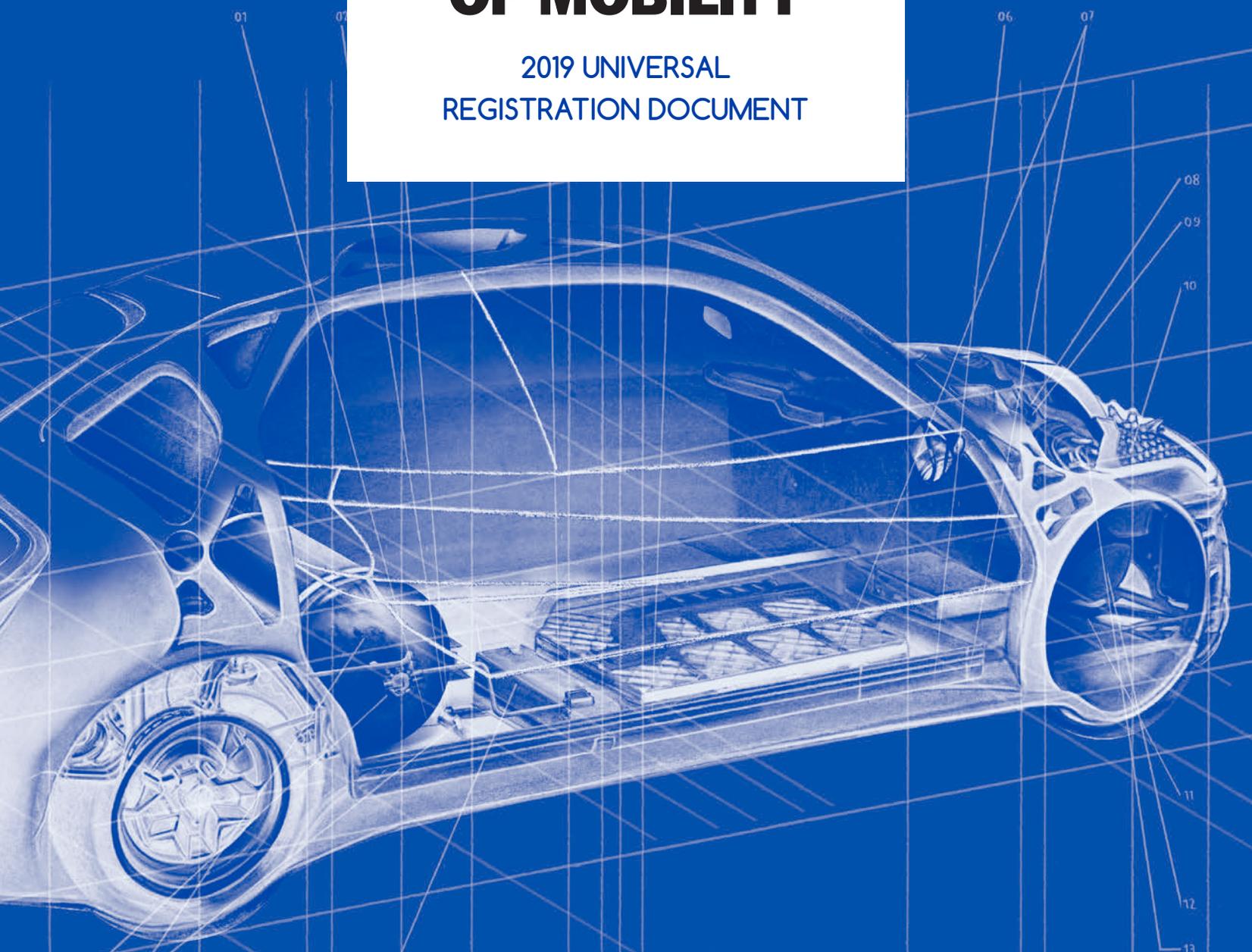




PLASTIC OMNIUM

# LET'S SHAPE THE FUTURE OF MOBILITY

2019 UNIVERSAL  
REGISTRATION DOCUMENT



Including the integrated report, the annual financial report,  
the corporate governance report, the statement of non-financial performance

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The Statement of Non-Financial Performance is identified in the summary using the SNFP pictogram 



World leading automotive supplier for its three business lines, Plastic Omnium operates in **26 countries** with **131 plants**, located close to its clients. Plastic Omnium develops solutions for the car of the future, which will be clean and connected.

## UNIVERSAL REGISTRATION DOCUMENT

### 2019

Including:  
the integrated report,  
the annual financial report,  
the report on corporate governance,  
the Statement of Non-Financial Performance



This Universal Registration Document was filed on March 10, 2020 with the AMF (French Financial Markets Authority), as the competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of said Regulation.

The Universal Registration Document may be used for the purposes of an offering of securities to the public or the admission of securities for trading on a regulated market if accompanied by a transaction memorandum and, where applicable, a summary and all changes made to the Universal Registration Document. This set of documents is then approved by the AMF in accordance with (EU) ruling 2017/1129.

Pursuant to Article 19 of Regulation (EU) 2017/1129, the following information is incorporated by reference in this Universal Registration Document:

- The consolidated financial statements and statutory accounts for the year ended December 31, 2018 and the corresponding audit results appearing on pages 133 to 253 (inclusive) of the 2018 registration document filed with the AMF on March 12, 2019 under the reference number D.19-0139;
- The consolidated financial statements and statutory accounts for the year ended December 31, 2017 and the corresponding audit results appearing on pages 117 to 233 (inclusive) of the 2017 registration document filed with the AMF on March 12, 2018 under the reference number D.18-0118.





# Integrated REPORT

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**LAURENT BURELLE**  
CHAIRMAN OF THE BOARD OF DIRECTORS

MESSAGE FROM THE CHAIRMAN

## A new chapter in our ongoing history

Plastic Omnium is changing its governance in order to continue its growth over the long term and to make the most of the opportunities afforded by the changing automotive market. A new chapter in the Group's history is opening to consolidate its leadership. Laurent Burelle, Chairman of the Board, explains.

From the time it was founded by Pierre Burelle in 1946 until now, only three people have headed Plastic Omnium: Pierre, Jean and Laurent Burelle. Continuity gave the company strength. With its capacity for long-term decision-making, Plastic Omnium was able to plan, propel and support each major phase of its expansion.

The automotive industry, on which Compagnie Plastic Omnium SE is now fully focused, is currently undergoing change of unprecedented scale and speed.

To address this upheaval, new perspective and a broader frame of reference are called for. I expressed the wish to entrust operations at Plastic Omnium to the complementary tandem of Laurent Favre and Félicie Burelle. Laurent Favre, a French engineer who spent 23 years working for automotive suppliers in Germany, has experience that will be invaluable for the Group, which generates 41% of its revenue with German automotive manufacturers. Félicie Burelle, who has been in charge of Group strategy for the past five years, has been closely involved in the Group's acquisitions and key decision-making. In a difficult business environment, with world automotive production experiencing its

first decline in 10 years, the new management tandem will be tasked with restoring the intrepid spirit that drove the creation of Plastic Omnium. To succeed in their mission, they can build on the Group's strong fundamentals, reflected in its balance sheet and liquidity, and its portfolio of innovations centered on the intelligent exterior systems and clean energy systems of the future.

Beyond that, the scale and scope of the Group they will be helping have changed in recent years. Plastic Omnium has moved from supplying automotive components to delivering low-carbon mobility solutions and has become an active participant in the energy transition. It has transformed itself from a French company doing international business into a genuinely global Group, reflected in its adoption this year of the European Company legal form (131 production facilities and 26 R&D centers in 26 countries).

One thing, however, remains unchanged: throughout its history, the Group has made a point of maintaining its independence. The challenge facing Plastic Omnium in coming years will therefore be to combine international expansion, financial independence and ownership stability, as it has done from its inception. The new

“Although the change in Plastic Omnium’s governance marks a new chapter, the history of the company, which goes back more than 70 years, will continue, and will continue to be associated with the name of the founding family.”

Laurent Burelle

management team will also be called on to tackle new environmental and social challenges to ensure that Plastic Omnium continues to set standards in corporate social responsibility for the 21<sup>st</sup> century.

Although the change in Plastic Omnium’s governance marks a new chapter, the history of the company, which goes back more than 70 years, will continue, and will continue to be associated with the name of the founding family.

It will continue first, because I am not leaving Compagnie Plastic Omnium SE, but will remain as the Chairman of its Board of Directors. Second, because the family will continue to be represented in the operational team. And lastly, because Compagnie Plastic Omnium SE’s strategy of profitable growth and focus on sustainable mobility will have the support and active oversight of its holding company, in which the Burelle family increased its majority control again in 2019.

For nearly three-quarters of a century, the governance, ethics and business conduct of our company have stood for a certain way of life in industrial France. The new team will keep this entrepreneurial culture alive and intensify the transformation currently taking place to make Plastic Omnium a leading player in the clean, connected car.

**LAURENT BURELLE,**  
CHAIRMAN OF THE BOARD OF DIRECTORS

INTERVIEW

## Shaping tomorrow's mobility

Laurent Favre was appointed Chief Executive Officer of the Group on January 1, 2020. This French engineer, who has spent the past 20 years working for automotive suppliers in Germany, gives his vision of the automotive market and discusses Plastic Omnium's role in the ongoing automotive revolution.



"Plastic Omnium's strength lies in its consistent ability to predict market swings and take timely strategic action to boldly and rigorously prepare for them."

Laurent Favre



**LAURENT FAVRE**  
DIRECTOR AND CHIEF EXECUTIVE OFFICER

### What is your view of Plastic Omnium?

First, I am very proud to head a Group that is among the 30 leading automotive suppliers, but stands out from the others as a family-run, independent company with a rich history rooted in strong values that make all the difference. Plastic Omnium's strength lies in its consistent ability to predict market swings and take timely strategic action to boldly and rigorously prepare for them. This was the approach taken in the Group's successful re-focus on the automotive industry. Every day that I spend meeting the teams in the factories, R&D centers and offices around the world brings home to me our employees' outstanding level of operational excellence and engagement.

### What are the priorities to be addressed by Plastic Omnium?

Short term, we need to absorb automotive market turbulence due to the slowdown in China and Europe and tighter environmental regulations for the automotive sector. We have grounds for optimism. For one thing, we demonstrated our ability to adapt to the less dynamic business environment in 2019. For another, tighter environmental regulations are driving innovation, and with it our future growth. In the longer term, Plastic Omnium is gearing up to take timely decisions to support growth, which will be driven by the technological revolution under way in the automotive sector and ongoing mobility requirements in a number of world regions where automobile ownership remains relatively low.

### How can Plastic Omnium step up its growth?

The Group can build on its balanced worldwide locations and technological capabilities to capture upcoming growth in the automotive sector. It can expand its market share, increase the number of parts sold per vehicle and put even more value into each vehicle with enhanced products and new functions. Our 26 R&D centers and our strategic partnerships with innovative companies such as HELLA and Brose give us what we need to help automakers navigate their technological transformation.

### How is the Group supporting tomorrow's mobility?

As world leader in our three businesses, Plastic Omnium clearly operates at the heart of the transformation of the automotive industry. By reducing the car's energy consumption and pollution emissions, the Group has also become an energy transition player. When we make strong technology choices such as to invest in fuel cells and hydrogen, we become a driving force in the transition. Another strength is the intelligence we are including in exterior systems and energy systems. The technology revolution also extends to production systems, and we are able to assemble complex modules that make life easier for automobile manufacturers. For all these reasons, we are confident going forward.



**FÉLICIE BURELLE**  
DIRECTOR AND MANAGING DIRECTOR

#### SHARED PERSPECTIVES

## Shaping the outline of the future Plastic Omnium

Chief Executive Officer Laurent Favre and Managing Director Félicie Burelle are now at the head of Group operations. They form a tandem that combines the skills of an automotive industry engineering expert and the Plastic Omnium strategy manager for the past five years. They deliver their vision of the Group in areas ranging from corporate social responsibility to innovation.

"ACT FOR ALL™ is an integral part of the Group's strategy, providing direction and cohesiveness. That's why we will apply it across the board throughout the Group."

Félicie Burelle

**Plastic Omnium has always been committed to safety. Based on that history, what priority do you give to the ACTFORALL™ corporate social responsibility program?**

**Félicie Burelle:** Due to its size and the nature of its business activities, Plastic Omnium is uncompromising when it comes to safety. Our policy is Zero Tolerance. The attention to safety is now extended to encompass issues such as job satisfaction for our employees on both a global and a local basis, as well as our ways of conducting business, and the production processes in our factories. ACT FOR ALL™ is an integral part of the Group's strategy, providing direction and cohesiveness. That's why we will apply it across the board throughout the Group.

**Laurent Favre:** Our ACT FOR ALL™ CSR program is not an option but an obligation if we are to continue to conduct our business and remain a leader. Technical and financial performance is no longer enough. We must also demonstrate environmental, social and ethical performance. ACT FOR ALL™ covers such strategic subjects as the carbon footprint of our businesses, and the diversity, gender balance and wellbeing of our employees. This program involves all of us to give us the competitive edge that will make all the difference.



"With the car incorporating an increasing number of functions within limited spaces, Plastic Omnium is ideally placed to manage this complexity"

Laurent Favre

## How do you see the Group 10 years down the road?

**Laurent Favre:** We are fortunate to live in exciting times and be able to take part in the most extensive transformation of the automotive industry that has occurred in 50 years. New technologies and services are creating a new type of mobility and an unprecedented user experience. With the car incorporating an increasing number of functions within limited spaces, Plastic Omnium is ideally placed to manage this complexity. The Group is stepping up the transformation of its product lines to support automakers as they move to the sustainable, modular and connected car of the future.

**Félicie Burelle:** Plastic Omnium has changed so much over the past two decades that it is difficult to predict exactly what it will look like in the 2030 timeframe. As a pure player in the automotive sector, the Group will be incorporating an increasing amount of intelligence in the parts it manufactures to make the car cleaner, safer and more intuitive. We think that the shift from all-thermal to all-electric will be a progressive one. We will therefore continue our two-track approach: first, make thermal engines cleaner, whatever the fuel used; and second, prepare for electric mobility, for which we are investing in hydrogen. To cover this huge field of sustainable mobility research and capture the best of the new technologies, Plastic Omnium will be reaching out to an increasing number of partners in an open innovation approach.

# PURE PLAYER in the automotive industry and world leader in each of its three business lines

An independent French family-owned group created in 1946, Plastic Omnium is a global pure player in the automotive industry, operating 131 plants in 26 countries and with 26 R&D centers. Plastic Omnium is the market leader in its three business lines.

## PLASTIC OMNIUM INDUSTRIES



### INTELLIGENT EXTERIOR SYSTEMS

SMART BUMPERS AND TAILGATES WITH INTEGRATED FEATURES

Designs complex body systems that enhance the car's performance and design while integrating an increasing number of functions for the connected vehicle.

**45%** of the revenue in 2019

**21,800** employees

**26** million bumpers produced per year

**64** plants in 15 countries



### CLEAN ENERGY SYSTEMS

ENERGY STORAGE AND EMISSIONS CONTROL SOLUTIONS FOR ALL ENGINES

Develops energy storage and emissions control solutions for all engines (gasoline, diesel and hybrid vehicles) and designs vessels to withstand high hydrogen pressures.

**30%** of the revenue in 2019

**7,600** employees

**21** million fuel tanks produced per year

**40** plants in 20 countries

## PLASTIC OMNIUM MODULES



### HBPO

MODULE DEVELOPMENT, ASSEMBLY AND LOGISTICS

Assembles front-end modules (with growing demand from car manufacturers for customization and connectivity), and is accelerating its development with the assembly of new modules.

**25%** of the revenue in 2019

**2,600** employees

**6** million front-end modules assembled per year

**27** plants in 11 countries

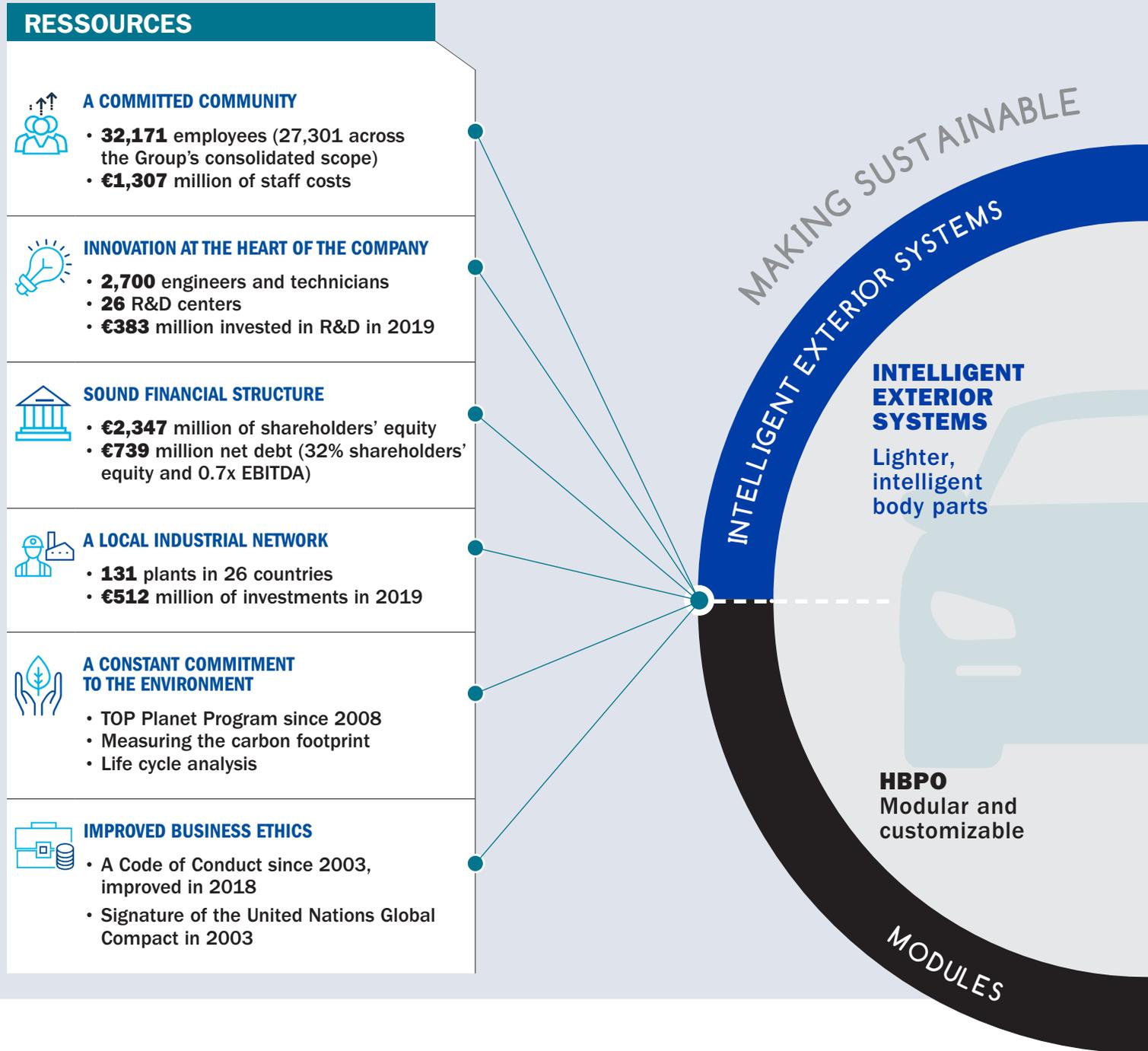


GROWTH LEVERS/COMPETITIVE STRENGTHS	THE CAR WILL BE	MARKET SHARES
<ul style="list-style-type: none"> <li>• Expertise in ultra-innovative materials allowing more lightweight parts and optimum safety</li> <li>• Expert in plastics with unique material performance electromagnetic transparency allowing optimal radar/lidar use, necessary for the emergence of connected vehicles</li> <li>• Ability to integrate complex systems/sensors and electronic radars enabling them to function properly and safely</li> <li>• Strategic partnerships with: <ul style="list-style-type: none"> <li>• <b>Brose</b>, expert in mechatronic systems for doors and seats</li> <li>• <b>HELLA</b>, leader in the development and production of lighting systems and electronic components.</li> </ul> </li> </ul>	 <p><b>CONNECTED</b></p> <p>Plastic Omnium's body parts will be designed to see, protect and communicate.</p>	<p><b>NUMBER 1 WORLDWIDE</b> <b>16%</b> market share</p> <p><b>1 VEHICLE OUT OF 6</b> produced worldwide is equipped with a Plastic Omnium intelligent exterior system</p>
<ul style="list-style-type: none"> <li>• Expert in plastic fuel systems, lighter, offering maximum safety</li> <li>• Reduction of polluting emissions (SCR, water injection system, etc.)</li> <li>• <b>INWIN</b> and <b>Tanktronik®</b> intelligent systems for plug-in hybrid vehicles</li> <li>• Strategic technology acquisitions: <b>Swiss Hydrogen</b>, expert in balance of plant within the fuel cell and <b>Optimum CPV</b>, specialist in hydrogen tanks</li> <li>• <b>Plastic Omnium New Energies</b>, focused on developing the energies of the future, particularly in the area of fuel cells and hydrogen propulsion.</li> </ul>	 <p><b>CLEAN</b></p> <p>Plastic Omnium solutions are already reducing emissions and its engineers are working on clean solutions for tomorrow.</p>	<p><b>NUMBER 1 WORLDWIDE</b> <b>22%</b> market share</p> <p><b>1 VEHICLE OUT OF 4</b> produced worldwide is equipped with a Plastic Omnium fuel tank</p>
<p><b>GROWTH LEVERS/COMPETITIVE STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• <b>HBPO</b> operates on a just-in-time basis <b>11 countries</b> and <b>27 sites</b></li> <li>• The only supplier dedicated to controlling the entire front-end process from design to delivery</li> <li>• <b>HBPO</b> is broadening the scope of its operations and confirming its expertise in assembling new modules such as the cockpit, center console and even the DC-DC converter.</li> </ul>	 <p><b>MODULAR</b></p> <p>with 27 plants worldwide, <b>Plastic Omnium</b> has the expertise to meet this demand.</p>	<p><b>MARKET SHARES</b></p> <p><b>NUMBER 1 WORLDWIDE</b> <b>18%</b> market share</p> <p>Plastic Omnium is responsible for <b>ONE IN FIVE FRONT END MODULES</b> assemblies worldwide</p>

# BUSINESS MODEL

An automotive supplier leader in its businesses serving the connected, autonomous & carbon-free car

Fully incorporating global challenges and serving its growth ambitions, Plastic Omnium's business model creates and shares long-term value for all of its stakeholders.





MOBILITY POSSIBLE

CLEAN ENERGY SYSTEMS  
Clean mobility

CLEAN ENERGY SYSTEMS

## VALUE CREATION



### CARE FOR PEOPLE

- Safety: TF2 of 1.85 in 2019
- Training: 22 hours per employee in 2019
- Equality and diversity: target of 25% female managers by 2025



### INNOVATION IN THE ECOSYSTEM

- **105 patents** families filed in 2019 and a portfolio of 2,830 patents
- An Open Innovation ecosystem
- **€700 million** in revenue on innovative products that reduce polluting emissions



### RESULTS GUARANTEEING INDEPENDENCE

- **€1,005 million** EBITDA
- **€347 million** Free cash-flow
- **€108 million** in dividends paid to shareholders



### ENHANCED INDUSTRIAL EXCELLENCE

- **10 new customers** in 2019 bringing the total to 93 brands
- **100%** of sites certified to ISO 9001
- Industry 4.0 on all sites by 2023



### A RESPONSIBLE INDUSTRIALIST

- **91%** of sites certified to ISO 14001
- **71%** of sites certified to OHSAS 18001/ISO 45001
- Objective to reduce CO<sub>2</sub> emissions per kg of transformed material by **20 %** by 2025



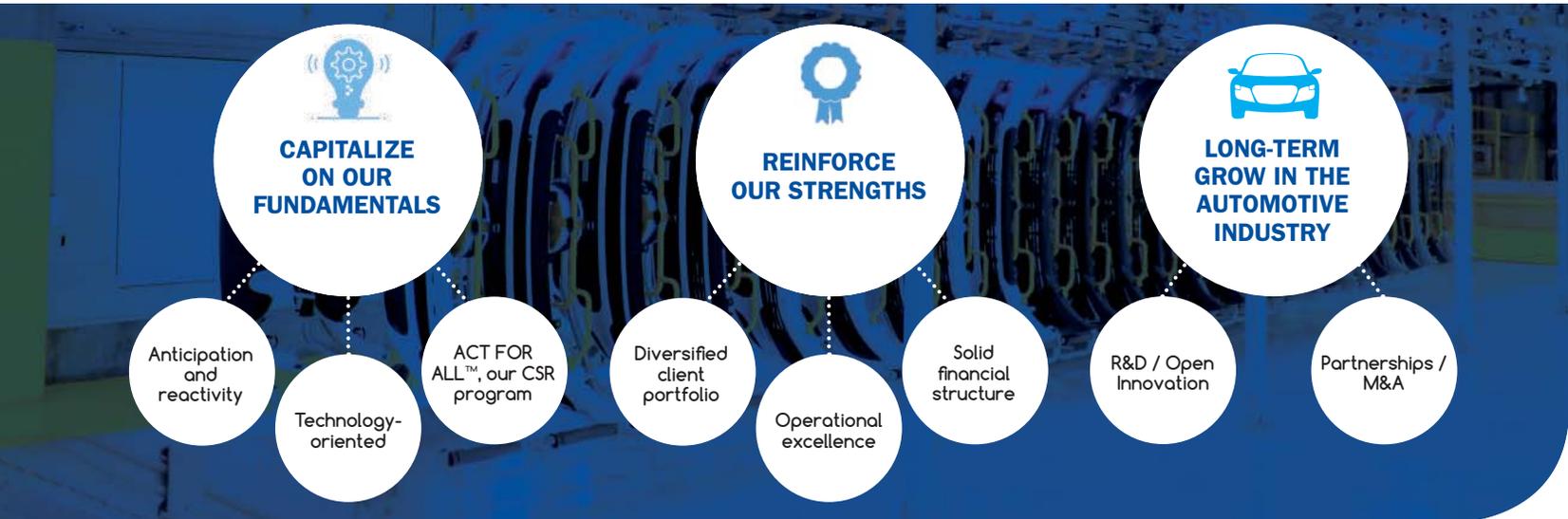
### A COMMITTED ENTREPRENEUR

- RobecoSam rating: **8<sup>th</sup>** among global automotive OEMs
- Supplier CSR Charter
- Employee engagement with local communities

# BUSINESS AND STRATEGY

## An industrial and innovative company committed to long-term growth

On the strength of its industrial excellence, its clear innovation strategy, an ambitious CSR policy, and a sound financial structure, Plastic Omnium ranks as a major automotive industry player ready to strengthen its positions in favor of sustainable mobility.



### LONG-TERM STRATEGY of an innovative industrial Group based on solid fundamentals

The Group's strategy of profitable and innovative growth is being implemented while continuing its transformation to meet its stakeholders' expectations:

#### Industrial excellence and Industry 4.0 for its customers

Plastic Omnium is reasserting its goal of increasing the industrial efficiency of its production facilities with the deployment of Industry 4.0 within its plants. Predictive data management, the optimization of processes and the increasing automation of industrial facilities will reduce costs and inventories, while optimizing the supply chain. The objective is to reduce the amount of capital employed and improve operating profitability.

#### Innovative solutions for sustainable mobility

Plastic Omnium is deeply committed to the technological transformation of the automobile. The zero-carbon and connected car creates new growth opportunities by bringing in additional content in each vehicle in all of the Group's business lines.



## Ambitious CSR policy

Plastic Omnium's CSR policy is a key factor in its performance and excellence. Plastic Omnium has formally set out its commitments in a global program called ACT FOR ALL™. This ambitious policy, backed by regularly measured objectives, aims to engage all of the Group's stakeholders around three pillars: a responsible company, care for people, and sustainable production. The policy is regularly assessed by independent bodies, and in particular was recently awarded the status of the world's eighth automotive supplier by RobecoSAM.

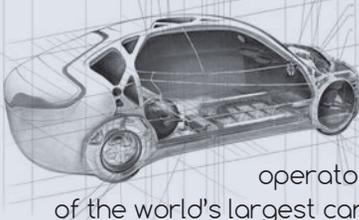
**On the strength of its industrial excellence, its clear innovation strategy, an ambitious CSR policy, and a sound financial structure, the Group ranks as a major automotive industry player ready to strengthen its positions in favor of sustainable mobility.**

## Enhanced skills and innovation

To meet the technological and environmental challenges of the car of the future, Plastic Omnium relies on more than 2,700 engineers, spread over 26 R&D centers around the world, including three new ones opened in 2019 in France, Belgium and China.

The Group has also gained new skills to boost its innovation capacities through its Open Innovation ecosystem. With its investment in venture capital companies Aster and then AP Ventures, the Group ranks as leader in the field of clean mobility. Moreover, Plastic Omnium has a network of start-ups, partnerships with leading universities, and an Automotive Strategic Analysis Committee comprised of internationally recognized experts.

# INNOVATION in the Group's DNA



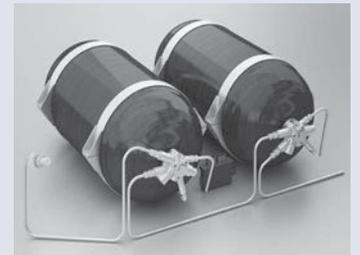
Innovation, a shared historical mindset. The diesel crisis, environmental regulations, electrification, connectivity, autonomous vehicle: the automotive world is reinventing itself. For more than 70 years, the "PO Way" has brought together the 32,000 employees of Plastic Omnium, from its Chairman to the operators, from Europe to China, enabling the Group to innovate and adapt to the needs of the world's largest carmakers. As early as 1946, its founder Pierre Burelle had imagined the 47 parts of an automobile that could be made of plastic...

Today, the diversity and complexity of the challenges are encouraging Plastic Omnium to mobilize, more than ever, all the ideas and initiatives internally and to continuously expand the expertise of its teams. «All innovators» is more than a slogan- it is a shared reality.

## A major contract and the first certification of a pressurized tank confirm Plastic Omnium's positioning in hydrogen

In the fourth quarter of 2019, Plastic Omnium won a large order from a German manufacturer to develop 350-bar hydrogen tanks for buses. In parallel with this success, Plastic Omnium obtained a first

certification for a 700-bar hydrogen tank designed for passenger vehicles. Together this contract and certification represent a major milestone in the Group's development of new energies.



# 4.0

## THE NEW INDUSTRIAL REVOLUTION at Plastic Omnium

Industry 4.0 is the combination of mature technologies: data, advanced robotics, augmented reality, the internet of industrial things, as well as vertical integration (suppliers, customers) and horizontal integration (partners), through the cloud and data management.

For Plastic Omnium, Industry 4.0 heralds the implementation of predictive production. The other challenge is managing behavioral change for everyone, from the operator to the plant manager.

Between now and 2023, €200 million will be invested in rolling out industry 4.0 at Plastic Omnium's manufacturing facilities.

## Promising technological PARTNERSHIPS



In January 2019, Plastic Omnium and HELLA launched an innovative project partnership to develop integrated solutions, combining exterior body parts and lighting. Experts in engineering and design from each group, based in Germany, are working together on the development of new concepts incorporating innovative technologies in lighting and in intelligent exterior systems, for both the front and rear of vehicles.



Plastic Omnium has also partnered with German equipment manufacturer Brose, which specializes in mechatronic systems, to develop a door system offering new features, innovative styling and ease of assembly.

## 3 NEW R&D centers

The Group has a network of 26 R&D centers located close to the decision centers of its carmaker customers. This network was further enlarged by the construction or extension of 3 R&D centers in France, Belgium and China:



$\Sigma$ -Sigmattech, the international R&D center for Intelligent Exterior Systems near Lyon (France).



$\Delta$ -Deltatech, an advanced research center in Brussels (Belgium) specializing in new energies.



$\omega$ -Omegatech, a testing and development center for Clean Energy Systems in Wuhan (China).

# Co-build the sustainable mobility of tomorrow

To respond to the revolution of the connected, autonomous and zero carbon car, Plastic Omnium, technological leader in its markets, is continuously improving its internal and external innovation capabilities.

Plastic Omnium is working in Open Innovation with an ecosystem of start-ups, major technological universities and engineering schools, supervised by an Automotive Strategic Analysis Committee bringing together internal and external experts; scientific and technological partnerships are regularly set up with the best performers.



