertise of the commercial forces of our Key Accounts department.

New developments also expected

Several other sectors also have significant development potential for the Group.

In the nuclear industry, our specialised subsidiary GSF Energia is preparing to respond to new calls for tenders, which should be issued in 2017. It is considering extending its range of services, in particular to propose a nuclear logistics service.

Our aim is also to maintain our position as a leader in the food sector and to build on the relationships of trust established with our clients in the airport sector to continue our expansion in this segment.

Providing solutions to the challenges

In our core business, cleaning, we always expect to stand out due to the quality of services we provide. Our investment in technology will be further strengthened in 2017 and the resources allocated to our innovation unit, GSF Lab' will be increased to finance 'proof of concept' (POC) projects.

Digital tools for tracking and managing performance will also be more widely deployed to ensure greater responsiveness and transparency. The GSF Box, successfully tested in 2016 for multiservice control of sites, will be extended to a dozen additional clients in 2017, with the number of users multiplied by three.

An ample network

In Monaco, a new subsidiary, ETS Global Services, was set up at the beginning of 2017 to satisfy requests for related services expressed by our clients and to increase the Group's expertise in the Principality.

In France, our Group has a strong geographical network that satisfies the need for uniformity and reliability of our services. We believe it is of ample size to address the expected growth in 2017.

// Notes

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performance
indicators**

2016 Consolidated financial statements

CONSOLIDATED FINANCIAL POSITION AT 31 DECEMBER

IN THOUSANDS OF EUROS

BALANCE SHEET – ASSETS	2016	2015
NONCURRENT ASSETS		
Intangible assets	7,066	6,050
Property, plant & equipment	74,815	71,589
Non-current financial assets	1,181	1,068
CURRENT ASSETS		
Inventories and work-in-progress	970	823
Trade and other receivables	129,961	113,893
Other receivables and accruals	72,163	54,596
Investment securities	5,405	5,005
Cash and cash equivalents	60,879	87,469
TOTAL ASSETS	352,439	340,493

BALANCE SHEET – LIABILITIES	2016	2015
EQUITY (Group share)		
Capital	9,000	9,000
Premiums	984	984
Consolidated reserves	71,267	72,284
Consolidated income	27,160	29,688
MINORITY INTERESTS	1	1
PROVISIONS FOR LIABILITIES AND CHARGES	34,471	29,753
LIABILITIES		
Loans and financial liabilities	12,825	14,875
Trade and other payables	27,660	21,011
Other liabilities and accruals	169,071	162,898
TOTAL LIABILITIES	352,439	340,493

CONSOLIDATED FINANCIAL POSITION 31 DECEMBER

IN THOUSANDS OF EUROS

	2016	%	2015	%
TURNOVER	795,827	100	740,031	100
Other operating income	10,391	1.31	8,164	1.10
Consumables purchased	26,490	3.33	24,775	3.35
Staff costs	577,910	72.62	539,469	72.90
Other operating expenses	105,420	13.25	93,127	12.58
Taxes and levies	31,503	3.96	28,085	3.80
Depreciation, amortisation and provisions	32,956	4.14	27,984	3.78
OPERATING INCOME	31,938	4.01	34,755	4.70
Financial income and expenses	679	0.09	759	0.10
INCOME FROM OPERATIONS OF FULLY CONSOLIDATED COMPANIES	32,618	4.10	35,514	4.80
Exceptional income and expenses	574	0.07	1,076	0.15
Income tax expense	6,031	0.76	6,902	0.93
NET INCOME OF FULLY CONSOLIDATED COMPANIES	27,160	3.41	29,688	4.01
CONSOLIDATED NET INCOME	27,160	3.41	29,688	4.01
NET INCOME (Group share)	27,160	3.41	29,688	4.01
Earnings per share (in euros)	128		140	

Notes to the consolidated financial statements

SCOPE OF CONSOLIDATION

CONSOLIDATION METHODS

Companies that fall into scope are consolidated according to the methods described below:

- the accounts of companies over which GSF has exclusive control, either directly or indirectly, are fully consolidated. Control exists if GSF SAS has the power to govern, directly or indirectly, the operating and financial policies of the entity in order to fully benefit from its activities;
- "significant" companies over which GSF exercises significant influence, for example by holding at least 20% of the voting rights, are accounted for according to the equity method.

CHANGE IN SCOPE OF CONSOLIDATION

Four companies were added to the scope of consolidation: they are GSF Orion Nord, GSF Orion Sud, GSF Services and HDS Consulting. The subsidiaries GSF Concorde and GSF Grande Arche have been transferred to our subsidiaries GSF Rail Services and HDS Consulting. The latter two took over the name of the companies they absorbed.

ACCOUNTING POLICIES, VALUATION METHODS AND CONSOLIDATION PROCEDURES

The consolidation of the accounts was prepared in accordance with the regulations in force in France, and specifically CRC Regulation 99-02.

REPORTING DATE

All fully consolidated companies prepared their financial statements at 31 December 2016. These financial statements were approved on 27 April 2017 by the company Executive Board.

CONVERSION METHOD

The accounts of foreign companies are maintained in their operating currency.

