



PROGRESS REPORT 2016

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Mission statement

Entrepose Group is an international contractor that specialises in designing, building and operating infrastructures for production, transport and storage in the oil and gas industry and other energy sources. The company operates on onshore, offshore and underground projects throughout the world.



ONSHORE



OFFSHORE



UNDERGROUND



ONSHORE

To find out more about waste processing and recovery, turn to page 27.





BENOIT DONADA
Business Manager,
VINCI Environnement

200,000 people – or nearly one out of three residents of Charente-Maritime (France) – will have their residual household waste processed and recovered by the multi-line processing and recovery centre of the Syndicat Intercommunaire du Littoral (SIL). This plant will use cogeneration to produce heat for the neighbouring air base, by means of an underground network, and generate electricity for the Enedis public network (equivalent to the consumption of 11,000 households).



ONSHORE

To find out more about oil and gas, and industrial infrastructures, turn to page 29.





ÉTIENNE MÉAR,
Yamal LNG
Project Director,
Entrepouse Contracting

The Yamal LNG Project, which is a monumental worksite above the Arctic circle involving 1,200 people over four years, rose to one of the project's major challenges at the end of 2016: the installation of the platforms and pipe-racks on tanks 1 and 2 at -35 °C, with unpredictable winds. This operation was performed with the utmost safety thanks to the operational excellence of our teams. It is a great source of pride to everyone that they were able to carry out this work under such extreme environmental conditions.



ONSHORE

To find out more about pipelines,
turn to page 32.





OLIVIER BALLOY,
Chief Operating Officer,
Spiecapag

On 2 March 2017, Spiecapag signed an EPC contract with TAP AG for the construction of 400 km of 48" gas pipeline, crossing Greece and Albania. Five months later, work began in both countries and the 2,000 people from 25 different nationalities working on the project faced many challenges: rough ground, difficult weather conditions, and major environmental and social constraints.





OFFSHORE

To find out more about offshore works, turn to page 35.





SÉBASTIEN BERNE
Operations Director,
Geocean

Escondida Water Supply is the first seawater intake and discharge project using micro-tunnelling technology in South America. A first for us and a challenge in terms of engineering and methods that was a success thanks to collaboration between all the entities of VINCI involved in this contract (CSM Bessac, Soletanche Bachy and Geocean). Other similar projects are likely to arise in the region and will represent opportunities for Geocean.





UNDERGROUND

To find out more about underground storage, turn to page 37.



DOMINIQUE LEBTAHI,
Operations and
Development Manager,
Geostock

Underground storage offers optimal integration into the environment thanks to its small footprint and low visual impact. Géosel storage in salt caverns, which Geostock has been operating for nearly 50 years, offers an outstanding example. Installed in a quiet and natural area of the Luberon Regional Park, it is a superlative illustration of how an industrial activity can be integrated into a particularly sensitive natural environment.



UNDERGROUND

To find out more about oil, gas and geothermal drilling, turn to page 39.





MAËLLE JOURDEN,
Sales Engineer,
Entrepose Drilling

In Tremblay-en-France (France), teams from Entrepose Drilling worked on the definitive removal of geothermal doublets drilled in 1983. This operation, requiring specific tools, involved creating a window in the casing for cementing and filling the wells, which were over 2,200 m long. The project was completed in three months and in absolute safety thanks to the company's expertise in drilling.





UNDERGROUND

To find out more about installing pipelines by horizontal directional drilling, turn to page 40.





JOHNNY RIMBERT,
Works Foreman, HDI

On this horizontal directional drilling site in Tours (France), our team successfully overcame highly unfavourable geology. We also created a pulling sequence that made it possible to considerably reduce the hindrance to traffic, whilst meeting the deadline imposed by Enedis safely.



Message from the CEO

BENOÎT LECINQ

As the primary value of the Entrepose Group, safety is at the heart of our activity. It is therefore only natural that I should begin by praising our performance in this area. In 2016, we continued our efforts to prevent accidents and to offer our employees throughout the world a safe working environment. We have had no casualties on any of our sites and our accident frequency rate is considerably better than 2015, confirming the trend that began two years ago.

As for our activities, all of our business lines have worked on improving their performance in 2016, offering the Group good resilience in a difficult economic climate. In this context, characterised in particular by low oil prices, the Group has several assets: a diversified portfolio of expertise, the operational excellence of its teams and the sharing of best practices between subsidiaries, which are now federated in an integrated management system.

At €785 million, our revenue in 2016 is higher than in 2015, as is our order book that stands at €768 million. Compared with the other entities of VINCI Construction, the performance of the Entrepose Group remains low, but this is explained by two factors. These factors include a series of projects, which have now been delivered, that generated losses; and a morose global economic context, which penalised our vertical drilling and offshore activities as well as some of our international subsidiaries such as Algeria, Nigeria or Indonesia.

These difficulties must not, however, overshadow some great achievements, such as Spiecapag's success in the first quarter, when it won three out of the five lots of the Trans Adriatic Pipeline in Greece and Albania. The subsidiary also finalised some old projects, in South Africa in particular, which allowed it to achieve an exceptional operating income. The subsidiaries Entrepose Industries, HDI and Geostock also had a good year. In the field, the teams from Entrepose Contracting have continued their high-quality work on the liquefied natural gas storage tanks for Yamal LNG in Russia.

We are therefore able to begin this new financial period with confidence. Oil prices are stabilising at about \$50 per barrel and our customers are starting to invest once again. We are ready to follow changes in the market thanks to our cross-cutting packaged solutions and the close relationships that we have with our customers all over the world. All of our subsidiaries are beginning 2017 with an order book that is higher than in 2016, including in the professions that were hit the hardest by the oil crisis, such as offshore works and vertical drilling. The arrival of VINCI Environnement, in early 2016, completes our range of expertise and opens up new channels to renewable energies.

While we still have some way to go to make the Group profitable once again, the foundations are in place. Our ability to combine the expertise of our teams, to innovate and to offer cross-cutting services, will allow us to serve our customers effectively in a rapidly-changing market.



“ Our ability to combine the expertise of our teams, to innovate and to offer cross-cutting services, will allow us to serve our customers effectively in a rapidly-changing market.

”

STRATEGY

Combining our expertise and pooling our resources to serve customers all over the world

- The subsidiaries of our Group are the only ones in the market to master all the areas of expertise and the business lines required for onshore, offshore and underground energy infrastructures. From the preliminary studies up to operation, they design and build these infrastructures, manufacture and supply the equipment and then commission and operate them. Recognised for their unique ability to manage large-scale projects, they work on **engineering, procurement, construction and commissioning contracts (EPCC), regardless of the complexity of the works or the extreme nature of the environment**. This has been demonstrated by projects such as the liquefied natural gas (LNG) tanks constructed on the Yamal peninsula in Siberia and the Trans Adriatic Pipeline with its 400 km of pipeline built by Spiecapag between Greece and Albania.

To establish ourselves as the world benchmark in our business sectors, we need to combine our expertise and innovate to offer packaged tenders that are more competitive, which is our primary strategy. The integration of VINCI Environnement in March 2016 is part of this strategy. As a specialist in energy recovery, this new entity adds a sixth business line to the Group, one that is essential for establishing ourselves in the renewable energies market. Its growth can be supported by Entrepose's facilities around the world, greater synergies across business lines, including in the VINCI construction division, and integrated cross-cutting offers.

The pooling of our resources and expertise is essential to achieve our goal. This is why the vertical and horizontal drilling business lines were combined in a single operational division in 2016. Other synergies have been consolidated: between surface facilities (Entrepose Contracting) and underground storage (Geostock), as was the case in the Shalapa project in Mexico; between landfalls (Geoclean) and horizontal drilling (HDI), or even the creation of processing facilities (Entrepose Contracting) with pipelines (Spiecapag). These cross-cutting offers sometimes include civil engineering, with VINCI Construction Grands Projets, or maintenance with other VINCI Group partners. They allow Entrepose to optimise its projects and supervise them more comprehensively, but they are also much easier for our customers to manage.