  
**4.5%**  
OF REVENUE IN R&D

  
**2,830**  
PATENTS

  
**2,700**  
ENGINEERS

  
**26**  
R&D CENTERS

# RISK MANAGEMENT

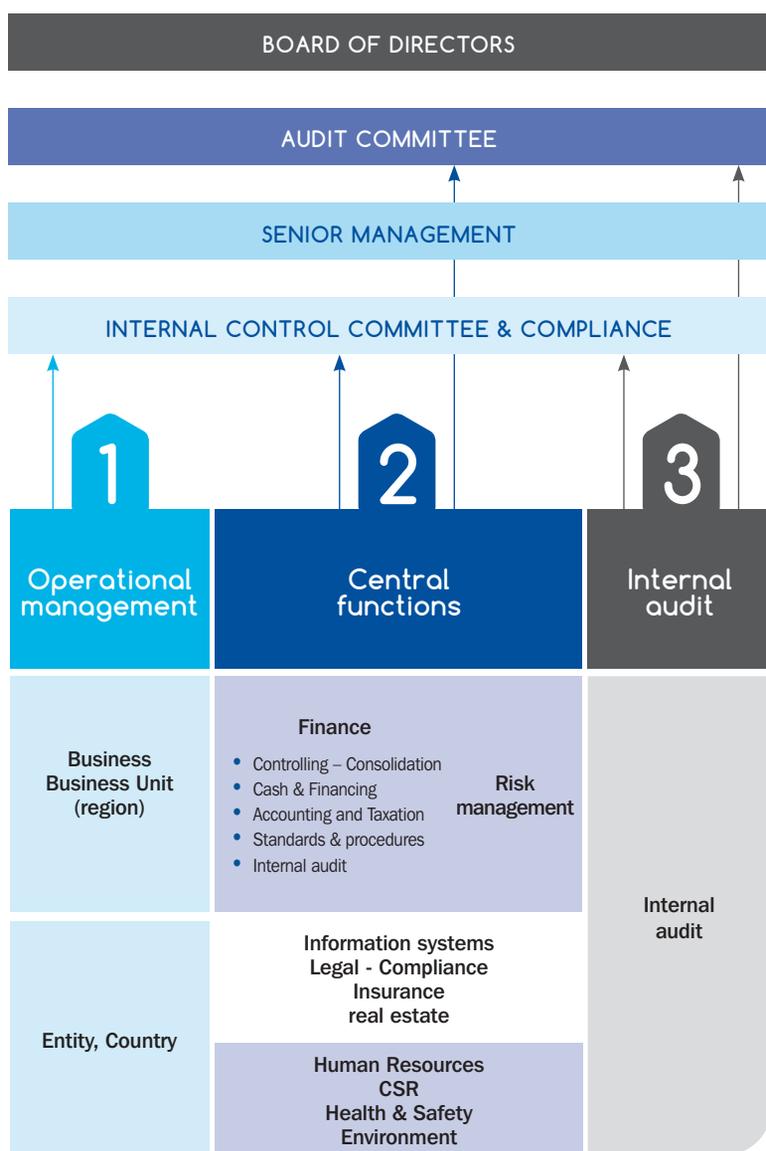
## A key issue

As a global group operating in a complex market, Compagnie Plastic Omnium SE is exposed to various risks. Its organization aims to control these.

### Risk management

Compagnie Plastic Omnium SE has set up an organizational and governance framework designed to control the main risks to which the Group is exposed. This framework is supplemented by a worldwide insurance program for its majority-controlled subsidiaries.

#### AN EFFICIENT ORGANIZATION



### Specific risks identified

Compagnie Plastic Omnium SE has reviewed the risks likely to have an impact on its business, its financial situation or its results, and has implemented control processes to manage these.

Main risks facing Compagnie Plastic Omnium SE:

#### OPERATIONAL RISKS

- RISK RELATED TO AUTOMOTIVE PROGRAMS
- RISK RELATED TO ACQUISITIONS
- INFORMATION TECHNOLOGY RISK

#### INDUSTRIAL AND ENVIRONMENTAL RISKS

- HEALTH, SAFETY AND ENVIRONMENT RISK

#### CREDIT AND/OR COUNTERPARTY RISKS

- CUSTOMER RISK
- SUPPLIER RISK

#### MARKET RISKS

- RAW MATERIALS PRICE RISK

#### LEGAL RISKS

- RISK RELATED TO THE QUALITY OF PRODUCTS AND SERVICES SOLD
- COMPETITION RISK
- INTELLECTUAL PROPERTY RISK

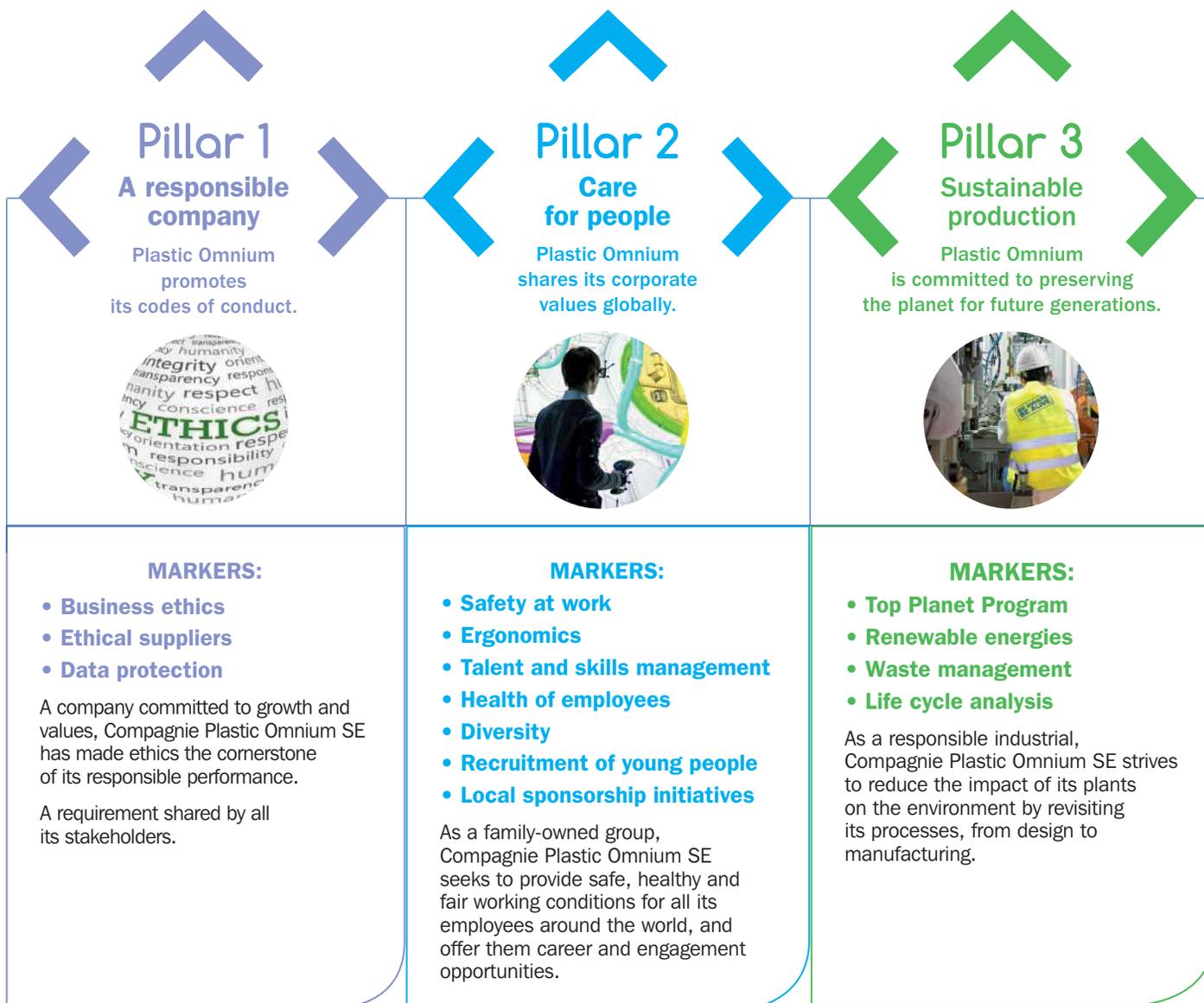


# THE GROUP'S CORPORATE SOCIAL RESPONSIBILITY PROGRAM

## Ambitious CSR policy

Compagnie Plastic Omnium SE's CSR policy is a key factor in its performance and excellence. The Group has formally set out its commitments in a global program called ACT FOR ALL™.

This ambitious policy, backed by regularly measured objectives, aims to engage all of the Group's stakeholders around three pillars: a responsible company, care for people, and sustainable production.





**MARKERS**

**RISKS AND OPPORTUNITIES**

**KPIs**



Business ethics

Business ethics

Ethics Awareness Index

Supplier ethics

Sustainable purchasing

Supplier Ethics Index

Data protection

Data protection

IT Compliance Index



Health and safety at work

Occupational health and safety conditions

Frequency rate (Tf2) workplace accidents

Ergonomics

Occupational health and safety conditions

Percentage of workstations assessed

Talent and skill management

Talent and skill management

Share of senior management positions filled internally

ACT FOR ALL™ local commitments

Relations with local stakeholders

Share of sites involving employees in support of local community initiatives

Public health programs

Occupational health and safety conditions

Share of sites carrying out at least one annual health campaign

Promote the employment of young people

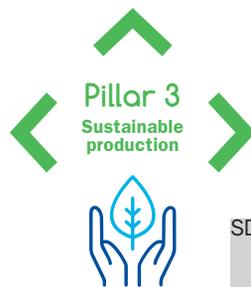
Equal opportunities

Number of attendees

Career development for women

Equal opportunities

Share of women amongst Directors



Top Planet program

Energy efficiency and CO<sub>2</sub> emissions

Top Planet score

Renewable energies

Energy efficiency and CO<sub>2</sub> emissions

Number of industrial sites to have developed renewable energies on site

Waste management

Waste management

Share of final waste

Eco-design

Eco-design and recyclability

Number of life cycle analyses (LCA) carried out for innovations

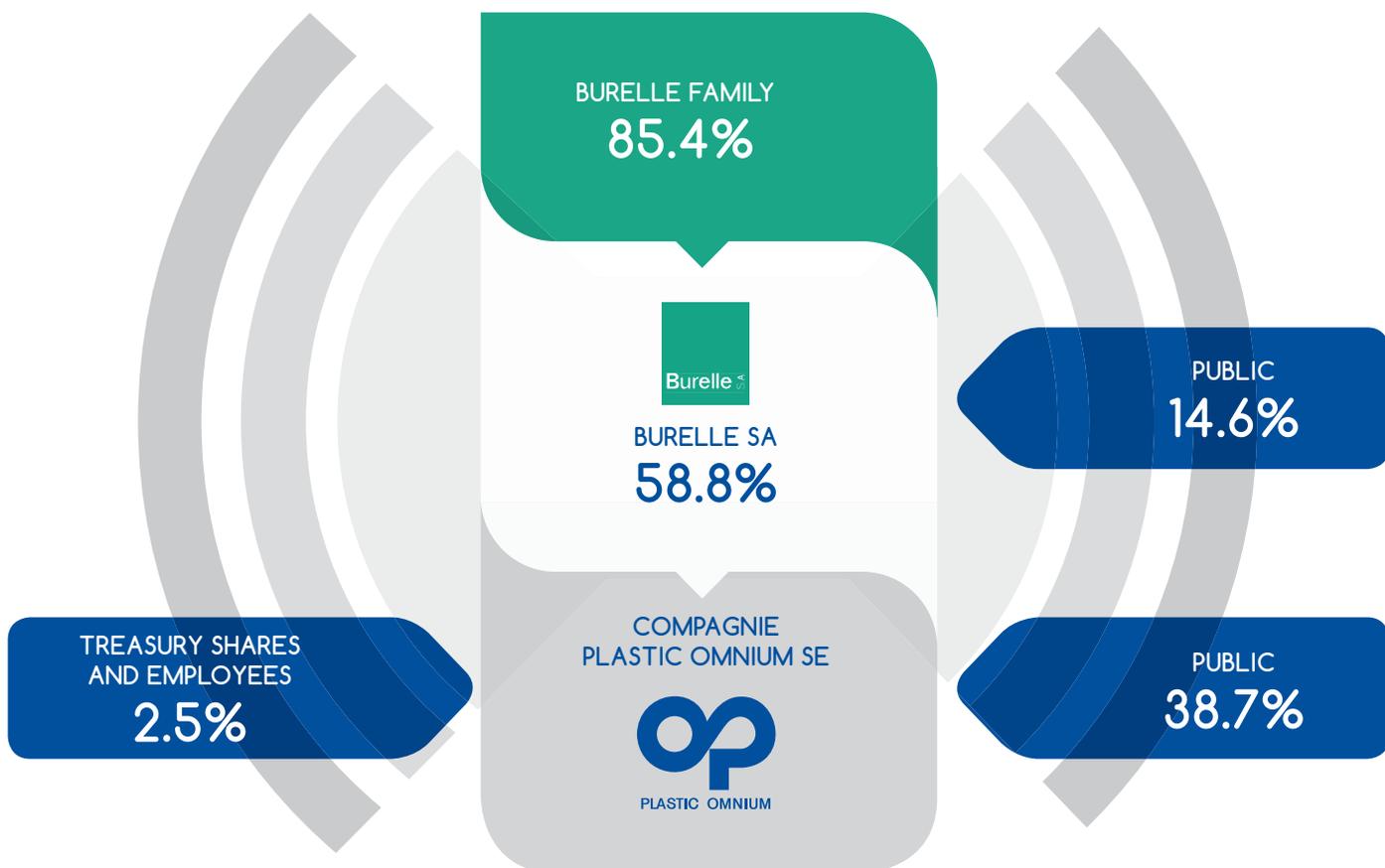
SDG = SUSTAINABLE DEVELOPMENT GOAL

2019 RESULTS	2020 TARGETS	2025 TARGETS	MAIN ACTIONS 2020
92%*	80%	100%	<ul style="list-style-type: none"> <li>Increase the number of employees who receive training:                             <ul style="list-style-type: none"> <li>Increase the number of e-learning languages used for the Code of Conduct</li> <li>Roll out the Compliance Day to new profiles</li> </ul> </li> </ul>
450 suppliers analyzed in 2019 Index = 68%	1,250 suppliers analyzed in 2019/2020 Index = 60%	>90%	<ul style="list-style-type: none"> <li>Improve the training of buyers</li> <li>Define the action plans to be put in place for suppliers not meeting expectations</li> </ul>
Continuous improvement			<ul style="list-style-type: none"> <li>Continue the deployment of new access control and data confidentiality technologies</li> </ul>
1.85	1.6	0.5	<ul style="list-style-type: none"> <li>Continue the deployment of the Top Safety program</li> <li>Continue the integration of HBPO into the program</li> </ul>
79%*	84%*	100%	<ul style="list-style-type: none"> <li>Improve the consideration of ergonomics in the project phase and improve training in the evaluation tools</li> <li>Develop workstation assessment within HBPO</li> </ul>
70%	75%	75%	<ul style="list-style-type: none"> <li>Deploy the programs Starter, Booster, Leading Success, Driving Success and Leading Manufacturing</li> </ul>
58%	60%	100%	<ul style="list-style-type: none"> <li>Continue identification of actions and events</li> <li>Coordinate activities at the business lines level</li> </ul>
56%	60%	100%	<ul style="list-style-type: none"> <li>Continue identification of actions and events</li> <li>Coordinate activities at the business lines level</li> </ul>
816	870	1,000	<ul style="list-style-type: none"> <li>Improve the reporting of interns and promote the employment of interns</li> <li>Improve attractiveness to young women to support diversity</li> </ul>
12.8%	15%	25%	<ul style="list-style-type: none"> <li>Develop the professional careers of women</li> <li>Grow the internal networks for women, such as Women@PO</li> </ul>
49%*	50%*	60%	<ul style="list-style-type: none"> <li>Strengthen the sharing of best practices</li> <li>Continue the roll-out of ISO 50001 certification</li> </ul>
4	8	> 50% of sites	<ul style="list-style-type: none"> <li>Develop renewable energies partnerships</li> <li>Consider the purchase of green electricity with guarantee of origin</li> </ul>
14%	/	/	<ul style="list-style-type: none"> <li>Continue the roll-out of ISO 14001 certification at HBPO and Plastic Omnium</li> </ul>
4 LCA	2 new LCA	/	<ul style="list-style-type: none"> <li>Perform two new life cycle analyses</li> </ul>

\* Excluding HBPO

# AN INDEPENDENT FAMILY-OWNED group since 1946

Majority owned by members of the founder’s family, the Group enjoys independent family governance, whose long-term vision has enabled steady growth since its creation and flexible decision-making.



1946

Creation of Plasticomnium by Pierre Burelle in Paris



1963

First plant in Langres

1965

Plasticomnium took control of UMDP (Union Mutuelle Des Propriétaires Lyonnais)  
Plasticomnium's stock market listing dates back to this merger.



1987

Jean Burelle became Chairman of Plastic Omnium



2001

Laurent Burelle became Chairman of Plastic Omnium



2019

**Change of governance on January 1, 2020**

Laurent Burelle became Chairman of the Board of Directors  
Laurent Favre was appointed Chief Executive Officer  
Félicie Burelle was appointed Managing Director

**32,000 employees**

131 plants  
26 R&D centers  
26 countries  
93 client brands

# A RESPONSIBLE Board of Directors



At December 31, 2019, Compagnie Plastic Omnium SE was governed by a Board of Directors composed of **17 members**: the Chairman, the Chief Executive Officer, the Managing Director and **14 directors**.



## The Board of Directors

Balanced between representatives of the Burelle family and independent directors.



**LAURENT BURELLE**  
CHAIRMAN OF COMPAGNIE PLASTIC OMNIUM SE  
CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF BURELLE SA



**LAURENT FAVRE**  
DIRECTOR SINCE 2020  
CHIEF EXECUTIVE OFFICER OF COMPAGNIE PLASTIC OMNIUM SE



**FÉLICIE BURELLE**  
DIRECTOR SINCE 2017  
MANAGING DIRECTOR OF COMPAGNIE PLASTIC OMNIUM SE



**ÉLIANE LEMARIÉ**  
DIRECTOR SINCE 2009  
AND REPRESENTATIVE OF BURELLE SA  
MEMBER OF THE APPOINTMENTS COMMITTEE



**JEAN BURELLE**  
DIRECTOR SINCE 1970  
HONORARY CHAIRMAN OF COMPAGNIE PLASTIC OMNIUM SE



**PAUL HENRY LEMARIÉ**  
DIRECTOR SINCE 1987  
CHIEF OPERATING OFFICER OF BURELLE SA



**VINCENT LABRUYÈRE**  
DIRECTOR SINCE 2002  
CHAIRMAN OF THE AUDIT COMMITTEE



**ANNE-MARIE COUDERC**  
DIRECTOR SINCE 2010\*  
CHAIRMAN OF THE COMPENSATION COMMITTEE AND APPOINTMENTS COMMITTEE



**JÉRÔME GALLOT**  
DIRECTOR SINCE 2006



**PROF DR BERND GOTTSCHALK**  
DIRECTOR SINCE 2009\*  
MEMBER OF THE COMPENSATION COMMITTEE



**ANNE ASENSIO**  
DIRECTOR SINCE 2011\*  
MEMBER OF THE AUDIT COMMITTEE



**AMÉLIE OUDÉA-CASTÉRA**  
DIRECTOR SINCE 2014\*  
MEMBER OF THE COMPENSATION COMMITTEE



**LUCIE MAUREL-AUBERT**  
DIRECTOR SINCE 2015\*  
MEMBER OF THE AUDIT COMMITTEE AND APPOINTMENTS COMMITTEE



**CÉCILE MOUTET**  
DIRECTOR SINCE 2017



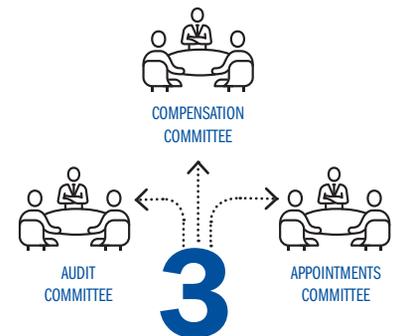
**ALEXANDRE MÉRIEUX**  
DIRECTOR SINCE 2018\*



**AMANDINE CHAFFOIS**  
DIRECTOR REPRESENTING EMPLOYEES SINCE 2019



**IRENEUSZ KAROLAK**  
DIRECTOR REPRESENTING EMPLOYEES SINCE 2019



## SPECIALIZED COMMITTEES

prepare for its discussions

## A committed executive committee

The **EXECUTIVE COMMITTEE** carries out its missions in a spirit of transparency and anticipation, with a high degree of decision-making responsiveness. The monthly meetings are complemented by annual management meetings organized in major global clusters, at the meeting of local managers. Its **11 members** represent the central and operational departments and ensure the deployment of the Group's commercial, industrial and R&D strategy, its financial performance and CSR policy worldwide.

\* Independent Board member.

# KEY FINANCIAL FIGURES for 2019

**€9,183M**  
ECONOMIC REVENUE

**€8,494M**  
CONSOLIDATED REVENUE

**€51M**  
OPERATING MARGIN

**€258M**  
NET PROFIT GROUP SHARE

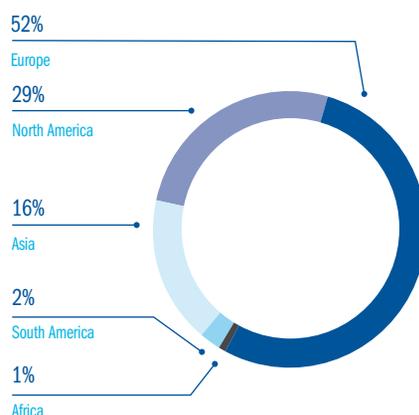
**€1,005M**  
EBITDA

**€739M**  
NET DEBT

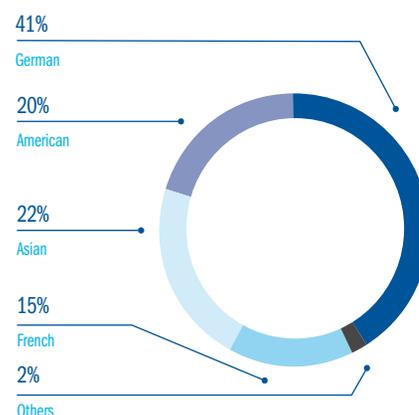
**€347M**  
FREE CASH-FLOW

**€0,74\***  
DIVIDENDS

## BREAKDOWN OF REVENUE BY REGION



## BREAKDOWN OF REVENUE BY CUSTOMER



## 2020 FINANCIAL OUTLOOK

Worldwide automotive production will continue to decline in 2020. The extent of this decline will depend on how the impact of Covid-19 develops.

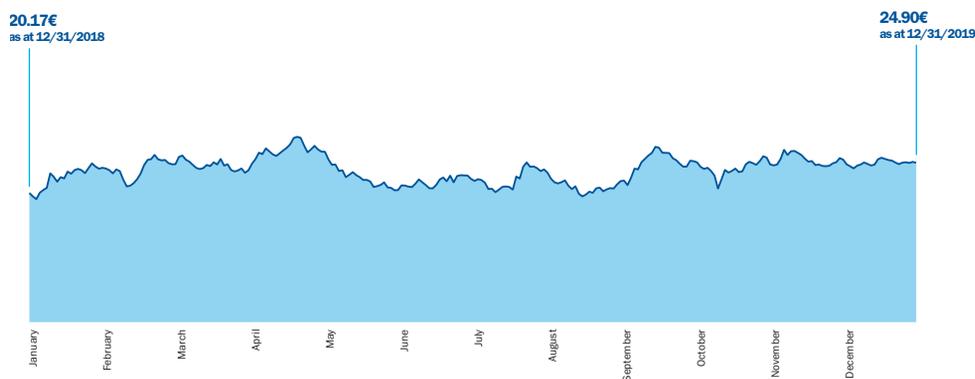
On the basis of production assumptions known to date and excluding systemic effects related to Covid-19, Plastic Omnium forecasts for 2020:

- a 5-point outperformance over worldwide automotive production;

- growth in operating profit and EBITDA (by value);
- free cash-flow of more than €200 million with confirmed innovation and R&D capacity.

In this market environment, the Group has a solid order book and has strengthened its management fundamentals, with particular attention paid to free cash-flow generation, a strengthened cost reduction policy and a renewed ambition in terms of industrial excellence.

## 2019 SHARE PRICE



\* Proposed to the Annual General Meeting of April 23, 2020

## 2019 Social and Environmental PERFORMANCE



On October 23, 2019, the Group organized the sixth world day dedicated to corporate responsibility in all its 131 plants, during which its 32,000 employees attended training and awareness workshops on this unifying corporate project.



616

ENGINEERS AND MANAGERS RECRUITED IN 2019, OF WHOM 22% ARE YOUNG GRADUATES AND 24% ARE WOMEN

WORKPLACE ACCIDENT FREQUENCY RATE, WITH AND WITHOUT LOST TIME (TF2)

1.85

IN 2019

-31% VS 2018



13.5%

OF WOMEN IN SENIOR MANAGEMENT

17.9%

OF WOMEN MANAGERS

91%

OF SITES ISO 14001 CERTIFIED

71%

OF SITES OHSAS 18001/ISO 45001 CERTIFIED



86%

OF WASTE GENERATED BY THE GROUP IN 2019 HAS BEEN RECYCLED OR RECOVERED

510,634 Hours

OF TRAINING GIVEN IN 2019

22 Hours

OF TRAINING PER EMPLOYEE IN 2019

Solar panels on the roof of the Δ-Deltatech development center in Brussels (Belgium)



# 1

## PRESENTATION OF PLASTIC OMNIUM and its businesses

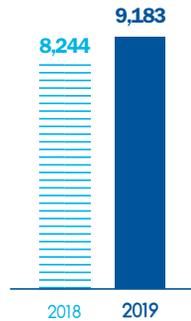
1.1	2019 KEY FIGURES	AFR	28
1.2	HISTORY AND DEVELOPMENT OF THE GROUP		30
1.3	ORGANIZATION CHART		32
1.4	SIGNIFICANT EVENTS		33
1.5	BUSINESSES	AFR	34
1.6	OBJECTIVES AND STRATEGY	AFR	36
1.7	RESEARCH AND DEVELOPMENT (R&D)	AFR	38

# 1.1 2019 KEY FIGURES

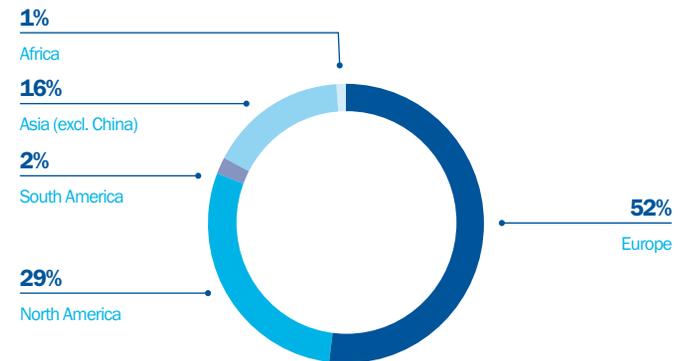
AFR

## CHANGE IN ECONOMIC REVENUE

In millions of euros

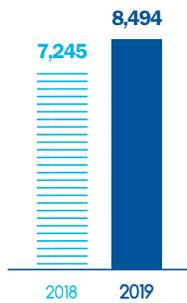


## BREAKDOWN OF ECONOMIC REVENUE BY REGION



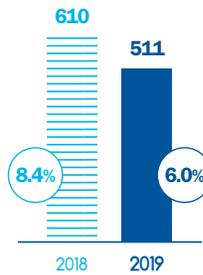
## CHANGE IN CONSOLIDATED REVENUE

In millions of euros



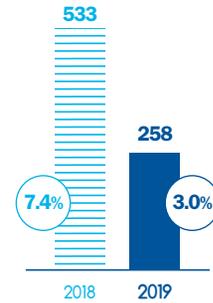
## OPERATING MARGIN

In millions of euros and as % of consolidated revenue



## NET PROFIT – GROUP SHARE

In millions of euros and as % of consolidated revenue



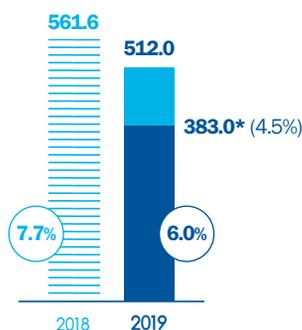
● **Economic revenue** reflects the Group's operational and managerial reality. It corresponds to consolidated revenue, plus revenue from the Group's joint ventures, consolidated at their percentage of ownership: BPO (50%), YFPO (50%) for Plastic Omnium Industries and SHB Automotive modules (Samlip) (33%) for Plastic Omnium Modules.

● **Consolidated sales** does not include the share of joint ventures, which are accounted for by the equity method, pursuant to IFRS 10, 11 and 12.

● **Operating margin** includes the share of profit of entities accounted for by the equity method and the amortization of acquired intangible assets, before other operating income and expenses.

### CAPITAL EXPENDITURES AND PROJECTS

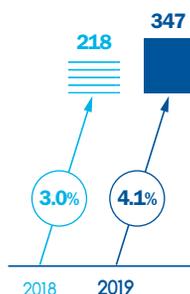
In millions of euros and as % of consolidated revenue



(\* including €128.5 million received from the sale of Compagnie Plastic Omnium SE's non-industrial real estate assets to the real estate company Sofiparc, wholly-owned by Burelle SA.

### FREE CASH-FLOW

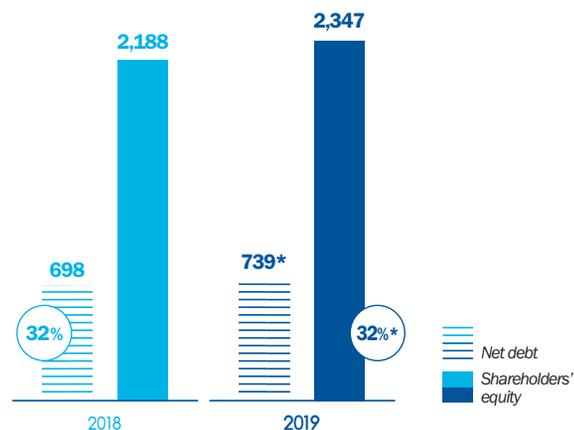
In millions of euros and as % of consolidated revenue



- **Capital expenditure and projects** refer to acquisitions of property, plant and equipment and intangible assets, net of disposals, the net change in advances for fixed assets or suppliers of fixed assets and investment subsidies received (see "Cash-flow Statement" in section 5.2.5, line E of part II).
- **Free cash-flow** corresponds to the operating cash-flow, less tangible and intangible investments net of disposals, taxes and net interest paid +/- variation of the working capital requirements (cash surplus from operations). (see "Cash-flow Statement" on page 172, line "Cash surplus from operations").

### NET DEBT, SHAREHOLDERS' EQUITY

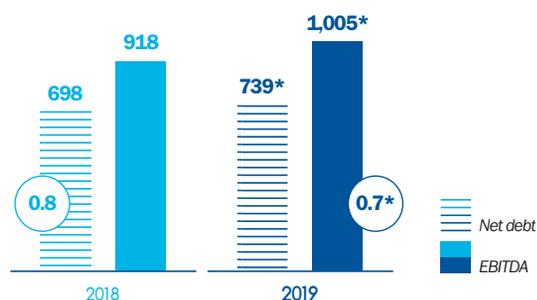
In millions of euros and net debt/shareholders' equity as %



(\* after application of the IFRS 16 standard "Leases contracts".

### NET DEBT, EBITDA

In millions of euros and net debt/EBITDA ratio



(\* after application of the IFRS 16 "Leases".

- **Net debt** includes all long-term borrowings, short-term loans and bank overdrafts less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents (see Note 5.1.11 to the balance sheet on page 208).
- **Shareholders' equity** includes operating grants.
- **EBITDA** corresponds to the operating margin plus the share of profit of associates and joint ventures before depreciation and operating provisions (see Notes 4.2 and 4.4 to the consolidated financial statements).



## 1.2 HISTORY AND DEVELOPMENT OF THE GROUP

Compagnie Plastic Omnium SE's origins stretch back to **1946**, when Plastic Omnium, created on April 15, set up business at the rue du Louvre in Paris. The Company then had three employees and Pierre Burelle was the Chairman and Chief Executive Officer. Its first products were pipe fittings, dehydrator spark plugs, and other plastic automotive parts (Jaeger).

During this time, injection molding machines were characterized by the weight of the part produced. In 1949, the Company had five molds, with the largest able to produce a 250-gram part.

### 1952

The Company moved to rue du Parc in Levallois-Perret, (in the Hauts-de-Seine department).

### 1954

The Company borrowed to buy a mold capable of making 1,200-gram parts, a serious challenge for a company of this size.

### 1963

New premises in Langres (Haute-Marne) were built to keep pace with the significant growth in business.

### 1965

Plastic Omnium took control of UMDP (Union Mutuelle Des Propriétaires Lyonnais), a company listed on the Lyon stock exchange. The two companies merged and Pierre Burelle became Chairman and Chief Executive Officer of the new entity. Plastic Omnium's stock market listing dates back to this merger.

UMDP was a septic tank cleaning and sanitation company. Pierre-Émile Burelle, a civil engineer and graduate of the École des Mines in Paris, took over its management in 1877 at the age of 29.

Under the leadership of Pierre-Émile Burelle, the Company installed an extensive pipeline network to carry sludge from the La Mouche plant in Lyon to local farmland and market gardens. This 55 km network led to the creation of spread cropping.

After 1914, with the development of sewer systems, Pierre-Émile Burelle refocused the business on waste bucket rentals. He died in 1926. Two of his sons were involved in the management of UMDP: Jean Burelle, who died in the war in 1915, and Charles, who headed the Company until 1965. In that year, Pierre Burelle, the son of Jean Burelle and the grandson of Pierre-Émile Burelle, acquired a majority stake in UMDP on the Lyon stock exchange.