When consolidating the accounts of foreign companies, amounts are converted at the closing rate for balance sheet accounts and at the average rate for management accounts. The cumulative translation adjustment is posted to equity and does not affect earnings.

Transactions denominated in foreign currency are translated at the current exchange rate at the time of the transaction. At year-end, foreign currency denominated assets and liabilities are converted at closing exchange rates. Exchange rate differences resulting from the conversion of foreign currency transactions are recognised in the income statement.

REVALUATION OF ACCOUNTS

No revaluation of accounts has been recorded. The capital reserves resulting from past mergers and similar have been neutralised.

GOODWILL AND VALUATION ADJUSTMENTS

Initial consolidation differences arising on the first-time consolidation of a subsidiary are allocated to specific assets or liabilities within a maximum period of one year. These valuation adjustments then comply with the accounting policies governing the balance sheet items to which they relate, as defined below.

The residual unallocated difference is posted to goodwill. It is amortised over a 10-year period and prorated in the first year. Exceptional impairment losses may be recognised if the outlook and profitability of the subsidiary concerned warrant it.

INTANGIBLE ASSETS

Intangible assets acquired by GSF are recognised at historical cost, less accumulated amortisation and any impairment losses. Establishment costs are preferably recorded under charges for the period.

Goodwill is amortised over its useful life. Goodwill acquired to date consists of the clients of family-owned businesses. For these marginally diversified portfolios, we have opted for amortisation schedules of between five and ten years.

Software is amortised on a straight-line basis.

PROPERTY, PLANT & EQUIPMENT

The gross value of property, plant and equipment corresponds to historical cost. It has not been revalued.

Where an asset can be split into components with a distinct use or which generate economic benefits at different rates, each component is accounted for and depreciated separately.

Depreciation by subsidiaries on a straight-line basis has been retained. The calculations, which are standard throughout the Group, are based on the estimated useful life and timing of benefits arising from the use of assets or their components. These periods are within the following ranges:

	Duration
Buildings:	20 - 33.33 years
Machinery and equipment:	3 - 10 years
Vehicles:	3 - 5 years
Office equipment:	3 - 6.67 years

The use of leases or similar contracts is marginal. Assets made available to consolidated companies under this type of agreement are not therefore posted to balance sheet assets.

NON-CURRENT FINANCIAL ASSETS

Equity investments in non-consolidated companies are recorded at cost. These are companies over which GSF has no significant control or influence. Where necessary, a provision for impairment is recognised to reflect their value in use. This is measured mainly based on the re-estimated share of net assets and profitability forecasts.

Loans, deposits and other capitalised receivables are measured at nominal value.

INVENTORIES

Inventories are measured at cost. A provision for impairment is booked when the net realisable value is less than the carrying amount.

TRADE AND OTHER RECEIVABLES

Trade receivables are recorded at nominal value. An impairment loss is recognised when the net asset value is less than the carrying amount.

A provision for 50% of the amount is automatically set aside when accounts are more than six months overdue. This is increased to 100% when accounts are more than one year overdue.

INVESTMENT SECURITIES

Investment securities are recognised at historical cost. They mainly consist of money market SICAV or negotiable certificates of deposit issued by leading financial institutions. We do not hold listed securities.

Where the book value falls below the gross value, a provision for impairment is set aside for the difference.

INCOME TAX AND DEFERRED TAXES

Income tax expense corresponds to the amount of tax due from each consolidated tax entity, adjusted by deferred taxes.

Deferred taxes, calculated according to the liability method, originate from the temporary differences existing between the recognition of income or expenses and their inclusion in future taxable earnings. These differences are understood in the broadest sense.

Deferred tax assets are recognised if they are likely to be used. The tax losses of consolidated companies give rise to the recognition of a deferred tax asset if these can be deferred indefinitely. Deferred tax assets are not recognised on the tax losses of consolidated companies which can be carried forward, unless it is likely that these entities can recover them through the existence of a taxable profit during the period of validity of the deferred tax assets.

The French tax consolidation scheme allows some companies to offset their taxable earnings to calculate overall tax liability, for which the parent company GSF SAS remains solely liable.

INTERCOMPANY TRANSACTIONS

Intercompany accounts and earnings between consolidated companies are eliminated whenever maintaining them could distort the image of the Group given by the consolidated financial statements.

PROVISIONS

A provision is recognised whenever GSF has a present legal or constructive obligation that arises from past events and it is likely that this will result in an outflow of resources.

These are estimated based on the most likely scenario.

PENSION COMMITMENTS

Pension commitments are recognised in accordance with CRC Regulation 99-02 and the ANC (French national accounting

standards authority) recommendation 2014-02. Pension commitments concern working employees only.

Our calculations are performed using the projected unit credit method. They are calculated for each individual and the results are then consolidated at Group level. Les résultats sont ensuite cumulés au niveau du Groupe.

According to this method, the actuarial value of future benefits is calculated based on the amount of benefits due at the retirement date, based on a projection of salary and length of service at that date, taking into account the discounting factors and the probability of the employee's presence and survival at the retirement date. It represents the single immediate premium which would be necessary to finance the estimated retirement package based on the assumptions indicated below.