This proximity to our customers, beyond the countries where we have a longer history, is our second strategic priority. It involves a lasting presence in countries where the Group performs large projects, in order to forge closer ties with our customers and develop long-term business. Latin America, where the Group has been building on its operations for two years, is one example. After opening a subsidiary in Mexico in 2015, Entrepose acquired the Brazilian company Intech in 2016 — a partner with which HDI has been working for over 20 years. Another example is the consolidation of the subsidiaries in Nigeria, Algeria and Malaysia into a single entity: Entrepose International Network (EIN). This network will expand and demonstrates the Group's intention to move beyond its historic bases and offer its customers its full expertise throughout the world.

GROUP STRUCTURE

The Entrepose Group is organised into six business lines, plus a network of cross-cutting, regional subsidiaries.



ONSHORE

OFFSHORE

UNDERGROUND

ENERGY RECOVERY	OIL, GAS AND INDUSTRIAL INFRASTRUCTURES	ONSHORE PIPELINES	OFFSHORE WORKS	DRILLING	UNDERGROUND STORAGE	NETWORK OF REGIONAL SUBSIDIARIES WITH CROSS-CUTTING EXPERTISE
VINCI ENVIRONNEMENT	ENTREPOSE CONTRACTING	SPIECAPAG	GEOCEAN	ENTREPOSE DRILLING	GEOSTOCK	ENTREPOSE INTERNATIONAL NETWORK
VINCI Environnement UK	Entrepose IKL	Spiecapag Régions Sud		HDI	Geostock Sandia	Entrepose Algeria
VINCI Environnement Central Europe	Entrepose Industries	Spiecapag Australia		INTECH	Geostock Asia	Entrepose DBN Nigeria
	Entrepose CMPEA				UGS	Entrepose Asia
	Entrepose Services				GEOGREEN	

CORPORATE GOVERNANCE

ENTREPOSE GROUP EXECUTIVE COMMITTEE



Benoît Lecinq
CEO



Cheikh Daff
Vice President,
Human Resources



Vincent Boillot
Chief Financial Officer



Bruno Maerten
Senior Vice President,
Development



David Richard
Managing Director,
Drilling Operations Division
Managing Director
Entrepose Drilling



Alain Panhard
Managing Director,
Entrepose International
Network



Bertrand Dellinger
Managing Director,
Entrepose Contracting



Bruno Guy de Chamisso
Managing Director, Spiecapag



Pascal Baylocq
Managing Director, Geostock



Fabrice Novel
Managing Director, Geoclean



Frédéric Peigné
Managing Director,
VINCI Environnement

MANAGEMENT AND COORDINATION COMMITTEE

The Management and Coordination Committee brings together members of the Executive Committee and the Group's senior executives. Its role is to ensure broad discussion of Group strategy and development.

Sébastien Berne
Operations Director, Geoclean

Philippe Besson
Senior Vice President Business Development, Geoclean

Alexandre Bougeant
General Manager, Entrepose Services

Patrick Genoud
Senior Vice President Business Development,
Entrepose Contracting

Marc Houghton
Business Director, VINCI Environnement

Dominique Lebtahi
Operations and Development Director, Geostock

Denis Pellerin
General Manager, HDI

Jacquelin de la Porte des Vaux
Senior Vice President,
Business Development, Onshore

Stéphane Tourneur
Communications Director, Entrepose Group

Hugues Toussaint
Management System Director,
Entrepose Group

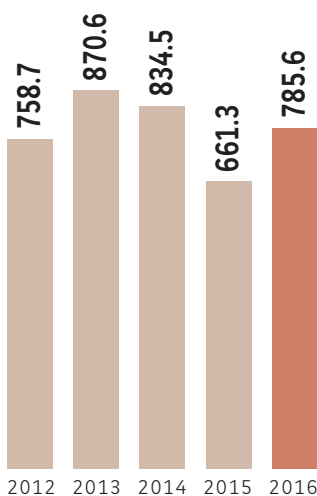
Daniel Vadon
Senior Vice President, Operations,
Entrepose Contracting

KEY FIGURES 2016

► **€785.6 million**
revenue

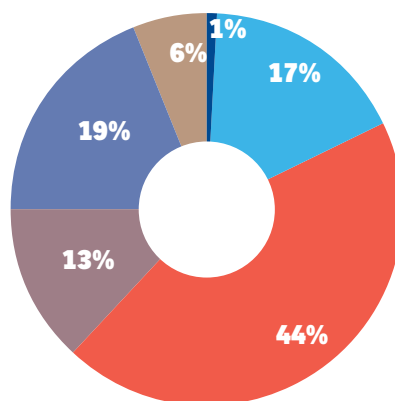
► **2,600**
permanent
employees

► **228**
projects in progress
in 2016



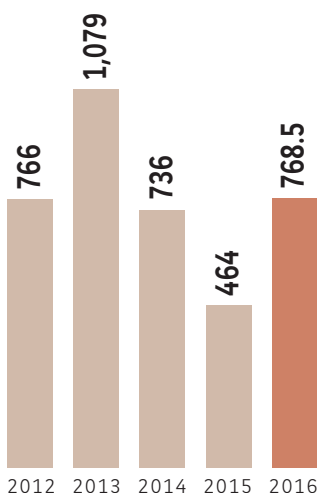
REVENUE (in €m)*

* Management figure including the portion of sales from the jointly-owned companies.

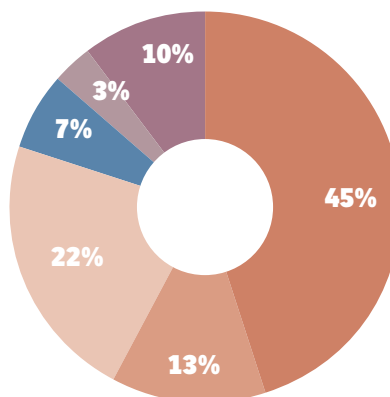


BREAKDOWN OF REVENUE
BY GEOGRAPHIC ZONE

■ NORTH AMERICA
■ CENTRAL AND SOUTH AMERICA
■ EUROPE
■ AFRICA
■ ASIA AND MIDDLE EAST
■ OCEANIA



ORDER BOOK (in €m)



BREAKDOWN OF REVENUE
BY BUSINESS LINE

■ OIL, GAS AND INDUSTRIAL
INFRASTRUCTURES
■ ENERGY RECOVERY
■ CONSTRUCTION OF
ONSHORE PIPELINES
■ OFFSHORE WORK
■ DRILLING
■ UNDERGROUND STORAGE

SAFETY

The primary value of the Entrepouse Group

Safety is a driving force for all its subsidiaries, projects and sites across the world. All the teams are committed to this, including subcontractors and customers. This year's safety results show an improvement over 2015, and bear witness to this continuing commitment and the effectiveness of the Safety, I Care! programme launched six years ago.

Whether it be the Group's six principles, the business golden rules or the initiatives of the subsidiaries, safety is part of Entrepouse's DNA and is now the basis of its corporate culture. 80% of its subsidiaries are OSHAS 18001 certified, including the newly-certified subsidiary Entrepouse Drilling, which earned its certificate in 2016, thanks to remarkable work by its teams.

Several unifying approaches are used to implement the safety policy within the Group, including the Safety, I Care! plan, which has become a real label for all the safety initiatives. The Health, Safety and Environment Challenge (see inset p. 23) and the VINCI Construction International Safety Week, which took place for the third time in 2016, complete the system.

Fifteen HSE managers lead Entrepouse's safety policy, under the authority of the General Management. They have a diverse range of comprehensive approaches at their disposal to identify and prevent risks as well as to create a climate of vigilance and mutual assistance across all entities. Some of these risks are specific to business lines, others are related to sharing worksites, which happens often on sites in the oil and gas sector. Yet others are inherent to delicate tasks such as slinging and hoisting.