UMDP's waste bucket business was the starting point for the development of a range of products and services by Pierre Burelle, Chairman and Chief Executive Officer of Plastic Omnium, including waste container rental, maintenance and cleaning. This business became the backbone of the Environment Division.

### 1966

The current corporate identity was adopted, with a new logo designed by Raymond Loewy and with Plastic Omnium written as two words.

### 1968

The Group acquired Gachot's fluorinated resin division and set up a plant in Langres dedicated to these products, which became the 3P Division.

### The 1970s

The 1970s saw the start of the Company's international expansion with the creation of one subsidiary a year, including Spain in 1970, Germany in 1972, the United Kingdom in 1973, and the United States in 1977.

### 1974

The parent company, Compagnie Plastic Omnium, was set up.

In 1974, the Group acquired a 2,500 metric ton injection-molding machine, followed in 1982 by a 10,000 metric ton machine, both records in terms of power for the time.

### 1980

Beginning of the bumper business for Renault.

### 1986

Plastic Omnium takes a controlling interest in the Landry Group and Techniplaste Industrie, which resulted in the Fuel Systems business and diversified the Group's client portfolio with Peugeot and Citroën.

### 1987

Jean Burelle became Chairman and Chief Executive Officer of Compagnie Plastic Omnium. Pierre Burelle became Honorary Chairman and remained a director.

In the 1990s, the Group continued to extend its geographic reach internationally with the creation of new subsidiaries and with acquisitions:

- Zarn, in the United States, which operated 4 container plants, was acquired in 1991 and then sold in 2001;
- Vasam, a fuel tank manufacturer based in Madrid and Vigo, was acquired in 1994;
- Reydel, a dashboard and door panel specialist with operations in France, Spain, Italy and the United Kingdom, was acquired in 1996 and formed the basis of the Plastic Omnium Auto Interior Division that was sold on to Visteon in 1999.

In the 2000s, the Company continued to grow with a targeted acquisition and partnership strategy, and established a presence in Asia. It also stepped up its spending on R&D.

**2000**

Inergy Automotive Systems, the world leader in fuel systems, was created as a 50/50 joint venture with Solvay.

**2001**

Laurent Burelle became Chairman and Chief Executive Officer of Compagnie Plastic Omnium.

**2002**

The Company's global R&D center for exterior automotive components, Σ-Sigmatech, was inaugurated in the Lyon area.

The 3P Division's pipe fitting business was sold.

**2004**

Plastic Omnium Medical was sold.

The joint venture HBPO, the global leader in complex front-end automotive modules design, development, assembly and logistics, was set up by Plastic Omnium and two German automotive suppliers, HELLA and Mahle-Behr.

**2006**

The Group takes control of Inoplast, a manufacturer of components and products made with composite materials and thermoplastics for cars and trucks.

**2007**

The Group celebrated its 60<sup>th</sup> anniversary with a gathering of 1,000 people in La Défense (Paris).

Plastic Omnium begins operations in China, as part of an auto exterior joint ventures were launched with Yanfeng Visteon.

The Group also begins operations in India, through a majority-owned auto exterior joint venture with Varroc. The Group took full control in 2012.

The Group acquires German-based Sulo, Europe's second largest waste container group.

Plastic Omnium acquires Signature, the European leader in road signage and marking, from Burelle SA, the parent company, and launch of a partnership with Eurovia (Vinci) in the same business segment.

**2008**

The Performance Plastics Products (3P) Division is sold.

**2010**

The Group takes control of the Inergy Automotive Systems joint venture through the acquisition of Solvay's 50% stake.

Since 2010, the Company has continued to expand in fast growing regions, through a combination of organic growth and acquisitions.

**2011**

The Company acquires Ford's fuel system production assets in the United States, and the Polish auto exterior plants of its competitor Plastal.

**2012**

Two majority-owned fuel system joint ventures, one in China with BAIC, and the other in Russia with DSK, are set up.

Signature's German and French operations are sold to Eurovia.

**2014**

R&D activities are strengthened with the opening of α-Alphatech, Auto Inergy Division's global R&D center in Compiègne, France.

**2016**

In July, the Group finalized the acquisition of Faurecia's Exterior Systems business.

**2017**

On June 6, Plastic Omnium celebrated its 70<sup>th</sup> anniversary at the Grand Palais, in Paris, with more than 1,500 guests.

**2018**

On June 26, Plastic Omnium raised its stake in HBPO, the world leader in automotive front-end modules, by acquiring a 33.33% stake in the German group Mahle (HBPO had previously been held equally by Plastic Omnium, Hella and Mahle-Behr), bringing Plastic Omnium's stake in HBPO to 66.67%.

On December 18, Plastic Omnium sells its subsidiary Plastic Omnium Environment BV to the consortium Latour Capital/Bpifrance (French public investment bank).

**2019**

In 2019, the Shareholders' Meeting approves the transformation of Compagnie Plastic Omnium, a French société anonyme, into a Societas Europaea (SE).

During the year, Compagnie Plastic Omnium SE formalized its CSR commitments as part of a worldwide program called ACT FOR ALL™. Compagnie Plastic Omnium SE's CSR policy is a key factor in its performance and excellence.

On September 24, Compagnie Plastic Omnium SE announced changes in its governance with effect from January 1, 2020: Laurent Burelle is Chairman of the Board of Directors, Laurent Favre joins the Group as Chief Executive Officer and Félicie Burelle is appointed Managing Director.

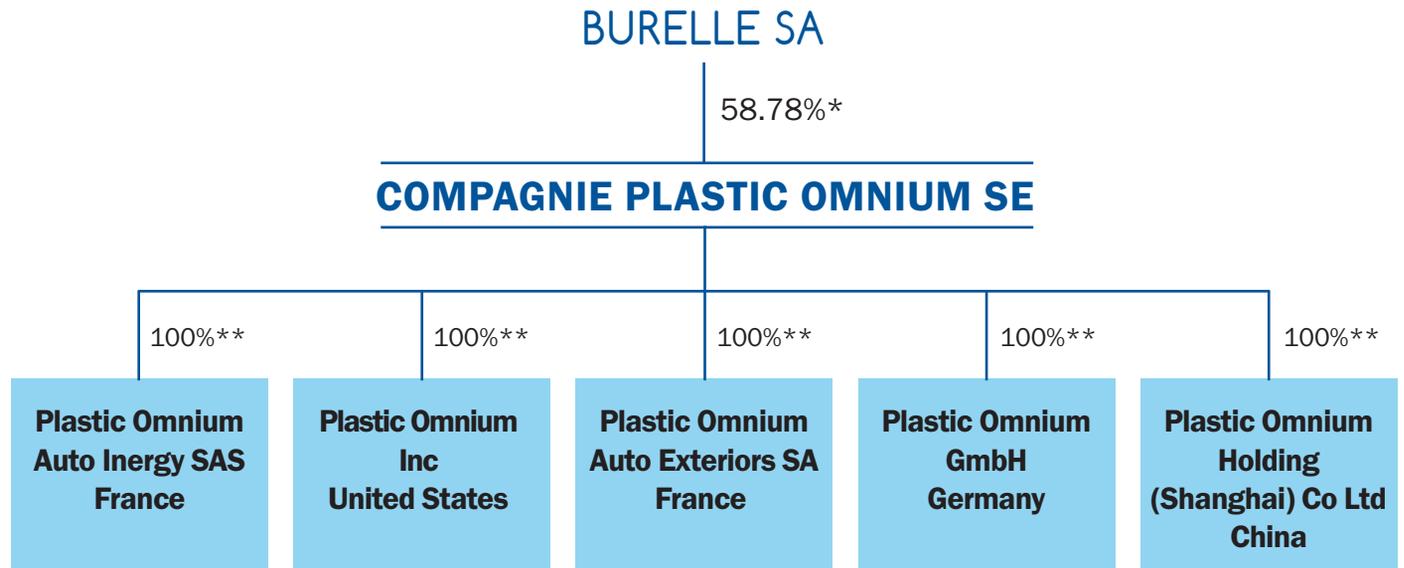
On December 4, Compagnie Plastic Omnium SE sold its non-industrial real estate assets to the property company Sofiparc, wholly owned by Burelle SA, for an amount of €128.5 million (excluding tax).

**At end 2019**

The Group and its joint ventures employ more than 32,000 people in 131 plants, 26 R&D centers and 26 countries worldwide, supplying 93 automotive brands.

## 1.3 ORGANIZATION CHART

SIMPLIFIED ORGANIZATION CHART AS OF DECEMBER 31, 2019 (DIRECT SHAREHOLDINGS)



\* 72.08% VOTING RIGHTS.

\*\* THE % VOTING RIGHTS ARE EQUAL TO THE % HOLDING.

The Plastic Omnium Group is organized around the holding companies or holding countries indicated in the organization chart above, which own shares of the local operating subsidiaries. The activity of these local operating entities primarily depends on their local market; therefore, they have the assets and liabilities necessary for their activity but they do not have strategic assets. Group entities are directly or indirectly wholly owned or controlled by Compagnie Plastic Omnium SE, with the exception of the three following entities, which are owned jointly with partners.

HBPO: a joint venture in which Plastic Omnium Auto Exteriors SA has a 66.67% stake since it acquired Mahle-Behr's stake on July 1, 2018 (until this acquisition, the joint venture was equally owned by Plastic Omnium Auto Exteriors SA, Hella and Mahle-Behr). HBPO is the world leader in the development, assembly and logistics of front-end modules. Its consolidated revenue for 2019 stood at €2,095.8 million. HBPO employs 2,600 people in its 27 plants, located in 11 countries.

YFPO: a joint-venture 49.95% owned by Plastic Omnium Auto Exteriors SA, and is China's leading supplier of auto exterior components. Its 2019 economic revenue stood at €488,5 million (Plastic Omnium's share). YFPO employs more than 4,300 people in its development center and its 22 factories in China.

BPO: a joint-venture 50%-owned by Compagnie Plastic Omnium, the company is the leading Turkish manufacturer of exterior body parts. Its 2019 economic revenue stood at €35,1 million (Plastic Omnium's share).

Following the takeover of HBPO on July 1, 2018 and the disposal of the Environment Division on December 18, 2018, Plastic Omnium established itself as an automotive pure player organized around two businesses : Plastic Omnium Industries and Plastic Omnium Modules (see section 1.5 "Businesses").

## 1.4 SIGNIFICANT EVENTS

### Technological partnership between Plastic Omnium and HELLA

In January 2019, Plastic Omnium and HELLA launched an innovative project partnership to develop integrated solutions, combining exterior body parts and lighting. Experts in engineering and design from each group, based in Germany, are working together on the development of new concepts incorporating innovative technologies in lighting and in intelligent exterior systems, for both the front and rear of vehicles.

This technological alliance intends to bring to carmakers differentiating solutions in terms of style and functionality for body systems that also assist communications and safety in autonomous cars.

In addition Plastic Omnium agreed in December 2018 an innovative project partnership with the German supplier Brose, signed in December 2018, to develop a door system offering new functionalities, innovative styling and ease of assembly.

### Openings of five new production and assembly sites

During 2019, Plastic Omnium commissioned three new production plants for its intelligent exterior systems business line: Bhamboli in India for Chevrolet, Hlohovec in Slovakia for Jaguar Land Rover and Kenitra in Morocco for the PSA Group. Two new sites also began operations in module assembly, one in Mexico for Dodge, the other in Germany for Porsche. These investments strengthen the Group's growth potential.

### Launch of two new R&D centers and expansion of Σ-Sigmatech

Two new R&D centers, dedicated to fuel systems and emission control systems as well as new energies, were commissioned mid-2019, one in Wuhan (China) and the other in Brussels (Belgium).

The ω-Omegatech center opened in China on June 18. It accommodates more than 150 engineers and technicians. Specializing in development, testing, prototyping and mechanical testing of fuel systems, it will also carry out testing and development of high pressure hydrogen tanks. The site located in Wuhan, a pilot city for the hydrogen sector in China, is also an engineer training center for new energies. With this new R&D center, already counting 57 development projects, Plastic Omnium is equipped with the means to support its Asian clients' transition to clean mobility. This center will in particular support the Group's rapid growth in China where its fuel systems' market share should double, to reach 17% in 2022.

The Δ-Deltatech center opened on July 1, 2019 near Brussels airport. Δ-Deltatech is dedicated to fuel systems and emissions reduction systems. It is also spearheading Research and Development in new energies, fuel cells and hydrogen storage. A hundred engineers and technicians works there.

ω-Omegatech and Δ-Deltatech represent an overall investment of €100 million. They also confirm Plastic Omnium's commitment to clean, carbon-free mobility.

The international R&D center Σ-Sigmatech, built in 2003 and dedicated to intelligent exterior systems, has been extended by nearly 4,000 m<sup>2</sup>, to provide it with new mechatronic and virtual reality resources.

### A significant contract and the first certification of a pressurized tank confirm the positioning of Plastic Omnium in hydrogen

During the fourth quarter of 2019 Plastic Omnium won a significant order for the development of 350-bar hydrogen tanks for a German manufacturer.

In parallel with this success, Plastic Omnium obtained a first certification for a 700-bar hydrogen storage tank designed for passenger vehicles. The certification obtained, R134, is an international standard certifying compliance with the most rigorous regulatory specifications for high-pressure hydrogen tanks. CNG tanks are already certified and the certification of 350-bar hydrogen tanks is ongoing.

This contract and this first certification illustrate the recognition of Plastic Omnium's technological know-how developed over the past four years in the field of high-pressure composite plastic tanks.

They mark a significant milestone in the Group's development in new energies, a strategy recently strengthened with the opening of two R&D centers, Δ-Deltatech in Brussels and ω-Omegatech in Wuhan, China, where a pilot carbon filament winding line was recently commissioned. In 2020, Plastic Omnium will also install a dedicated hydrogen tank production line at its Herentals plant in Belgium, which currently manufactures gasoline tanks.

At the same time, the Group invested in AP Ventures, a London-based venture capital fund dedicated solely to hydrogen, giving Plastic Omnium opportunities and interesting choices for the future.

Plastic Omnium, world leader in emissions reduction and fuel systems, thus confirms its position as a major player in the clean mobility market.

### Strengthened control of the majority shareholder Burelle SA

In 2019, Burelle SA acquired 400,000 shares of Compagnie Plastic Omnium SE, bringing its stake from 58.51% to 58.78%. After the strengthening of the Burelle family's controlling interest in Burelle SA in May 2019, the Burelle family's percentage stake in Compagnie Plastic Omnium SE now stands at 50.17%.

### Transformation of Compagnie Plastic Omnium (SA) into a Societas Europaea (SE)

Following the decision of the Board of Directors on February 13, 2019 and the approval of the Shareholders' Meeting on April 25, 2019, Compagnie Plastic Omnium changed its corporate form from a Société Anonyme (SA) to a Societas Europaea (SE).

This transformation will help better reflect the Plastic Omnium Group's European dimension and will boost its international image and attractiveness in the eyes of all the Company's stakeholders. The Group is still governed by French laws and regulations and listed on the Paris Stock Exchange. This change of corporate form has no impact on the Company's shareholders and employees and will not affect the head office.



### Changes in the governance of Compagnie Plastic Omnium SE

In September 2019 the Group announced changes in its governance with effect from January 1, 2020. At the proposal of Laurent Burelle, in order to continue the Group's long-term growth by seizing the opportunities associated with the transformation of the automotive market, the Board of Directors of Compagnie Plastic Omnium SE decided to put in place a new management team and change the governance structure.

With effect from January 1, 2020 Laurent Burelle, Chairman and Chief Executive Officer since May 2001, becomes Chairman of the Board of Directors. Laurent Favre is appointed Chief Executive Officer and director. At the proposal of Laurent Favre, Félicie Burelle is appointed Managing Director, reporting to the CEO.

### Sale of tertiary real estate assets for €128.5 million

On December 4, 2019 Compagnie Plastic Omnium SE finalized the sale of its non-industrial real estate assets to the property company Sofiparc, wholly owned by Burelle SA, which is also the controlling holding company for Compagnie Plastic Omnium SE. This disposal was completed on a basis of two independent valuations for an amount of €128.5 million (excluding taxes).

The transaction is part of Plastic Omnium's rationalization of its asset portfolio by valuing its non-industrial real estate assets in a dedicated Burelle SA real estate structure. It helps strengthen the Group's financial.

## 1.5 BUSINESSES

AFR

Compagnie Plastic Omnium SE is a manufacturing group and world leader in intelligent exterior systems, clean energy systems and automotive modules. The Group and its joint ventures employ more than 32,000 people in 131 plants, 26 R&D centers and 26 countries worldwide, supplying 93 automotive brands. It is a Group with global businesses and a presence on 4 continents (for a distribution of revenue by geographic region, see page 161 of the notes to the consolidated financial statements). German carmakers represented 41% of economic revenue in 2019, ahead of Asian (22%), American (21%) and French carmakers (15%).

Following the takeover of HBPO on July 1, 2018, the world leader in automotive front-end modules, and the sale of its Environment Division on December 18, 2018, Plastic Omnium established itself as an automotive pure player organized around two businesses with different business models:

- **Plastic Omnium Industries**, dedicated to the production of **Intelligent Exterior Systems** and **Clean Energy Systems** for motor vehicles, with significant investment and long cycles;
- **Plastic Omnium Modules**, dedicated to the design and assembly of complex modules (**HBPO**), with low levels of capital employed.

The Plastic Omnium Group is a leading player in each of its 3 business lines: Intelligent Exterior Systems, Clean Energy Systems and HBPO.

The reference market for the Group's three businesses is the worldwide automotive production, which produced 86.0 million vehicles in 2019, representing a decline of 5.8% compared to 2018 when 91.2 million vehicles were produced (source: IHS February 2020).

Plastic Omnium Industries represented 75.4% of 2019 economic revenue – or €6,919 million – and 75.3% – of 2019 consolidated revenue – or €6,398 million – (see page 160 of the notes to the consolidated financial statements). Plastic Omnium Industries (including its joint ventures) employs nearly 30,000 people in 104 plants, 25 R&D centers and 22 countries worldwide.

The **Intelligent Exterior Systems** business line is the world leader in a broad range of complex exterior assemblies<sup>(1)</sup>, manufactured mainly from injected polypropylene and composite materials. This business designs and produces a wide range of parts: bumpers and energy absorption systems, tailgates, spoilers, bumpers and floor modules. As a reminder, the Intelligent Exterior Systems business was strengthened in 2016 with the acquisition of Faurecia's Exterior Systems business. This transaction reinforced the Group's leadership position in the market for exterior components and modules. The Intelligent Exterior Systems business line produced more than 26 million painted bumpers in 2019, representing a global market share of 16%. This market share was 8% in 2010. It benefited from the acquisition of Faurecia's Exterior Systems business in 2016 and is growing organically due to the expansion of this business, especially China, where Intelligent Exterior Systems has a market share of 25% in 2019. Its three main competitors are Magna, a Canadian group with a 7% market share, Flex-N-Gate, a US group with 5% and Motherson-SMP, an Indian group with 4%; 35% of global bumper production remains in the hands of the carmakers themselves. Active in the decorative component segment, the Intelligent Exterior Systems business line offers customized, high value-added, multi-material solutions designed in line with the growing requirement for systems that integrate both functionality and safety performance, making vehicles lighter and reducing carbon emissions. Additionally, backed by expertise in the integration of functions and unique performance in the electromagnetic transparency of plastics, Plastic Omnium is contributing to the development of tomorrow's smart cars. Its exterior parts will include numerous radar and other sensors, with ever-improving design and protection.

(1) In-house analysis using IHS data.

The **Clean Energy Systems** business line is the global leader in fuel systems produced with blow-molded polyethylene<sup>(1)</sup>. Combining integrated safety and emissions control, fuel systems must serve a number of functions: refueling, storage, ventilation, engine supply and fuel level gauge systems. 21 million systems were manufactured in 2019 by the Clean Energy Systems business line, representing a global market share of 22%. Its three main competitors are Kautex, a subsidiary of US-based Textron, YAPP, a Chinese group, and TI Automotive, an English group, which have market shares of 19%, 10% and 10% respectively. Metal fuel tanks still account for 17% of the global market, offering substantial growth potential for the expected replacement of metal with plastic, particularly for safety and weight reasons. Growth in the Clean Energy Systems business line's market share, which went from 16% in 2010 to 22% in 2019, is due partly to increases in this type of substitution but is also attributable to the heavy capital expenditures made to establish the business in high-growth regions. The Clean Energy Systems business line also develops and markets new product lines such as the SCR diesel emissions control system, which is capable of eliminating up to 95% of NOx emissions and up to 8% of CO<sub>2</sub> emissions, and fuel systems for plug-in hybrid vehicles (PHEVs).

In addition, at the beginning of 2018 the Group created "Plastic Omnium New Energies" which is part of the Clean Energy Systems business line and is dedicated to the development of future energies, particularly fuel-cell and hydrogen propulsion. After the creation of  $\Xi$ PO-CellTech in 2016, development is now in the fast lane with the acquisition in December 2017 of two companies with a strong technological content: Swiss Hydrogen, a Swiss company based in Fribourg specializing in the design and production of energy management and control solutions in fuel cell systems ("balance of plant"), and Optimum CPV, a Belgian company based in Zonhoven specializing in the design and production of composite filament vessels for high-pressure hydrogen storage. 2019 was marked by passing significant milestones in this field: Plastic Omnium won a significant order for the development of 350-bar hydrogen tanks for a German manufacturer and obtained a first certification for a 700-bar hydrogen storage tank for passenger vehicles. CNG (compressed natural gas) tanks are already certified and the certification of 350-bar hydrogen tanks is ongoing.

In the **Plastic Omnium Modules** business, which accounted for 24.6% of economic revenue in 2019 – or €2,264 million – and 24.7% of 2019 consolidated revenue – or €2,096 million (see *comments on the consolidated financial statements on page 160*), the Group currently operates through a business line, HBPO, in which it is a market leader. Plastic Omnium Modules (including its joint ventures) employs 2,600 people in 27 plants, 1 R&D center and 11 countries worldwide.

The **HBPO** business line is the world leader in front-end module development, assembly and logistics<sup>(2)</sup>. A front-end module is a complex assembly at the front of a vehicle. With a high tech front-end, it integrates the impact beam, the lighting and engine cooling systems, the active radiator grille shutters and the driving-aid radar and sensor systems. This

is the area of expertise of HBPO, a subsidiary held 66.67% by Compagnie Plastic Omnium SE. From design and manufacture, through to just-in-time delivery, HBPO is the only supplier of front-end modules to have end-to-end control of this process. The HBPO business produced 6 million front-end modules in 2019, representing a global market share of 18%. This market share is rising organically due to the expansion of the business line in high growth regions. Its 4 main competitors are Mobis, a South Korean group with a 16% market share, JiQiang, a Chinese group with 8% market share, the French group Valeo, which has an 8% market share and the Canadian group Magna, with 7%; 30% of global front-end module production remains in the hands of the carmakers themselves. HBPO runs on a just-in-time basis and is located close to the plants of its automotive carmaker customers. The technological expertise of HBPO enables Plastic Omnium to accelerate its growth in smart and modular exteriors, which will profoundly change the design and esthetics of the cars of the future. The success of this expertise is substantiated by the expansion of HBPO's business scope, with the assembly of new modules (cockpits, consoles, and DC-DC converters), at the request of our customers.

The two Plastic Omnium business lines, Plastic Omnium Industries and Plastic Omnium Modules, operate on 4 continents, producing and assembling components through a network of 131 local manufacturing plants. Just-in-time deliveries, the large size of components and – in the case of bumpers painted the same color as the bodywork – their fragility, means production must take place close to the carmakers' plants. However, as they do not use the same production techniques or raw materials, each of the Group's three business lines, Intelligent Exterior Systems, Clean Energy Systems and HBPO, must have their own plants.

In December 2019, the Group had 131 automotive plants distributed as follows: North America (21 plants), Asia (46 plants), Europe (55 plants) and South America/Africa (9 plants).

In its two businesses, Compagnie Plastic Omnium SE is developing in an automotive market in which the Group is not expecting a rebound within the next 3 years at the global level. Developments in the automotive market are happening alongside technological transformations, influenced by regulations to produce more environmentally-friendly products.

In the short term, Plastic Omnium is carefully monitoring the Covid-19 developments and is taking the necessary measures to protect its employees and its customer business. The Group is also taking into account the macro-political and macro-economic risks which have led to uncertainty and additional volatility in the automotive sector in particular.

In 2020, worldwide automotive production will continue to decline, and its evolution will depend on the impact of Covid-19. In this market environment, the Group has a solid order book and has strengthened its management fundamentals, with particular attention paid to free cash-flow generation, a strengthened cost reduction policy and a renewed ambition in terms of industrial excellence.

(1) In-house analysis using IHS data.

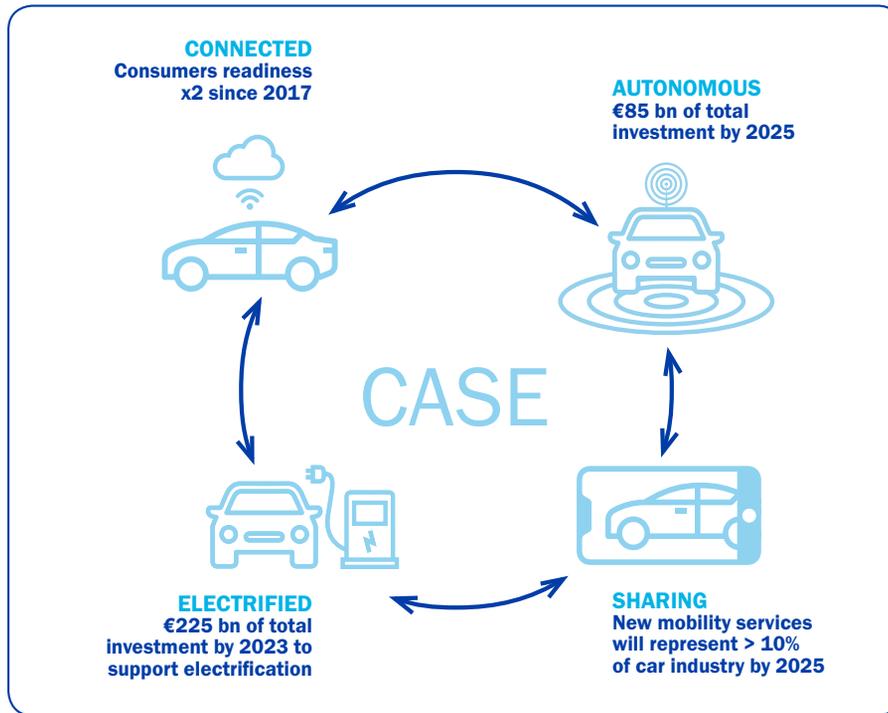
(2) In-house analysis using IHS data.

## 1.6 OBJECTIVES AND STRATEGY

AFR

The manufacturing requirements of the vehicles of tomorrow will be driven by factors such as tighter global regulations, new environmental standards, the emergence of “smart cities” and new ways of using data in connected cars. Whether they concern safety, the environment or technological evolution, new requirements will encourage the sustained use of light and more complex materials.

Plastic Omnium is evolving to meet the needs of the automotive industry, which itself is transforming around the CASE (Connected/Autonomous/Shared/Electrified) model. The development of each of the Group’s business lines is based on CASE prerogatives:



CASE EXPOSURE		
<p>Intelligent Exterior Systems</p> <p><b>CASE</b></p>	<p>Clean Energy Systems</p> <p><b>CASE</b></p>	<p>Modules</p> <p><b>CASE</b></p>
CASE IMPACTS		
<p><b>Market needs</b></p> <ul style="list-style-type: none"> <li>• Interactivity &amp; function integration</li> <li>• Wave transparency &amp; styling freedom</li> <li>• Lightweight</li> <li>• Aerodynamics</li> <li>• Emissions reduction</li> <li>• Electrified vehicles with more range</li> <li>• Full lifecycle carbon neutrality</li> <li>• More content</li> <li>• New modular systems</li> <li>• CO<sub>2</sub> Emission reduction &amp; more range</li> <li>• Aerodynamics</li> </ul>		

## THE LONG-TERM STRATEGY OF AN INNOVATIVE INDUSTRIAL GROUP BASED ON SOUND FUNDAMENTALS

The Group's strategy of profitable growth and innovation is being implemented while at the same time continuing to transform the business in order to respond to its stakeholders' expectations:

### INDUSTRIAL EXCELLENCE AND INDUSTRY 4.0 FOR ITS CUSTOMERS

Plastic Omnium is reasserting its goal of increasing the industrial efficiency of its production facilities with the deployment of Industry 4.0 within its plants. Predictive data management, the optimization of processes and the increasing automation of industrial facilities will reduce costs and inventories, while optimizing the supply chain. The objective is to reduce the amount of capital employed and improve operating profitability.

### INNOVATIVE SOLUTIONS FOR SUSTAINABLE MOBILITY

Plastic Omnium is deeply committed to the technological transformation of the automobile. The zero-carbon and connected car creates new growth opportunities by bringing in additional content in each vehicle in all of the Group's business lines.

#### Intelligent Exterior Systems

For its customers, Plastic Omnium develops and designs weight-reduction and optimized aerodynamic solutions. These reduce CO<sub>2</sub> emissions and increase the range of hybrid and electric vehicles by offsetting the weight of batteries.

On the strength of its function integration expertise and its unique performance in the electromagnetic transparency of plastics, Plastic Omnium stands as the connectivity integrator by developing complex systems comprising an ever increasing number of smart functions.

To round off its offer of innovative solutions, Plastic Omnium has entered into technological partnerships, firstly with German supplier HELLA for a concept combining exterior body systems and lighting and, secondly, with German supplier Brose for the co-development of an innovative door system.

#### Clean Energy Systems

Plastic Omnium is also an energy storage player.

The Group expects that, 80% of vehicles will have a combustion engine (of which 36% will be hybrid) by 2030. The hydrogen and compressed natural gas (CNG) market will account for 7% of vehicles, while that of electric batteries will account for 13%.

The Group is developing depolluting systems for combustion engines with water injection systems for gasoline engines and SCR (selective catalytic reduction) for diesel engines. It also has specific solutions for plug-in hybrid electric vehicles (PHEV). In parallel, the Group is investing significantly to become a major player in the hydrogen market. The first order recently won by the Group for the development of 350-bar hydrogen tanks for a German manufacturer, as well as the first certification of a 700-bar hydrogen tank intended for passenger cars, illustrate the recognition of Plastic Omnium's technological know-how, developed over more than 4 years in the field of high-pressure composite plastic tanks. The CNG tanks are certified and certification of the 350-bar hydrogen tanks is in progress.

#### Modules

The technological expertise of HBPO enables Plastic Omnium to accelerate its growth in smart and modular exteriors, which will profoundly change the design and esthetics of the cars of the future.

The success of this expertise is substantiated by the expansion of HBPO's business scope, with the assembly of new modules (cockpits, consoles, and DC-DC converters), at the request of our customers.



## ENHANCED SKILLS AND INNOVATION

To meet the technological and environmental challenges of the car of the future, Plastic Omnium relies on more than 2,700 engineers, spread over 26 R&D centers around the world, including three new ones opened or expanded in 2019 in France, Belgium and China.

The Group has also gained new skills to boost its innovation capacities through its "Open Innovation" ecosystem. With its investment in venture capital companies Aster and then AP Ventures, the Group ranks as leader in the field of clean mobility. Moreover, Plastic Omnium has a network of start-ups, partnerships with leading universities, and an Automotive Strategic Analysis Committee comprised of internationally recognized experts.

## AMBITIOUS CSR POLICY

Plastic Omnium's CSR policy is a key factor in its performance and excellence. Plastic Omnium has formalized its CSR commitments as part of a worldwide program called ACT FOR ALL™. This ambitious policy, backed by regularly measured objectives, aims to engage all of the Group's stakeholders around three pillars: a responsible company, care for people, and sustainable production. The policy is regularly assessed by independent bodies, and in particular was recently awarded the status of the world's eighth leading automotive supplier by RobecoSAM.

**On the strength of its industrial excellence, its clear innovation strategy, an ambitious CSR policy, and a sound financial structure, the Group ranks as a major automotive industry player ready to strengthen its positions in favor of sustainable mobility.**

# 1.7 RESEARCH AND DEVELOPMENT (R&D)

AFR

An integral part of the Group's long-term strategy, innovation supports Compagnie Plastic Omnium's performance and its reputation as a leader in automotive equipment.

In 2019, Compagnie Plastic Omnium devoted €383 million to R&D, or 4.5% of its consolidated revenue.

The Group boasts a global network of 26 centers, served by 2,700 engineers who are dedicated to finding innovative solutions that meet the strictest environmental standards. As a result of this proactive focus on R&D, the Group manages a portfolio of more than 2,830 patents, including 105 filed in 2019.

In this way, Plastic Omnium produces the vital resources required to strengthen its capacity for innovation, in order to respond to the pace of technological change towards a connected, autonomous and electrified.

In connected and autonomous cars, Plastic Omnium is positioned as a connectivity integrator, by growing its capacity to innovate in complex systems that can integrate radars and sensors. The technological expertise of HBPO will also enable Plastic Omnium to accelerate its growth in smart and modular exteriors, which will profoundly change the design and esthetic of the cars of the future.

In low-carbon cars, Plastic Omnium is positioning itself as a player in the energy-storage segment and is developing specific solutions for plug-in hybrid vehicles (PHEVs) as well as for vehicles with turbocharged combustion engines. At the same time, the Group is committed to electrification to become a key player in hydrogen propulsion and fuel-cell technologies.