The commitment represents the share of this actuarial value of future benefits which is considered relative to past employment with the company before the valuation date. This commitment is calculated by applying to the actuarial value of future benefits the ratio between length of service at the valuation date to length of service at the retirement date.

The annual cost of the scheme attributable to the cost of each additional year of service for each participant is calculated based on the ratio between the actuarial value of benefits due at retirement and the projected length of service at the time of retirement.

The retirement plan assets relating to the retirement package covered by an insurance policy are deducted from the obligation thus calculated.

Actuarial gains or losses are carried on the balance sheet as increases in actuarial liabilities for actuarial gains or decreases in the case of actuarial losses. Their amount is revised to reflect any further actuarial differences that have occurred in the reporting period. The amounts aggregated at the beginning of the period are depreciated.

THE MAIN ASSUMPTIONS MADE WHEN CALCULATING PENSION COMMITMENTS ARE AS FOLLOWS:

Retirement arrangements

- For executives, technicians and supervisors: beginning of retirement after 65 years
- For clerical employees and workers: voluntary retirement

Long-term inflation rate

- 2% p.a.

Discount rate

- 1.3%

Employer contributions

- 50.29% for executives
- 40% for employees

Retirement tax

- 50%
-

Notes to the balance sheet items, profit and loss account and their changes

INTANGIBLE ASSETS

IN THOUSANDS OF EUROS

Analysis of the change in gross intangible assets by nature	Concessions, patents, etc.	Goodwill	Other	Total
START OF PERIOD	16,004	8,528	1,431	25,963
Increases for the period	771	56	2,952	3,779
Decreases for the period	- 277			- 277
Transfers	858		- 858	
Impact of changes in foreign exchange rates	4	- 839	15	- 820
END OF PERIOD	17,360	7,745	3,540	28,645

Analysis of the change in amortisation of intangible assets by nature				
START OF PERIOD	11,363	8,092	459	19,914
Increases	2,489	14		2,503
Reversals and decreases	- 33			- 33
Impact of changes in foreign exchange rates		- 820	15	- 804
END OF PERIOD	13,818	7,287	474	21,579

Analysis of intangible assets and their amortisation by geographical region	Gross values	Depreciation, amortisation and provisions	Net values
France	20,690	- 13,781	6,909
Canada			
Spain	37	- 37	
Great Britain	5,466	- 5,309	157
United States	2,452	- 2,452	
TOTAL	28,645	- 21,579	7,066

PROPERTY, PLANT & EQUIPMENT

IN THOUSANDS OF EUROS

Analysis of the change in gross property, plant and equipment by nature	Land	Buildings	Technical installations, plant and machinery	Other property, plant and equipment	Assets under construction and advances	Total
START OF PERIOD	2,605	45,916	88,298	68,512	2,129	207,461
Acquisitions and increases	1,150	68	17,924	6,991	1,675	27,808
Disposals and decreases		- 165	- 13,539	- 3,715		- 17,419
Transfers			1,403	644	- 2,047	
Impact of changes in foreign exchange rates	4	41	61	23		129
END OF PERIOD	3,759	45,859	94,148	72,456	1,756	217,978

Analysis of the change in depreciation of property, plant and equipment by nature					
START OF PERIOD		23,878	65,078	46,916	135,872
Increases		1,640	14,058	7,295	22,993
Reversals and decreases		- 45	- 12,507	- 3,192	- 15,744
Impact of changes in foreign exchange rates		7	52	- 15	43
END OF PERIOD		25,481	66,680	51,003	143,164

Analysis of property, plant and equipment and their depreciation by geographical region	Gross values	Depreciation, amortisation and provisions	Net values
France	207,643	- 136,126	71,517
Canada	2,769	- 1,433	1,336
Spain	407	- 325	83
Great Britain	1,676	- 1,219	457
United States	5,483	- 4,060	1,422
TOTAL	217,978	- 143,164	74,815

NON-CURRENT FINANCIAL ASSETS

IN THOUSANDS OF EUROS

Analysis of change in gross non-current financial assets by nature	Equity investments	Other capital assets	Total
GROSS VALUE AT START OF PERIOD	40	1,043	1,083
Increases for the period		262	259
Decreases for the period	- 15	- 156	- 171
Impact of changes in foreign exchange rates		8	8
GROSS VALUE AT END OF PERIOD	25	1,157	1,182
Impairment provisions			
NET VALUE AT END OF PERIOD	25	1,157	1,182

Other non-current assets mainly consist of deposits and guarantees paid and related amounts.