The Spiecapag - Lucas consortium was a finalist for the IPLOCA Health & Safety Award 2016. IPLOCA is an international association for companies specialised in laying pipelines and offshore work.
From left to right: Atul Punj (Punj Lloyd Ltd), Bruno Guy de Chamisso (Spiecapag) and John Stuart-Robertson (Lucas)

INTERNATIONAL SAFETY WEEK

"Let's all be vigilant", was the collective invitation to all Group entities from 26 to 30 September 2016 for the third International Safety Week. This was an ideal opportunity to talk and make commitments with customers and subcontractors working on site. The aim was to find out how to identify risks and remain vigilant through a series of interactive workshops, videos, performance events, risk hunts, role playing, quizzes and awards.



The Entrepouse Coordination Committee visited a VINCI Environnement site during the third International Safety Week organised by VINCI Construction at the end of September on the theme: "Let's all be vigilant".



Prestart meeting
on the Shalapa site,
Mexico

EVERYONE HAS A ROLE TO PLAY IN SAFETY

On the complex projects characteristic of Entrepouse's activity, worksite supervisors are the representatives of HSE managers in the field. They are the ones who present the different phases of work and the associated safety provisions to the teams during the prestart meetings held daily before work begins. In addition to the supervisors, it is everyone's duty to report dangerous situations and to take action to correct them. This principle of "observation & intervention" and the policy of mutual vigilance will be at the heart of the Group's safety policy in 2017.

IMPROVED PERFORMANCE OVER 5 YEARS

The Group's safety results are encouraging and have been improving for the last five years. No fatal accidents occurred in 2016 and the absolute frequency rate (TRIFR¹) fell to 3.5, compared with 3.86 in 2015 and 4.21 in 2014. This represents an improvement of 9%. The frequency of lost time accidents (LTIFR²) has also dropped sharply this year to 1.5 compared with 1.57 in 2015.

In the field, certain subsidiaries distinguished themselves through their safety results. For example, Geocan has had no lost time accidents for three years on the Protis vessel. Spicapag has also recorded no lost time accidents since 2012, for over 26 million hours of international work. Entrepouse Contracting distinguished itself in two of its projects in 2016: In Shalapa, Mexico, after 600,000 hours worked without any lost time accidents, and in Sabetta, Siberia, where very critical heavy lifting operations were performed safely for the Yamal LNG project. In the latter case, two platforms and two pipe-racks weighing several hundred tonnes were safely installed on top of the tanks. This is quite an achievement when you consider that the work was performed at -35 °C over 18 consecutive hours. In France, Geostock has been responsible for the Lavera site for nine years with no accidents, whilst more than four million tonnes of products are handled per year and 300 million m³ of LPG go through the site every year. Finally, emergency drills were also carried out on various sites throughout the year, demonstrating the personnel's ability to deal with the unexpected.

¹ Total recordable injury frequency rate. Total number of events (fatal accidents, lost time accidents, accidents without lost time) divided by the number of hours worked multiplied by one million.

² Lost time injury frequency rate. This corresponds to the number of workplace accidents with lost time divided by the number of hours worked multiplied by one million.

TOWARDS SHARED VIGILANCE

These results demonstrate the relevance of the actions taken by Entrepouse in recent years. However, the aim is now to go further, with a more proactive culture thanks to the principle of shared vigilance that will be developed in 2017 and the extension of prestart meetings. The work the Group began in 2016 to improve safety management should also contribute to this. As part of the Entrepouse CAP 2020 strategic plan, it intends to harmonise procedures and consolidate best practices.

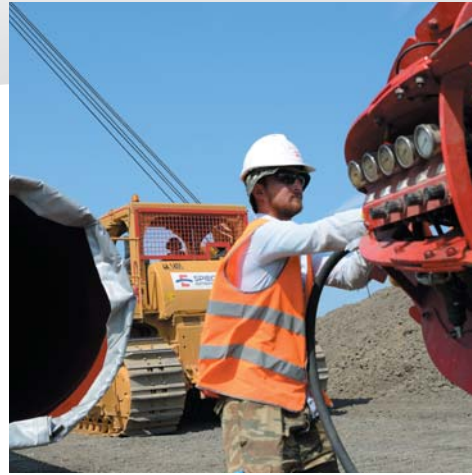
HEALTH, SAFETY AND ENVIRONMENT CHALLENGE

For the first time since it was created, the Health, Safety and Environment Challenge went digital this year with online applications and voting on the Entrepouse intranet. It was a success, judging by the number of entries submitted (34), which was 30% higher than in 2015. Six prizes were awarded on 29 January 2017 at the Cité de l'Eau in Colombes (France) in front of an audience of 200 people.



Poster from the 2016
Health, Safety and
Environment Challenge.

Activities and business lines



Throughout the world, Entrepouse's entities combine their expertise and perform their onshore, offshore and underground activities to build production, transport and storage facilities and installations for the energy industries.



P.26 **ONSHORE**

- Energy recovery
- Oil, gas and industrial infrastructures
- Pipelines



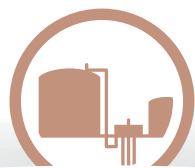
P.34 **OFFSHORE**

- Marine works



P.36 **UNDERGROUND**

- Underground storage
- Drilling



ONSHORE

As a global player in onshore infrastructures for the oil and gas sectors, Entrepose also installs pipelines in the most challenging environments. Its engineering, manufacturing and construction resources, its project management expertise and its mastery of logistics and procurement have made it the benchmark for the most complex turnkey projects.

Dunkirk LNG Project,
France



ENERGY RECOVERY

The waste processing and recovery activity accounts for 13% of Entrepouse Group's revenue. Through its subsidiary VINCI Environnement, it has designed and built turnkey facilities for more than 50 years, with a great number of structures constructed in France and abroad. The larger part of the company's business in 2016 was in France, its biggest market, while continuing to develop in Great Britain, Poland and Belgium.

A STRONG YEAR IN FRANCE

In Toulon, VINCI Environnement has completed the modernisation of the Energy Recovery Unit after three years of work. The facility was commissioned in 1984 and is now operated by Zephyre, which processes, burns and transforms 285,000 tonnes of household waste into energy every year. The renovated unit now has an optimised energy cycle, with three energy recovery lines with greater availability, less noise and fewer bad odours. Its new silhouette also allows it to blend into the landscape.

In Charente-Maritime, VINCI Environnement has continued its work in Echillais to replace the current waste processing plant with a multi-line unit that can handle greater capacities. This contract was awarded to the VINCI Environnement, SOGEA Atlantique and GDV Architectes in 2012 by the Syndicat Intercommunaire du Littoral (SIL) due to the quality of their technical solutions and their energy and environmental performance.

Further to the North, in Hauts-de-France, VINCI Environnement, SITA and A3 Architectes started work on the new mechanical pre-treatment unit in Saint-Laurent-Blangy on behalf of the Syndicat Mixte Artois Valorisation (SMAV). With a capacity of 35,000 tonnes per year and more refined sorting thanks to BRS® technology, this new unit could supply the region's different household waste recycling lines from mid-2017. The worksite is entering its final stages, with the bioreactors that will hold the fermentable materials delivered last November.

In Ile-de-France, studies are underway on energy and organic recovery units at the IP XIII Organic and Energy Recovery Centre in Ivry.

Finally, VINCI Environnement ended the year in France with success, in the form of a new contract covering two essential lots for the Energy Recovery Waste Processing Centre in Saint-Ouen. The aim is to optimise the energy recovery from the 600,000 tonnes of household waste processed by the centre every year through a new flue gas treatment system.