## STRICTER ENVIRONMENTAL REGULATIONS

### BUILDING LIGHTER VEHICLES

To reduce vehicle mass, and thus reduce their CO<sub>2</sub> emissions levels, Plastic Omnium is developing and producing body parts and modules out of plastic. Its plastic parts and modules are 30% lighter on average than metal and boast excellent mechanical performance as well as high crashworthiness. Making lighter parts is especially important for hybrid and electric vehicles in that they offset battery weight while optimizing vehicle range. At the same time, Plastic Omnium's engineers have offered carmakers passive and active aerodynamic optimization solutions, enabling an additional reduction in carbon emissions. The technologies developed by Plastic Omnium can generate savings of 10 g/km of CO<sub>2</sub> or a 100 km extension in range for electric vehicles.

### THE ENERGY MIX REVOLUTION

Plastic Omnium is positioning itself as a player in the energy-storage segment: it is the leader in energy storage systems, whether classic (gasoline and diesel) or hybrid and is also developing solutions for energy from alternative sources such as hydrogen storage and fuel-cells.

The Group estimates that, by 2030, 80% of vehicles will have a combustion engine (of which 36% will be hybrid). The hydrogen and compressed natural gas (CNG) market will account for 7% of vehicles, while that of electric batteries will account for 13%.

## AN INCREASINGLY CONNECTED WORLD

The market for connected cars continues to grow, benefiting two segments in priority: safety and driving aids. Plastic Omnium's growth strategy is in line with these developments. Currently, Plastic Omnium bumpers include up to 50 high-tech components to augment human

senses and make driving simpler and safer. With its expertise in integration of functions and unique performance in the electromagnetic transparency of plastics, Plastic Omnium is contributing to the development of the tomorrow's smart cars. Its exterior parts will include numerous radar and other sensors, with ever-improving design and protection.

## SOLUTIONS FOR SUSTAINABLE MOBILITY

To respond to automotive manufacturers' needs, Plastic Omnium has developed innovative products:

- an increasingly-smart bumper with:
  - radar integration: the smart bumper developed by Plastic Omnium optimally integrates radar. Radar is an integral part of the bumper and perform at their best thanks to plastic materials that are permeable to magnetic waves,
  - shock detection and absorption system: thanks to a patented engineering approach, Plastic Omnium's bumpers offer a shock-absorption module that incorporates multiple functions, from the integration of innovative detection systems to improved impact management. It also includes an active aerodynamic system, which reduces carbon emissions by 2 g/km. This new module alone replaces seven separate pieces: it is lighter, contributing to the reduction in carbon emissions (5 kg lighter, for a reduction of 0.5 g/km in carbon emissions),
  - Innovative front grille: Plastic Omnium has developed a manufacturing process that integrates modern radar technologies into an innovative front grille with three functions: a radar-compatible chrome finish (previously impossible), a defrosting function that guarantees all-weather function, and integrated lighting signature, thanks to flexible optical fibers;
- a lighter, interactive tailgate (smart tailgate): made from high-efficiency composite materials, this next-generation tailgate is about 30% lighter than steel. In addition to being lighter, the Plastic Omnium tailgate integrates numerous aerodynamic and interactive functions.

The tailgate can display messages in order to communicate with its environment. Numerous informational messages may be displayed on a transparent area. This area can also display personalized signs if the driver so chooses.

Through the solutions developed by the Company, the tailgate interacts in three ways:

- facial recognition unlocks the vehicle using special software;
- the "touch and open" and "touch and stop" system works through conductive paint;
- detection of obstacles prevents damage when the trunk is opened.

The tailgate has improved aerodynamics thanks to an active spoiler and a lateral deflector enabling better passage of air along the roof line. The drag coefficient is improved by 3 to 4%, for a reduction in carbon emissions of 1 g/km. Furthermore, a mobile diffusor integrated into the rear bumper extends under the floor, improving the drag coefficient by another 3% and reducing carbon emissions by another 1 g/km.

- Plastic Omnium and the German automotive supplier HELLA have launched an innovative project partnership to develop integrated solutions, combining exterior body parts and lighting. Experts in engineering and design from each group, based in Germany, are working together on the development of new concepts incorporating innovative technologies in lighting and in intelligent exterior systems, for both the front and rear of vehicles. This technological alliance intends to bring to carmakers differentiating solutions in terms of style and functionality for body systems that also assist communications and safety in autonomous cars.
- Plastic Omnium and the German automotive supplier Brose are working on an innovative joint development project: a concept side door offering new functionalities, innovative styling and easy assembly.

In a context of increasingly strict environmental standards, the Group supports carmakers' emission reduction strategies with:

- solutions for hybrid engines: Plastic Omnium offers solutions specifically adapted to rechargeable hybrid vehicles. INWIN is a fuel system that resists the increase in gasoline vapor pressure when the vehicle is running in electric mode, thanks to its optimized architecture. TANKTRONIC® offers simplified, innovative architecture, with an innovative electronically controlled E-valve. This system permits optimal function at a low cost;
- clean diesel with SCR (selective catalytic reduction): the implementation of SCR technology into diesel vehicles results in efficient removal nitrous oxide (NOx), complying with the strictest regulations. This technology consists of spraying AdBlue® into the exhaust pipe. Upon contact with the gases that result from diesel combustion, a chemical reaction breaks down nitrous oxide emissions into nitrogen and water vapor;
- the water injection system: developed by Plastic Omnium's teams, this technology can be used in gasoline-powered vehicle. Initially designed to improve engine performance, water injection significantly reduces fuel consumption and, therefore, carbon emissions (by about 15%).



Finally, Plastic Omnium is designing a system for storing hydrogen under pressure. The gas is stored in Type IV bottles (tanks made of composite materials and plastic) designed to resist strong internal force. The bottle is comprised of a 5 mm watertight, thermoplastic liner and a thick carbon fiber structure. It is designed to resist the mechanical stress generated by the tank's internal pressure. After several years of R&D, Plastic Omnium developed a technology enabling it to offer tanks compressed at 700 bars. With 2 tanks holding 60 liters each, the vehicle has a range of 800 km.

One of the innovations Plastic Omnium is working on is to supply a vehicle's electric engine using a fuel cell, which converts the oxygen and hydrogen in the bottles into electrical energy. The advantage of this system is that the only waste products are water and heat. These next-generation fuel cell systems, combined with hydrogen tanks, are much lighter than traditional batteries, despite offering the same range (800 km) and rapid recharging (3 minutes). Fuel cells, combined with hydrogen tanks, will enable electrical vehicles to solve their range and charge-time problems as well as the climate conditions that currently limit their development.

By accelerating its innovation strategy, in January 2018 the Group created Plastic Omnium New Energies, a subsidiary of Clean Energy Systems, dedicated to the development of future energies, in particular in the area of fuel cell and hydrogen propulsion.

In December 2017 the Group completed the acquisition of 2 companies with strong technological content in this area:

- Swiss Hydrogen, a Swiss company based in Fribourg, specializes in the design and production of energy-management and energy-control solutions in fuel cell systems dedicated to mobility ("balance of plant");
- Optimum CPV, a Belgian company based in Zonhoven, specializes in the design and production composite filament for high pressure hydrogen storage.

These different actions, combined with joining the steering committee of the "Hydrogen Council", have positioned Plastic Omnium as a player in electric propulsion.

Plastic Omnium New Energies, whose mission will be strengthened in the coming months, already has more than 130 engineers and represents a total investment program of €200 million.

During the fourth quarter of 2019 Plastic Omnium won a significant order for the development of 350-bar hydrogen tanks for a German manufacturer. In parallel with this success, Plastic Omnium obtained a first certification for a 700-bar hydrogen storage tank designed for passenger vehicles. The certification obtained, R134, is an international standard certifying compliance with the most rigorous regulatory specifications for high-pressure hydrogen tanks. CNG tanks are already certified and the certification of 350-bar hydrogen tanks is ongoing. These important recent developments confirm the Group's positioning as a major player in the clean mobility market.

In the field of modules, the technological expertise of HBPO enables Plastic Omnium to accelerate its growth in smart and modular exteriors, which will profoundly change the design and aesthetics of the cars of the future. The success of this expertise is substantiated by the expansion of HBPO's business scope, with the assembly of new modules (cockpits, consoles, and electrical energy converters), at the request of our customers.

The all-in-one front-end module, a strategic component of a vehicle, is technically highly complex. Beyond the vital functions it combines - impact beam, aerodynamically controlled flaps, lighting and cooling systems, driving aid radar and sensors -, the front-end module is also a key element of a vehicle's design and identity. Its shape forms part of the vehicle's signature, while its component equipment plays a direct part in its safety and proper operation. Personalized in the extreme - up to 3,000 possible combinations for the same vehicle - these modules are characterized by their high degree of modularity and their connectivity. Their growing complexity requires complete control of the entire process from their development, logistics, design and assembly. Plastic Omnium is one of few players to have this end-to-end control, since acquiring HPBO in 2018, the world leader in front-end modules. In the future, the control of ready-to-assemble will cover all parts of the vehicle: the front as today, the interior with the consoles and cockpits and other modules under study. These are all fields in which Plastic Omnium is already active.

## A HIGH-PERFORMANCE ECOSYSTEM ENABLING THE GROUP TO RESPOND TO ITS INNOVATION CHALLENGES

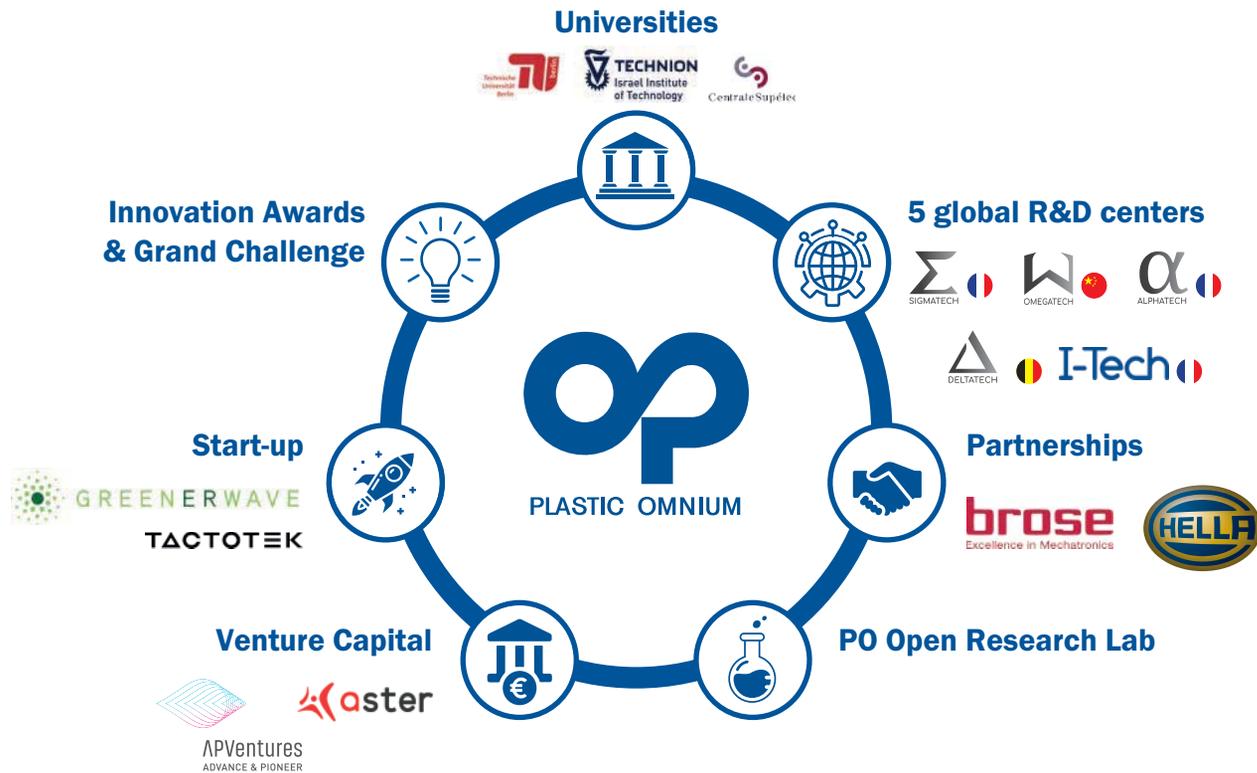
The Group has a network of 26 R&D centers located close to the decision centers of its carmaker customers. This network has been enlarged by the construction or extension of 3 R&D centers in France, Belgium and China:

- $\Sigma$ -Sigmatech: this international R&D center for intelligent exterior systems is growing from 16,000 to 24,000 m<sup>2</sup>. It is re-focusing to promote creativity and responsiveness, and is being equipped with new research resources: pilot lines in addition to research offices and a laboratory for plastronics and mechatronics research, an Open Lab initiative for work in partnership with universities and start-up, and collaborative tools to share findings throughout the worldwide network of engineering centers;
- $\Delta$ -Deltatech: on July 1, 2019 Plastic Omnium inaugurated an advanced research center based in northern Brussels specializing in new energies. This innovation hot spot required an investment of €50 million and now employs around 100 engineers to make Plastic Omnium a key player in the clean energy systems of the future;
- $\omega$ -Omegatech: Wuhan is already a Plastic Omnium industrial hub. The Group opened its first plant in China here in 2008. Ten years on, the

area now has 3 plants and employs 588 people. It was also in Wuhan that on June 18, 2019 the Group inaugurated a clean energy systems test and development center for Asia, known as  $\omega$ -Omegatech.

Moreover, Plastic Omnium has an ecosystem of start-ups, partnerships with leading universities and an Automotive Strategic Analysis Committee comprised of internationally recognized experts. Plastic Omnium is also an investor in the Aster venture capital fund which specializes in energy transition and future mobility solutions and in AP Ventures, which specializes in hydrogen.

Finally, the Group has recently set up scientific and technological partnerships in the fuel cell and plastronics segments. A development project in partnership with the German automotive equipment manufacturer Brose, has also just been announced to develop a door design offering new functionalities, innovative styling and assembly facilities. Lastly, in January 2019, a strategic partnership with the German parts manufacturer, HELLA, with regard to an innovative concept that combines exterior coach work systems and lighting.





# 2

## RISK FACTORS and control

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## 2.1 MAIN RISK FACTORS

Compagnie Plastic Omnium SE has reviewed the risks that could have a material adverse effect on its business, financial position, results or reputation. In accordance with regulations, only those risks that are both significant and specific to Compagnie Plastic Omnium SE, are described below.

Risks considered as the most significant, with regard to the probability of occurrence and its impact (after taking into account the mitigation measures implemented by Compagnie Plastic Omnium SE) are identified by an asterisk.

### OPERATIONAL RISKS

#### RISK RELATED TO AUTOMOTIVE PROGRAMS\*

##### Identification of risk

Each automotive program has risks which could reduce its profitability from that initially expected. The risk relates particularly to programs that incorporate product innovations or which implement new industrial processes. This risk is increased for programs whose launch coincides with the start of a new plant. These uncertainties may require Compagnie Plastic Omnium SE to make higher levels of investment or expenditure than initially forecast in order to reach the rates and quality levels required by the customer.

In addition, each automotive program is subject to risks in terms of manufacturing volumes, which depend on a wide range of factors, some of which are regional in nature, such as economic activity, carmaker production strategy, consumer access to credit and the regulatory environment, but also on factors specific to each vehicle, such as the attractiveness of its design.

Ultimately, every automotive program is exposed to the risk of disruption of carmaker's demand, of variable duration. This disruption can result from hazards specific to the carmaker (fire or natural disaster impacting one of its plants, work stoppage at a plant due to a strike, a pandemic, etc.). This disruption can also result from a similar hazard that would impact a supplier of components used in the manufacture of a vehicle, which could thus force the carmaker to permanently stop its production line for lack of components.

##### Risk management

Compagnie Plastic Omnium SE's commitment to diversifying its businesses and increasing the number of automotive programs represents a key component of its strategic vision that significantly reduces exposure to geographic and other risks.

Compagnie Plastic Omnium SE has 93 customer brands, comprising nearly all of the world's major carmakers and serving different market segments and three distinct product families. It has continued to diversify its exposure to global automotive production markets with its businesses spread across 26 countries and with the launch of 243 new programs in production in 2019.

In terms of commitments, all new projects are subject to a highly detailed approval process. The largest projects must be authorized by Compagnie Plastic Omnium SE's senior management. Once a project has been accepted, a structured operational and financial monitoring system is set up to track it.

#### RISK RELATED TO ACQUISITIONS\*

##### Identification of risk

Compagnie Plastic Omnium SE periodically carries out external growth operations through acquisitions that may be of a significant size across the Group.

These acquisitions are decided on the basis of assumptions, notably, objectives relating to synergies and future results, which may not be achieved in the timescales or to the extent initially expected.

In particular, Compagnie Plastic Omnium SE could encounter difficulties integrating the companies acquired, their technologies, product ranges and employees. It may also be unable to retain or develop strategic clients of the acquired companies.

##### Risk management

Compagnie Plastic Omnium SE takes great care to put resources in place dedicated to integrating acquired companies and sets detailed objectives for these, broken down into action plans. Particular care is taken to ensure the swift implementation of Plastic Omnium's systems in acquired entities, in order to effectively manage these action plans and measure the achievement of objectives.

#### INFORMATION TECHNOLOGY RISK

##### Identification of risk

The day-to-day activity of Compagnie Plastic Omnium SE's operational functions (Research and Development, Production, Purchasing, Logistics, Commercial) and support functions Finance, Human Resources, Legal) is highly dependent on the smooth running of the information systems used in these functions. This activity could be affected by the unavailability of critical information systems, mainly due to system breakdown, communication networks failure, damage to infrastructure or malicious actions carried out internally or externally.

##### Risk management

The Information Systems Department has implemented a systems standardization and consolidation approach, and is constantly upgrading IT and network production infrastructures, business applications and workstation services. Management pays special attention to the incorporation of new technologies and to the availability and integrity of Company data.

The security of technical systems, applications and networks is addressed at the outset of projects. It is constantly monitored and regularly audited.

## INDUSTRIAL AND ENVIRONMENTAL RISKS

### HEALTH, SAFETY AND ENVIRONMENT RISK

#### Identification of risks

Compagnie Plastic Omnium SE's sites are exposed to risks such as workplace accidents, occupational illnesses, environmental damage (pollution), non-compliance or the tightening of regulatory requirements applicable in the area of health, safety and the environment (HSE). Such events may generate additional costs or investment expenses for Compagnie Plastic Omnium SE in order to remedy the situation, comply and may lead to sanctions.

#### Risk management

With regard to health, safety and the environment (HSE), Compagnie Plastic Omnium SE has introduced a policy that is described in the "Statement of Extra-Financial Risks" section of this document. Rolled out worldwide, this policy is based on a shared vision, a structured management system, regular reporting and an ongoing certification program.

This policy is overseen by Compagnie Plastic Omnium SE's Executive Committee, based on specific monthly reporting that shows the individual performance of each subsidiary, as part of an active system set up to help drive continuous improvement.

A dedicated organization comprised of front-line health, safety and environment (HSE) facilitators is responsible for supporting and coordinating its deployment. This network of experts is led by Compagnie Plastic Omnium SE's HSE Department, backed by central HSE managers at the Business level. Final responsibility for managing health, safety and environment risks lies with the Senior Management.

Ongoing corrective and improvement action plans have been introduced and included in the programs to obtain ISO 14001 and OHSAS 18001 certification for industrial facilities. These plans foster wider adoption of best practices. They include training on ergonomics, the Man-Machine interface and the tools of the in-house Top Safety program, along with compliance for machinery and equipment.

## CREDIT AND/OR COUNTERPARTY RISKS

### CUSTOMER RISK\*

#### Identification of risk

Due to its business as an automotive supplier, Compagnie Plastic Omnium SE has a limited number of customers (93 in 2019) and cannot rule out the possibility that one of its customers might find itself in financial difficulty thus preventing it from respecting certain commitments.

#### Risk management

A balanced division of revenues by carmaker has improved in recent years. Thus, in 2019, although the 10 largest customers of Compagnie Plastic Omnium represent 74% of its revenue, none of these customers exceeds the threshold of 10% of revenue.

In terms of risk management, the Group's business lines have set up structured customer-risk monitoring and debt collection processes. The average DSO was 47 days in 2019. Receivables over six months past due amounted to €12 million net of provisions. In all businesses, review procedures are carried out before the results of bids are issued, in particular to ensure a balanced portfolio of customer receivables, in line with a target profile defined and continually monitored by Compagnie Plastic Omnium SE Senior Management.

At December 31, 2019 the risk of non-recovery was low and involved only a non-material amount of receivables more than twelve months past due (see Note 6.3.1 to the consolidated financial statements page 228).

### SUPPLIER RISK

#### Identification of risk

Default by a major supplier, in particular a supplier of specific components, for which rapid substitution is difficult, given the work and time necessary to accredit a new supplier, could disrupt Compagnie Plastic Omnium SE's production. This default could also generate additional investments or costs impacting Compagnie Plastic Omnium SE's operating margin. The principal breakdown scenarios are a supplier's bankruptcy, the supplier's failure to meet quality specifications, or even a fire, natural disaster, strike or pandemic, which would impact a supplier's factory and disrupt its production.

#### Risk management

With a view to reducing these risks, all suppliers of specific automotive components must be accredited according to meticulously defined operational, financial and non-financial criteria.

For approved suppliers, these criteria are then regularly monitored by the Purchasing and Quality Assurance Departments. At risk suppliers are subject to special monitoring and when necessary safety stocks are put in place.

Lastly, operating units are especially vigilant in this area. They focus on effectively anticipating and managing breakdowns in the supply chain that, while infrequent, can ultimately develop rapidly.

In 2019, Compagnie Plastic Omnium SE had no major supplier failures with significant consequences related to a breakdown in logistics processes of its own businesses or those of its customers.



## MARKET RISKS

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Disclosures about market risks are also provided in Notes to the consolidated financial statements.

### RAW MATERIALS PRICE RISK

#### Identification of risk

Compagnie Plastic Omnium SE's business requires the purchase of large quantities of raw materials (particularly plastic and paints) subject to price variations that could have an impact on its operating margin.

#### Risk management

To limit the impact of price fluctuations, Compagnie Plastic Omnium SE has implemented price indexation clauses with most of its customers or, failing that, regularly renegotiates selling prices.

## LEGAL RISKS

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Compagnie Plastic Omnium SE's Legal Affairs Department is supported, as needed, by local advisors and a network of correspondents in the main countries. The department helps operating and corporate units, in all their on-going and exceptional operations, to prevent, anticipate and manage legal risks relating to the business, as well as being responsible for claims and litigation.

At the date of this report, there is no dispute or lawsuit and no governmental, legal or arbitration proceeding (including all proceedings of which Compagnie Plastic Omnium SE is aware, which are pending or with which the Group is threatened) that might have, or has had during the past twelve months, a negative material effect on the financial position or profitability of the Plastic Omnium Group.

### RISKS RELATED TO THE QUALITY OF PRODUCTS AND SERVICES SOLD\*

#### Identification of risks

Compagnie Plastic Omnium SE is exposed to the risk of warranty and liability claims from customers in respect of the products it sells and services it provides. This is particularly the case for the Clean Energy Systems business line the majority of whose products sold to carmakers belong in the "safety equipment" category. Compagnie Plastic Omnium SE is also exposed to the risk of third-party product liability claims.

#### Risk management

In terms of product and process quality, the Group's business lines have set up dedicated organizations and processes according to models that have been prevalent for many years in the automotive industry. These

organizations and processes aim to prevent, identify and correct quality problems as soon as they occur. The robustness and efficiency of these organizations and processes are checked by annual internal audits and regular customer audits. They are also covered by an ISO/TS 16949 certification procedure for all of the Group's plants and development centers.

These risks fall into the area of contractual liability and are covered by specific insurance policies.

### COMPETITION LAW RISK

#### Identification of risk

The main markets in which Plastic Omnium Industries operates are only accessible to a limited number of players (regional or global) due to the expertise required and the investments needed in research, product development and industrial facilities. This specific market context is likely to increase the risk for Compagnie Plastic Omnium SE of non-compliance with competition law regulations by one of its employees (in particular, an agreement with a competitor regarding the fixing of sales prices, sales conditions or the sharing of markets) with, as a consequence, penalties that could be imposed on it by the competition authorities.

#### Risk management

Compagnie Plastic Omnium SE introduced a Code of Conduct in 2010 to ensure compliance with competition law, making sure that all employees who work in sales and purchasing were trained when it was introduced. Compagnie Plastic Omnium SE has since maintained its training efforts every year in this field, through classroom-based training sessions regularly organized in all geographical regions where the Group operates. These training courses are supplemented by an annual invitation to all sales and purchasing employees to participate in an e-learning training course dedicated to this Code of Conduct.

### INTELLECTUAL PROPERTY RISK

#### Identification of risk

Compagnie Plastic Omnium SE's growth mainly depends on its capability to innovate. In this context, Compagnie Plastic Omnium SE is exposed to a risk of misappropriation of know-how, as both a victim and an offender, which could give rise to disputes.

#### Risk management

In the areas of Research and Development, Compagnie Plastic Omnium SE has implemented a structured approach of monitoring and investigating prior claims enabling it to manage and protect its intellectual property rights. Extensive policies have been established in respect of patent filings for the innovations that result from Research and Development. Despite the measures taken, including research into prior claims, Compagnie Plastic Omnium SE cannot rule out the possibility of prior intellectual property claims and of the risks of litigation that might result.

## **INSURANCE AND RISK COVERAGE**

Compagnie Plastic Omnium SE has put in place a global program of insurance benefiting all the subsidiaries in which it has a majority interest. This program is coupled with local coverage in all countries where the Company is located. The program is intended to cover the main risks that can affect its operations, results or assets and includes:

- property, casualty and business interruption insurance;
- operating and product liability insurance;
- environmental liability insurance;
- as well as insurance against specific risks such as shipping, travel, vehicles, etc.

The levels of cover and the insured amounts are appropriate for the types of risk insured and take into account conditions in the insurance market.

## **2.2 INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT**

### **OBJECTIVES OF THE COMPANY CONCERNING INTERNAL CONTROL AND RISK MANAGEMENT**

#### **DEFINITION AND OBJECTIVES OF INTERNAL CONTROL AND RISK MANAGEMENT**

Internal control and risk management are the responsibility of senior management, and require the involvement of all stake-holders in the Company, in accordance with the tasks assigned to them. Compagnie Plastic Omnium SE's internal control and risk management systems are designed to ensure:

- compliance with applicable laws and regulations;
- effective and controlled implementation of guidelines and objectives set by senior management, particularly with regard to risk;
- the smooth running of Compagnie Plastic Omnium SE's internal processes, particularly those relating to the safeguarding of the Group's assets in the broadest sense;
- the reliability of financial information;
- the commitment of Company employees to shared values and a shared vision of the risks they are helping to control.

Internal control and risk management systems play a critical role in Compagnie Plastic Omnium SE's management. However, they cannot provide an absolute assurance that the Company's objectives will be achieved or that all risks will be eliminated.

Compagnie Plastic Omnium SE is actively working to reinforce its internal control and risk management systems as part of a continuous improvement process that relies in particular on the Implementation Guide to the Reference Framework of the Autorité des Marchés Financiers (AMF).

#### **SCOPE OF THIS REPORT**

This report describes the internal control system of Compagnie Plastic Omnium SE, the parent company of the Plastic Omnium Group. It describes in particular the procedures intended to guarantee the reliability of the consolidated financial statements and the Company's control over entities in which it has a majority interest.

Compagnie Plastic Omnium SE regularly reviews and assesses the operations of significant investments over which it exercises joint control, and uses all of its influence to ensure that these entities comply with its internal control requirements.

### **SUMMARY DESCRIPTION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

#### **ORGANIZATION**

Compagnie Plastic Omnium SE comprises three business lines: Intelligent Exterior Systems, Clean Energy Systems and HBPO.

Under the supervision and control of Compagnie Plastic Omnium SE's Senior Management, these three business lines each have independent responsibility for implementing the means and resources necessary to achieve the financial targets set in their annual budgets approved by senior management.

#### **ORGANIZATION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The internal control and risk management system within the Group is based partly upon compliance with the rules and principles of its internal control framework. This system is also based on the use of procedures enabling it to continuously improve the management of the main risks to which it may be faced.

The organization of the system involves all Company employees. However, its oversight and controls are performed by the following seven key functions:

- the senior management, the Risk Management Department and the Internal Control and Compliance Committee, which monitor the system;
- the operational management teams of each business line, the corporate departments and the Internal Audit Department, which represent three distinct levels of control;
- the Board of Directors.



## RISK FACTORS AND CONTROL

Internal control procedures and risk management

The Senior Management of Compagnie Plastic Omnium SE sets the guidelines for organizing and running the internal control and risk management system.

They are assisted in this task by the Executive Committee, which has management and decision-making powers with regard to the Company's business. It is composed of the Chief Executive Officer, the managing Director, the Strategy and Development Director, the Deputy Chief Executive Officer, and Director of Finance, the General Secretary – Legal Director and Chairman of the Internal Control and Compliance Committee, the Director of Human Resources, the Director of Communication, the Scientific Director and the Executive Directors of the various business lines. It meets once a month to review the Group's business performance and recent developments, and to discuss its outlook. It addresses cross-business issues such as sales and marketing, organization, investment, legal and human resources issues, safety and environment, research and development, mergers and acquisitions, and financing. Each month, it analyzes the results and balance sheets of all business lines and subsidiaries, including trends in respect of capital expenditure and working capital compared with the prior year's position and monthly budget projections. It also reviews three-month forecasts for the consolidated income statement and balance sheet, and plays a pro-active role in steering the Group's management. It also validates updates of current-year forecasts. It analyzes the five-year strategic plans for each business line and the Group. These plans are then used in preparing the budget, which is definitively adopted in November each year.

### THE INTERNAL CONTROL FRAMEWORK

The cornerstone of Compagnie Plastic Omnium SE's internal control system is its Internal Control Framework, which sets out the rules and principles applicable to the companies it controls. It comprises a Code of Conduct, the Group's Internal Control Rules and Procedures and an Accounting and Financial Procedures Handbook.

The Code of Conduct: in addition to its economic responsibilities, Compagnie Plastic Omnium SE attaches great importance to human rights and rules conducive to sustainable development. Compagnie Plastic Omnium SE is a signatory of the UN Global Compact, a set of principles that stand alongside the Plastic Omnium Code of Conduct to exemplify the spirit of responsibility that has always encouraged the Group's commitment. Together, these texts highlight the values governing individual and collective conduct that Compagnie Plastic Omnium SE aims to promote, and which determine the fundamental principles in which the rules and procedures of its internal control system are rooted. In 2010, Compagnie Plastic Omnium SE adopted a Code of Conduct on practices governed by competition law, which has been circulated throughout the Group as part of a compliance program.

The Code of Conduct applies to Compagnie Plastic Omnium SE and to all the affiliates in which it holds a majority stake. Compagnie Plastic Omnium SE does everything in its power to encourage other affiliates to establish rules of conduct consistent with the provisions of the Code. It is the responsibility of senior management, members of the Executive Committee, business lines CEOs and sites managers to ensure that all employees are aware of the contents of the Code, and that they have sufficient resources to comply with its provisions. In return, the Code requires individual employees to behave in a way that demonstrates a personal and ongoing commitment to complying with the prevailing laws and regulations, and with the ethical rules it lays down.

Group Internal Control Rules and Procedures: Compagnie Plastic Omnium SE has a set of rules that define the roles and responsibilities of the senior management, the corporate departments of Compagnie Plastic Omnium SE and the operational departments of its businesses and subsidiaries in the following areas:

- Legal Affairs and Corporate Governance;
- Human Resources;
- Treasury (financing and routine transactions);
- Sales;
- Purchasing (operations and capital expenditure);
- Inventory and Supply Chain;
- Automotive Projects;
- Accounting and Taxation;
- Production and Quality;
- Real Estate;
- Information Systems;
- Health, Safety and Environment.

The rules cover routine and non-routine business operations alike. They are a single and comprehensive reference framework designed to ensure that the internal control procedures implemented by the Group are both consistent and appropriate. In a number of cases, they include procedures that describe their application.

The Accounting and Financial Procedures Handbook: Compagnie Plastic Omnium SE has an Accounting and Financial Procedures Handbook prepared in accordance with IFRS standards. These accounting procedures are applicable to all consolidated companies.

As part of a process of continuous improvement in terms of internal control, the Internal Control Framework is subject to additions, and regular updates to reflect established practices, as well as changes in organization and the applicable regulations.

### RISK MANAGEMENT

The main risks to which Compagnie Plastic Omnium SE is exposed are described in chapter 2.1 "Main Risk Factors." This section also describes the key measures and processes used to effectively prevent and manage these risks.

The risk management system incorporates, as part of the organizational framework presented in this report, a process of mapping and analyzing the main risks facing the Company, the purpose of which is to verify the pertinence of approaches implemented at Group level and to take action to strengthen or complement existing approaches. At Group level, this process is led by the Risk Management Department in conjunction with the operational management teams and corporate departments.

The system is overseen by senior management.

### CONTROL ACTIVITIES

Compagnie Plastic Omnium SE seeks to combine the responsibility and independence of judgement of the three levels of control over its operations and its risk-control procedures: the operational management departments, corporate departments and Internal Audit.