Analysis of non-current financial assets and their provisions by geographical region	Gross values	Depreciation, amortisation and provisions	Net values
France	982		982
Canada	99		99
Spain	101		101
TOTAL	1,182		1,182

Breakdown of non-consolidated equity investments	2016	2015
Interests below 20 %	25	40
GROSS VALUE	25	40

INVENTORIES

IN THOUSANDS OF EUROS

	2016	2015
Raw materials	970	823
GROSS VALUE	970	823
Impairment provisions		
NET VALUE	970	823

OTHER RECEIVABLES

IN THOUSANDS OF EUROS

	2016	2015
Advances and payments on account in respect of orders	343	827
Sundry debtors	59,972	41,726
Accruals	1,858	1,511
Deferred tax assets	9,989	10,532
GROSS VALUE	72,162	54,596
Impairment provisions		
NET VALUE	72,162	54,596

EQUITY

IN THOUSANDS OF EUROS

	Capital	Premiums	Consolidated reserves	Net income (Group share)	Total
AT 31/12/2015 BEFORE DISTRIBUTION	9,000	984	72,284	29,688	111,956
Allocation of income			- 814	- 29,688	- 30,502
AT 31/12/2015 AFTER DISTRIBUTION	9,000	984	71,470		81,454
Change in translation adjustment and similar			- 203		-203
Net income, Group share				27,160	27,160
AT 31/12/2016 BEFORE DISTRIBUTION	9,000	984	71,267	27,160	108,411

The share capital of GSF SAS at 31 December 2016 was composed of 211,822 shares with a nominal value of €42.49.

No securities have been issued other than shares comprising the share capital. In the absence of instruments offering deferred access to the capital of GSF SAS, net earnings per share is equal to diluted earnings per share. This stood at €128.22. It was calculated by dividing consolidated net income by the weighted average number of shares outstanding at the end of the period.

PROVISIONS FOR LIABILITIES AND CHARGES

IN THOUSANDS OF EUROS

	2016	2015
Provisions for liabilities	6,677	4,838
Provisions for charges	3,651	2,817
Provisions for pension commitments	24,120	22,091
Provisions for deferred taxes	23	7
TOTAL	34,471	29,753

LOANS AND FINANCIAL LIABILITIES

IN THOUSANDS OF EUROS

	2016	2015
Financial liabilities reported in the balance sheet break down as follows:		
Amounts due to financial institutions	90	158
Sundry liabilities	2,312	3,351
TOTAL BORROWINGS AND SIMILAR DEBTS	2,402	3,509
Bank loans and overdrafts	10,423	11,366
TOTAL LOANS AND FINANCIAL LIABILITIES	12,825	14,875

Bank borrowings are all fixed-rate liabilities.
Sundry liabilities mainly consist of employee profit-sharing reserves.

	2016	2015
Borrowings and similar debts have a residual maturity of:		
Between one and five years	1,010	2,458
Less than one year	1,392	1,051
TOTAL	2,402	3,509

	2016	2015
By currency, these borrowings and similar debts break down as follows:		
Euro	2,176	3,175
Canadian dollar	226	334
TOTAL	2,402	3,509

OTHER LIABILITIES

IN THOUSANDS OF EUROS

	2016	2015
Advances and payments on account in respect of orders	1	
Tax and social security liabilities	161,514	156,556
Sundry liabilities	7,230	6,210
Adjustment account	325	132
TOTAL OTHER LIABILITIES	169,070	162,898

FINANCIAL COMMITMENTS

GSF has not undertaken, or benefited from any financial commitment.

TURNOVER

IN THOUSANDS OF EUROS

	2016	%	2015	%
France	731,514	91.9	684,145	92.5
Canada	20,921	2.6	16,530	2.2
Spain	3,705	0.5	3,627	0.5
Great Britain	15,052	1.9	12,929	1.8
United States	24,635	3.1	22,800	3.0
TOTAL	795,827	100	740,031	100

STAFF COSTS AND HEADCOUNT

IN THOUSANDS OF EUROS

Staff costs	2016	2015
Employee compensation	468,493	438,756
Payroll costs	107,930	98,442
Employee profit-sharing	1,488	2,271
TOTAL	577,910	539,469

The Competitiveness and employment tax credit (CICE) was recognised in social security costs. They show a decrease of €20,344 thousand.

AVERAGE HEADCOUNT

Average headcount of the Group during the year	2016	2015
Managerial	358	371
Clerical	1,269	1,190
Manual	30,873	29,659
TOTAL	32,500	31,220

OPERATING INCOME

IN THOUSANDS OF EUROS

Operating income by country is broken down as follows:	2016	2015
France	30,909	34,803
Canada	189	- 571
Spain	0	- 58
Great Britain	339	348
United States	501	233
OPERATING INCOME	31,938	34,755

NET FINANCIAL INCOME

IN THOUSANDS OF EUROS

	2016	2015
Interest income and expenses	660	758
Income from foreign exchange	4	1
Other financial income and expenses	15	
NET FINANCIAL INCOME	679	759

EXTRAORDINARY INCOME

IN THOUSANDS OF EUROS

	2016	2015
Income from operations	290	430
Income from asset disposal	256	492
Non-recurring provisions	28	154
EXTRAORDINARY INCOME	574	1,076

INCOME TAX

IN THOUSANDS OF EUROS

Breakdown by tax type	2016	2015
Taxes payable	5,484	7,039
Deferred taxes	547	- 137
TOTAL	6,031	6,902

Breakdown of deferred taxes in the balance sheet	2016	2015
Deferred tax assets	9,989	10,532
Deferred tax liabilities	23	6

TAX CONSOLIDATION

GSF SAS is the parent company of a tax group within the meaning of Article 223-A et seq. of the French General Tax Code. Tax consolidated companies are listed alongside fully consolidated companies.