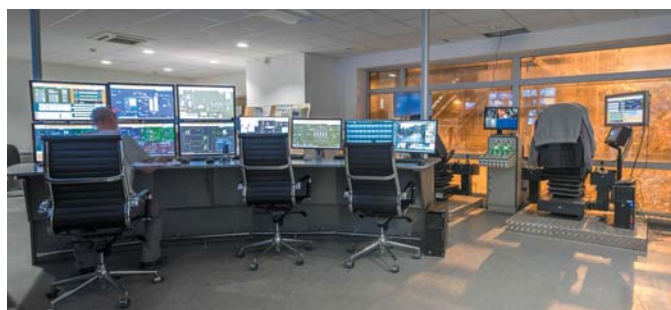
« Synergies with other subsidiaries in the Group will open new markets for VINCI Environnement. »



Construction of a multi-stream waste processing unit in Echillais, France



Cornwall Energy Recovery Centre (CERC), England



On the left: energy recovery centre in Saint-Ouen, France

Modernisation of the energy recovery unit in Toulon, France

THREE PROJECTS IN GREAT BRITAIN AND BELGIUM

The Southwest of England received a brand new Energy Recovery Centre at the end of 2016. The unit, designed by VINCI Environnement and VINCI Construction UK, will process up to 240,000 tonnes of non-recycled waste every year. By burning the waste under innovative conditions that are fully controlled at an environmental level, the facility can provide enough electricity to power 21,000 homes and can supply heat to local industries. Based in St Dennis, in the heart of Cornwall, the Cornwall Energy Recovery Centre (CERC) is the biggest worksite the region has seen in recent years.

Further North, in the city of York, work has been ongoing on the energy recovery centre at Allerton Park on behalf of AmeyCespa. Engineers from VINCI Environnement have developed solutions to improve the energy yield and reduce operating costs. Flue gas treatment has been optimised to use fewer reagents and produce less residue, whilst purifying discharges just as efficiently. Once operational, the Allerton Park ERC, built by VINCI Environnement and VINCI Construction UK, will process 320,000 tonnes of residual household waste per year. Once sorted, the waste will be used to generate enough electricity to power about 40,000 local households.

The year ended with a great European success, with a new contract in Belgium to modernise the ERC in Charleroi, some of whose components date from the 1970's. The contract awarded to VINCI Environnement involves the replacement of one of the two lines after 25 years of reliable service. This operation entails the design and construction of a new thermal treatment and flue gas treatment line that will process 46,500 tonnes of household waste and 8,500 tonnes of industrial waste per year. The energy produced will be recovered as electricity and heat.

NEW SYNERGIES IN 2017

2017 will be another big year, just like the previous one. In addition to the projects that began in 2016 and the ongoing work, VINCI Environnement has some serious leads in the Middle East, Europe and Africa. Not to mention the synergies with Entrepouse's subsidiaries, which should lead both to new markets and a new business line dedicated to power plants.

The arrival of 32 new employees following the purchase of part of the assets of Inova Construction is an additional advantage. Moreover, with the two contracts taken over (flue gas treatment at Ivry-IP XIII and the construction of a nitrate processing facility on the Malvési nuclear site), new opportunities are emerging in France and abroad for 2017 as the Group builds on the experience and expertise of these two companies.

OIL, GAS AND INDUSTRIAL INFRASTRUCTURES

A specialist in onshore infrastructures for the production, processing, storage and shipping of oil and gas, the Entrepouse Group also works for other energy sectors and other industries. Thanks to major international projects and local subsidiaries, this business line accounted for 45% of the Group's activity in 2016.

MAJOR INTERNATIONAL GAS PROJECTS

Entrepouse Contracting has maintained its level of activity in 2016 in spite of falling investments in the oil and gas sector. The company achieved the same revenue as in 2015, notably with three major projects in Dunkirk (France), Gabès (Tunisia) and Wheatstone (Australia).

In Dunkirk, the first methane tanker was able to dock at the DKLNG terminal on 8 July, carrying nearly 130,000 m³ of liquefied natural gas (LNG) from Bonny Island in Nigeria. Industrial tests began as soon as it arrived and continued with the arrival of a second vessel. Entrepouse Contracting and Bouygues TP worked as a consortium to build this terminal with three LNG storage tanks, each of which offers a usable capacity of 200,000 m³.

In Tunisia, Entrepouse Contracting finalised the construction of the gas storage spheres for liquefied petroleum gas (LPG) on the coast for the Société Nationale de Distribution des Pétroles (SNDP) in Gabès. The spheres, which were made by Entrepouse Industries in Dunkirk, were filled with sand in the first quarter, then put into service at the end of November. They were then tested to validate their commissioning.

In Australia, the Entrepouse Contracting, VINCI Construction Grands Projets and Thiess consortium delivered the four LNG and condensates tanks to the Wheatstone site on schedule. After four years of work, these 120,000 to 150,000 m³ tanks were delivered to the contractor Bechtel, working on behalf of its customer Chevron, between August and October 2016. A first methane tanker is expected in early 2017. This cargo will be used to start up the liquefaction plants. Once it is fully operational, mid-2017, the Wheatstone site will produce nearly nine million tonnes of LNG. This will make Australia the world's number one LNG producer, just ahead of Qatar.

«
*Entrepouse Contracting
completed three major
international projects in 2016.*
»



An aerial view of the Wheatstone project, Australia



In Gabès, Tunisia, the sand-filled liquefied petroleum spheres in a concrete enclosure were commissioned at the end of November.



In Nigeria, Entrepote DBN completed construction of a gas processing plant in Oben.



Begun the previous year, the Shalapa project in Mexico continued at a fast pace in 2016.

At the start of 2017, Entrepote Contracting and VINCI Construction Grands Projets completed the civil engineering work for Yamal LNG just 400 km from the North Pole in Russia. The highlights of the year were the electromechanical works and the fitting on tanks 1 and 2 of the platforms and pipe-racks that were prefabricated in Kaliningrad and shipped to the site; this took place at the end of the year. Installation took place in complete safety in extreme winter conditions, with temperatures of -35°C , which bears witness to the operational excellence of the teams.

In Mexico, launched in 2015 in Coatzacoalcos, work on the EPC Shalapa contract continued at a fast pace. Its aim is to prepare underground liquefied natural gas storage in salt caverns and build the associated surface facilities. The dehydration system chosen to equip the unit was designed, manufactured and delivered to the site by Entrepote Istana Karang Laut — the Indonesian subsidiary of Entrepote Contracting. This partnership underlines the synergies in the Group, which enable customers to benefit from all the expertise available in-house.

PLENTY OF BUSINESS FOR LOCAL SUBSIDIARIES

Entrepose Contracting's Indonesian subsidiary, Entrepose Istana Karang Laut, worked essentially on two projects in 2016: the BOPP project, which was launched the previous year in Turkmenistan, to install a polypropylene production line, and the SGFL1 project in Bangladesh, an EPC contract to build a condensates refinery.

In the Hauts-de-France, the heavy boilerworks facility Entrepose Industries, also a subsidiary of Entrepose Contracting, had a good year. In particular, it continued production of components for a water intake riser for an offshore field in Oceania.

Entrepose International Network in Algeria, Nigeria and Malaysia had plenty of business, despite a market in recession.

The Algerian subsidiary has continued its work on the Chlef cement plant for Fives FCB, located between Oran and Algiers. More than 500 people are working on assembling all the key components of the mechanical section. This project involves assembling nearly 30,000 tonnes of metal and two million manhours. This type of structure is a first for Entrepose and represents a new catalyst for growth. Further South, Entrepose also worked for JGC in Hassi Messaoud, in the middle of the Sahara, to build a gas boosting station in the strategic CIS complex. Another gas lift flowlines project is nearing completion on the same field in Hassi Messaoud. Entrepose is due to begin an EPC project to install a fire-fighting system on the Mesdar field, on behalf of the Algerian company Sonatrach. Its maintenance activity, which until now was mostly carried out on the Menzel Ledjmet Nord (MLN) site, has also expanded well beyond oil and gas, with projects for Lafarge, PWPS, Arcelor and others.