The operational management teams implement the structures and resources necessary for the satisfactory implementation of the rules and principles governing internal control in their respective activities. They are tasked in particular with assessing the pertinence of remedial measures implemented as a result of assignments undertaken by Internal Audit. They are also responsible for identifying the risks inherent to their own activity and for taking reasonable steps to control them.

The corporate departments, namely Human Resources and Sustainable Development, Corporate Finance and Information Systems, and Legal Affairs, have the broadest powers in their areas of expertise, and under the supervision of senior management, to establish rules and procedures applying within Compagnie Plastic Omnium SE. They are tasked with coordinating and monitoring the activities of their functional networks with a view to protecting the interests of the Group and all its stakeholders.

In the field of internal control and risk management in particular, they are responsible for analyzing the risks specific to their functions and producing the plans required for their smooth running. They produce and update the Internal Control Framework and the cross-company procedures for risk control. In doing so, they are required to ensure the adequacy of the Internal Control Framework in respect of prevailing standards, regulations and laws, and to implement the appropriate means for relaying the information they produce.

Compagnie Plastic Omnium SE has a centralized Internal Audit Department that is part of the Corporate Risk Management Department and reports to the Corporate Secretary. It also reports regularly on its work to the Internal Control and Compliance Committee, which is responsible for overseeing internal control procedures. It conducts assessments of the general system, and ensures the efficiency of its implementation.

The Internal Audit Department conducts audits on a scope covering all subsidiaries, whether or not Compagnie Plastic Omnium SE exercises control. At the conclusion of each audit, Internal Audit makes recommendations to the audited entities, which respond with appropriate action plans subject to systematic monitoring by the management teams of the Group's business lines. The annual Internal Audit plan is based on criteria relating to how often audits are performed and to each entity's risk and control environment. Each new entity is audited within one year following its formation or acquisition. None of the audits performed in 2019 revealed any serious weaknesses in the internal control and risk management system.

The Internal Control Department oversees annual internal control self-assessment campaigns. The questionnaire design is based on the Implementation Guide to the AMF Framework. It is both an effective assessment tool and a means of raising the awareness of local organizations.

Lastly, the application of international safety, environmental and quality assurance standards, in addition to the audit of our insurance companies and our customers, gives rise to regular specialized audits conducted by independent bodies.

## **INFORMATION AND COMMUNICATION**

The internal control rules and procedures are available to employees on the home page of the Group's intranet portal. However, the internal control system is deployed largely through formal documents, awareness raising, training programs and reporting processes conducted by the corporate departments. These activities, which include the self-assessment referred to above, allow local management teams to appreciate senior management's profound commitment to internal control processes.

Finally, the relaying of information on the preparation of financial and accounting data is subject to specific processes described later in this report.

## **OVERSIGHT**

Senior management, assisted by the Risk Management Department, is responsible for the overall oversight of the Company's internal control and risk management processes.

The Risk Management Department exercises a critical oversight role concerning the internal control system as part of its specific remit. It reports its analyses and recommendations to senior management, as well as the Internal Control and Compliance Committee.

The Internal Control and Compliance Committee coordinates and oversees the internal control system, and ensures that it runs smoothly. The Internal Control and Compliance Committee is chaired by the Corporate Secretary of Compagnie Plastic Omnium SE. Its other members include the Director of Human Resources, the Chief Operating Officer and Chief Financial Officer, the Director of Internal Control, the Director of Risk Management and Internal Audit, the Compliance Manager, the Internal Audit Manager, the Executive Directors and Chief Financial Officers of the Group's business lines. It is tasked with ensuring the quality and effectiveness of the system. It relays the decisions and recommendations of the Chief Executive Officer, to whom it reports its findings. Its composition gives it the authority to coordinate the efforts of all actors involved in internal control and risk management in each Division or corporate function.

Lastly, the Board of Directors reviews all of the major assumptions and strategies laid down for Compagnie Plastic Omnium SE by Senior Management. It reviews the broad outlines of the internal control and risk management system and acquires an understanding of the various procedures involved in the preparation and processing of overall and financial information.

## **INTERNAL CONTROL RELATING TO THE PREPARATION OF THE COMPANY'S FINANCIAL AND ACCOUNTING INFORMATION**

### **BASIS OF PREPARATION OF THE GROUP'S FINANCIAL INFORMATION**

Concerning the preparation of the Group's financial information and its consistency, the Finance Department has the following tasks:

- laying down financial and accounting standards for the Group, in accordance with international standards;
- determining the policy in respect of the preparation of financial information;
- coordinating information systems used for the preparation of financial and accounting data;
- reviewing subsidiaries' financial information;
- preparing financial information for the Group's consolidated financial statements.

The consistency of the Group's financial statements is guaranteed by the use of the same accounting standards and a single chart of accounts by all Group entities. The standards and chart of accounts take into account the specific characteristics of the subsidiaries' various businesses. They



## RISK FACTORS AND CONTROL

Internal control procedures and risk management

are laid down by the Accounting Standards and Principles Department, which is part of the Accounting and Tax Department and is the sole entity with authority to change them.

This consistency is then ensured by the coordinated management of the information systems which combine to produce the financial information for each subsidiary of the Group. The reporting and accounts consolidation processes are standardized and unified by the use of a single software program. Also, based on a software package recommended by the Group, the business lines have developed integrated management systems, deployed at almost all of their industrial, Research and Development and administrative sites, thus contributing to the control of information necessary to prepare the financial statements.

Consolidated Group financial information is prepared for the following key processes:

- weekly cash reporting;
- monthly reporting;
- interim consolidated reporting;
- annual budget.

These four processes apply to all subsidiaries controlled by Compagnie Plastic Omnium SE.

## FINANCIAL REPORTING AND CONTROL PROCEDURES

Each subsidiary is responsible for producing its own accounts. First-tier controls and analyses of subsidiaries' financial statements are performed locally. Second-tier controls are performed centrally in each business line. Third-tier controls are performed by the Finance Department.

Reporting is done on a monthly basis. It is submitted to senior management eight business days after the close of the monthly accounts, and is reviewed by the senior management and analyzed by the Executive Committee. The reporting package comprises in particular an income statement broken down by function, with an analysis of production costs, overheads, and Research and Development expenditure. It also includes a full cash-flow statement, business forecasts for the subsequent three months and a set of environmental and safety indicators. The information is prepared at Group, business line and subsidiary level. The reporting provides comparisons between the various items – monthly actual, year-to-date actual compared with prior-year actual and current-year budget. It provides an analysis of material differences.

The budget process begins in September each year. Prepared by each subsidiary and consolidated at the Group business line level, it is submitted to the senior management in November and validated by end-November before being presented to the Board of Directors of Compagnie Plastic Omnium SE. The budget comprises an income statement, cash-flow statement and data concerning capital employed by subsidiary and by business line for the year N+1.

“Revised” forecasts are regularly produced to allow remedial measures to be made with a view to ensuring that initial budget targets are met. They also allow senior management to report reliably on changes in the situation.

The budget is based on the rolling strategic and financial plan, approved each year by senior management. It includes Income Statement and Balance Sheet projections for the four years following the year in progress. It also takes into account the sales, industrial and financial strategies of the Group and its business lines.

Compagnie Plastic Omnium SE is responsible for managing the medium-term financing requirements of all the subsidiaries controlled by the Group. Plastic Omnium Finance covers short-term financing needs. Through the latter, the Group centralizes its cash management and has set up a daily cash-pooling and netting system for all Group subsidiaries in all countries where local rules allow this practice. In addition, intragroup receivables and payables are netted monthly. In this way, it manages funding streams and verifies cash positions on a daily basis.

In general, subsidiaries cannot negotiate external financing arrangements without the prior authorization of the Group's Central Treasury.

Plastic Omnium Finance is also responsible for controlling all currency and interest rate hedging transactions.

Cash reports are sent to the Senior management on a weekly basis. They include an analysis of the cash position of each business line, and of the Group, together with comparisons with the prior year and the budget for the current year.

No material incidents or significant changes occurred in 2019 that could have compromised the effectiveness of the internal control system described above.

## WORK PLANNED IN 2020

As part of a process of continuous improvement of its internal control system, Compagnie Plastic Omnium SE plans to supplement a number of procedures in order to enhance their relevance and encourage operational staff to use them. This approach, in which the Risk Management Department and the Internal Control Department play an important role, covers internal control procedures, accounting and financial, and risk management procedures.

The Internal Audit Department will conduct 27 audits in 2020 (the same number as in 2019).

To improve the internal control and risk management system, the Company will continue to apply the procedure for tracking progress on implementing recommendations issued by the Internal Audit Department.

## 2.3 FINANCIAL RISKS RELATED TO THE EFFECTS OF CLIMATE CHANGE

For several years, carmakers have been committed to plans aiming at continuously reducing greenhouse gas emissions for new car launches. Compagnie Plastic Omnium SE anticipated this development very early and has, for several years, made it a key feature of its Research and Development strategy. This strategy resulted in multiple innovations and proven know-how (reducing the weight of the vehicle, improving aerodynamics, fuel systems adapted to the constraints of hybrid vehicles, etc.), which enabled Compagnie Plastic Omnium SE to offer carmakers products and functions that contribute directly to their emission reduction targets. These innovative products constituted one of the key components of Compagnie Plastic Omnium SE business growth over the last few fiscal years and contributed to its financial performances. In this context, Compagnie Plastic Omnium SE considers that market developments related to the low-carbon energy strategy of the automobile sector do not lead to any major financial risk. On the other hand, following the success achieved over the last few years, Compagnie Plastic Omnium SE is capable of intensifying its innovative efforts in these

very areas, which should continue to constitute one of the key drivers to achieve the high growth targets announced for the next few years.

As far as its activities are concerned, as described in chapter 4 “Statement of Extra-financial Performance” of this document, as part of its low-carbon emission strategy, Compagnie Plastic Omnium SE is going to continue developing its Top Planet program launched in 2007, which aims mainly at reducing its energy consumption. Over the next few years, the development of this program should lead to the general implementation of good practices in all its activities and with investments offering quick return on investment based on the energy savings generated. In this respect, Compagnie Plastic Omnium SE is not exposed to major financial risks.

Finally, Compagnie Plastic Omnium SE believes that it is not exposed to major financial risks that would result from the physical impact of climate change on its facilities.



# 3

## CORPORATE Governance

AFR

<b>3.1</b>	<b>REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE</b>	<b>54</b>
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## 3.1 REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

In accordance with the provisions of Articles L. 225-37 *et seq.* of the French Commercial Code, this chapter sets out information concerning the composition of the Board of Directors, including the application of the principle of balanced representation of men and women among its members, the conditions for the preparation and organization of its work, and any restrictions that the Board of Directors may have placed on the powers exercised by General Management. This report restates the provisions applicable to the determination of compensation and benefits in kind granted to corporate officers.

This report was presented to the Audit Committee, the Appointments Committee and the Compensation Committee for the sections that fall under their areas of responsibility. Thereafter it was approved by the Board of Directors at its meeting of February 18, 2020.

### 3.1.1 COMPOSITION AND CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

#### 3.1.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

##### 3.1.1.1.1 Balance to the composition of the Board of Directors

Pursuant to Articles 11 and 11b of the Company's bylaws and in accordance with the provisions of Articles L. 225-17 and L. 225-27 of the French Commercial Code, the Board of Directors of Compagnie Plastic Omnium SE is composed of up to 18 members, two of whom represent the Group's employees, when the number of directors is greater than or equal to eight.

The term of office of each director is three years, and is renewable. Directors are appointed by the Shareholders' Meeting for three-year terms expiring at the close of the Shareholders' Meeting called during the year in which their term expires to approve the accounts for the previous fiscal year.

The Board of Directors in its meetings of July 18 and September 24, 2019, acknowledged the resignation of Mr. Jean-Michel Szczerba as a director with effect from July 15, 2019 and as Chief Operating Officer with effect from September 24, 2019. At this same meeting the Board of

Directors acknowledged the resignation of Mr. Paul Henry Lemarié as Chief Operating Officer with effect from December 31, 2019 and resolved to appoint Mrs. Félicie Burelle as Managing Director effective January 1, 2020. It also resolved to split the functions of Chairman of the Board of Directors and Chief Executive Officer, Mr. Laurent Burelle remaining Chairman of the Board of Directors and, at this same meeting, Mr. Laurent Favre was co-opted as a director and appointed Chief Executive Officer with effect from January 1, 2020. Furthermore, following company elections, Mrs. Amandine Chaffois and Mr. Ireneusz Karolak were appointed as directors representing the employees for a term of three years.

At the date of this report, the Company is administered by a Board of Directors composed of 17 members:

- 15 directors elected by the Shareholders' Meeting in accordance with the provisions of the French Commercial Code, including the Chairman of the Board of Directors (Mr. Laurent Burelle), the Chief Executive Officer (Mr. Laurent Favre) and the Managing Director (Mrs. Félicie Burelle);
- 2 directors representing the employees appointed in accordance with the provisions of Articles L. 225-27 *et seq.* of the French Commercial Code.

The Board of Directors includes six independent directors (see section 3.1.1.1.4); the percentage of independent directors is therefore 40%, it being specified that in accordance with the AFEP-MEDEF Code, the number of directors representing the employees is not included to calculate the percentage of independent directors.

##### 3.1.1.1.2 Diversity policy applied to the Board of Directors: profiles, experience and expertise of the directors in office

The Board of Directors includes eight women out of the total of seventeen. Law no. 2011-103 of January 27, 2011 established the principle of balanced representation of men and women on Boards of Directors. The law provides that in assessing the proportion of men and women on Boards of Directors, directors representing the employees and not elected by the Shareholders' Meeting are not taken into account. As the Board of Directors of Compagnie Plastic Omnium SE includes two directors representing the employees, the assessment is made on the basis of fifteen directors including seven women, i.e. 47% women. The principle of gender balance is also respected with regard to the two directors representing the employees.

## SUMMARY PRESENTATION OF THE BOARD OF DIRECTORS

First name and last name	Age	Sex <sup>(1)</sup>	Nationality	Number of Plastic Omnium shares held	Number of offices in other listed companies	Independent Board Member	Date of initial appointment	End of current term	Years on the Board <sup>(2)</sup>	Membership of Board committees <sup>(3)</sup>
Laurent Burelle	70	M	French	802,000	1		06/18/1981	2021	39	
Laurent Favre <sup>(4)</sup>	48	M	French	3,870	0		01/01/2020	2021	0	
Félicie Burelle	40	F	French	900	1		04/27/2017	2020	3	
Paul Henry Lemarié	73	M	French	315,900	1		06/26/1987	2021	33	
Éliane Lemarié	74	F	French	235,996	1		06/26/1987	2021	33	CN
Jean Burelle	81	M	French	416,378	1		01/01/1970	2021	50	
Anne Asensio	57	F	French	900	1	■	04/28/2011	2020	9	CC
Lucie Maurel Aubert	58	F	French	910	0	■	12/15/2015	2021	5	CC, CN
Anne-Marie Couderc	70	F	French	900	1	■	07/20/2010	2021	10	CR (Chairman) CN (Chairman)
Cécile Moutet	46	F	French	8,160	0		04/27/2017	2020	3	
Amélie Oudéa-Castéra	41	F	French	900	2	■	01/01/2014	2022	6	CR
Jérôme Gallot	60	M	French	5,500	1		12/15/2006	2021	14	
Prof. Dr. Bernd Gottschalk	76	M	German	900	2	■	04/28/2009	2021	11	CR
Vincent Labruyère	69	M	French	10,932	0		05/16/2002	2020	18	CC (Chairman)
Alexandre Mérieux	46	M	French	1,000	1	■	04/26/2018	2021	2	
Amandine Chaffois	39	F	French	10,026	0		07/04/2019	2023	0	
Ireneusz Karolak	60	M	Polish	0	0		05/23/2019	2023	0	

(1) Female (F), Male (M).

(2) In elapsed years.

(3) CC: Audit Committee.  
CR: Compensation Committee.  
CN: Appointments Committee.

(4) Since January 1, 2020.

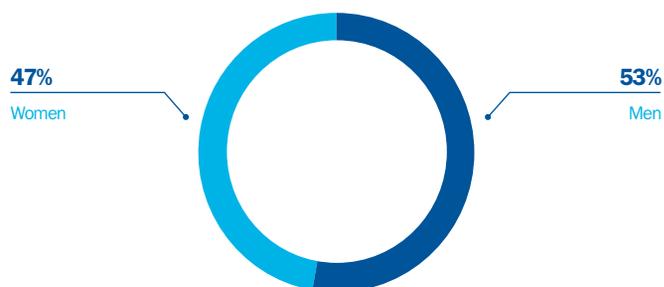
## CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES IN 2019

	Departure	Appointment	Renewal
Board of Directors	Jean-Michel Szczerba (09/24/2019)	Laurent Favre (as of 01/01/2020) Amandine Chaffois (07/04/2019) Ireneusz Karolak (05/23/2019)	Amélie Oudéa-Castéra (04/25/2019)
Audit Committee	Jérôme Gallot		
Appointments Committee	Jérôme Gallot	Lucie Maurel Aubert	

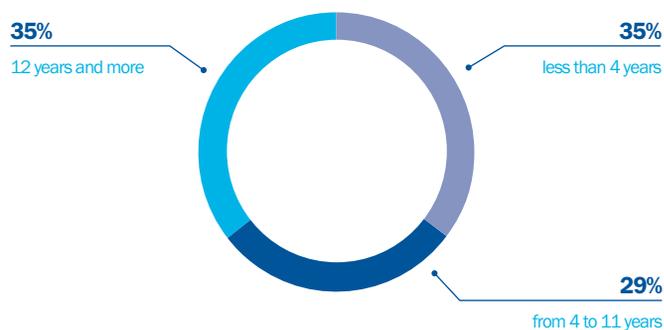
Subject to the approval of the resolutions submitted to the vote of the Shareholders' Meeting to be held on April 23, 2020, the Board of Directors of Compagnie Plastic Omnium SE is composed of seventeen

members. With 40% independent directors and 47% women, Compagnie Plastic Omnium SE also works to ensure the necessary skills, expertise and international experience of its Board members.

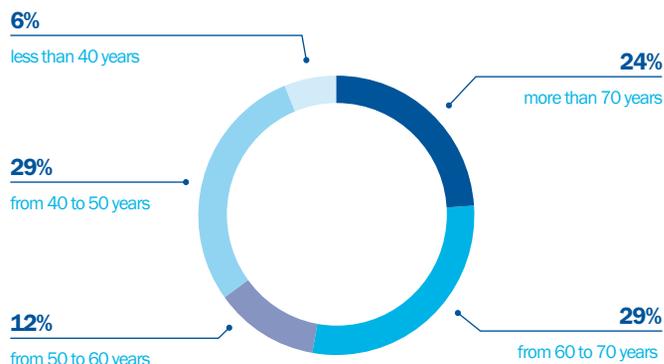
**BREAKDOWN OF MEN AND WOMEN**



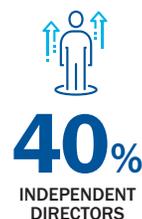
**YEARS IN OFFICE**



**BREAKDOWN BY AGE**



**AN INDEPENDENT BOARD OF DIRECTORS**



**QUALIFICATIONS AND PROFESSIONAL EXPERIENCE OF THE DIRECTORS IN OFFICE**

The Board of Directors is committed to promoting mix and diversity in its composition regarding the qualifications, professional experience, nationality and age of its members.

The directors have additional experience (international, financial, industrial, commercial expertise, etc.) with some having former, in-depth knowledge of Compagnie Plastic Omnium SE and its environment. Compagnie Plastic Omnium SE seeks to increase the diversity and international experience of its Board of Directors. The quality and diversity of the personalities making it up guarantees the balance of powers within the Board.

Regarding directors' professional qualifications and experience, the Board's objective is to ensure that its composition is appropriate to the businesses of Compagnie Plastic Omnium SE, the issues facing it and its strategic orientation, thus contributing to the quality of the Board's decisions. Pursuant to this objective the Board decided, in its meeting of September 24, 2019, to split the positions of Chairman of the Board of Directors and Chief Executive Officer, with Mr. Laurent Burelle continuing as Chairman and Mr. Laurent Favre has been appointed Chief Executive Officer effective January 1, 2020 after having been co-opted as a director. The co-option of Mr. Laurent Favre as a director is, furthermore, subject to ratification by the Shareholders' Meeting of April 23, 2020 (See chapter 8).

The professional skills and expertise of the directors of Compagnie Plastic Omnium SE cover the following areas:

#### SKILLS LINKED TO COMPAGNIE PLASTIC OMNIUM SE'S STRATEGY AND GROWTH OBJECTIVES

### Number of relevant directors for each skill



#### TWO DIRECTORS REPRESENTING THE EMPLOYEES SINCE JULY 2019

Two directors representing the employees are members of the Board of Directors. With a particular viewpoint linked to their knowledge of the business, they bring a complementary perspective and enrich the quality of the Board's discussions.

Mrs. Amandine Chaffois was appointed by the Group Committee for France. She holds the position of Innovation Manager in the Plastic Omnium Industries' Intelligent Exteriors Systems business, at the Σ-Sigmatech research center in France, in the Lyon region.

Mr. Ireneusz Karolak was appointed by the European Works Council. He holds the position of Purchasing Manager in the Plastic Omnium Industries' Clean Energy Systems business in Poland.

As soon as they became directors, they participated in a training program delivered by an external firm covering in particular the role and function of the Board of Directors and the directors' rights, obligations and responsibilities.

Mrs. Chaffois and Mr. Karolak receive compensation as members of the Board of Directors in accordance with the same distribution rules as the other directors. The components of their compensation as employees is not published.

## Information about the Directors in office for the year ended December 31, 2019

## LAURENT BURELLE

## Chairman and CEO of Compagnie Plastic Omnium SE and Burelle SA



**NATIONALITY:** French

**BUSINESS ADDRESS:**

Plastic Omnium –  
1, allée Pierre-Burelle  
92300 Levallois-Perret

**FIRST APPOINTMENT:**

June 18, 1981

**END OF CURRENT TERM:**

2021

**SHARES HELD:**

802,000  
(at December 31, 2019)

**BIOGRAPHY**

Laurent Burelle is a graduate of the Federal Institute of Technology (ETH) in Zurich, and holds a Master of Science Degree in Chemical Engineering from the Massachusetts Institute of Technology (MIT).

He began his career with the Plastic Omnium Group as a production engineer and assistant to the director of the Langres plant.

In 1977, he was appointed Chief Executive Officer of Plastic Omnium SA in Valencia (Spain), going on to become Chairman and Chief Executive Officer. From 1981 to 1988, he served as Head of the Environment-Urban Systems Division, before becoming Vice-Chairman and Chief Executive Officer of Compagnie Plastic Omnium SE in 1988. He was appointed Chairman of the Board of Directors and Chief Executive Officer of Compagnie Plastic Omnium SE in July 2001, holding this office until December 31, 2019 on which date the division between the functions of Chairman and Chief Executive Officer became effective. Laurent Burelle is Chairman of the Board of Directors of Compagnie Plastic Omnium SE with effect from January 1, 2020, and Chairman and Chief Executive Officer of Burelle SA since January 1, 2019. He has also been Chairman of AFEP since 2017.

Laurent Burelle is also a director of the Jacques Chirac Foundation.

He is a *Commandeur de la Légion d'honneur*.

**Companies**

**Positions and offices held**

**FRENCH COMPANIES AND ASSOCIATIONS**

Companies	Positions and offices held
Burelle SA <sup>(1)/(2)</sup>	Chairman and CEO
Sofiparc SAS <sup>(2)</sup>	Chairman and member of the Supervisory Committee
Burelle Participations SA <sup>(2)</sup>	Director
Plastic Omnium Auto Exteriors SA <sup>(2)</sup>	Chairman and CEO
Plastic Omnium Auto Inergy SAS <sup>(2)</sup>	Chairman
Plastic Omnium Modules SAS <sup>(2)</sup>	Chairman
AFEP (association)	Chairman
Fondation Jacques Chirac (association)	Director

**INTERNATIONAL COMPANIES**

Companies	Positions and offices held
Plastic Omnium Holding (Shanghai) Co. Ltd <sup>(2)</sup> (China)	Chairman
Plastic Omnium Inc. <sup>(2)</sup> (United States)	Chairman
SOGEC 2 SA (Belgium)	Chief Executive Officer
Compagnie Financière de la Cascade SRL (Belgium)	Managing Director

(1) Listed company.

(2) Company in the Compagnie Plastic Omnium Group/Burelle SA.

**PAUL HENRY LEMARIÉ**

**Chief Operating Officer of Compagnie Plastic Omnium SE**



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
Plastic Omnium –  
1, allée Pierre-Burelle  
92300 Levallois-Perret

**FIRST APPOINTMENT:**  
June 26, 1987

**END OF CURRENT TERM:**  
2021

**SHARES HELD:**  
315,900  
(at December 31, 2019)

**BIOGRAPHY**

Paul Henry Lemarié holds a doctorate in physics from University of Paris-Orsay and a post-graduate degree (DEA) in Management and Finance from University of Paris-Dauphine.

After completing a doctorate in physics at CEA, he began his career in the Finance Department of Paribas bank in 1973. He then joined Sofresid, an engineering group (steel, mining, offshore), before moving to Plastic Omnium Group in 1980 as Head of the 3P (Performance Plastics Products) Division. In 1985, he became Chairman of the Automotive Division. In 1987 he was appointed Deputy Chief Executive Officer of Compagnie Plastic Omnium SE, then Chief Executive Officer in 1988 and Chief Operating Officer from 2001 to December 31, 2019. Appointed Chief Executive Officer of Burelle SA in April 1989, he became Chief Operating Officer in 2001.

Companies	Positions and offices held
<b>FRENCH COMPANIES</b>	
Burelle SA <sup>(1)/(2)</sup>	Chief Operating Officer and director
Burelle Participations SA <sup>(2)</sup>	Chief Operating Officer and director
Sofiparc SAS <sup>(2)</sup>	Member of the Supervisory Committee
<b>INTERNATIONAL COMPANIES</b>	
Garamond SA (Belgium)	Director

(1) Listed company.  
(2) Company in the Compagnie Plastic Omnium Group/Burelle SA.

**ÉLIANE LEMARIÉ**

**Permanent representative of Burelle SA, director**



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
Burelle SA –1, allée  
Pierre-Burelle  
92300 Levallois-Perret

**FIRST APPOINTMENT:**  
June 26, 1987

**END OF CURRENT TERM:**  
2021

**SHARES HELD:**  
235,996  
(at December 31, 2019)

**BIOGRAPHY**

After graduating with a master's degree in English from the University of Paris-Sorbonne and graduating from IEP Paris, Éliane Lemarié devoted her professional career to the corporate information and communication sector.

She began her career as a journalist and copy editor in various written press publications as part of the Permanent Assembly of Chambers of Commerce and Industry (APCCI) from 1969 to 1975.

In 1976, she was hired by SOGEC to set up and develop a Public Relations, Media Relations and Publishing Department, a position she held until 1983.

In 1983, she founded and developed IRMA Communication, a corporate communications consultancy with a client roster of French and international companies listed in Paris, New York and Mumbai, serving as Chairman and Chief Executive Officer until 2010.

Companies	Positions and offices held
<b>FRENCH COMPANIES</b>	
Burelle SA <sup>(1)/(2)</sup>	Director
Sofiparc SAS <sup>(2)</sup>	Member of the Supervisory Committee
Union Industrielle	Chairman of the Supervisory Committee
<b>INTERNATIONAL COMPANY</b>	
SOGEC 2 SA (Belgium)	Chief Executive Officer
Garamond (Belgium)	Director

(1) Listed company.  
(2) Company in the Compagnie Plastic Omnium Group/Burelle SA.

## JEAN BURELLE

## Honorary Chairman of Compagnie Plastic Omnium SE



**NATIONALITY:** French

**BUSINESS ADDRESS:**

1, rue François-Ier  
75008 Paris

**FIRST APPOINTMENT:**

January 1, 1970

**END OF CURRENT TERM:**

2021

**SHARES HELD:**

416,378  
(at December 31, 2019)

**BIOGRAPHY**

Jean Burelle is a graduate of the Federal Institute of Technology (ETH) in Zurich, and holds an MBA from Harvard Business School.

He started his career in 1966 with L'Oréal and left for Compagnie Plastic Omnium SE in 1967 as Department Head. In 1986, he was appointed Executive Vice-President, and in 1987 became Chairman and Chief Executive Officer, a position that he occupied until June 30, 2001. Jean Burelle has been a director of Compagnie Plastic Omnium SE since 1970 and Honorary Chairman since July 1, 2001.

From July 1, 2001 to December 31, 2018, Jean Burelle was Chairman and Chief Executive Officer of Burelle SA, of which he is still a Director. He is also a member of the Supervisory Board of Banque Hottinguer and of Soparexo SCA.

Jean Burelle was the Chairman of MEDEF International from November 2005 until May, 2016, when he became Honorary Chairman and director. From 1977 to 2009, he was a director of Essilor International and Chairman of the Remunerations Committee.

Jean Burelle is an *Officier de la Légion d'honneur* and an *Officier de l'Ordre National du Mérite*.

Companies	Positions and offices held
<b>FRENCH COMPANIES AND ASSOCIATIONS</b>	
Burelle SA <sup>(1)(2)</sup>	Director
Burelle Participations SA <sup>(2)</sup>	Chairman and CEO
Sofiparc SAS <sup>(2)</sup>	Member of the Supervisory Committee
Sycovest 1	Permanent representative of Burelle Participations SA, itself director
Soparexo SCA	Member of the Supervisory Board
Banque Hottinguer SA with Management Board and Supervisory Board	Member of the Supervisory Board and Compensation Committee
MEDEF International	Honorary Chairman
Institut des Relations Internationales (IFRI)	Director
Association pour le Rayonnement de l'Opéra National de Paris (AROP)	Director and deputy treasurer
<b>INTERNATIONAL COMPANIES</b>	
SOGEC 2 SA (Belgium)	Chairman of the Board of Directors and Chief Executive Officer
Financière Protea S.A (Belgium)	Chairman of the Board of Directors and director
(1) Listed company.	
(2) Company in the Compagnie Plastic Omnium Group/Burelle SA.	

## ANNE ASENSIO

## Vice-Chairperson Design of Dassault Systèmes



**NATIONALITY:** French

**BUSINESS ADDRESS:**

Dassault Systèmes  
10, rue Marcel-Dassault  
78140 Vélizy-Villacoublay

**FIRST APPOINTMENT:**

April 28, 2011

**END OF CURRENT TERM:**

2020

**SHARES HELD:**

900  
(at December 31, 2019)

**BIOGRAPHY**

Holder of a master's degree in transport design from the Center for Creative Studies in Detroit, as well as a degree in industrial design from École Nationale Supérieure des Arts Appliqués in Paris, Anne Asensio began her career with Renault in 1987, where she was notably charged with the design of the Twingo, Clio and Mégane (Scenic) ranges. She then held several management positions with General Motors, leading the development of a number of concept cars.

She joined Dassault Systèmes in November 2007 as Vice-President for Design, in charge of design, innovation and corporate identity.

Anne Asensio is a *Chevalier de la Légion d'honneur* and a *Chevalier de l'Ordre National du Mérite*.

Companies	Positions and offices held
<b>FRENCH COMPANIES AND ORGANIZATIONS</b>	
Dassault Systèmes <sup>(1)</sup>	Vice-Chairperson of Design Experience
Agence de la Promotion de la Création Industrielle	Director – member of the Board of Directors
Strate School of Design	Director
University of Nîmes	Member of the Strategic Board
Design Île-de-France (Region)	Board member
<b>INTERNATIONAL COMPANIES AND ORGANIZATIONS</b>	
Umeå University of Design (Sweden)	Member of the Strategic Board
World Economic Forum (Switzerland)	Member of the Global Advisory Council
World Design Organization (Canada)	Member of the Board
(1) Listed company.	

## FÉLICIE BURELLE

Deputy Chief Executive Officer – Managing Director of Compagnie Plastic Omnium SE since January 1, 2020



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
Plastic Omnium –  
1, allée Pierre-Burelle  
92300 Levallois-Perret

**FIRST APPOINTMENT:**  
April 27, 2017

**END OF CURRENT TERM:**  
2020

**SHARES HELD:**  
900  
(at December 31, 2019)

### BIOGRAPHY

Félicie Burelle graduated from the ESCE Business School and holds a graduate degree in Business-Finance from South Bank University of London and an MBA from the Institute de Empresa (IE) Business School of Madrid.

After beginning her career in the Group in 2001 as Accounting Manager of a subsidiary of the Auto Exterior Division in Spain (Madrid), Félicie Burelle moved on to the Merger & Acquisitions Department of Ernst & Young Transaction Services in 2005. In 2010, she joined Compagnie Plastic Omnium once again and took over the Department of Strategic Planning and Commercial Coordination of the Auto Exterior Division. She also became member of the Executive Committee of this Division.

Félicie Burelle has been a member of the Burelle SA Board of Directors since 2013.

In 2015, she became Strategy and Development Director of Compagnie Plastic Omnium SE and is member of the Executive Committee since then.

Appointed Deputy Managing Director of Compagnie Plastic Omnium SE on January 1, 2018, Félicie Burelle became Managing Director on January 1, 2020.