ABSENCE OF BUSINESS SEGMENTS

The services provided by the Group form a cohesive whole. They are exposed to the same types of risks and returns. Our business is therefore unique and no additional segment reporting is thus necessary.

EVENTS AFTER THE REPORTING PERIOD

We are not aware of any event after the reporting date that might affect the consolidated financial statements.

STATUTORY AUDITORS' FEES

The amount of fees paid to the statutory auditors of the Group's parent company and subsidiaries is €1,044,028.

LIST OF FULLY-CONSOLIDATED AND TAX-CONSOLIDATED COMPANIES

Fully consolidated	Country	Interest (%)	Control (%)	SIREN	Tax consolidation
Ariane 80	France	100	100	319 598 454	-
GIE Université	France	100	100	340 102 961	-
Groserfon	France	100	100	321 352 403	Integrated
GSF Aéro	France	100	100	484 145 156	-
GSF Aérotech	France	100	100	811 258 367	-
GSF Airport	France	100	100	489 652 412	-
GSF Airport CDG	France	100	100	823 492 756	-
GSF Ariane	France	100	100	509 646 816	Integrated
GSF Ariès	France	100	100	439 117 698	Integrated
GSF Athéna	France	100	100	519 022 586	Integrated
GSF Atlantis	France	100	100	344 636 477	Integrated
GSF Atlas	France	100	100	439 118 449	Integrated
GSF Auriga	France	100	100	344 862 362	Integrated
GSF Celtus	France	100	100	344 483 003	Integrated
GSF Concorde	France	100	100	809 938 129	-
GSF Energia	France	100	100	788 650 661	-
GSF Grande Arche	France	100	100	794 514 356	-
GSF Jupiter	France	100	100	967 802 059	Integrated
GSF Logistic Services	France	100	100	815 289 475	-
GSF Mercure	France	100	100	308 185 503	Integrated
GSF Neptune	France	100	100	306 044 504	Integrated
GSF Opale	France	100	100	452 737 976	-
GSF Orion	France	100	100	344 382 874	Integrated
GSF Phébus	France	100	100	537 020 216	Integrated
GSF Phocéa	France	100	100	384 983 482	Integrated
GSF Pluton	France	100	100	304 349 277	Integrated
GSF Services	France	100	100	824 218 291	-
GSF Saturne	France	100	100	306 795 600	Integrated
GSF Stella	France	100	100	502 107 477	Integrated
GSF Transnord	France	100	100	815 205 851	-
GSF Trévisé	France	100	100	310 827 563	Integrated
SFR Conseil	France	99.95	99.95	344 106 455	-
Valis Aurélia	France	100	100	347 869 612	-
GSF Canada	Canada	100	100	-	-
GSF SPM	Spain	100	100	-	-
GSF GB Ltd	Great Britain	100	100	-	-
GSF London Ltd.	Great Britain	100	100	-	-
L.I.H.	Great Britain	100	100	-	-
GSF Sandylight Ltd.	Great Britain	100	100	-	-
Entretien Technique Services	Monaco	99.85	99.85	-	-
GSF USA	United States	100	100	-	-

CASH FLOW STATEMENT

IN THOUSANDS OF EUROS

	2016	2015
NET INCOME OF FULLY CONSOLIDATED COMPANIES	27,160	29,688
Depreciation, amortisation and provisions	30,183	26,032
Change in deferred taxes	580	- 165
Capital gains from disposals	- 246	- 492
CASH FLOW FROM FULLY CONSOLIDATED COMPANIES	57,677	55,063
Change in inventories	- 146	- 47
Change in trade receivables	- 16,069	- 5,977
Change in trade payables	6,523	1,119
Change in other receivables and payables	- 11,810	- 1,822
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	36,176	48,336
Acquisition of fixed assets	- 31,692	- 25,518
Proceeds from the sale of fixed assets	2,180	3,147
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	- 29,512	- 22,371
Dividends paid to shareholders of the parent company	- 30,502	- 10,167
Loan issues and repayments	- 1,129	- 635
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	- 31,632	- 10,802
NET CASH FLOW (A) + (B) + (C)	- 24,968	15,162
Cash flow – opening balance	81,108	65,678
Cash flow – closing balance	55,860	81,108
Impact of fluctuations in foreign exchange rates	280	- 268