In the Niger Delta, Entrepose's Nigerian subsidiary Entrepose DBN is reaching the final stages of work in Oben for the company Seplat. This Greenfield project for the development and *ex nihilo* construction of a five-line gas processing unit with an output of 75 MMSCFD (Million Standard Cubic Feet per Day) each was produced to tight deadlines, demonstrating the operational excellence of the teams and their performance in managing a project under tough conditions in a challenging area. In Ughelli, not far from Oben, DBN also carried out repairs to a crude oil storage tank with a capacity of 240,000 barrels for the national company NPDC. In Warri, again in the Niger Delta, the management of a refinery called upon the expertise of Entrepose DBN to repair the upper section of their main FCC (*Fluid Catalytic Cracking*)



Entrepose Industries, heavy boilerworks facility of the Group, had a good 2016.

column. Entrepose DBN carried out the removal using a 300 T crane and produced a new upper section in its workshops in Warri. The teams from Entrepose DBN worked night and day in order to allow their customer NNPC to resume activity as quickly as possible. Further South in Port-Harcourt, in the Rivers State, Entrepose DBN manufactured and tested jumpers for the offshore fields of ExxonMobil, Total, and GE.

In Malaysia, Entrepose worked on various projects providing pigging and intelligent pigging services, primarily for the national oil company Petronas.

TRADE ACTIVITIES

To adapt to a changing market, Entrepose Contracting suspended its trade activities in France. It is, however, continuing its development in the USA, China, Singapore, Dubai and in South Korea, where it still has a major presence. Operating from several local sites allows it to provide diversified and efficient sourcing and to be closer to international customers.

PREPARING FOR TOMORROW TODAY

With an increased sales workforce, multiple calls for tenders, new services, the Entrepose Group is working hard to come out on top in a depressed market. This policy should bear fruit, with opportunities already on the horizon in Africa, Europe and Asia, particularly in Myanmar, Indonesia, Brunei and the Middle East, as well as in Latin America. Not to mention the opportunities that should be opened up by metering, skid solutions and the whole oil and gas industry value chain, upstream to downstream, with gas to power, and mini-refineries.

ONSHORE PIPELINES

Recognised for the quality of its offer and its ability to take on complex projects, in 2016 Entrepouse Group began a large-scale project with two EPC contracts for the Trans Adriatic Pipeline AG consortium. This success confirmed the expertise of this business line, whose activity accounted for 22% of the Group's revenue in 2016.

TWO EXEMPLARY WORKSITES IN BOLIVIA AND AUSTRALIA

In Bolivia, the Incahuasi EPC project, managed by Spiecapag for Total, was completed in the first half of 2016. This was exemplary work in more than one respect, including safety. With 1,200 people working at the peak of the project and 6 million manhours, no lost time accidents occurred. Logistics was another challenge in a country with no access to the sea, fortunately it was possible to bring the tubes through neighbouring countries. Finally, Spiecapag desired to work with local companies, and assigned the engineering studies to a Bolivian company and cooperated with Total to involve stakeholders throughout the project.

In Australia, work continued on the Victorian Northern Interconnect Expansion (VNIE) pipeline by the Spiecapag-Lucas consortium, on behalf of the Australian operator APA, and is due to be completed in 2017. More than 160 km of 16- and 18-inch gas pipelines will have been laid in one year, doubling the existing length. Once again, on this project involving nearly 200 people, work was completed in full safety. To protect the areas it crossed, the consortium also took radical measures to limit the impact of the works, especially in the Chiltern-Mt Pilot National Park North of Melbourne.

NEW MAJOR CONTRACTS IN EUROPE

Spiecapag is working on the construction of 400 km of pipeline for the future Trans Adriatic Pipeline (TAP), which will carry natural gas. It was awarded two EPC contracts by the customer TAP AG in March 2016. They cover three sections of 48-inch pipelines: one measuring 185 km in Greece, between Kipoi and Kavala, and two measuring 215 km in Albania, between Bilisht and Tropojë. By connecting with the Trans Anatolian Pipeline (TANAP) on the Turkish border, the 878 km of the TAP will make it possible to connect the Caspian Sea in Azerbaijan to the European market by crossing Greece, Albania, then the southern Adriatic. Nearly 2,000 people have already been working since mid-2016 and will continue to do so until the end of 2018 to complete the project. Running from sea level to an altitude of 1,800 m in Albania, this highly technical worksite demonstrates Spiecapag's capacity to manage complex projects and anticipate challenges.

«
With the TAP project,
Spiecapag is demonstrating its
capacity to manage complex
large-scale EPC projects.
»

In France, GRTgaz awarded Spiecapag, in partnership with A.Hak, to lay 40 km of 48-inch gas pipelines as part of the Val-de-Saône project. The contract was awarded to Spiecapag following its engineering studies and as a result of the confidence it gained on the Arc-de-Dierrey project between 2014 and 2015. Work was set to start in March 2017.

In the South, the work on the GSM2 project in the Étang de Berre has been completed. Spiecapag Régions Sud replaced the underwater section in Étang de Berre for Geostock. It has also worked on various water piping, industrial pipe and pipeline worksites in the region.

AN ASSET FOR TOMORROW: COMPLEX PROJECTS

Whilst the infrastructures market is marking time, Spiecapag has an advantage over the competition thanks to its expertise in complex EPC projects. The company has built its reputation on such projects which show promise for the future, with opportunities in Latin America, Oceania, Africa and Europe.



Victorian Northern Interconnect Expansion (VNIE) Project, Australia



Above and opposite: Trans Adriatic Pipeline Project. Spiecapag is renowned for its capacity to overcome complex challenges, such as the construction of the pipeline for the TAP project, shown here in Greece.



OFFSHORE

Pipelines, conduits, outfalls, landfalls and other coastal structural works... Through its subsidiary Geoclean, Entrepote has all the expertise required to design and build the offshore structures for transporting oil products and for water capture, transport and discharge. It innovates in many different areas, in particular alternative energy sources such as underwater turbines or ocean thermal energy.

Escondida Water Supply
Project, Chile.



MARINE WORKS

With 7% of the Group's revenue in a market that is under pressure, offshore activity is concentrated in Chile, in mining work, as well as in Africa and the Caribbean.

CHANGING FOCUS TO BOUNCE BACK

Geocean has been building offshore structures on every continent for more than 30 years, in every climate and using every kind of logistics, running turnkey projects (EPCI-type contracts) or construction contracts for the oil and gas industry, mines, the chemical sector or public works. In crisis, this market is seeing a fall in investments in oil and gas projects by private and state operators for the second year in a row. To better position itself on the market and become more competitive, Geocean restructured in the first quarter, whilst simultaneously carrying out several remarkable projects.

FOUR PROJECTS IN AFRICA AND SOUTH AMERICA

In Antofagasta, in the North of Chile, Geocean has spent two years building a seawater desalination plant for BHP Billiton. Built with three other partners as part of the Coloso consortium, the Escondida Water Supply project includes three offshore wells, two suction tunnels and a discharge tunnel, as well as a collecting pond and an onshore pump house. In addition to the engineering phases, Geocean really demonstrated its expertise, at the end of 2016, by reaching an important milestone: laying the final concrete unit for the second suction line. This 130-tonne unit, together with three other parts, forms a 450-tonne

«
*Geocean showed off its expertise
in industrial safety on the
Escondida Water Supply Project*
»

suction head that tops a 2 m diameter riser. Months of preparation were required, as well as special equipment such as the Abyss submarine excavator and a jack-up barge equipped with a diving rig, remotely controlled vehicles and a concrete mixing plant. The installation of the concrete rafts, on Tuesday, 6 December 2016, was the final touch. This final operation meant that the teams and the barge could be decommissioned on 9 December. BHP Billiton congratulated Geocean on the quality of its work and its compliance with the strictest safety rules.

Also in the Americas, Geocean continued its engineering studies for a mining project that had begun a year earlier to create a deepwater discharge outfall.

In Africa, Geocean finished the 3,000 m landfall for a pipeline in the Republic of Congo, for Technip UK Congo Branch; this 16" pipeline is for the Moho Nord UFR field operated by Total. Work began in 2015 in a confined space in the Djeno oil terminal.

In Cameroon, the company Sonara tasked Geocean with the replacement of a pipeline near Limbé to connect a conventional mooring station to the onshore refinery. This turnkey contract follows on from the installation of the Conventional Buoy Mooring (CBM) in 2009 by Geocean.