Companies	Positions and offices held
<b>FRENCH COMPANIES</b>	
Burelle SA <sup>(1)(2)</sup>	Director
CIC Lyonnaise de Banque	Director
<b>INTERNATIONAL COMPANIES</b>	
Plastic Omnium New Energies SA <sup>(2)</sup> (Belgium)	Director
(1) Listed company.	
(2) Company in the Compagnie Plastic Omnium Group/Burelle SA.	

## ANNE-MARIE COUDERC

Company director



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
88, boulevard Arago  
75014 Paris

**FIRST APPOINTMENT:**  
July 20, 2010

**END OF CURRENT TERM:**  
2021

**SHARES HELD:**  
900  
(at December 31, 2019)

### BIOGRAPHY

After beginning her professional career in 1973 as an attorney in Paris, Anne-Marie Couderc joined the Hachette Group in 1982 as Deputy Corporate Secretary. She became the Group's Deputy Chief Executive Officer in 1993.

A Paris city councilor, then Deputy Mayor and member of Parliament for Paris, she was appointed Secretary of State for Employment in the office of the Prime Minister in 1995, then Minister attached to the Ministry of Labor and Social Affairs with responsibility for Employment until 1997.

At the end of 1997, Anne-Marie Couderc was appointed Chief Executive Officer and member of the Editorial Committee of Hachette Filipacchi Medias, and director of several publications.

She became Corporate Secretary of Lagardère Active in 2007, before joining Presstalis as Chief Executive Officer in August 2010, and subsequently was Chairperson of the Board of Directors until June 2017. Anne-Marie Couderc has been Chairman of the Board of Directors of Air France KLM and of Air France since May 2016.

Anne-Marie Couderc is an *Officier de la Légion d'honneur* and an *Commandeur de l'Ordre national du Mérite*.

Companies	Positions and offices held
<b>FRENCH COMPANIES</b>	
Air France KLM <sup>(1)</sup>	Chairperson of the Board of Directors Chairperson of the Appointments Committee and Governance Committee Independent Board member
Air France	Chairman of the Board of Directors
Transdev	Director and member of the Audit Committee
Ramsay – Générale de Santé	Director and Chairperson of the Compensation Committee and member of the Audit Committee
AYMING	Member of the Supervisory Committee
Veolia Environnement Foundation	Director
(1) Listed company.	

## AMÉLIE OUDÉA-CASTÉRA

## Executive Director of E-commerce, Data and Digital Transformation at Carrefour



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
Carrefour  
93, avenue de Paris  
91889 Massy

**FIRST APPOINTMENT:**  
January 1, 2014

**END OF CURRENT TERM:**  
2022

**SHARES HELD:**  
900  
(at December 31, 2019)

## BIOGRAPHY

After a career as a professional tennis player, Amélie Oudéa-Castéra opted for academia rather than high-level sport. A graduate of IEP Paris and ESSEC Business School while at the same time obtaining a master's degree in law, she won a place at ENA, graduating in April 2004 and taking up a position as Public Auditor with the French Court of Auditors (*Cour des Comptes*).

In 2008, Mrs. Amélie Oudéa-Castéra joined the AXA Group, working for the Group CFO. In 2010, she was appointed Director of Strategic Planning. In 2011, she was named Director of Marketing, Brand and Services at AXA France and in 2012 her scope of responsibility was extended to digital business. In 2015, she was appointed Deputy CEO of AXA Particuliers/Professionnels. In July 2016, she was appointed Director of Marketing and Digital for the entire AXA Group.

After joining the Carrefour's Board of Directors in June 2018, Amélie Oudéa-Castéra was appointed Executive Director, E-commerce, Data and Digital Transformation in November 2018.

She is also the President of the association "Rénovons le sport français" (Let's Renew French Sports) and a member of the Eurazeo Supervisory Board.

Companies	Positions and offices held
<b>FRENCH COMPANIES AND ASSOCIATIONS</b>	
Carrefour <sup>(1)</sup>	Executive Director, e-commerce, data and digital transformation
Eurazeo <sup>(1)</sup>	Member of the Supervisory Board
"Rénovons le sport français" association (Let's renew French sports)	Chairman

(1) Listed company.

## LUCIE MAUREL AUBERT

## Vice-Chairperson and Deputy Chief Executive Officer of Rothschild Martin Maurel Associés



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
Rothschild Martin Maurel  
29, avenue de Messine  
75008 Paris

**FIRST APPOINTMENT:**  
December 15, 2015

**END OF CURRENT TERM:**  
2021

**SHARES HELD:**  
910  
(at December 31, 2019)

## BIOGRAPHY

After starting her professional career in 1985 as a business attorney in the law firm Gide Loyrette Nouel, Lucie Maurel Aubert joined, in 2002, the family bank Martin Maurel in which she has been a director since 1999.

Appointed Chief Operating Officer of Compagnie Financière Martin Maurel in 2007, and then Vice-President Chief Operating Officer in 2011 and Chief Operating Officer of Banque Martin Maurel in 2013, she has been Vice-President of Rothschild Martin Maurel Associés since July 2017.

Lucie Maurel Aubert is a *Chevalier de la Légion d'honneur*.

Companies	Positions and offices held
<b>FRENCH COMPANIES</b>	
Rothschild Martin Maurel Associés	Vice-Chairman
STEF	Director
Grand Palais endowment fund	Director
Rothschild & Co.	Member of the Supervisory Board
French Bankers' Association	Vice-Chairman
SNEF Group	Director
Aix Festival	Vice-Chairman

## CÉCILE MOUTET

Director of Compagnie Plastic Omnium SE



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
Plastic Omnium –  
1, allée Pierre-Burelle  
92300 Levallois-Perret

**FIRST APPOINTMENT:**  
April 27, 2017

**END OF CURRENT TERM:**  
2020

**SHARES HELD:**  
8,160

(at December 31, 2019)

### BIOGRAPHY

Cécile Moutet has a Specialized Master's degree in Market Research and Marketing Management from NEOMA Business School (formerly ESC Rouen) and from the Institut Européen des Affaires.

She started her career as a communication consultant in the IRMA Communication agency, where she assumed the responsibility of the Client Division, designed press relations campaigns of various groups and organized public relations events.

Between 2006 and 2008, Cécile Moutet was self-employed in Spain as a communication consultant.

In 2009 and 2010, Cécile Moutet worked at IRMA Communication (which became Cap & Cime PR in 2010) and coordinated various consulting assignments.

Companies	Office held
<b>INTERNATIONAL COMPANY</b>	
Financière Protea S.A (Belgium)	Director

## JÉRÔME GALLOT

Managing Director of JGC



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
46, rue du Ranelagh  
75016 Paris

**FIRST APPOINTMENT:**  
December 15, 2006

**END OF CURRENT TERM:**  
2021

**SHARES HELD:**  
5,500

(at December 31, 2019)

### BIOGRAPHY

Jérôme Gallot graduated from IEP Paris and ENA and was first appointed at the French Court of Auditors (*Cour des Comptes*) in 1985, then with the Ministry of Finance, where he was the Managing Director of the Competition, Consumer Affairs and Anti-Fraud Division (1997-2003).

He then joined the Executive Committee of Caisse des Dépôts, where he was responsible for Pension and Employee Benefit Financing and International Operations, before becoming Executive Chairman of CDC Entreprises, CDC's private equity arm. When France created a Strategic Investment Fund, he was appointed to its Executive Committee.

In February 2011, Jérôme Gallot was appointed Chief Executive Officer of Veolia Transdev and acted as Consultant to the Chairman from January 2013 to February 2014. He is also a director of NRJ Group.

Jérôme Gallot is a *Chevalier de la Légion d'honneur*.

Companies	Positions and offices held
<b>FRENCH COMPANIES</b>	
JGC	Managing Director
SP 3H	Director
Acerde SAS	Member of the Supervisory Board
NRJ Groupe <sup>(1)</sup>	Director
Geocorail	Director
Holding Incubative chimie verte	Director

(1) Listed company.

## PROF. DR. BERND GOTTSCHALK

### Founder and Chairman of AutoValue GmbH



#### BIOGRAPHY

Holder of a doctorate in economics, Prof. Dr. Bernd Gottschalk studied economics at the University of Hamburg and the University of Saarebruck, then at Stanford University in California. He began his career at Daimler AG Group in Finance, then became a plant manager before becoming Chairman of Mercedes-Benz do Brasil.

In 1992, he was appointed to the Board of Management of the Daimler AG Group, Global Vice-President of the Commercial Vehicles Division. In 1997, Prof. Dr. Berndt Gottschalk was appointed Chairman of the Federation of German Automotive Industry (VDA) and in 2007 created AutoValue GmbH, an automotive consultancy that he has headed since that date.

**NATIONALITY:** German

**BUSINESS ADDRESS:**  
AutoValue GmbH –  
Savignystrasse 34  
60325 Frankfurt-am-Main

**FIRST APPOINTMENT:**  
April 28, 2009

**END OF CURRENT TERM:**  
2021

**SHARES HELD:**  
900  
(at December 31, 2019)

#### Companies

#### Positions and offices held

##### INTERNATIONAL COMPANIES

Companies	Positions and offices held
Haldex AB <sup>(1)</sup> Sweden	Director
AutoValue GmbH (Germany)	Managing Partner
Schaeffler AG (Germany)	Director
Jost Werke AG <sup>(1)</sup> (Germany)	Director, Deputy President
Facton GmbH (Germany)	Chairman of the Board of Directors
Serafin Groupe München (Germany)	Member of the Advisory Board

(1) Listed company.

## VINCENT LABRUYÈRE

### Chairman of the Labruyère Group



#### BIOGRAPHY

An engineering graduate of ETH Zurich (Swiss Federal Institute of Technology), Vincent Labruyère started his professional career in 1976 with Établissements Bergeaud Mâcon, a subsidiary of Rexnord Inc., USA, manufacturers of equipment for production processes.

In 1981, he became head of Imprimerie Perroux, a printer of checkbooks and bank forms, which he diversified in 1985 by creating DCP Technologies, a subsidiary specializing in credit card manufacture and encoding.

In 1989, he founded the SPEOS Group, specialized in desktop publishing and electronic archiving of management documents and the manufacture of means of payment, which he sold to the Belgian Post Office in 2001.

Vincent Labruyère then joined Labruyère Group as Chief Executive Officer, later becoming Chairman of the Management Board and then Chairman of the Supervisory Board. Labruyère Group is a family-owned company operating vineyards in France and the United States, which also operates commercial real estate premises and invests growth capital in France and abroad.

**NATIONALITY:** French

**BUSINESS ADDRESS:**  
Groupe Labruyère  
70, avenue Édouard-Herriot  
71009 Mâcon

**FIRST APPOINTMENT:**  
May 16, 2002

**END OF CURRENT TERM:**  
2020

**SHARES HELD:**  
10,932  
(at December 31, 2019)

#### Companies

#### Positions and offices held

##### FRENCH COMPANIES

Companies	Positions and offices held
Groupe Labruyère SAS	Chairman
Société Financière du Centre SAS	Chairman
Société Commerciale de Bioux SAS	Member of the Management Board
Perroux et Fils	Director
SNPI SCA	Member of the Supervisory Board as permanent representative
Pigé SA	Permanent representative of Labruyère Group, director
SC Domaine Jacques Prieur	Managing Director

## ALEXANDRE MÉRIEUX

### Chairman and CEO of bioMérieux



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
bioMérieux –  
376, Chemin de l'Orme  
69280 Marcy l'Étoile

**FIRST APPOINTMENT**  
April 26, 2018

**END OF CURRENT TERM**  
2021

**SHARES HELD**  
1,000

(at December 31, 2019)

#### BIOGRAPHY

Alexandre Mérieux graduated from the University of Lyon with a degree in biology and from HEC Montreal Business School.

From 1999 to 2004, Alexandre Mérieux was responsible for marketing in the United States and Europe at Silliker Group Corporation, then Director of Marketing and Business Unit Head.

Chairman and Chief Executive Officer of bioMérieux since December 2017, Alexandre Mérieux is also Vice-Chairman of the Institut Mérieux and Chairman of Mérieux Développement. He also chairs the Board of Directors at Mérieux NutriSciences.

He has held various operational positions within bioMérieux: he has been Deputy CEO since 2014 after having headed the Industrial Microbiology unit between 2005 and 2011, and the Microbiology unit between 2011 and 2014.

Companies	Positions and offices held
<b>FRENCH COMPANIES</b>	
bioMérieux SA <sup>(1)</sup>	Chairman and Chief Executive Officer and director
Institut Mérieux	Vice-President, Chief Operating Officer and director
Finance Senior Mendel SAS	Representative of Mérieux Participation 2, director
Fondation Christophe et Rodolphe Mérieux	Director
Fondation Mérieux	Director
Mérieux Développement SAS	Chairman
Compagnie Mérieux Alliance	Chief Executive Officer
SCI ACCRA	Managing Director
<b>INTERNATIONAL COMPANIES</b>	
Merieux Nutrisciences Corporation (USA)	Chairman

(1) Listed company.

## AMANDINE CHAFFOIS

### Director representing the employees



**NATIONALITY:** French

**BUSINESS ADDRESS:**  
Plastic Omnium Auto  
Extérieur  
Parc Industriel  
de la Plaine de l'Ain  
Avenue du Bois des  
Vergnes  
01150 Sainte-Julie

**FIRST APPOINTMENT**  
July 4, 2019

**END OF CURRENT TERM**  
2023

**SHARES HELD**  
10,026

(at December 31, 2019)

#### BIOGRAPHY

Amandine Chaffois is a graduate engineer from the Institut National des Sciences Appliquées in Lyon and holds a Diploma of Higher Specialized Studies in Purchasing from the Institut d'Administration des Entreprises de Lyon from which she graduated at the top of her class.

She joined Plastic Omnium Group in 2004 as part of her end-of-studies internship within Plastic Omnium Industries business line at the Intelligent Exterior Systems business. She then held various positions in the purchasing departments in France, Brazil and the United States.

Amandine Chaffois was promoted to Director of Launches for Europe in September 2018 and has been, since October 1, 2019, Innovation Director for the Intelligent Exterior Systems business line.

Amandine Chaffois was appointed to the Board of Directors of Compagnie Plastic Omnium SE by the French Works Council on July 4, 2019.

**IRENEUSZ KAROLAK**

Director representing the employees



**BIOGRAPHY**

Ireneusz Karolak graduated in Romance Philology from the Marie Curie University - Skłodowska in Lublin.

After starting his career in teaching and research and as a certified translator in French and Spanish, he graduated with a Master's degree in Management and International Business from the Ecole Des Hautes Etudes Commerciales in Lille in 1994.

He joined the Plastic Omnium Group in 1999, where he successively held the positions of Quality Controller and Quality Manager. He is currently Purchasing Manager of the Lublin site in Poland within the Clean Energy Systems business line.

Ireneusz Karolak was appointed an employee director of Compagnie Plastic Omnium SE by the European Works Council on May 23, 2019

**NATIONALITY:** Polish

**BUSINESS ADDRESS:**  
Plastic Omnium Auto Inergy  
Ul. Budowlana, 28 PL  
20-469 Lublin  
Poland

**FIRST APPOINTMENT:**  
May 23, 2019

**END OF CURRENT TERM:**  
2023

**LAURENT FAVRE**

Chief Executive Officer and Director of Compagnie Plastic Omnium SE since January 1, 2020



**BIOGRAPHY**

With an engineering degree from ESTACA (École Supérieure des Techniques Aéronautiques et de Construction Automobile) Laurent Favre developed his career in the automotive sector in Germany. For more than 20 years he has held various positions of responsibility with German automotive equipment manufacturers such as ThyssenKrupp (steering systems), ZF (gearboxes and steering columns) and Benteler (structural components), where he was Chief Executive Officer of the Automotive division.

Laurent Favre is Chief Executive Officer of Compagnie Plastic Omnium SE as of January 1, 2020.

**NATIONALITY:** French

**BUSINESS ADDRESS:**  
Plastic Omnium  
1, allée Pierre-Burelle  
92300 Levallois-Perret

**FIRST APPOINTMENT:**  
Jan 1, 2020

**END OF CURRENT TERM:**  
2021

**SHARES HELD:**  
3,870  
(at January 15, 2020)

Companies	Positions and offices held
<b>INTERNATIONAL COMPANIES</b>	
Yanfeng Plastic Omnium Automotive Exterior Systems Co. Ltd <sup>(1)</sup> (China)	Director since October 14, 2019
Plastic Omnium Holding (Shanghai) Co. Ltd <sup>(1)</sup> (China)	Vice-Chairman since October 25, 2019
Plastic Omnium Inc. <sup>(1)</sup> (United States)	Director since November 20, 2019
<small>(1) Company in the Compagnie Plastic Omnium Group/Burelle SA.</small>	

**JEAN-MICHEL SZCZERBA****Co-Chief Executive Officer and Chief Operating Officer of Compagnie Plastic Omnium SE until September 24, 2019****NATIONALITY:** French**BUSINESS ADDRESS:**  
Plastic Omnium –  
1, allée Pierre-Burelle  
92300 Levallois-Perret**BIOGRAPHY**

After graduating from ESSEC business school in 1982, Jean-Michel Szczerba began his career with Banque Vernes Commerciale de Paris as a financial analyst. He joined Plastic Omnium in 1985, where he was successively Financial Controller, Finance Department Manager, and Chief Financial Officer until 2001, before becoming Deputy Chief Executive Officer. Jean-Michel Szczerba was appointed Chief Operating Officer of Compagnie Plastic Omnium in 2010 and director in 2012, offices which he held until September 24, 2019 and July 15, 2019 respectively.

Jean-Michel Szczerba is a *Chevalier de la Légion d'honneur* and a *Chevalier de l'Ordre National du Mérite*.

Companies	Positions and offices held
<b>FRENCH COMPANIES</b>	
Plastic Omnium Finance SNC <sup>(1)</sup>	Managing Director
Plastic Omnium Gestion SNC <sup>(1)</sup>	Managing Director
Plastic Omnium Auto Exteriors SA	Director
<b>INTERNATIONAL COMPANIES</b>	
Plastic Omnium GmbH <sup>(1)</sup> (Germany)	Co-Manager
Plastic Omnium New Energies SA <sup>(1)</sup> (Belgium)	Director
Plastic Omnium Inergy (Shanghai) Consulting Co. Ltd <sup>(1)</sup> (China)	Chairman
Plastic Omnium Auto Exteriors Sp z.o.o. <sup>(1)</sup> (Poland)	Co-Manager
Plastic Omnium Auto Sp z.o.o. <sup>(1)</sup> (Poland)	Co-Manager
Plastic Omnium Automotive Ltd <sup>(1)</sup> (UK)	Director
DSK Plastic Omnium BV (BPO AS) <sup>(1)</sup> (Netherlands)	Chairman and director
B-Plas Plastic Omnium Otomotiv AS <sup>(1)</sup> (Turkey)	Vice-Chairman of the Board of Directors and director
<b>TERMS OF OFFICE EXPIRED DURING 2019</b>	
Burelle Participations SA <sup>(1)</sup> (France)	Director until July 15, 2019
Yanfeng Plastic Omnium Automotive Exterior Systems Co. Ltd <sup>(1)</sup> (China)	Director until October 14, 2019
Plastic Omnium Holding (Shanghai) Co. Ltd <sup>(1)</sup> (China)	Vice-Chairman until October 25, 2019
Plastic Omnium Inc. <sup>(1)</sup> (United States)	Director until November 20, 2019

(1) Company in the Compagnie Plastic Omnium Group/Burelle SA.

**Composition of the Board of Directors at January 1, 2020**

Directors	Age	Date of 1 <sup>st</sup> appointment	Independence	Board of Directors' Committees		
				Audit Committee	Appointments Committee	Compensation Committee
Mr. Laurent Burelle	70	1981				
Mr Laurent Favre	48	2020				
Mrs. Félicie Burelle	40	2017				
Mr. Paul Henry Lemarié	73	1987				
Mrs. Éliane Lemarié	74	2009			•	
Mr. Jean Burelle	81	1970				
Mrs. Anne Asensio	57	2011	■	•		
Mrs. Anne-Marie Couderc	70	2010	■		• (Chairman)	• (Chairman)
Mrs. Amélie Oudéa-Castéra	41	2014	■			•
Mrs. Lucie Maurel Aubert	58	2015	■	•	•	
Mrs. Cécile Moutet	46	2017				
Mr. Jérôme Gallot	60	2006				
Prof. Dr. Bernd Gottschalk	76	2009	■			•
Mr. Vincent Labruyère	69	2002			• (Chairman)	
Mr. Alexandre Mérieux	46	2018	■			
Directors representing the employees						
Mrs Amandine Chaffois	39	2019				
Mr Ireneusz Karolak	60	2019				



### 3.1.1.1.3 Responsible directors

Within the scope of the law and the rights and duties of directors as defined in the Internal Rules of the Board of Directors of Compagnie Plastic Omnium SE and in accordance with the AFEP-MEDEF Code, directors are subject to compliance with the rules applicable to the situation of conflict of interest and stock exchange Code of Ethics.

#### Management of conflicts of interest

The Board examines potential situations of conflicts of interest and the agreements reported to it pursuant to Article 4.2 of its Internal Rules.

Beyond the provisions of the French Commercial Code applicable to related-party agreements, the Board's Internal Rules provide that each director must inform the Board of any conflict that might exist between his or her interests and those of the Company and of any conflict of interest in which he or she might be involved directly or indirectly and, if involvement in such conflict cannot be avoided, must refrain from participating in the discussions and decisions on the matters concerned.

Based on the statements made by each director, the Board has not identified any potential conflict of interest between directors' duties toward Compagnie Plastic Omnium SE and their private and/or other interests. In particular, based on the work of the Appointments Committee, the Board of Directors found that there was no business relationship of any nature between the Plastic Omnium Group and any of its directors, which could lead to conflicts of interest.

#### Information on corporate officers referred to in annex 1 of European regulation no. 809/2004

##### EXISTING FAMILY TIES BETWEEN CORPORATE OFFICERS (ARTICLE 14.1 OF THE ANNEX)

Laurent Burelle, Jean Burelle, and Éliane Lemarié are brothers and sister.

Paul Henry Lemarié is the husband of Éliane Lemarié.

Félicie Burelle is the daughter of Laurent Burelle.

Cécile Moutet is the daughter of Jean Burelle.

##### NO CONVICTION OR INCRIMINATION OF CORPORATE OFFICERS (ARTICLE 14.1 OF THE ANNEX)

To the Company's knowledge, none of its directors has been convicted of fraud, none has been involved as a corporate officer in a bankruptcy, receivership or liquidation in the past five years, and none has been the subject of any official charges or public sanctions pronounced by a statutory or regulatory authority. None of the members of the Board of Directors has been disqualified by a court from acting as a member of a governing, administrative or supervisory body of an issuer, or from taking part in the management or business of an issuer during the past five years.

##### POTENTIAL CONFLICTS OF INTERESTS BETWEEN THE DUTIES OF THE CORPORATE OFFICERS VIS-À-VIS THE COMPAGNIE PLASTIC OMNIUM SE AND THEIR PERSONAL INTERESTS AND/OR OTHER DUTIES (ARTICLES 14.2 AND 18.3 OF THE ANNEX)

The method for the organization and working of the Board of Directors of the Compagnie Plastic Omnium SE would enable it, where applicable, to prevent any misuse of control by a shareholder, largely due to the presence of six independent directors within the Company.

##### INFORMATION ON SERVICE CONTRACTS WITH MEMBERS OF THE GOVERNING BODIES (ARTICLE 16.2 OF THE ANNEX)

No corporate officer is bound either to the Company or to its subsidiaries through service contracts providing benefits of any kind.

#### Stock exchange Code of Ethics

The Board of Directors is aware of the applicable rules on the prevention of insider misconduct, in particular the periods during which trading in securities of the Company is prohibited. It ensures the Internal Rules and the charter for the prevention of insider trading are regularly updated.

Based on legal texts, regulations and market recommendations, Compagnie Plastic Omnium SE's charter for the prevention of insider trading reiterates that privileged information must be transmitted and used only strictly within the framework provided for by the law and regulations.

Privileged information is specific non-public information which, if it were to be made public, could have an appreciable influence on the share price. This privileged information can be of three main types in particular: strategic, linked to the definition and implementation of the Group's development policy; recurring, linked to the annual calendar for the production and publication of annual and interim financial statements, regular communications or periodic meetings dedicated to financial information; or *ad hoc*, linked to a given project or financial transaction.

This charter requires the exercise of great caution, where the person with inside information is carrying out financial transactions or is having financial transactions carried out on Plastic Omnium's securities in the stock exchange and points out that misconduct in this regard is subject to criminal penalties. Directors with permanent insider status are particularly requested not to carry out transactions on the securities of Plastic Omnium during certain periods if they have insider information. The Internal Rules of the Board of Directors state the Board members' obligation to respect the terms of the Charter.

In the meeting of the Board of Directors of December 13, 2019, each director received the schedule of closed periods for 2020 outside of which they may trade in Plastic Omnium shares.

Furthermore, the directors notify the AMF (Financial Markets Authority) of each transaction carried out by them or by their relatives involving Plastic Omnium securities. The Company periodically reminds them of this obligation (paragraph 3.1.2.10 - Summary statement of transactions carried out by corporate officers in 2019 involving Plastic Omnium securities).

### 3.1.1.1.4 Independent directors

Article 4.6 of the Internal Rules provides that the Board of Directors must carry out an annual assessment of the independence of each director with regard to the criteria of the AFEP-MEDEF Code to which it refers. The process of assessing the independence of directors was examined by the Appointments Committee in its meeting of December 11, 2019 and then by the Board of Directors in its meeting of December 13, 2019.

These bodies examined case by case the position of each Board member concerned with regard to the independence criteria set out in the AFEP-MEDEF Code.

At December 31, 2019, apart from Laurent Burelle and Paul Henry Lemarié, who were executive directors, the following directors cannot be considered as independent:

- Éliane Lemarié, permanent representative of Burelle SA, itself a director, Jean Burelle, Félicie Burelle and Cécile Moutet, directors with family ties to one of the executive directors;
- Vincent Labruyère and Jérôme Gallot, because of their length of service as directors of Compagnie Plastic Omnium SE, amounting to 18 and 14 years respectively;

- Amandine Chaffois and Ireneusz Karolak, directors representing the employees, in accordance with the provisions of Articles L. 225-27 et seq. of the French Commercial Code.

At December 31, 2019, six directors were considered as independent, giving a percentage of 40% independent directors, in accordance with the provisions of the AFEP-MEDEF Code recommending, for listed companies controlled, a minimum of one third independent directors, the number of directors representing the employees not being counted in establishing the percentage of independent directors.

#### INDEPENDENCE OF DIRECTORS WITH REGARD TO THE INDEPENDENCE CRITERIA SET FORTH IN SECTION 9 OF THE AFEP-MEDEF CODE AT DECEMBER 31, 2019

	Independent (I) Non-independent (NI)	Employee or corporate officer during the past five years	Cross-directorships	Significant business relations	Family ties	Statutory Auditor	Term of office over 12 years	Status of non-executive corporate officer	Status of major shareholder
Laurent Burelle	NI	■	■		■		■		■
Paul Henry Lemarié	NI	■			■		■		■
Éliane Lemarié	NI				■		■		
Félicie Burelle	NI	■			■				
Jean Burelle	NI				■		■		
Anne Asensio	I								
Lucie Maurel-Aubert	I								
Anne-Marie Couderc	I								
Cécile Moutet	NI				■				
Amélie Oudéa-Castéra	I								
Jérôme Gallot	NI						■		
Prof. Dr. Bernd Gottschalk	I								
Vincent Labruyère	NI								
Alexandre Mérieux	I						■		
Amandine Chaffois	NI	■							
Ireneusz Karolak	NI	■							

■ Criterion for independence not met.

#### Criterion 1: Employee or corporate officer during the past five years

Is not or has not been during the past five years:

- employee or executive director of the Company;
- employee, executive director or director of a company consolidated by the Company;
- employee, executive director or director of the Company's parent company or of a company consolidated by this parent company.

#### Criterion 2: Cross-directorships

Is not an executive director of a company in which the Company directly or indirectly holds an office of director or in which an employee designated

as such or an executive director of the Company (at present or having been at any time in the past five years) holds an office of director.

#### Criterion 3: Significant business relations

Is not a significant customer, supplier, investment banker, corporate banker or adviser:

- of the Company or its group;
- or for which the Company or its group represents a significant part of its activity.

The assessment as to whether or not the relationship with the Company or its group is significant is discussed by the Board, and the quantitative and qualitative criteria leading to this assessment (continuity, economic dependence, exclusivity, etc.) are explained in the annual report.

**Criterion 4: Family ties**

Does not have close family ties with a corporate officer.

**Criterion 5: Statutory Auditors**

Has not been Statutory Auditor of the Company during the past five years.

**Criterion 6: Term of office over twelve years**

Has not been a director of the Company for more than twelve years. Loss of status as independent director occurs on the twelfth anniversary of the start of the term of office.

**Criterion 7: Status of non-executive corporate officer**

A non-executive corporate officer cannot be considered independent if he or she receives variable compensation in cash or shares or any compensation linked to the performance of the Company or of the Group.

**Criterion 8: Status of major shareholder**

Directors representing major shareholders in the Company or its parent company may be considered as independent providing these shareholders do not participate in the control of the Company. However, above a threshold of 10% of the capital or voting rights, the Board, based on a report by the Appointments Committee, systematically reviews the classification as independent, taking account of the composition of the Company's capital and the existence of any potential conflict of interest.

At December 31, 2019, six of the fifteen members of the Board of Directors (excluding directors representing the employees) were classed as independent (40% of the Board of Directors):

- Mrs. Anne Asensio;
- Mrs. Anne-Marie Couderc;
- Prof. Dr. Bernd Gottschalk;
- Mrs. Lucie Maurel-Aubert;
- Mr. Alexandre Mérieux;
- Mrs. Amélie Oudéa-Castéra.

**3.1.1.1.5 Number of corporate offices held by directors at February 18, 2020**

The number of corporate offices held by directors in companies outside the Group, including international companies, was assessed at February 18 2020 in accordance with the recommendations of the AFEP-MEDEF Code according to which "executive directors must not hold more than two other directorships in listed companies outside their group, including international companies. Directors must not hold more than four other corporate offices in listed companies outside their group, including international companies".

	<b>Number of corporate offices in listed companies external to the Group<sup>(1)</sup></b>	<b>Compliance with the AFEP-MEDEF Code criteria</b>
Laurent Burelle	1	■
Laurent Favre	0	■
Félicie Burelle	1	■
Paul Henry Lemarié	1	■
Éliane Lemarié	1	■
Jean Burelle	1	■
Anne Asensio	1	■
Anne-Marie Couderc	1	■
Lucie Maurel-Aubert	0	■
Cécile Moutet	0	■
Amélie Oudéa-Castéra	2	■
Jérôme Gallot	1	■
Prof. Dr. Bernd Gottschalk	2	■
Vincent Labruyère	0	■
Alexandre Mérieux	1	■
Amandine Chaffois	0	■
Ireneusz Karolak	0	■

(1) According to the AFEP-MEDEF Code criteria.

### 3.1.1.1.6 Changes in terms of office and positions of the Board of Directors

#### Changes in 2019

##### RENEWAL OF THE TERM OF OFFICE AS DIRECTOR OF MRS. AMÉLIE OUDÉA-CASTÉRA

The Shareholders' Meeting of April 25, 2019 renewed the term of office of Mrs. Amélie Oudéa-Castéra for three years.

Mrs. Amélie Oudéa-Castéra has been a director of Compagnie Plastic Omnium SE since 2014.

##### RESIGNATION OF MR. JEAN-MICHEL SZCZERBA AS A DIRECTOR AND CHIEF OPERATING OFFICER

The Board of Directors in its meetings of July 18 and September 24, 2019 acknowledged the resignation of Mr. Jean-Michel Szczerba as a director with effect from July 15, 2019 and as Chief Operating Officer with effect from September 24, 2019. Mr. Laurent Burelle thanked Mr. Jean-Michel Szczerba for his long-lasting commitment and loyalty to the Group's three successive family Chairmen-Chief Executive Officers and for his contribution to making Plastic Omnium a global automotive equipment manufacturer, a leader in its three business lines, and to its profitable growth.

##### APPOINTMENT OF TWO DIRECTORS REPRESENTING THE EMPLOYEES

In order to ensure the representation of Group employees on the Board of Directors of Compagnie Plastic Omnium SE, Mrs. Amandine Chaffois, Innovation Manager with the Intelligent Exterior Systems business line within Plastic Omnium Industries, was appointed by the French Works Council on July 4, 2019 and Mr. Ireneusz Karolak, Head of Purchasing at the Lublin plant (Clean Energy Systems business in Poland) was appointed by the European Works Council on May 23, 2019.

They received training on the role and responsibilities of the directors and began to participate in the work of the Board of Directors at its meeting on December 13, 2019.

#### Changes to the composition of the Board of Directors in 2020

##### RENEWAL OF THE TERMS OF OFFICE AS DIRECTOR OF MRS. FÉLICIE BURELLE, MRS. ANNE ASENSIO, MRS. CÉCILE MOUTET AND MR. VINCENT LABRUYÈRE

The terms of office of Mrs. Félicie Burelle, Mrs. Anne Asensio, Mrs. Cécile Moutet and Mr. Vincent Labruyère will expire at the end of the Shareholders' Meeting of April 23, 2020.