CSR performance indicators

FIELD	INDICATORS	2014	2015	2016	STANDARD		
					*	**	***
ECONOMIC INFORMATION							
GOVERNANCE	Executives made aware of governance rules including anti-corruption measures	100%	100%	100%	Art. 1-3°-d	SO3	–
	ISO 9001 certified sites	100%	100%	100%	–	–	–
SOCIAL							
EMPLOYMENT	Total headcount	29,036	29,718	30,660	Art. 1-1°-a	LA1	8
	Total headcount by status	Service staff 88% Lead hands 8% Supervisors 3% Executives 1%	Service staff 87% Lead hands 8% Supervisors 4% Executives 1%	Service staff 87% Lead hands 8% Supervisors 4% Executives 1%	–	LA1	8
	Proportion of permanent contracts	83%	83%	84%	–	LA1	8
	Employees covered by a collective bargaining agreement	100%	100%	100%	–	LA4	8
	Number of work-study contracts	477 vocational training contracts 119 apprenticeship contracts	607 vocational training contracts 116 apprenticeship contracts	639 vocational training contracts 124 apprenticeship contracts	–	–	10
	Number of work-study staff hired at the end of the work-study period (short-term and permanent contracts)	86	107	263	–	–	10
	Distribution of employees by age	8% under 25 years 58% from 25 to 45 years 34% 45 years and over	8% under 25 years 57% from 25 to 45 years 35% 45 years and over	7% under 25 years 56% from 25 to 45 years 37% 45 years and over	–	LA1	10
	Working time	73% part time 27% full time	72% part time 28% full time	71% part time 29% full time	Art. 1-1°-b	–	8
	Absence rates	16%	17%	17%	Art. 1-1°-b	–	–
	Absence rates as a ratio of average working hours	8.51%	8.58%	8.75%	Art. 1-1°-b	–	–
HEALTH AND SAFETY AT WORK	Work accidents with work stoppage exceeding 24 hours	995	949	979	Art. 1-1°-d	LA7	3
	Frequency TF (number of work accidents with work stoppage for every million hours worked)	38.59	35.92	34.88	Art. 1-1°-d	LA7	3
	Frequency TF2 (number of work accidents with and without work stoppage for every million hours worked)	57.06	54.46	53.15	Art. 1-1°-d	LA7	3
	Severity rate TG (number of days of absence due to accidents for every thousand hours worked)	2.47	2.46	2.26	Art. 1-1°-d	LA7	3
	Work accident/Occupational disease rate (AT/MP rate)	3.12	3.05	2.96	Art. 1-1°-d	LA7	3
	Number of fatal accidents	0	0	0	Art. 1-1°-d	LA7	3
	Number of occupational diseases (with and without absence)	97	86	106	Art. 1-1°-d	LA7	3
	Number of MASE certified sites	16	18	18	Art. 1-1°-d	–	3
Number of safety certified facilities (according to ILO-OSH 2001 and OHSAS 18001) as part of the QSE triple certification	20	38	48	Art. 1-1°-d	–	3	
TRAINING AND EDUCATION	Total number of training hours granted to employees (excluding individual training leave (CIF) and vocational training contracts)	110,179	119,078	128,955	Art. 1-1°-e	LA10	8
	Total number of training hours granted to employees under vocational training contracts	N/A	84,115	58,271	Art. 1-1°-e	LA10	8
	Share of the total wage bill dedicated to training	2.50%	2.63%	2.63%	Art. 1-1°-e	LA10	8
	Number of professional qualification certificates undertaken during the year	97	304	401	Art. 1-1°-e	LA10	8
	Number of employees trained in the Movements and Posture course (7 hours training)	154	668	535	Art. 1-1°-d,e	LA10	3
	Number of employees trained in eco-driving (7 hours training)	29	25	89	Art. 1-1°-e, 1-2°-a	LA10	11
LABOUR RELATIONS	Number of agreements signed	56	28	82	Art. 1-1°-c	LA9	5
	Number of new industrial tribunal disputes	217	285	125	–	–	5
DIVERSITY AND EQUAL OPPORTUNITY	Gender equality in the total workforce (M/F)	32/68%	33/67%	33/67%	Art. 1-1°-f	LA13	5
	Gender equality in the managerial workforce (M/F)	51/49%	55/45%	55/45%	Art. 1-1°-f	LA13	5
	Employment rate of disabled persons as a ratio of FTE workforce	7.7%	7.5%	7.9%	Art. 1-1°-f	LA13	10
	Sites complying with the legal requirement of 6%	80%	77%	75%	Art. 1-1°-f	LA13	10

- * Article 225 – Grenelle II Act
- ** Global Reporting Initiative G4
- *** Sustainable Development Objectives

FIELD	INDICATORS	2014	2015	2016	STANDARD		
					*	**	***
ENVIRONMENT							
EMISSIONS, EFFLUENT, WASTE	Total direct or indirect greenhouse gas emissions Regulatory scope 1 and 2	N/A	7 755 tonnes of CO ₂ equivalent	N/A	Art. 1-2 ^a -d	EN16	13
	Carbon footprint of air travel	465.1 tonnes of CO ₂ equivalent	472.3 tonnes of CO ₂ equivalent	515.6 tonnes of CO ₂ equivalent	Art. 1-2 ^a -d	EN17	13
	Carbon footprint of train travel	13.4 tonnes of CO ₂ equivalent	12.1 tonnes of CO ₂ equivalent	5.8 tonnes of CO ₂ equivalent	Art. 1-2 ^a -d	EN17	13
	Average emissions of GSF's utility vehicle fleet	135	131	120	Art. 1-2 ^a -d	EN17	13
	Average emissions of GSF's non-utility vehicle fleet	129	123	111	Art. 1-2 ^a -d	EN17	13
	Share of turnover of eco-labelled chemical products	31%	43%	50%	Art. 1-2 ^a -c	EN1-EN2	3
	Share of turnover of environmentally-friendly items	42.97%	40.19%	47%	Art. 1-2 ^a -c	EN1-EN2	12
ENVIRONMENTAL MANAGEMENT	Number of ISO 14001 certified sites	30	43	53	Art. 1-2 ^a -a	–	14-15
	Total number of «Mes gestes qui comptent au quotidien» (My everyday gestures that matter) booklets	12,350	14,450	22,850	Art. 1-2 ^a -a	–	14-15
	Number of employees trained in eco-friendly practices (7 hours training)	198	65	145	Art. 1-2 ^a -a	–	12