FOUR TARGET MARKETS

In a rapidly changing market, Geocean is concentrating its efforts on several markets in West Africa, South America, Northern Europe and the Gulf of Bengal.



Geocean Protis pipe-laying vessel off the coast of Cameroon



UNDERGROUND

As the world leader in the underground storage of liquid, liquefied or gaseous hydrocarbons, Geostock also handles the associated surface processes and facilities. It has contracts ranging from consultancy to works and from design to operation. Its expertise complements that of Entropose Drilling in deep drilling and HDI in horizontal directional drilling. Together, these three Group subsidiaries offer their customers comprehensive expertise in the underground field.



A view from the inside of the control unit of a drilling rig.

UNDERGROUND STORAGE

As one of the first-rate players in the underground storage of liquefied, gaseous or liquid hydrocarbons and the associated surface processes and facilities, the Group strengthened its positions in 2016. In a strong market, this business line has been able to improve its performance to achieve 10% of global revenue.

A STRONG ECONOMIC CONTEXT, A GOOD YEAR

In a highly unsettled oil and gas market, the needs for storage infrastructures remained relatively high. This trend is explained by a change in the regulatory context in some countries and by the start of new strategic storage projects around the world.

After a subdued year in 2015, Geostock re-established growth in 2016. Several factors came into play: strong international presence, which allowed it to compensate for the fluctuations in the market, commercial effort that began in 2015, and restructuring, in Germany in particular. Business was also brisk in Europe and Latin America and new regions such as the Middle East and the Caucasus emerged.

In some countries such as Mexico, Brazil and Turkey, new private players brought fresh life to storage activity. In place for a long time, they know how to identify needs, draw out projects, build lasting partnerships with State companies and obtain operating authorisations. These new contracting authorities are looking for specialists, such as Geostock, that can act as prime contractors, design systems, supervise works and then operate facilities.



With local operations close to its customers, Geostock has the cross-cutting expertise and resources to provide its customers with fast responses and high-quality service.

«
*New players
have brought fresh life
to the underground storage
market in some countries.*
»

A RANGE OF PROJECTS ON EVERY CONTINENT

In Asia, Geostock continued its two-fold mission on the Jurong Rock Caverns site in Singapore. This is prime contractor assignment for the works section and operations as part of the Banyan Caverns Storage Services Pte Ltd (BCSS) consortium for JTC Corporation. One and a half years after the first two underground storage facilities, three new cavities were tested over the year, with gasification planned for early 2017.

Still in Asia, Geostock successfully tested the leak resistance of crude oil storage caverns in China and in Mangalore, India. Finally, in South Korea, its hydro-geological monitoring contracts were renewed.

On the American continent, in Mexico, Geostock signed a twenty-year contract with Cydsa to operate a liquefied petroleum gas (LPG) storage in salt caverns.

Further North, in the USA, Geostock US and Sandia Technologies merged to form Geostock Sandia LLC. They moved into the same offices as the subsidiary Entrepouse Services, in Houston, halfway between George Bush International Airport and the Energy Corridor. This prime location is where the main companies of the Oil & Gas sector are located. The Group's American entities are now together on the same site and can offer customers their combined expertise.

Three projects marked Geostock's year in Europe. An underground gas storage project in Italy, a helium storage project in Germany and a drilling campaign in Spain.



Helium underground storage facility in Germany for Air Liquide.

In Italy, Geostock continued its work on the future storage site in Cornegliano, South of Milan. The aim is to convert a spent gas field into a natural gas storage facility with an effective capacity of 1.3 billion m³. Geostock has been contracted by Ital Gas Storage SPA to provide contracting assistance for the underground section, supervise the detail studies, the drilling work and the completion of the 14 wells, and update the models for the storage tanks. Drilling and the development of the facilities began in 2016.

In Germany, Geostock ended the year with a world's first for Air Liquide. It created a major underground helium storage facility, on which its subsidiary UGS had started work a year earlier in the North of the Rhine-Westphalia region. Since September, it has been used to store pure helium 1,300 metres underground in a salt cavern.

Finally, in Spain, through its local subsidiary UGS, Geostock launched a drilling campaign in 2016 for the production of salt in the Basque country.

On the edge of Europe, in the Caucasus, Geostock won two contracts from JSG Georgian Oil And Gas Corporation (GOGC), in Georgia. The project, known as Samgori South Dome, aims to convert a former oil field into natural gas storage. The 18-month engineering contract signed in August 2016 was followed by a second contract for two exploration wells and the end of the engineering.

In Turkey, the assistance contract for TCC on the Tuz Gölü project was extended until the end of the cleaning of the 12 first caverns.

AN EVEN BIGGER YEAR IN 2017

With an expanding order book, 2017 looks very promising, benefiting from, amongst other things, the dynamism of the German subsidiary.



Jurong Rock Caverns Project, Singapore.

DRILLING

A year of integration, 2016 saw drilling activities combine under the same operational department and integrate Intech, a new Brazilian subsidiary specialised in horizontal directional drilling. This asset has allowed the Group to develop in South America. In total, this business line generated 3% of the Group's revenue.

GEOTHERMAL: FRANCE IS POWERING UP

Entrepose Drilling is developing in the geothermal market once again this year, with several projects in France: new doublets, maintenance work - *workover* - or decommissioning of wells.

The operation to shut down the wells in Tremblay-en-France is one example. A heating network there is powered by a geothermal doublet that uses the Dogger limestone aquifer, an underground layer at a depth of between 1,600 and 1,800 metres, with water temperature varying between 55 °C and 80 °C. The wells for this doublet were drilled in 1983 and have powered the heating network for 30 years, but they have reached their end-of-life. The company Tremblay Géothermie therefore asked Entrepose Drilling, which had already worked on the site in 2015 to build a new doublet, to carry out the decommissioning of the wells drilled in 1983. Work began on 3 October 2016 and was due to take 3 to 4 months, the time required to decommission these wells, which were over 2,200 m long, according to industry standards.

Also in the Paris region, works to build a geothermal doublet in Blanc-Mesnil were completed in the second quarter. Entrepose Drilling was working there on behalf of Coriance.

In addition to these projects, Entrepose Drilling also increased its involvement in the French geothermal cluster, Geodeep. This allowed it to take part in several international trade fairs and to promote, amongst other things, the high-enthalpy technique.

«
*Geothermal continued
to grow as a part of
the Group's activity.*
»

Geothermal doublet drilling
in Tremblay-en-France, France.





As part of the French geothermal cluster, Geodeep, Entrepouse Drilling promotes the high-enthalpy technique.

OIL AND GAS DRILLING: NOTEWORTHY PROJECTS

In the oil and gas sector, Entrepouse Drilling successfully positioned itself on key projects in spite of a slowdown in investments and therefore fewer projects. Drilling operations in the Gâtinais, in the Loiret region, France, are one example. They were performed for the Canadian company Vermilion to reach oil at a depth of 600 m.

In the East of France, Entrepouse Drilling signed a coal gas drilling contract in 2016 with Française de l'Énergie. This company is one of the leaders in the French market for the operation and evaluation of gas resources. Coal gas is an energy source of the future that is destined to occupy a prime position in the French energy mix. It is an energy source that is both environmentally friendly and competitive and could increase the energy independence of France, and even Europe. It is an essential part of the country's energy transition policy.



Horizontal directional drilling under the runways at Paris – Charles-de-Gaulle airport, France

HORIZONTAL DIRECTIONAL DRILLING, AN EXPANDING ACTIVITY

After a mixed year in 2015, HDI's activity returned to growth in 2016. One highlight was the purchase of the company Intech, which strengthens the Group's presence in Brazil and Latin America and adds six new machines. Intech has been one of HDI's partners for more than 20 years. It is an expert in horizontal directional drilling and other activities related to the construction of pipelines. Its expertise covers facilities for carrying gas, water or slurry.