On the recommendation of the Appointments Committee, it is proposed to renew, for three years, the terms of office as director of Mrs. Félicie Burelle, Mrs. Anne Asensio, Mrs. Cécile Moutet and Mr. Vincent Labruyère.

**Mrs. Félicie Burelle** has been a director of Compagnie Plastic Omnium SE since April 2017. After having begun her career with the Plastic Omnium Group in Spain before joining Ernst & Young in 2005. Mrs. Félicie Burelle rejoined the Group in 2010, where she held various positions of responsibility. She was appointed Managing Director on January 1, 2020 (see paragraph below – *Changes in General Management Methods*).

Mrs. Félicie Burelle brings to the Board her strategic vision, her experience in managing partnership transactions, her multi-disciplinary business knowledge and her specific operational knowledge of the Group's affairs and its business lines. Her experience in strategic planning and her vision of the digital transformation of the automotive industry enriches the Board discussions. She is also a key contributor to the Group's involvement in Corporate Social Responsibility and sustainable development.

For the three years of her term of office as director, Mrs. Félicie Burelle's attendance rate at Board of Directors meetings was 91.66%.

**Mrs. Anne Asensio** has been a director with Compagnie Plastic Omnium SE since April 2011. She has been a member of the Audit Committee since February 2013.

Mrs. Anne Asensio is Vice-President of Design, responsible for design, innovation and enterprise with Dassault Systèmes since 2007 having previously held several positions of responsibility with General Motors.

Mrs. Anne Asensio is an independent director, very involved in the work of the Audit Committee, who brings to the Board her multi-disciplinary knowledge of the automotive industry, her experience and her understanding of the challenges of innovation and the contribution of digital technology to them, as well as her vision of tomorrow's automobile.

Over the nine years of her term of office as director, Mrs. Anne Asensio's attendance rate is 87.80% for Board of Directors meetings and 85% for the Audit Committee of which she is a member.

**Mrs. Cécile Moutet** has been a director of Compagnie Plastic Omnium SE since April 2017. She started her career with the IRMA communication agency, specializing in communication advisory services until 2010.

Mrs. Cécile Moutet brings to the Board her expertise in the field of communications, her knowledge of managing press relations and her experience in managing communication assignments and organizing public relations events.

For the three years of her term of office as director, Mrs. Cécile Moutet's attendance rate at Board of Directors meetings is 100%.

**Mr. Vincent Labruyère** has been a director of Compagnie Plastic Omnium SE since April 2002. He has been Chairman of the Audit Committee since February 2018.

Mr. Vincent Labruyère is the Chairman of the Supervisory Board of Labruyère-Eberlé, which specializes in vineyard operations in France and the United States and in growth capital in these two countries. He started his career with Établissements Bergeaud Mâcon before continuing it in the area of checkbook printing and credit card encoding. He then set up the SPEOS Group, which specializes in desktop publishing and electronic archiving.

Mr. Vincent Labruyère brings to the Board his multi-disciplinary business knowledge, his knowledge of the digital industry, his sense of innovation and his financial skills.

Over the eighteen years of his term of office as director, Mr. Vincent Labruyère's attendance rate has been 98.70% for Board of Directors meetings and 100% for the Audit Committee which he chairs.

##### RATIFICATION OF THE CO-OPTION OF A DIRECTOR: MR. LAURENT FAVRE

On the recommendation of the Appointments Committee, the Board of Directors, at its meeting of September 24, 2019 and following the resignation of Mr. Jean-Michel Szczerba, decided to co-opt Mr. Laurent Favre as a director with effect from January 1, 2020 for the remainder of his predecessor's term of office. The Shareholders' Meeting of April 23, 2020 will be asked to ratify the co-option by the Board of Directors of Mr. Laurent Favre as director.

Mr. Laurent Favre's career has been in the automotive industry in Germany. During more than 20 years he has held various positions of responsibility with leading German automotive equipment manufacturers.

Mr. Laurent Favre brings to the Board his comprehensive knowledge of the automotive industry and his operational experience in family companies, as well as in client relationships in the automotive sector.

### CHANGES IN GENERAL MANAGEMENT METHODS

At its meeting of September 24, 2019, the Board of Directors resolved to split the positions of Chairman of the Board of Directors and Chief Executive Officer. This split of positions took effect on January 1, 2020. Since that date, Mr. Laurent Burelle has continued as Chairman of the Board of Directors and Mr. Laurent Favre is the Chief Executive Officer.

This decision reflects the Group's determination to pursue long-term growth by seizing opportunities linked to the changes in the automotive industry which has entered a major and rapid development phase.

At the proposal of the Appointments Committee, Mrs. Félicie Burelle was appointed Managing Director from January 1, 2020, Mr. Paul Henry Lemarié having decided to resign as Chief Operating Officer while remaining a director of Compagnie Plastic Omnium SE.

Consequently, at the end of the Shareholders' Meeting of April 23, 2020, subject to approval of the resolutions relating to the renewals of the term of office of the four above-mentioned directors and to ratification of the co-optation of Mr. Laurent Favre as a director, the Board of Directors will be composed of seventeen members, including the Chairman (Mr. Laurent Burelle), the Chief Executive Officer (Mr. Laurent Favre), the Managing Director (Mrs. Félicie Burelle) and two directors representing the employees.

#### 3.1.1.1.7 Balance of powers within the Board of Directors

The balance of powers within the Board of Directors is based mainly on its consistent and harmonious composition and on the qualities of its members. The diversity and complementarity of the directors' experiences and expertise (entrepreneurial, international, financial, industrial, digital, etc.) enables quick and in-depth understanding of the issues involved in the Plastic Omnium Group's development.

The balance between long-serving, seasoned directors and those more recently appointed allows a new vision to be combined with the necessary consistency of long-term decisions.

Senior Management communicates with complete transparency with all the directors and keeps them regularly informed of all aspects of Compagnie Plastic Omnium SE's progress and performance.

The Chairman of the Board of Directors leads the Board's work in order to ensure the development of the Company with complete confidence. He leads and moderates deliberations, ensures compliance with the Internal Rules and encourages discussion within the Board of Directors. The Board may meet at any time depending on the current situation. The Chairman of the Board of Directors may also decide to hold meetings without the presence of the executive directors.

Senior Management has the broadest powers to act under any circumstances in the name of the Company, within the limits of the corporate purpose and subject to the powers that the law expressly grants to Shareholders' Meetings and to the Board of Directors. The Internal Rules of the Board of Directors contain limits on his powers to take certain decisions which, on account of their purpose or their amount, are subject to the prior approval of the Board of Directors.

Thus, the Board of Directors must approve material transactions likely to affect the Group's strategy or significantly change its financial structure or scope of businesses.

### 3.1.1.2 CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

#### The powers of the Board of Directors

By virtue of the legal and regulatory provisions and of Article 11 of the bylaws, the Board of Directors sets the Group's strategies and ensures their implementation. Subject to the powers expressly granted to Shareholder Meetings and within the limits of the corporate purpose, it deals with all issues affecting the running of the Company and, as a result of its deliberations, regulates matters concerning the Company. It is committed to promoting the long-term creation of value by the business, taking into due consideration the social and environmental implications of its activities. The Board ensures that shareholders receive relevant and informative information on the Company's strategy, development model and the account taken of the significant non-financial issues for the Company as well as its long-term outlook. The Board of Directors carries out the controls and verifications that it deems necessary. The directors control its economic and financial management, they review and approve the broad lines of actions considered by the General Management, which implements them.

To this end, the Board constantly seeks a working method which, while strictly complying with the law and regulations, is conducive to the conditions of good corporate governance.

The works of the Board of Directors are based on its regularly updated Internal Rules, which aim at completing the legal, regulatory and statutory rules and the industry recommendations that the Board refers to.

#### Organization and work of the Board of Directors

The work of the Board is set out in Article 12 of the bylaws, and its organization is described in Article 1 of the Internal Rules of the Board of Directors.

The Board of Directors meets as often as the interests of the Company require and, pursuant to the Internal Rules, at least four times per year. Board meetings may be held by any means of videoconferencing or telecommunication allowing the identification of directors and ensuring their effective participation in accordance with the terms and conditions laid down in the Internal Rules.

The Chairman of the Board of Directors organizes and directs the work of the Board, and reports on said work to the Shareholders' Meeting. He chairs Board meetings, directs the discussions and ensures compliance with the provisions of the Internal Rules. He seeks to ensure the quality of discussions and to promote collective decision-making. He also ensures that the Board devotes sufficient time to its discussions, giving each item on the agenda time proportionate to the importance it represents for the Company. The directors collectively ensure that there is a correct balance in the speaking time of each one of them. The Chairman ensures that the questions asked in line with the agenda receive appropriate answers.

Should the Chairman be unable to attend, he is replaced by the Chief Executive Officer, if the Chief Executive Officer is himself a director, or otherwise by a Chief Operating Officer or by another director chosen by the Board at the beginning of the meeting.

The Chairman ensures that Board meetings and committees operate smoothly, the meetings of which he may attend and submit questions for opinion, and that principles of good governance apply. In particular he ensures that the directors are provided with the clear and appropriate information necessary to the performance of their duties in a timely manner.

The Chairman ensures the proper organization of the Shareholders' Meeting which he chairs, answers shareholders' questions and more generally ensures good shareholder relations.

The Chairman of the Board coordinates with the Chief Executive Officer, who, with the Chief Operating Officer, carries out the Group's executive and operational management, within the framework defined by the Board. In particular, the Board has entrusted its Chairman with specific missions to be carried out during fiscal year 2020, in support of the new management team including a new Chief Executive Officer and a new Chief Operating Officer. The Chairman of the Board is responsible for approving Compagnie Plastic Omnium SE's budget, after being regularly informed by the Chief Executive Officer of developments in its preparation; and for approving the five-year strategic plan, after being regularly informed by the Chief Executive Officer of developments in its preparation; to approve disposals and acquisitions with a value of more than €50 million or a turnover of more than €100 million; to ensure, together with the Senior Management, external financial communication; entering into or cancelling loan agreements, and relations with the senior management of banking institutions. He is consulted on the composition of the Management Committee.

The Chairman of the Board of Directors is kept regularly informed by the Chief Executive Officer of significant events in the Group. If necessary he informs members of the Board in between meetings. Only the Chairman is entitled to speak on behalf of the Board.

The Chairman of the Board of Directors participates in organizing the Board's periodic self-assessment and the reflections on governance matters relating to the Board's functioning.

Once a year the Board undertakes a self-assessment.

Also once a year, without the presence of the Chief Executive Officer, the Chief Operating Officer and directors with employment contracts with a Group company, the Chairman holds a directors' meeting to evaluate the performance of the Chief Executive Officer and the Chief Operating Officer. The Chairman informs the members when these meetings are held.

The Secretary of the Board of Directors assumes responsibilities of the secretariat of the Board and draws up the minutes of its meetings. These functions are performed by Mrs Valerie Bros.

In accordance with the stipulations of Article 11 of the bylaws, every director must hold at least 900 shares in the Company, unless exempted by applicable legislative or regulatory provisions. This obligation does not apply to the directors representing the employees (the number of shares held personally by the directors is shown in section 3.1.1.1 of this Universal Registration Document).

The Internal Rules of the Board of Directors specify the way in which the Board of Directors operates and the rights and duties of directors (familiarity with and observance of regulatory texts, respect for matters of social interest, duties of diligence, of information, of discretion and of secrecy, responsibility with regard to the Code of Ethics of the stock exchange, etc.). The Internal Rules are updated regularly by the Board of Directors to incorporate changes to laws and regulations, best practice in corporate governance and its own working methods. The last update of the Internal Rules of the Board of Directors dates from December 15, 2017. They are also published on Plastic Omnium's website: [www.plasticomnium.com](http://www.plasticomnium.com).

The charter on prevention of insider trading reiterates the rules relating to transactions in the Company's securities and insider trading offenses applicable to directors, corporate officers and all employees.

The Board's discussions and resolutions are facilitated by the work of its specialist committees, which report to it after each of their meetings. The details of these committees' activities are shown in section 3.1.1.4 below.

### 3.1.1.3 ACTIVITY OF THE BOARD OF DIRECTORS

During 2019, the Board of Directors met five times. The attendance rate at Board meetings was 100%. The attendance rate at Board of Directors' Committees was also 100%. The average individual attendance rate for Board of Directors and committee meetings for 2019 is shown, for each director, in section 3.1.1.6.

Since January 1, 2020, the agenda for Board of Directors meetings has been prepared by the Chairman of the Board of Directors in consultation with the Chief Executive Officer.

In 2019, the Board of Directors examined and discussed the following subjects in particular:

In addition to the regular monitoring of the Group's business (markets, business lines, geographical development, competition, quantitative and qualitative objectives), the Board of Directors continued its work on defining Compagnie Plastic Omnium SE's strategy and monitoring its implementation.

Continuous dialogue with the General Management has enabled the Board to prepare the strategy, especially by analyzing the strategic interest of acquisitions or disposals, their impact on the Company's financial structure and its long-term development capacities. During each meeting, it is systematically informed about the Group's activities and performance, and the revenue by business line and region. The Board is also informed about market developments, competitors' performance and the Group's position in terms of corporate and social responsibility. The Board is therefore totally aware of the Group's economic situation. Informed about the performances and challenges specific to each business line, the Board has a clear and independent vision of the Group's development opportunities for years to come.

The Board focuses on monitoring the acquisitions, their consolidation into the Group, the synergies developed, the implementation of the business plan and the value created for the Plastic Omnium Group.

The Board also paid considerable attention to monitoring acquisitions completed in previous years. A report on completed transactions is regularly presented to the Board and covers the integration of acquired companies within the Group, synergies created, areas of complementarity and value creation for the Plastic Omnium Group.

In 2019, particular attention was given to the factory in Greer in the United States. In particular, the Board of Directors examined the operational and financial situation of the South Carolina site (USA) and its impact on the Company's financial statements. The Board was then presented with a detailed action plan for a gradual improvement and stabilization of the situation.

The Board was also informed of the internal restructuring plan to create a Plastic Omnium Modules business line separate from Plastic Omnium Industries. The restructuring, which began in late 2019, was finalized in February 2020.

Lastly, it reviewed the actions taken regarding corporate and social responsibility, in particular the implementation of compliance programs for ethics and corruption prevention as well as that related to the Group's social and environmental responsibility.

### Information to the Board on the company's financial position, its cash position and commitments

The financial position and cash position are reviewed at least twice a year at a meeting of the Board, at the time the annual financial statements are closed and the half-yearly financial statements are reviewed, or at any other time if necessary.

The Board also conducts an annual review of agreements entered into with related parties, namely

- current agreements entered into during the year or in previous years but which remained in force during the year
- and related-party agreements entered into and authorized during the fiscal year or during previous fiscal years but which continued to be executed during the last fiscal year, or whose execution has not yet taken place at the time of the review.

As part of this review, the Board reviews the qualification attributed to each of these agreements and, if necessary, reclassifies or downgrades any related-party agreement to a regulated agreement or a standard agreement, as the case may be, in light of the qualification criteria defined by law, case law and professional organizations and used by the Group.

Persons with a direct or indirect interest in one of these agreements do not participate in this assessment.

### Finance, audit and risks

The Board of Directors approved the statutory accounts and consolidated financial statements for the year as well as the associated draft press releases, after hearing the reports of the Chairman of the Audit Committee and the Statutory Auditors. The Board also approved the budget and the medium-term plan, examined the Group's risk review and approved the forecast management documents; it renewed the annual authorizations granted to the Chief Executive Officer to issue bonds and to deliver shares and guarantees.

### Governance, appointments and compensation

Based on the work of the Appointments Committee, the Board of Directors ensured the continuity of the Group's governance and the establishment of a succession plan in the context of the replacement of Mr. Jean-Michel Szczerba. The Board of Directors resolved to split the positions of Chairman of the Board of Directors and Chief Executive Officer. On the recommendation of the Appointments Committee, and taking account of the composition of the Board and of its balance in terms of experience, the Board decided to appoint Mr. Laurent Favre as Chief Executive Officer and Mrs. Félicie Burelle as Managing Director effective January 1, 2020.

The Board of Directors also examined the composition of the Board and more particularly the proposal to renew the term of office as director of Mrs. Amélie Oudéa-Castéra, which was approved by the Shareholders' Meeting of April 25, 2019.

The Board also examined the proposals to renew the terms of office as director of Mrs. Félicie Burelle, Mrs. Anne Asensio, Mrs. Cécile Moutet and Mr. Vincent Labruyère which will be submitted for approval to the Shareholders' Meeting of April 23, 2020.

The Board reviewed and approved the various components of variable compensation of Mr. Jean-Michel Szczerba, co-Chief Executive Officer and Chief Operating Officer until September 24, 2019 in respect of 2018 and the compensation of executive directors for 2019 based on the in-depth work and recommendations of the Compensation Committee.

The Board of Directors also approved the 2019 Performance Share Plan for the Group's employees and managers discussed section 3.1.2.7 below.

The Board of Directors examined the effects of the Group's diversity and mix policy, particularly with regard to gender equality, at the level of the management bodies. Targets for 2025 have been defined with a view to promoting gender equality.

### 3.1.1.4 ACTIVITY OF THE BOARD OF DIRECTORS' COMMITTEES

Discussions and decisions of the Board of Directors are assisted by the work of its Review Committees which report to it after each of their meetings. The details of the missions of each committee are given in the Internal Rules of the Board of Directors.

The Board of Directors' Committees are responsible for studying all matters relating to the Company that the Board or its Chairman submits for them to examine and issue an opinion, preparing the tasks and decisions of the Board relating to these subjects or projects and reporting their conclusions to the Board in the form of minutes, proposals, opinions, information memorandums or recommendations. The committees carry out their duties under the responsibility of the Board of Directors. A committee may not on its own initiative deal with matters outside the framework of its own responsibilities. Committees do not have decision-making power.

The Board of Directors, on the proposal of its Chairman, and following the recommendation of the Appointments Committee, appoints members of the committees as well as the Committees' Chairmen, taking into account the skills and experience of the directors.

To carry out their work, after having informed the Chairman of the Board of Directors and subject to reporting to the Board of Directors, the committees may hear any responsible person within the Group and/or request technical studies on subjects falling within their areas of responsibility, at the expense of the Company. In the event of recourse by the committees to the services of external consultants, the committees must ensure the objectivity of the consultant concerned.

Three committees support the Board of Directors: the Audit Committee, the Appointments Committee and the Compensation Committee. Secretarial services for committees of the Board are provided by the Corporate Secretary.

## Audit Committee

<b>Composition</b>	<p>Composition as at December 31, 2019:</p> <ul style="list-style-type: none"> <li>● Vincent Labruyère (Chairman)</li> <li>● Lucie Maurel Aubert</li> <li>● Anne Asensio</li> </ul> <p>As of February 14, 2018, the committee has been chaired by Mr. Vincent Labruyère, member of the committee since May 16, 2002.</p> <p>The number of independent directors is two out of three, and there is no executive director. This composition is in line with the recommendations of the AFEP-MEDEF Code.</p> <p>The directors who are members of the Audit Committee have the necessary qualification and skills due to their professional experience and knowledge of the Group's accounting and financial procedures, which are regularly reported to them.</p> <p>The committee had the opportunity to hear the directors in charge of the specific fields, the activity of which it reviews, in particular processes related to risk management and control.</p> <p>The Statutory Auditors attend Committee meetings.</p> <p>The committee did not seek advice from external experts.</p> <p>In 2019, the Audit Committee met three times, with an attendance rate of 100%.</p>
<b>Principal missions</b>	<ul style="list-style-type: none"> <li>● Monitoring the basis of preparation for the Group's financial information</li> <li>● Monitoring the legal audit of the financial statements and consolidated financial statements by the Statutory Auditors</li> <li>● Reviewing the Statutory Auditors' audit plans and engagement program and the outcome of their verifications</li> <li>● Monitoring the independence of the Statutory Auditors</li> <li>● Monitoring the efficacy of the Internal Control and Risk systems</li> <li>● Monitoring the Group's major exposures and sensitivity to risks</li> <li>● Warning the Chairman of the Board in the event of detection of a major risk, which, according to him, has not been treated appropriately</li> <li>● Reviewing the program and objectives of the Internal Audit Department, as well as the methods and procedures of the internal control systems used</li> <li>● Reviewing the scope of consolidation and reasons why some companies would not be included</li> <li>● Review of matters likely to have a significant impact on the Group's financial situation.</li> </ul>
<b>Main activities in 2019</b>	<ul style="list-style-type: none"> <li>● Approval of the 2018 statutory accounts and consolidated financial statements</li> <li>● Review of half-yearly statutory and consolidated financial statements at June 30, 2019</li> <li>● Review of Statutory Auditors' reports</li> <li>● Estimates and forecasts at 2019 year-end</li> <li>● Reviewing the audit plan and the outcome of the verification carried out, their recommendations as well as the action taken as part of the statutory audit</li> <li>● Reviewing the audits carried out by the Statutory Auditors with regard to social, environmental and societal information</li> <li>● Monitoring the Internal Audit activity, the committee having concluded that Internal Audit has carried out a detailed review of the key processes with exacting criteria</li> <li>● Analysis of the risk mapping and the related action plans, in particular the risk relating to information systems, digital and industrial safety</li> <li>● Reviewing significant off-balance sheet commitments, risk factors and risk mapping, the committee having concluded that risk management is controlled and assumed at the operational level and the level of corporate departments</li> <li>● Review of the deployment of the anti-corruption compliance program</li> <li>● Review of the corruption risks mapping</li> <li>● Review of the actions undertaken regarding compliance with the GDPR regulations</li> <li>● Review of the report of the Board of Directors on corporate governance</li> <li>● Review of the financial resolutions proposed at the Shareholders' Meeting of April 25, 2019</li> <li>● Information on legal risks and potential disputes and major facts that are likely to have a significant impact on the financial position of the Plastic Omnium Group.</li> </ul>

## Compensation Committee

<b>Composition</b>	<p>Composition as at December 31, 2019:</p> <ul style="list-style-type: none"> <li>● <b>Anne-Marie Couderc (Chairperson)</b></li> <li>● <b>Amélie Oudéa-Castéra</b></li> <li>● <b>Bernd Gottschalk</b></li> </ul> <p>Since December 13, 2013, the committee has been chaired by Anne-Marie Couderc, an independent director and committee member since that same date.</p> <p>The number of independent directors is three, <i>i.e.</i> 100% and the committee has no executive director. This composition is in line with the recommendations of the AFEP-MEDEF Code.</p> <p>The directors actively participate in Committee meetings, acting in the interests of the shareholders and exercising their judgment in a completely independent manner.</p> <p>In 2019, the Compensation Committee met four times, with an attendance rate of 100%.</p>
<b>Principal missions</b>	<ul style="list-style-type: none"> <li>● Drafting proposals for the compensation of executive directors and conditions for the grant thereof</li> <li>● Proposals relating to the pension and insurance plans</li> <li>● Fixing the overall amount of the compensation of corporate officers to be submitted to the Shareholders' Meeting and the distribution method</li> <li>● Determining the long-term incentive plan policy, mainly including plans for the allocation of free shares.</li> </ul>
<b>Main activities in 2019</b>	<ul style="list-style-type: none"> <li>● Reviewing the fixed compensation and bonus components of executive directors and recommendations to the Board</li> <li>● Analyzing the performance of executive directors in 2018 and communicating the recommendation to the Board for an annual bonus for 2018</li> <li>● Analyzing the performance of executive directors in 2019 and communicating the recommendation to the Board for an annual bonus for 2019</li> <li>● Analyzing and considering the structure of the executive directors' annual bonus and the objectives for 2020</li> <li>● Preparing resolutions relating to the compensation of corporate officers, submitted to the Shareholders' Meeting of April 23, 2020</li> <li>● Retirement of managers: reviewing the situation of each executive director</li> <li>● Distribution of the amount allocated to the directors as compensation for their activity on the Board of Directors and its committees, in application of the rules providing for a preponderance of the variable portion.</li> </ul>

## Appointments Committee

<b>Composition</b>	<p>Composition as at December 31, 2019:</p> <ul style="list-style-type: none"> <li>● Anne-Marie Couderc (Chairperson)</li> <li>● Éliane Lemarié</li> <li>● Lucie Maurel Aubert</li> </ul> <p>Since July 22, 2014, the committee has been chaired by Anne-Marie Couderc, an independent director and committee member since the same date.</p> <p>The Appointments Committee is primarily composed of independent directors and there is no executive director. This composition is in line with the recommendations of the AFEP-MEDEF Code.</p> <p>The directors actively participate in Committee meetings, acting in the interests of the shareholders and exercising their judgment in a completely independent manner.</p> <p>In 2019, the Appointments Committee met two times, with an attendance rate of 100%.</p>
<b>Principal missions</b>	<ul style="list-style-type: none"> <li>● Consideration and recommendations to the Board regarding procedures for the exercise of powers by senior management</li> <li>● Opinion on the proposal of the Chief Executive Officer for the appointment of Chief Operating Officers</li> <li>● Recommendation for new directors to the Board</li> <li>● Examination of the qualification of independent directors, reviewed by the Board of Directors every year</li> <li>● Verification of the proper application of the Corporate Governance Code referred to by the Company</li> <li>● Discussion on issues pertaining to the governance related to the working and organization of the Board</li> <li>● Preparation of succession plans for executive directors in the event of unforeseen vacancies.</li> </ul>
<b>Main activities in 2019</b>	<ul style="list-style-type: none"> <li>● Examination of the succession plans for executive directors with a view to ensuring the continuity of Senior Management</li> <li>● Recommendation to the Board on Senior Management methods: splitting the positions of Chairman and Chief Executive Officer</li> <li>● Reflections on the process for appointing a new Chief Operating Officer so as to conform to the rules of parity and ensure a balanced representation of men and women in this process</li> <li>● Consequent proposal to appoint Mrs. Félicie Burelle as Managing Director with effect from January 1, 2020</li> <li>● Discussing the composition of the Board: diversity, complementary profiles, skills, gender balance, number of directorships, etc.</li> <li>● Proposal to renew the terms of office as director of Mrs. Félicie Burelle, Mrs. Anne Asensio, Mrs. Cécile Moutet and Mr. Vincent Labruyère</li> <li>● Proposal to the Board concerning training for the employee directors</li> <li>● Discussing the composition of Board Committees and recommendations</li> <li>● Review of the status of each director with regard to conflict of interest obligations</li> <li>● Reviewing the independence of each director with respect to the criteria listed in the AFEP-MEDEF Code</li> <li>● Review of the report of the Board of Directors on corporate governance</li> <li>● Determining the methods of the Board of Director's annual assessment.</li> </ul>

### 3.1.1.5 ASSESSMENT OF WORK OF THE BOARD OF DIRECTORS AND ITS DIRECTORS

The assessment of the work of the Board and of its committees in 2019 was led by the Appointments Committee.

The results of this assessment were presented to the Appointments Committee on December 11, 2019 and then to the Board of Directors on December 13, 2019. Its conclusions show that Compagnie Plastic Omnium SE's Board of Directors benefits from an effective dynamic and

efficient work. The form of governance recently decided by the Board of Directors is adapted to the Group's needs.

The main areas of satisfaction as regards governance are:

- the quality and completeness of the information sent;
- the moderation and intensity of discussions at the Board level;
- the diversity and complementarity of the Board's composition with strong commitment from directors;
- the wide range of skills within the Board.

### 3.1.1.6 ATTENDANCE RATE OF DIRECTORS AT MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES IN 2019

Directors	Board of Directors	Audit Committee	Compensation Committee	Appointments Committee
Mr. Laurent Burelle	100%			
Mr. Jean-Michel Szczerba <sup>(1)</sup>	100%			
Mr. Paul Henry Lemarié	100%			
Mrs. Éliane Lemarié	100%			100%
Mr. Jean Burelle	100%			
Mrs. Anne Asensio	100%	100%		
Mrs. Félicie Burelle	100%			
Mrs. Anne-Marie Couderc	100%		100%	100%
Mrs. Amélie Oudéa-Castéra	100%		100%	
Mrs. Lucie Maurel Aubert	100%	100%		100%
Mrs. Cécile Moutet	100%			
Mr. Jérôme Gallot	100%			
Prof. Dr. Bernd Gottschalk	100%		100%	
Mr. Vincent Labruyère	100%	100%		
Mr. Alexandre Mérieux	100%			
Mrs. Amandine Chaffois <sup>(2)</sup>	100%			
Mr. Ireneusz Karolak <sup>(2)</sup>	100%			
<b>OVERALL ATTENDANCE RATE</b>	<b>100%</b>			

(1) Until July 15, 2019.

(2) From December 13, 2019.

### 3.1.1.7 CORPORATE GOVERNANCE CODE

#### AFEP-MEDEF Code: the reference code

Compagnie Plastic Omnium SE remains committed to the application of rules of corporate governance laid down by AFEP-MEDEF, by referring to

the Corporate Governance Code of listed companies, available on the website <http://afep.com>.

The table below provides the Company's explanations for the recommendations of the AFEP-MEDEF Code that are not applied.

Recommendations AFEP-MEDEF Code	Compagnie Plastic Omnium SE practices and justifications
Terms of office of directors must be staggered so as to prevent reappointment <i>en masse</i> (Article 13.2)	The terms of office of ten of the fifteen members of the Board of Directors expires in 2021, the term of office of one Board member expires in 2022 and four of them expire in 2023. The Company wished to prioritize a frequent appointment principle for directors by stipulating a statutory three-year term of office. Mandates will be more staggered after the 2021 renewal.
Information on the ceiling applicable to variable compensation	The annual fixed compensation of Messrs. Laurent Burelle and Paul Henry Lemarié correspond to a rate of 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940). Messrs. Laurent Burelle and Paul Henry Lemarié received compensation of €89.826 in this respect in 2019. The variable compensation of Messrs. Laurent Burelle and Paul Henry Lemarié is based on the cash-flow from operations of Burelle SA, Compagnie Plastic Omnium SE's parent company. Since this base fluctuates according to the performance of Burelle SA, it is not possible to indicate a ceiling.
Sub-ceiling on the number of options or free share awards that may be allocated to the executive directors compared to the overall budget (Article 24.3.3)	This limit is not relevant in respect of Compagnie Plastic Omnium, as only Mr. Jean-Michel Szczerba may receive options or free share awards; Messrs. Laurent Burelle and Paul Henry Lemarié have waived theirs since 2015 and 2013, respectively.

## 3.1.2 COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE DIRECTORS

### 3.1.2.1 COMPENSATION OF CORPORATE OFFICERS

Each corporate officer receives compensation the maximum amount whereof is voted by the Ordinary Shareholders' Meeting and the distribution whereof is decided by the Board of Directors.

- Committee Chairman: €2,400 per Committee meeting;
- Committee member: €1,600 per Committee meeting;
- balance allocated proportionately among all Board members in line with actual attendance at meetings.

#### 3.1.2.1.1 Distribution rules for 2019

The amount of attendance fees distributed among the directors includes a major variable portion depending on their attendance at meetings, in accordance with the recommendations of the AFEP-MEDEF Code. The Board considered the following distribution for 2019:

- Chairman: €3,200 per Board meeting;
- Directors and directors representing the employees: €1,600 per Board meeting;

#### 3.1.2.1.2 Amounts paid for 2019

A total amount of €682,948, within the limits of the budget of €690,000 voted by the Shareholders' Meeting of April 25, 2019, was distributed to directors for 2019, for a total of five Board of Directors meetings and nine Committee meetings.

The attendance rate at meetings for 2019 was 100% for the Board of Directors and 100% for the Audit, Compensation and Appointments Committees.

**AMOUNT OF COMPENSATION PAID (IN EUROS)**

<b>Directors</b>	<b>2019 Fiscal year (5 Board meetings and 9 Committee meetings)</b>	<b>2018 Fiscal year (4 Board meetings and 6 Committee meetings)</b>
Mr. Laurent Burelle	51,260	46,187
Mr. Jean-Michel Szczerba	8,652	39,787
Mr. Paul Henry Lemarié	43,260	39,787
Mrs. Éliane Lemarié	46,460	41,387
Mr. Jean Burelle	43,260	39,787
Mrs. Anne Asensio	48,060	45,387
Mrs. Félicie Burelle	43,260	39,787
Mrs. Anne-Marie Couderc	57,660	46,987
Mrs. Amélie Oudéa-Castéra	49,660	42,987
Mrs. Lucie Maurel Aubert	42,608	44,587
Mrs. Cécile Moutet	43,260	39,787
Mr. Jérôme Gallot	44,860	46,187
Prof. Dr. Bernd Gottschalk	49,660	33,040
Mr. Vincent Labruyère	50,460	46,187
Mr. Alexandre Mérieux	43,260	29,840
Mr Alain Mérieux	-	9,947
Mrs. Amandine Chaffois <sup>(1)</sup>	8,652	-
Mr. Ireneusz Karolak <sup>(1)</sup>	8,652	-
<b>TOTAL</b>	<b>682,948</b>	<b>631,658</b>

(1) Mrs. Amandine Chaffois and Mr. Ireneusz Karolak, appointed in July and May 2019 respectively, participated for the first time at the Board of Directors, meeting on December 13, 2019, after taking their dedicated training course.

### 3.1.2.2 COMPENSATION OF THE EXECUTIVE DIRECTORS

This report, prepared by the Board of Directors, upon the proposal of the Compensation Committee, in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, presents the total compensation and all benefits in kind paid during 2019 to executive directors. It describes and distinguishes between the fixed, variable and exceptional elements that make up that remuneration and those benefits as well as the criteria used to calculate them or the circumstances giving rise to them.