The CSR indicators presented in this document relate to the GSF Group's operations in France and Monaco. The subsidiaries outside France implement their own procedures using the framework given by the Group in accordance with local legislation. All of the Group's operations are focused on CSR. Four reporting campaigns are carried out each year: annual reporting for the Consolidated Report is published each year at the Shareholders' Meeting and three reporting campaigns every four months with a narrower indicator scope. The period retained is the calendar year 2016, from 1 January to 31 December.

Correlation table

GLOBAL REPORTING INITIATIVE G4	ARTICLE 225 GRENELLE II ACT	GLOBAL COMPACT PRINCIPLE	ISO 26000	PAGES OF THE REPORT
STRATEGY AND ANALYSIS				
1			6.2	3
ORGANISATION PROFILE				
3				cover
4				6
5				back cover
6				6
7				back cover
8				18 to 21
9				8, 9 and 64
10				68, 69
11				68
12				45
13				18 to 21
15				17
16			4.7	39
RELEVANT ASPECTS AND PERIMETERS IDENTIFIED				
17				66
STAKEHOLDER INVOLVEMENT				
24-27				34
REPORT PROFILE				
28-30				35
31				72
GOVERNANCE				
33			6.2	71
34-35-36-38			6.2 and 7.4.2	4.5

GLOBAL REPORTING INITIATIVE G4	ARTICLE 225 GRENELLE II ACT	GLOBAL COMPACT PRINCIPLE	ISO 26000	PAGES OF THE REPORT
ETHICS AND INTEGRITY				
56		Principle 10		14 to 17
SPECIFIC INFORMATION				
Economic component				
EC1	-		6.8.1	8
Environmental component				
EN15	Article 1-2 ^a -d	Principles 7, 8, 9	6.5.5	69
EN16	Article 1-2 ^a -d	Principles 7, 8, 9	6.5.5	69
EN17	Article 1-2 ^a -d	Principles 7, 8, 9	6.5.5	69
EN30	Article 1-2 ^a -c	Principles 7, 8, 9	6.6.6	69
Social component				
LA1	Article 1-1 ^a -a	Principles 4 and 5	6.4	68
LA4	Article 1-1 ^a -c	Principle 4		68
LA6	Article 1-1 ^a -d		6.8.8	39 and 68
LA9	Article 1-1 ^a -e		6.8.5	40 and 68
LA13	Article 1-1 ^a -f	Principle 6	6.3.7	68
LA14			6.6.6	45
Human Rights				
HR1		Principles 1 and 2	6.3.10	68
Society				
SO1	Article 1-3 ^a -b		6.8	37 and 45
SO4		Principle 10	6.6.3	17
Product liability				
PR1	Article 1-3 ^a -d		6.6.6	44 and 69

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS



KPMG S.A. Côte d'Azur
80, route des Lucioles
Sophia Antipolis
06560 VALBONNE



FIDEXCO FRANCE
19, rue Rossini
06000 Nice

Year ended 31 December 2016

GSF (Groupe Services France) S.A.S.
Registered office:
49, rue de Trévise - 75009 Paris
Share capital: €9,000,000

Dear Sir, Dear Madam,

In accordance with the tasks assigned to us by your annual general meeting, we hereby present our report for the year ended on 31 December 2016 on:

- the audit of the consolidated financial statements of GSF (Groupe Services France) S.A.S., attached to this report;
- the basis of our assessment;
- the specific verifications required by law.

The consolidated financial statements were approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit consists of examining, on a random basis or using other selection methods, the evidence supporting the amounts and disclosures contained in the consolidated financial statements. It also consists of assessing the accounting principles used and the significant estimates made, as well as the overall presentation of the financial statements. We believe that the evidence gathered is pertinent and sufficient to serve as a basis for our opinion.

In our opinion, the consolidated financial statements for the year under review give, in accordance with French accounting standards and principles, a true and fair view of the assets and liabilities, financial position and results of operations of the group composed of the persons and entities included in the consolidation.

Basis of the assessment

In accordance with Article L. 823-9 of the French Commercial Code relating to the basis of our assessment, we draw your attention to the following matters:

Your company establishes provisions to cover liabilities and charges, as described in the notes to the consolidated financial statements*. Our audit consisted of assessing the data and assumptions on which these estimates were based, reviewing the calculations performed by the company, comparing the accounting estimates for prior periods with the corresponding actuals and examining the procedures followed by management to approve such estimates. During our audit, we satisfied ourselves as to the reasonable nature of those estimates.

The assessments we have made are part of our audit of the consolidated financial statements as a whole and have therefore contributed to our opinion expressed in the first part of this report.

Specific verification

In accordance with the professional standards applicable in France, we have also performed the special audit required by law of the disclosures made in the Group's annual report.

We have no comments to make regarding their fair presentation and consistency with the consolidated financial statements.