ELECTRICAL DEVELOPMENTS AND NETWORKS

As was the case in 2015, HDI has once again worked more in the electricity field than the oil or gas sectors, with a series of medium-sized projects for RTE and Enedis, subsidiaries of the EDF group. The two underground crossings for RTE at Paris Roissy-Charles-de-Gaulle airport were part of this. These parallel tunnels, each measuring 1,500 m long, and intended to carry 225,000 V power lines, were drilled underneath the runways and taxiways without disrupting the airport's activity.



Oil drilling in Loiret, France

«
*The Group has strengthened
 its position in Brazil by
 integrating Intech.*
 »



Thanks to its experience on thousands of worksites across the world, HDI, a subsidiary of the Entrepouse Group, is a major player in the field of horizontal directional drilling.

East of Tours, Enedis contracted HDI and Sogea Nord-Ouest TP. They were tasked with passing two new 20,000 high-voltage V power lines under the Loire river to connect the communes of Saint-Pierre-des-Corps and Rochecorbon. The preliminary work on this highly technical project began in January 2016 with additional coring and civil engineering, the installation of an angled cladding and the welding of the sleeve to house the electrical cables. It continued from April to June with horizontal directional drilling operations over 700 m. The electrical cables were put in place at the end of the year.

OIL AND GAS

HDI and Intech worked on a few oil and gas projects in 2016, although fewer than their electricity-related projects. For example, in Brazil, Intech renovated the crossing under the Manoel Alves River as a substructure, in Morro Grande, in the State of Santa Catarina. 350 m of pipework was replaced without interrupting the flow of gas or the operation of the pipeline that connects Bolivia and Brazil. This performance was made possible by a hot tapping system. Horizontal directional drilling was first

performed under the waterway, which made it possible to then install and connect the pipework in a second phase.

In France, the teams from HDI worked for GRTgaz, with 36" diameter horizontal drilling under the Santerre feeder in Picardy. In the South of France, in New Aquitaine, TIGF called on HDI to move old pipework in the Lacq area. For this project, the company drilled two parallel 400 m crossings with its new compact 80-tonne drill.

Finally, the report would not be complete without mentioning the Trans Adriatic Pipeline (TAP) project in Albania that HDI also participated in at the request of Spiecapag. A first 1,100 m section of 48" pipe under the Seman River was completed on 26 December 2016. This is a benchmark project, in view of the dimensions and the complexity of the geological layers crossed.

NEW PROSPECTS IN FRANCE AND ABROAD

With its ability to work with every operator in the energy market and with an international culture, HDI works easily abroad, regardless of the challenges. There is also great promise for Intech in Brazil and in Latin America. Five new horizontal drillings for the TAP project are planned for Spiecapag in Greece and Albania. There are also several opportunities in West Africa.

There is no shortage of vertical drilling, with a campaign already planned in Gâtinais, in Île-de-France. Thanks to the synergy between HDI and Intech, Entrepouse Drilling can also increase its activities in Brazil and more broadly in Latin America.



Horizontal directional drilling worksite in Tours, France

Responsibility and values



Entrepose is continuing its approach to responsibility, which began several years ago and was formalised in 2015 by a Charter. The Group places its commitments to human resources, corporate social responsibility, respect for the environment, ethics and quality at the heart of its strategy.

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RESPONSIBILITY**

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HUMAN RESOURCES

The main challenges for human resources in terms of Entrepose's strategy are driving commercial activity, increasing operational excellence, continuing to create a Group culture and encouraging innovation, whilst allowing everyone to achieve their goals and develop their talents.

TALENTS: 1 OUT OF 2 EMPLOYEES RECEIVED TRAINING IN 2016

Training is essential for developing collective and individual talents. It accounts for 2% of the payroll and nearly 26,500 hours were dedicated to training in 2016, mostly in the technical and professional fields (35%), but also in health and safety (32%). 1,400 employees received training over the year, which represents more than half of the workforce, compared with one in three in 2015. Sales training will be implemented in 2017 so that the Group's teams are even better prepared for changes to the market and cross-cutting offerings.

RECRUITMENT AND INTEGRATION: MAKE WAY FOR DIGITAL

Desiring to make its teams more international, Entrepose increased its presence on foreign recruitment websites and on social networks. In addition to a new look for the LinkedIn page and a careers page on the Group's new website, a recruitment charter was also deployed and practical information was shared on the company's intranet to allow HR teams to speak the same language. This digital transformation will continue in 2017 with a 100% online on-boarding pathway, including a virtual tour of the different Group entities.

INCREASINGLY INTERNATIONAL JOB OPPORTUNITIES

Mobility increased in 2016 within both Entrepose and VINCI Construction, with nearly 100 job changes, at the international level in particular. This trend should increase in 2017, thanks to an international mobility charter that the Group prepared this year by conducting an audit of the conditions for expatriation. Mobility requests and opportunities are discussed during annual appraisals, which took place from July to November this year for nearly 60% of employees.

In 2016, 32% of the Group's training was safety-related



ESTP
(Engineering
School)
Forum 2016



PAY REVIEWS AND PAYROLL ARE BEING MERGED

As part of its ongoing efforts towards integration, Entrepose merged the payroll department for five of its entities in 2016 (Entrepose Group, Entrepose Contracting, Geoclean, Spiecapag, and HDI) and will add three others in 2017 (Entrepose Drilling, Spiecapag Régions Sud and VINCI Environnement). A pay review campaign was carried out with the Vitalis tool in two new countries, Nigeria and Algeria, which can be added to the other user countries, thereby increasing the use of cross-cutting tools.

VARIATIONS IN THE WORKFORCE

Many projects were successfully completed in 2016; the Group's average workforce was adjusted to the activity, stabilising at 2,523 employees around the world, which represents a decrease of 18%. At the end of 2016, 19% of employees were women and 37% were managers.

CORPORATE SOCIAL RESPONSIBILITY

Entrepose has placed environmental and corporate social issues at the heart of its activity and its plans. It formalised its commitment in a charter in 2015, ratified by all the members of the Group Executive Committee. In the field, several initiatives accompanied projects carried out in 2016.

SOCIAL COMMITMENT

Coming alongside local communities

Both in Greece and in Albania, Spiecapag and its partners made a commitment to local communities in terms of employment and subcontracting, and at the social level. 87% of the teams working on the TAP project in Albania are Albanian, and in Greece 76% of the workers are Greek. They have all received health and safety training. 25 subcontracting agreements were awarded to Albanian companies and 34 to companies from Greece. This does not include the 400 Greek and Albanian suppliers working on the project. At a social level, Spiecapag introduced connection agents and local networks to remain in contact with the people and landowners affected by the pipeline route, answering their questions and signing agreements.

In Mexico, Entrepose Contracting was equally engaged locally and carried out actions to promote local development several times a year, in the Ixhuatlan Del Sureste area in particular. It supports educational establishments, such as the Universidad Tecnológica del Sureste near the project, or other initiatives such as Children's Day, a highly popular event in the country.

Standing up for disability

The Entrepose Group sets out to demonstrate its commitment to implement a solidarity-based, coherent and sustainable policy to employ disabled people. The actions taken in this area are structured around three major areas: maintaining and developing employment opportunities for disabled people through recruitment and support throughout their professional life; raising awareness of disability and greater recourse to protected and adapted work environments for certain types of work.



Entrepose has been a partner of the Ovalé & Sens adaptive rugby section for three years.

For three years, the Entrepose Group has also been a partner of Ovalé & Sens, an adaptive section of a rugby club (MLSGP 78) for the mentally or psychologically disabled. On 4 June 2016, this organisation held its first tournament dedicated to adaptive sports, the Oval'handi Cap, in the Paris region.