Statutory Auditors,
Sophia Antipolis and Nice, 27 April 2017

KPMG S.A.
Philippe Levert

Fidexco France
Philippe Matheu

REPORT BY THE CSR VERIFICATION BODY



FINEXFI

96, boulevard Marius Vivier Merle - 69003 LYON

Lyon, 15 May 2017

Isabelle Lhoste

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Dear Shareholders,

Pursuant to the assignment entrusted to us by the company GSF and in our capacity as independent third-party body whose accreditation was approved by COFRAC under the number 3-1081 (available at www.cofrac.fr), we hereby present our report on the consolidated social, environmental and corporate social disclosures made in the management report for the financial year ended 31 December 2016. These disclosures are provided in the integrated report (hereinafter referred to as "CSR Disclosures"), pursuant to the voluntary adoption of the provisions of Article L.225-102-1 of the French Commercial Code.

Management responsibility

It is the responsibility of the Board of Directors to prepare an integrated report containing the consolidated social, environmental and corporate disclosures stipulated in Article R. 225-105-1 of the French Commercial Code (hereinafter "Disclosures"), established in compliance with the standards (the "Standards") used by the company, which can be obtained on request from the head office of GSF, and whose summary is provided in the methodology note that can be viewed on the company's website.

Independence and quality control

Our independence is defined by regulations, the code of ethics of the profession and by the provisions of Article L. 822-11 of the French Commercial Code. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with rules of professional practice, professional standards and applicable laws and regulations.

Responsibility of the Independent third-party body

It is our responsibility, on the basis of our audit tasks, to:

- attest that the management report contains the required Disclosures or explanation for any omission, pursuant to the third subparagraph of Article R.225-105 of the French Commercial Code and Order 2012-557 of 24 April 2012 (certificate of disclosure);
- express a conclusion with moderate assurance that the Disclosures are, in all material aspects, presented fairly in accordance with the Standard adopted (moderate assurance report).

Certificate of disclosure

We conducted our audit in accordance with the professional standards applicable in France:

- we compared the Disclosures provided in the integrated report against the list stipulated by Article R. 225-105-1 of the French Commercial Code;
- we verified that the Disclosures covered the consolidation scope, namely the company with its subsidiaries within the meaning of Article L. 233-1, and the companies under its control within the meaning of Article L.233-3 of the French Commercial Code;
- in the event that consolidated Disclosures had been omitted, we verified that explanations had been provided in accordance with the provisions of Order 2012-557 of 24 April 2012.

Based on our audit, we attest that the required Disclosures have been made in the integrated report.

Reasoned opinion on the fairness of the CSR Disclosures Nature and scope of the audit

We performed our audit from April to June 2017 over a period of approximately six man days.

We conducted our audit in accordance with the professional standards applicable in France, the ISAE 3000 standard (International Standard on Assurance Engagements), and the Order of 13 May 2013 establishing the methods and procedures used by the independent third-party body to perform its assignment.

We conducted some ten interviews with the persons in charge of preparing CSR disclosures, the directors responsible for the information collection process, and where appropriate, the persons responsible for the internal control procedures and risk management, in order to:

- assess the appropriateness of the Standard in terms of its relevance, completeness, neutrality, clarity and reliability, taking the best practices of the sector into consideration, wherever appropriate;
- verify that the Group has set up a process to collect, compile, process and check the CSR Disclosures to ensure their completeness and consistency. We reviewed the internal control and risk management procedures relative to the preparation of CSR Disclosures.

We selected the consolidated information to be tested and determined the nature and scope of the tests, taking into consideration their importance with respect to the social, corporate and environmental impact of the Group's operations and its characteristics, the guidelines it follows in relation to CSR, and the best practices of each sector.

For the consolidated quantitative information we considered the most important:

- at the level of the parent company, GSF SAS, and the controlled entities, we implemented analytical procedures and verified, on a sample basis, the calculations and the consolidation of this information;
- at the sites and subsidiaries selected* according to their contribution to the consolidated financial indicators, and risk analysis, we:
 - conducted interviews to check the correct application of the procedures and identify any omissions;
- we performed detailed testing on a sample basis, by checking the calculations performed and reconciling the data with the supporting documents.

The selected sample represents an average of over 25% of contributions to social data and approximately 25% of contributions to environmental data.

- For the consolidated qualitative information we considered the most important, we conducted interviews and reviewed the associated documentary sources to corroborate this information and verify its accuracy. With regard to fair practices, interviews were conducted only at the parent company, GSF SAS;
- with regard to the other consolidated information published, we assessed their accuracy and consistency based on our knowledge of the company and, where appropriate, through interviews or by consulting documentary sources.

Finally, we assessed the relevance of explanations given, where appropriate, for any information omitted.

Owing to the use of sampling techniques and other limitations inherent to the operation of any information system or internal control system, the risk of non-detection of a material misstatement in the CSR disclosures cannot be completely eliminated.

Conclusion

Based on our work, we did not identify any material misstatement that could call into question the fact that the information has been presented fairly in all material respects, in accordance with the standard.

* Companies selected for testing: The Group head office in Sophia Antipolis, GSF Celtus, GSF Neptune, GSF Orion and GSF Stella



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