A "PRIZE-WINNING" YEAR FOR VINCI ENVIRONNEMENT

As the ninth entity in the VINCI Group to receive the Diversity label from the French Labour Minister,

Myriam El Khomri, VINCI Environnement is committed to preventing discrimination and promoting equal opportunities on a daily basis. This is made clear by its actions at its head office and on worksites. For example, in France, VINCI Environnement uses ESAT - *Établissement et Service d'Aide par le Travail*, which is reserved for people with disabilities and aims to assist them with their professional and social integration or reintegration - both for maintenance of the Rochefort site village and to create publicity materials. The tenth European Disability Employment week is another example. VINCI Environnement seized this opportunity to raise awareness about disability with an event that took the form of a game and a cooking workshop.





Entrepose organised an environmental protection awareness-raising operation for the children of employees and subcontractors in the State of Veracruz in Mexico.



In Mexico, Entrepose Contracting is continuing the environmental approach it began in 2015 on the Shalapa project. This includes reintroducing animal and plant species onto the site when the works are completed.

The construction of the pipeline in the Chiltepec-Mt Pilot National Park by Spiecapag was subject to particular environmental attention.



MANAGING THE IMPACT ON THE ENVIRONMENT

Effort that is bearing fruit

As stated in the Corporate Social Responsibility Charter published in 2015, controlling the environmental impact and seeking greater energy efficiency are at the top of the Group's social commitments. This priority is explained by the increasing levels of requirements for contractors and has resulted, amongst other things, in ISO 14001 certification for several subsidiaries.

In 2016, Spiecapag and Entrepote Contracting successfully negotiated the transition to the 2015 version of the ISO 14001 standard, demonstrating the strong commitment from managers and the inclusion of the full lifecycle of their products. Other companies such as Entrepote Drilling and VINCI Environnement have begun the certification process, with the aim of obtaining their certificate in 2017.

Beyond this official recognition, Entrepote is making great efforts to reduce its environmental impact every day. Its consumption of natural gas fell by 40% in 2016, and its production of hazardous waste fell by more than 80% compared with 2015.

These efforts were accompanied by a proactive training policy for teams and subcontractors. Four times more hours were spent on protecting the environment, in Greece, Albania and Australia in particular.

Actions while working on site

To respond to local concerns, the teams working in the field take various measures to protect the environment.

This is the case for Entrepote Algeria, which creates suspended scaffolding and specific installation tools using scrap metal as part of the Chlef project.

The Spiecapag teams building the Victoria pipeline in Australia, in the middle of the Chiltern-Mt Pilot National Park, also demonstrated creativity to protect this natural treasure, which is famous for its orchids, ironbark woods and its birds. By working closely with their customer and government bodies, they were able to reduce the project's environmental impact by 35% compared with a standard construction project.

In Mexico, Entrepote Contracting took corporate social responsibility actions from the very start of the Shalapa project.

It is continuing the environmental approach that began in 2015, which plans in particular to replant hundreds of plant species once the work is finished that were put into nurseries at the start of the project in the unoccupied areas of the future facility. The most vulnerable animal species, which were evacuated from the area, will also be reintroduced.

The visit to the Quetzalli environmental education site, in Coatzacoalcos in the State of Veracruz was another example of Entrepote Contracting's commitment. The families of several employees and subcontractors were invited to discover the environment in the summer of 2016 through an initiatory itinerary based on the four elements: earth, water, air and fire.

ETHICS: A STEP AHEAD IN MEETING NEW REQUIREMENTS

Entrepote has been working with its teams to prepare for the ever-more demanding requirements of its customers and, in general stakeholders, in terms of ethics since 2010.

Entrepote thus adopted VINCI's code of ethics and compliance in 2010, then appointed a Director of Ethics and Compliance in 2013, before introducing an anti-corruption process. This was supplemented by the Corporate Social Responsibility Charter in 2015 and two guides designed for teams and the Group's partners: one on analysing the risk of corruption and the other on preventing it. ABC training (Anti-Bribery & Corruption) was also extended in 2016 to Geoclean, Entrepote Drilling and Entrepote International Network, after having set its sights on Entrepote Contracting, Geostock and Spiecapag in 2015. Finally, there is now a platform that allows Compliance Officers to inspect or even manage the situation of a partner or subcontractor as concerns ethics and compliance. Thanks to these initiatives, the Entrepote Group meets the requirements of the ISO 37001 standard, which entered into force in 2017.

The second highlight of the year was the Sapin II Law that will apply to French companies from June 2017. The Entrepote Group began preparations with VINCI in 2016, to ensure that it is ready to respond to the new requirements of this regulation pertaining to transparency, anti-corruption strategy and the modernisation of economic activity.

Quality: working towards an integrated system

In June 2016, Entrepote launched the Integrated Management System (IMS) to harmonise the management systems. This is a unifying company project intended to improve the Group's operational excellence and encourage synergies between the subsidiaries to better meet the expectations of customers in an ever-changing world. The system is under construction and should start to provide its first returns as of 2018. This project demonstrates the teams' dynamism and commitment to building the working methods of the future together.

Alongside this approach, an ERP (*enterprise resource planning* or integrated management software package) will assist with the centralisation of support functions from 2017, with reporting tools for all the subsidiaries to provide greater simplicity and efficiency.

In addition to the IMS, 2016 was also marked by the compliance of most of the subsidiaries with the 2015 version of the new ISO 9001 standard. If proof were needed, this once again shows senior management's strong involvement and the Group's expertise in managing risks and opportunities.

USING INNOVATION TO OVERCOME ENERGY CHALLENGES

This year, Entrepose took an active part in the R&D process initiated by VINCI's construction division. This pooling process uses collective intelligence to create value. It is this collaborative work at the Group level and sharing of expertise in innovation that gives rise to the most innovative offers for customers.

In 2016, the research and development activity of VINCI's construction division was characterised by the strengthening of the cross-cutting approach that began a year earlier and involved all of the subsidiaries. It gave Entrepose ample opportunity to demonstrate its expertise in innovation and to take an active part in cross-cutting R&D issues.

In the first quarter, Geocan presented its expertise in underwater machines, with a focus on catchment and recording the environment and data. This presentation, which attracted a great deal of interest, resulted in a partnership with Menard (Soletanche Freyssinet) to develop a volumetric data acquisition pilot for dynamic compaction machines to improve ground.

Other synergies are in view with Dodin Campenon Bernard (VINCI Construction France) on tunnelling machines, and Freyssinet (Soletanche Freyssinet) for direct measurement solutions for repair work.

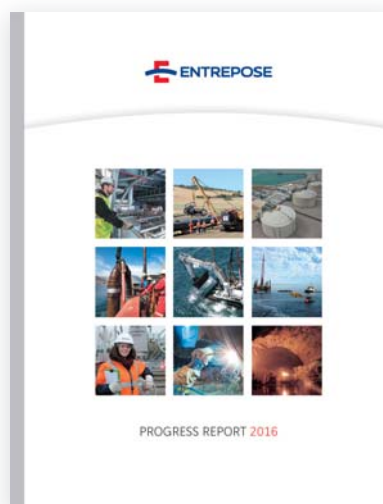
VINCI Construction Grands Projets and Entrepose Contracting have also increased their joint research on liquefied natural gas tanks with the aim of developing higher added-value solutions for their customers.

Internally, Entrepose's R&D Committee brought its experts together on several occasions to assess the R&D initiatives of the different subsidiaries. It also played a part in the selection or management of the subjects covered by Citeph - a programme developed by the Evolen association that facilitates access to private financing for innovative research projects in the energy field. Two other R&D projects were launched in 2016. The first was an encapsulation system for 48" pipelines that will ensure the continuity of the coating on both sides of the weld between two tubes. This system was applied on the TAP project and is one of the entries for the 2017 VINCI innovation award. The second R&D project led to a patent application for a system for lifting and turning plates developed by Entrepose Industries. This project already won an award in 2015 in the Entrepose Health, Safety and Environment Challenge.

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At the heart of our geopolitical challenges, the energy industry must constantly adapt its offer and become increasingly competitive if it is to face ever-increasing demand. Entrepose is constantly innovating to meet the energy-saving and efficiency requirements of the energy industry.
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Abyss remotely-controlled submarine excavator, developed by Geocan and used in 2016 on the Escondida Water Supply Project in Chile.



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