In accordance with the provisions of the AFEP-MEDEF Code, compensation paid to executive directors is defined by the Board of Directors based on the proposal of the Compensation Committee. It is presented at the annual Shareholders' Meeting and subject to a binding vote in accordance with Articles L. 225-37-2 and L. 225-100 of the French Commercial Code.

The compensation policy is reviewed every year by the Compensation Committee. In its recommendations to the Board of Directors, it ensures that the compensation policy complies with the principles of comprehensiveness, balance, consistency and measurement and takes into account the practices of comparable international groups.

The compensation of executive directors is closely related to the performance of the Company to encourage attainment of the short-, medium- and long-term objectives. For this purpose, the Compensation Committee proposes demanding, complementary and stable performance criteria.

The Compensation Committee presented the Board of Directors with the compensation components, described below, to be paid to Laurent Favre and Félicie Burelle for fiscal year 2020. They are established on the basis of a comparison made, on the one hand, with the compensation levels of Senior Executives and Chief Operating Officers of companies listed on the SBF 120, and on the other hand, with a comparable peer group including, in particular, the three top-tier automotive suppliers, Valéo, Faurecia and Michelin.

The compensation of the executive directors comprises:

- a fixed portion;
- an annual bonus, whose purpose is to recognize the executive director's personal contribution to the Group's development and to the growth in its profits.

The Board of Directors, furthermore for fiscal year 2019, differentiates the components for determining the bonus of Mr. Laurent Burelle, Chairman-Chief Executive Officer, and Mr. Paul Henry Lemarié, Chief Operating Officer, members of the family majority shareholder group, and that of Mr. Jean-Michel Szczerba, Co-Chief Executive Officer and Chief Operating Officer until September 24, 2019.

The compensation policy applicable from January 1, 2020 for the Chairman of the Board, the Chief Executive Officer and the Chief Operating Officer is discussed in section 3.1.2.4.

### 3.1.2.2.1 Fixed compensation

#### Fixed compensation in respect of fiscal year 2019

Mr. Laurent Burelle, Chairman and Chief Executive Officer, received compensation corresponding to a rate of 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940).

Accordingly, Mr. Laurent Burelle received compensation from Burelle SA of €89,826 in 2019, up 0.02% compared to 2018.

Mr. Paul Henry Lemarié, Chief Operating Officer, received compensation corresponding to a rate of 120% of the highest coefficient in the collective bargaining agreement in the Plastics industry (coefficient of 940).

Accordingly, Mr. Paul Henry Lemarié received compensation from Burelle SA of €89,826 in 2019, up 0.02% compared to 2018.

The fixed annual compensation of Mr. Jean-Michel Szczerba received in respect of his duties as Co-Chief Executive Officer and Deputy Chief Executive Officer was paid until September 24, 2019. Consequently, the amount paid to Mr. Jean-Michel Szczerba reflected less than a full-year amount. With respect to 2019, Mr. Jean-Michel Szczerba consequently received annual fixed compensation of €780,984.

This compensation, decided by the Board of Directors upon the recommendation of the Compensation Committee, was based on a review of the position from a sample representative of listed industrial companies comparable to Compagnie Plastic Omnium SE.

As a result, the fixed compensation received by Mr. Jean-Michel Szczerba for 2019 amounted to €780,984.

#### Fixed compensation in respect of 2020

##### MR. LAURENT BURELLE, CHAIRMAN OF THE BOARD OF DIRECTORS SINCE JANUARY 1, 2020

Pursuant to the decision to separate the functions of the Chairman of the Board of Directors and the Chief Executive Officer, taken during the Board of Directors' Meeting of July 18, 2019, the Board agreed at the same meeting that Laurent Burelle, Chairman of the Board of Directors of Compagnie Plastic Omnium SE would retain certain responsibilities to support the new executive team.

Thus, the Chairman of the Board of Directors is responsible for validating the Plastic Omnium Group's budget, after having been duly informed by the Chief Executive Officer of the progress of its preparation approving the 5-year strategic plan, after having been duly informed by the Chief Executive Officer of the progress of its preparation; of approving disposals and acquisitions of a value greater than €50 million or of sales greater

than €100 million; of ensuring, in connection with the senior management, external financial communication; the raising or cancellation of loans and agreements; and relations with the General Management of banking establishments. He decides on the organization of the Group's subsidiaries and is consulted on the composition of the Executive Committee of Compagnie Plastic Omnium SE.

In this context, the Board meeting of February 18, 2020 decided on new conditions of compensation for the Chairman of the Board of Directors of Compagnie Plastic Omnium SE. In this respect, Laurent Burelle will receive fixed compensation for fiscal year 2020, to which will be added previous benefits in kind, which will remain the same. He will also maintain all previously acquired rights. The 2020 fiscal year thus appears as a transitional period in a unique context due to the global automotive market.

In view of the level of responsibility of Laurent Burelle described above, in support of the new operational team composed of the new Chief Executive Officer and the new Chief Operating Officer since January 1, 2020, the Board of Directors had decided to set the fixed compensation for Laurent Burelle at €1,950,000 for the 2020 fiscal year.

At the end of the 2020 fiscal year, the Board of Directors will carefully examine Plastic Omnium Group's situation, particularly the performance of Executive Directors. Based on this assessment, if the situation and performance achieved suggests that the Chairman's involvement in the management of the Plastic Omnium Group, Laurent Burelle's compensation shall be reviewed by the Board for a non-executive chairmanship of the Board of Directors for 2021.

##### MR. LAURENT FAVRE, CHIEF EXECUTIVE OFFICER SINCE JANUARY 1, 2020

- Fixed remuneration

On the proposal of the Remuneration Committee, the Board of Directors set the amount of the fixed annual compensation of the Chief Executive Officer at €900,000 gross.

- Specific compensation for the year 2020

Strictly as compensation for the loss of variable compensation received by Mr. Laurent Favre in his previous positions, an exceptional bonus in the amount of €400,000 gross would be paid to him in August 2020, subject to a presence condition.

- Miscellaneous and benefits in kind

The Chief Executive Officer also benefits from standard benefits in kind (company car, annual medical check-up, sports club membership, life insurance plan in accordance with Group policy).

Mr. Laurent Favre also benefits from tax assistance, assistance with re-renting and moving expenses up to a maximum of 40,000 euros, as well as payment of the rent for his main residence if double rent is paid for a maximum period of eight months.

##### MRS FELICIE BURELLE, MANAGING DIRECTOR GENERAL SINCE JANUARY 1, 2020

- Fixed remuneration

The fixed annual compensation of Mrs. Félicie Burelle, Managing Director since January 1, 2020, was determined, on the proposal of the Compensation Committee, by the Board of Directors. Mrs. Félicie Burelle will receive annual fixed compensation of €500,000 gross.

- Miscellaneous and benefits in kind

Mrs. Félicie Burelle, Managing Director, also benefits from standard benefits in kind (company car, annual medical check-up, sports club membership, life insurance plan in accordance with Group policy).

### 3.1.2.2.2 Bonus

Compensation of Compagnie Plastic Omnium SE's executive directors was, until the fiscal year ended on December 31, 2019, based on a re-invoicing mechanism of amounts defined at Group level by the parent company, Burelle SA and its subsidiaries, the main one of which is Compagnie Plastic Omnium SE. Each company decided separately on this compensation and the re-invoicing agreement was approved by all of the governance bodies, under the supervision of the Shareholders' Meeting.

Compensation of executive directors was defined in relation to the consolidated cash flow from operations of Burelle SA, thus reflecting the fundamentally entrepreneurial dimension of the Compagnie Plastic Omnium SE's senior managers, and by closely linking their compensation to performance and the Group's capacity for growth, represented by cash flow from operations.

As thus defined, cash flow from operations for the Burelle SA Group largely reflected that of Compagnie Plastic Omnium SE. For example, from 2016 to 2019, the difference between Burelle SA's cash flow from operations and that of Compagnie Plastic Omnium SE was very marginal (less than one thousandth). It is therefore correct to consider that the cash flow from operations of Compagnie Omnium SE is the main factor that impacts the compensation of executive directors.

This longstanding and stable mechanism thus allowed for a very high level of comparability and transparency. It was proposed by the founder of Plastic Omnium, Pierre Burelle, and approved by the Board of Directors, owing to its simplicity and incentive effect on performance over the long term. The percentage of billing to various companies has evolved to reflect precisely the involvement and time spent by each executive director for each company in question.

Therefore, for the 2019 fiscal year, 69% of the compensation awarded to Laurent Burelle was re-invoiced to Compagnie Plastic Omnium SE, the company in which he serves as Chairman and CEO, 25% being re-invoiced to Burelle SA, the company in which he served as Chairman and CEO, or 94% of total compensation, 6% being re-invoiced to other companies of the Groupe Burelle SA in which Laurent Burelle exercises other duties. For 2019, 49% of the compensation awarded to Paul Henry Lemarié was re-invoiced to Compagnie Plastic Omnium SE where he serves as Chief Operating Officer, and 49% to Burelle SA, where he is Chief Operating Officer.

These percentages are fixed according to the involvement and time spent by each senior manager in the company in question. They are regularly re-examined by the Boards of Directors of Compagnie Omnium SE and Burelle SA.

Lastly, the calculation of compensation as a function of cash flow from operations by application of a decreasing percentage by tranches, varying from 4% to 0.25%, constitutes de facto a ceiling, or at least, a very strong brake on the growth of compensation, the desired objective being to limit compensation in periods of very strong growth by the Group.

Despite its effectiveness and robustness, the compensation mechanism for executive directors was designed principally in the context of identical functions of executive directors of Compagnie Plastic Omnium SE and Burelle SA. In view of the change in the governance of Compagnie Plastic Omnium SE since January 1, 2020, the compensation mechanism should

change. This is what was decided by the Board of Directors of Compagnie Plastic Omnium SE on February 18, 2020.

#### Bonus in respect of fiscal year 2019

##### MR. LAURENT BURELLE, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Laurent Burelle's bonus is based, for the fiscal year 2019, on the mechanism described above, therefore on the funds from operations of Burelle SA, Compagnie Plastic Omnium SE's parent company, after payment of interests and taxes, plus the share of funds from operations of joint-ventures, after payment of interests and taxes, and net of dividends paid by these companies.

Burelle SA pays gross compensation to executive directors for their services, which is then billed to Compagnie Plastic Omnium SE and its subsidiaries, calculated on the basis of the estimated time spent by each of them on business relating to the Plastic Omnium Group.

Based on Burelle SA's audited and certified operating cash-flow of €783,094,000 in 2019, the total amount of profit sharing net of social security costs distributable to the executive directors of Burelle SA is €9,238,619. Mr. Laurent Burelle receives 55% of this total amount, i.e. €5,081,240, from Burelle SA, of which 69% is rebilled to Compagnie Plastic Omnium SE and its subsidiaries. The payment of this amount is subject to the vote of the Shareholders' Meeting.

Furthermore, Mr. Laurent Burelle has not received any stock options since 2015. The rebilling of the variable portion of Mr. Laurent Burelle's compensation to Compagnie Plastic Omnium SE and its subsidiaries for 2019 is submitted for the approval by the Ordinary Shareholders' Meeting of April 23, 2020 of the components of his compensation, in resolution No. 17 shown in chapter 8 of this document.

##### MR. PAUL HENRY LEMARIÉ, CHIEF OPERATING OFFICER

Mr. Paul Henry Lemarié's bonus is based on the operating cash-flow of Burelle SA, parent company of Compagnie Plastic Omnium SE, after tax and interest expense plus the share of operating cash-flow of joint ventures (after tax and interest expense and net of dividends paid by these companies).

Burelle SA pays gross compensation to executive directors for their services, which is then billed to Compagnie Plastic Omnium SE and its subsidiaries, calculated on the basis of the estimated time spent by each of them on business relating to the Plastic Omnium Group.

Based on Burelle SA's audited and certified operating cash-flow of €783,094,000 in 2019, the total amount of profit sharing net of social security costs distributable to the executive directors of Burelle SA is €9,238,619. Mr. Paul Henry Lemarié receives 20% of this overall amount from Burelle SA, i.e. €1,847,724 of which 49% is rebilled to Compagnie Plastic Omnium SE and its subsidiaries. The payment of this amount is subject to the vote of the annual Shareholders' Meeting.

Furthermore, Mr. Paul Henry Lemarié no longer receives stock options since 2013.

The rebilling of the variable part of the compensation of Mr. Paul Henry Lemarié to Compagnie Plastic Omnium SE and its subsidiaries and for fiscal year 2019 is submitted for the approval of the Ordinary Shareholders' Meeting of April 23, 2020, as well as components of his compensation, in resolution No. 18 shown in chapter 8 of this document.

### MR. JEAN-MICHEL SZCZERBA, CO-CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER UNTIL SEPTEMBER 24, 2019

- Bonus

On the recommendation of the Compensation Committee, the Board of Directors set the terms for determining Mr. Jean-Michel Szczerba's bonus for 2019.

Based on the recommendations of the Compensation Committee, the Board of Directors in its meeting of February 18, 2020, decided not to pay a bonus to Mr. Jean-Michel Szczerba with respect to 2019.

- Performance share grants

In accordance with Article L. 225-197-1 of the French Commercial Code and the authorization of the Combined Shareholders' Meeting of April 26, 2018, the Board of Directors' meeting of February 13, 2019 decided to grant him 15,000 performance shares.

The estimated fair value according to IFRS standards applied for the preparation of the consolidated financial statements of one performance share of the May 2, 2019 Plan, of which Mr. Jean-Michel Szczerba is a member, is €23.

The estimated fair value under IFRS of the 15,000 performance shares granted in 2019 to Mr. Jean-Michel Szczerba is therefore €345,000.

These shares will vest, in whole or in part, only after the performance conditions described below are achieved and subject to continuous and uninterrupted presence during the vesting period.

#### *Performance conditions*

The vesting of these shares is subject to the fulfilment of two performance conditions assessed in respect of each of the fiscal years 2019, 2020, 2021 and 2022.

The number of shares vested depends, for half of them, on the achievement of the Group's operating margin target and, for the other half, on the achievement of the free cash flow target.

The first full year taken into account for the assessment of the performance conditions for this grant is 2019.

#### *Main characteristics of the grant*

This Plan enabled the allocation of 400,000 performance shares to 255 beneficiaries, i.e. 0.27% of the share capital.

The conditional grant of performance shares to Mr. Jean-Michel Szczerba in 2019 represents 3.75% of the number of performance shares granted and 0.01% of the share capital as of December 31, 2019.

Mr. Jean-Michel Szczerba has undertaken not to use risk hedging instruments.

As a reminder, no stock options or any other long-term incentive was granted to Mr. Jean-Michel Szczerba in 2019.

The components of Mr. Jean-Michel Szczerba's compensation due or awarded in respect of the 2019 fiscal year are submitted to the approval of the Shareholders' Meeting of April 23, 2020, in its resolution No. 19 shown in chapter 8 of this document.

### Bonus in respect of 2020

Mr. Laurent Burelle, Chairman of the Board of Directors since 1 January 2020, does not receive a bonus as a non-executive corporate officer.

At its meeting of December 13, 2019, the Board of Directors of Compagnie Plastic Omnium SE, acting on the recommendation of the Compensation Committee and the Appointments Committee, decided on the following items :

### MR. LAURENT FAVRE, CHIEF EXECUTIVE OFFICER SINCE JANUARY 1, 2020

- Bonus

The annual bonus is defined in such a way as to align the executive director's compensation with the Group's annual performance and to promote the implementation of its strategy year after year. The Board of Directors wishes to encourage the executive director to maximize the performance of each fiscal year and to ensure that it is regularly repeated year after year.

The annual bonus may reach 100% of the annual fixed compensation if the objectives defined in chapter 3.1.2.4. are met, i.e. €900,000.

However, for the fiscal year 2020, Mr. Laurent Favre's bonus is guaranteed at 50% of the maximum defined above.

Pursuant to Article L. 225-100 of the French Commercial Code, payment of the annual bonus will be subject to the approval of the Shareholders' Meeting called to approve the financial statements for fiscal year 2020.

- Allocation of performance shares

In accordance with Article L. 225-197-1 of the French Commercial Code and the authorization of the Combined Shareholders' Meeting of April 26, 2018, the Board of Directors decided to implement a new Performance Share Award Plan.

The allocation decided in favor of Mr. Laurent Favre, Chief Executive Officer, would comply with the recommendations of the AFEP-MEDEF Code of January 2020 and in particular that relating to the value of the shares allocated: the value of the allocation (estimated according to IFRS standards), represents approximately 50% of the total compensation of the executive director without exceeding 60%.

Mr. Laurent Favre would also be required to hold 50% of the shares freely granted to him in registered form until the end of his term of office.

The allocation of performance shares to Mr. Laurent Favre in respect of the fiscal year 2020 is capped at a number of shares whose value should not exceed €400,000.

The vesting of these shares is subject to the fulfilment of performance conditions which would be noted at the end of a vesting period of four years from the grant date.

Half of the number of shares vested would depend on the growth in net earnings per share (excluding treasury shares); and the other half on the change in cumulative free cash-flow, at constant consolidation scope.

The calculation would be based on the average of the four full years of the vesting period. The first full year taken into account for the assessment of the performance conditions for this grant would be the year 2020.

**MRS FELICIE BURELLE, MANAGING DIRECTOR  
SINCE JANUARY 1, 2020**

- Variable compensation

Mrs. Félicie Burelle's annual bonus may reach 100% of her annual fixed compensation if she achieves the objectives defined in chapter 3.1.2.4, i.e. €500,000.

For the 2020 fiscal year, the maximum bonus will be limited to 50% of the gross annual fixed compensation.

Pursuant to Article L. 225-100 of the French Commercial Code, payment of the annual variable compensation will be subject to the approval of the Shareholders' Meeting called to approve the financial statements for the fiscal year 2020.

- Allocation of performance shares

The Board of Directors has decided to implement a new Performance Share Plan under the authorization requested from the Combined Shareholders' Meeting of April 26, 2018.

The grant to Mrs. Félicie Burelle, Managing Director, would comply with the recommendations of the AFEP-MEDEF Code of January 2020 and in

particular the recommendation relating to the value of the shares granted: the value of the grant (estimated according to IFRS standards), represents approximately 50% of the total compensation of the executive director without exceeding 60%.

Mrs. Félicie Burelle would also be required to hold in registered form until the termination of her duties 50% of the shares that would be freely granted to her at the end of the vesting period.

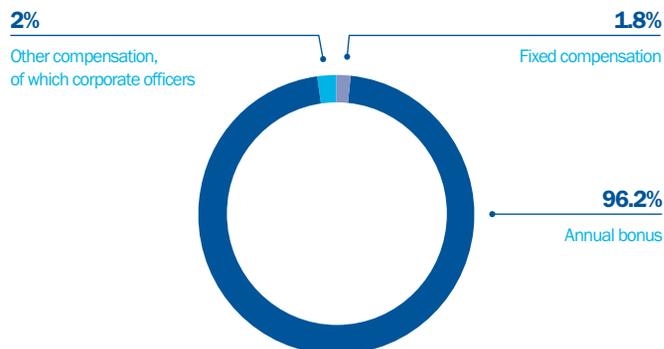
The grant of performance shares to Mrs. Félicie Burelle in respect of the fiscal year 2020 would be capped at a number of shares whose value should not exceed €250,000.

The vesting of these shares is subject to the fulfillment of performance conditions which would be noted at the end of a vesting period of four years from the grant date.

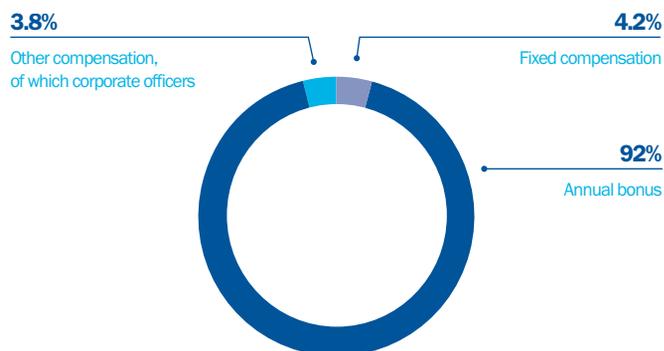
Half of the number of shares vested would depend on the growth in net earnings per share (excluding treasury shares); and the other half on the change in cumulative free cash-flow, at constant consolidation scope.

The first full year taken into account for the assessment of the performance conditions for this grant would be the year 2020.

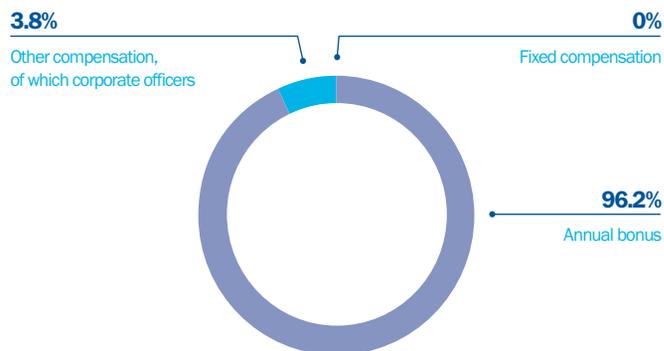
**DISTRIBUTION OF THE COMPONENTS COMPRISING THE ANNUAL COMPENSATION OF MR. LAURENT BURELLE PAID OR GRANTED IN RESPECT OF 2019**



**DISTRIBUTION OF THE COMPONENTS COMPRISING THE ANNUAL COMPENSATION OF MR. PAUL HENRY LEMARIÉ PAID OR GRANTED IN RESPECT OF 2019**



**DISTRIBUTION OF THE COMPONENTS COMPRISING THE ANNUAL COMPENSATION OF MR. JEAN-MICHEL SZCZERBA PAID OR GRANTED IN RESPECT OF 2019**



**3.1.2.2.3 Pension scheme**

The Board of Directors of Compagnie Plastic Omnium SE decided in 2003 to put a supplementary defined benefits pension plan in place (Article 39 of the French General Tax Code). This plan falls under Article L. 137-11 of the French Social Security Code. Executive directors registered with the French Social Security system and meeting the following conditions are beneficiaries of this plan.

The plan is funded by Burelle SA and the subsidiaries of Compagnie Plastic Omnium SE, who pay premiums to an external insurer to which the Company has agreed to entrust the management of pensions, the calculation of the mathematical provisions for the annuities and their payment. The associated social charges borne by the Company amount to 24%.

Following the payment made by Burelle SA in respect of 2019, the annual share of costs charged by Burelle SA to Compagnie Plastic Omnium SE and its controlled companies was €345,600. With respect to the 2019, Compagnie Plastic Omnium SE and its subsidiaries paid €1,077,647 to a third party entity as a contribution to the supplementary pension plan for Mr. Jean-Michel Szczerba.

Mr. Jean-Michel Szczerba, co-Chief Executive Officer and Chief Operating Officer until September 24, 2019, benefited, in addition to the rights under the compulsory pension plans, from supplementary defined benefit group pension plans (Article 39 of the French General Tax Code). Jean-Michel Szczerba was appointed Chief Operating Officer on March 16, 2010 and his employment contract was automatically suspended when he became an executive director, until September 24, 2019.

Mr. Paul Henry Lemarié, Chief Operating Officer until December 31, 2019, also benefited, in addition to the rights under the compulsory pension plans, from supplementary defined benefit group pension plans (Article 39 of the French General Tax Code).

In addition to their rights under the compulsory pension plans, Mr. Laurent Burelle and Mrs. Félicie Burelle, Managing Director, from January 1, 2020, benefit from a supplementary defined benefit group pension plan.

	Plastic Omnium Plan	Recommendations of the AFEP-MEDEF Code
Required length of service	7 years	At least 2 years
Actual length of service of the executive directors:		
Mr. Laurent Burelle	44 years	
Mr. Paul Henry Lemarié	39 years	
Mr. Jean-Michel Szczerba	33 years until 09/24/2019	
Mrs. Félicie Burelle	11 years	
Reference compensation	Average of the average total annual compensation for the 5 years prior to retirement	Several years
Annual amount paid (in % of benchmark compensation)	1%	5% maximum
Ceilings	10% of the reference compensation, or 8 times the Social Security ceiling	45% of compensation
Rights financing conditions	Outsourced	
Estimated amount of the annuity which would be paid to the executive directors*:		
Mr. Laurent Burelle	€331,324	
Mr. Paul Henry Lemarié	€218,085	
Mr. Jean-Michel Szczerba	€146,925	
Related tax and social charges	Taxes on contributions 31.2	

\* The rights under the defined benefit plan are "uncertain" to the extent they are subject to the beneficiary's employment within the Group at the time of the liquidation of his or her pension under a legally compulsory old-age insurance scheme.

The other pension plans for executive directors are the legal plans applicable to managerial employees in France.

### 3.1.2.2.4 Employment contract, specific pensions, end-of-service indemnities and non-competition clause

	Employment contract	Supplementary pension plans	Compensation or benefits due or likely to be due for loss or change of office	Compensation relating to the non-competition clause
Laurent Burelle Chairman and CEO	No	See above	No	No
Jean-Michel Szczerba Co-Chief Executive Officer, Chief Operating Officer <sup>(1)</sup>	Suspended	See above	No	No
Paul Henry Lemarié Chief Operating Officer <sup>(2)</sup>	No	See above	No	No
Laurent Favre Chief Executive Officer <sup>(3)</sup>	Suspended	No	No	No
Félicie Burelle Managing Director <sup>(3)</sup>	Suspended	See above	No	No

(1) Until September 24, 2019.

(2) Until December 31, 2019.

(3) From January 1, 2020.

Mr. Jean-Michel Szczerba's employment contract, suspended since 2010, was reactivated on September 25, 2019. It does not include any specific compensation for non-competition or length-of-service.

It should be noted that there is no system of paying an arrival/departure bonus to executive directors in the Plastic Omnium Group and that no compensation is due under the non-competition clauses.

### 3.1.2.2.5 Summary of the compensation paid or due in 2019 to each executive director

The amount of the components of compensation paid or allocated by Burelle SA to Mr. Laurent Burelle, Chairman and CEO, and Mr. Paul Henry Lemarié, Chief Operating Officer, is rebilled to Compagnie Plastic Omnium SE and its affiliates. The amounts shown in the table below comprise the total amounts paid or allocated by Burelle SA.

In euros	2019				2018	
	Amounts due in respect of 2019 and subject to vote	Amounts paid in 2019	Amounts paid in 2019 in respect of the outstanding balance of the 2018 bonus	Amounts paid in 2019 in respect of the first installment of the 2019 bonus	Amounts due in respect of 2018	Amounts paid in 2018
<b>Mr. Laurent Burelle</b> <i>Chairman and CEO</i>						
Fixed compensation	89,826	89,826	-	-	89,806	89,806
Annual bonus	5,081,240	4,931,068	2,448,165	2,482,903	4,781,165	4,730,968
Exceptional compensation	0	0	0	0	0	0
Compensation as corporate officer <sup>(1)</sup>	95,060	95,060	-	-	235,914	235,914
Benefits in kind (company car and driver) (book value)	7,099	7,099	-	-	7,174	7,174
Compensation relating to the non-competition clause	0	0	0	0	0	0
<b>TOTAL</b>	<b>5,273,225</b>	<b>5,123,053</b>	<b>2,448,165</b>	<b>2,482,903</b>	<b>5,114,059</b>	<b>5,063,862</b>
<b>Mr. Paul Henry Lemarié</b> <i>Chief Operating Officer</i>						
Fixed compensation	89,826	89,826	-	-	89,806	89,806
Annual bonus	1,847,724	1,946,825	1,043,951	902,874	2,119,951	2,182,754
Exceptional compensation	0	0	0	0	0	0
Compensation as corporate officer <sup>(1)</sup>	74,160	74,160	-	-	98,514	98,514
Benefits in kind (company car and driver) (book value)	7,308	7,308	-	-	7,308	7,308
Compensation relating to the non-competition clause	0	0	-	-	0	0
<b>TOTAL</b>	<b>2,019,018</b>	<b>2,118,119</b>	<b>1,043,951</b>	<b>902,874</b>	<b>2,315,579</b>	<b>2,378,382</b>

(1) Compensation as a corporate officer include that paid by subsidiaries of Compagnie Plastic Omnium SE.

Subject to approval of the compensation components of Messrs. Laurent Burelle and Paul Henry Lemarié by the 2020 Shareholders' Meeting of Burelle SA, the amounts due in respect of their 2019 compensation will be paid in June 2020, minus the first installment paid in 2019 following the approval of the Shareholders' Meeting of Burelle SA held on May 29, 2019.

In accordance with Article L. 225-37-3 of the French Commercial Code, the compensation paid by Burelle SA to Mr. Laurent Burelle and Mr. Paul Henry Lemarié of Compagnie Plastic Omnium SE in 2019 and rebilled to Compagnie Plastic Omnium SE and its subsidiaries for senior management services is presented in the table below:

In euros	Gross compensation paid by Burelle SA in 2019 (including directors' fees)	Amount billed to the Plastic Omnium Group in respect of 2019	Bonus subject to the vote of the Shareholders' Meeting
<b>Mr. Laurent Burelle</b> <i>Chairman and CEO</i>	5,064,694	3,572,934	5,081,240
<b>Mr. Paul Henry Lemarié</b> <i>Chief Operating Officer</i>	2,067,551	952,980	1,847,724

The amount of the components of compensation paid or allocated by Compagnie Plastic Omnium SE and its subsidiaries to Mr. Jean-Michel Szczerba, Co-Chief Executive Officer and Chief Operating Officer until September 24, 2019, is presented in the table below:

	2019		2018	
	Amounts due in respect of 2019 and submitted to vote	Amounts paid in 2019	Amounts due in respect of 2018	Amounts paid in 2018
<i>In euros</i>				
<b>Mr. Jean-Michel Szczerba</b> Co-Chief Executive Officer, Chief Operating Officer <sup>(2)</sup>				
Fixed compensation	780,984	780,984	1,079,006	1,079,006
Annual bonus	0	426,207	426,207	525,000
Exceptional compensation	0	0	0	0
Compensation as corporate officer <sup>(1)</sup>	21,462	21,462	113,524	113,524
Benefits in kind (company car and driver) (book value)	9,302	9,302	12,480	12,480
Compensation relating to the non-competition clause	0	0	0	0
<b>TOTAL</b>	<b>811,748</b>	<b>1,237,955</b>	<b>1,631,217</b>	<b>1,730,010</b>

(1) The amount indicated as compensation as a director includes that paid by the subsidiaries of Compagnie Plastic Omnium SE.

(2) Until September 24, 2019.

### Summary of the components of compensation and stock options awarded to each executive director in 2019

<i>In euros</i>	2019 Fiscal year	2018 Fiscal year
<b>Mr. Laurent Burelle</b> Chairman-Chief Executive Officer		
Compensation due in respect of the year (see details in the table above)	5,273,225	5,114,059
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>5,273,225</b>	<b>5,114,059</b>
<b>Mr. Jean-Michel Szczerba</b> Co-Chief Executive Officer, Chief Operating Officer <sup>(1)</sup>		
Compensation due in respect of the year (see details in the table above)	811,748	1,631,217
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	345,000	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>1,156,748</b>	<b>1,631,217</b>
<b>Mr. Paul Henry Lemarié</b> Chief Operating Officer		
Compensation due in respect of the year (see details in the table above)	2,019,018	2,315,579
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>2,019,018</b>	<b>2,315,579</b>

(1) Until September 24, 2019.

### 3.1.2.2.6 The compensation level of corporate officers compared to the mean and median compensation of Plastic Omnium Group employees in France

In accordance with Article L. 225-37-3 of the French Commercial Code, the following table presents changes, starting in 2015, in the fairness ratio between the compensation paid to executive directors and the mean and median compensation paid to Plastic Omnium employees in France.

These ratios must be compared with the Group's performance. Plastic Omnium Group's revenue rose significantly during the period 2015-2019, from €5,982 million in 2015 to €9,182 million in 2019, representing a 53% increase over these five years. Consolidated net income (Group share) varied between €258 million and €533 million depending on the year.

Payroll rose by 22% over the same period, mainly due to the recruitment of new employees and salary increases. The average compensation of employees located in France and taken into account to produce this fairness ratio rose from €54,174 in 2015 to €61,027 in 2019, an increase of 13%.

#### METHODOLOGY FOR CALCULATING THE RATIO

The ratios were calculated using the following methodology:

- Scope of legal entities in France, excluding companies in the Environment Division sold in 2018 and excluding companies whose Truck Division was sold in 2017;
- fixed and variable compensation paid during the year in question;
- stock options and performance shares recognized at IFRS value at the grant date (2015, 2017, 2019 plans);
- all full-time employees in France on fixed-term or permanent contracts, excluding work-study students, interns, trainees, temporary staff, expatriates and part-time employees due to their low representativeness;
- takes into account the total gross amount of compensation paid during the fiscal year reconstructed as a full-time equivalent over the reference year;
- takes into account, for each fiscal year concerned, employees present throughout the year;
- with regard to the compensation of Messrs. Laurent Burelle and Paul Henry Lemarié, taking into account the portion re-invoiced by Burelle SA to Compagnie Plastic Omnium SE in respect of executive management services (see section 3.1.2.2).

#### CHANGES IN THE FAIRNESS RATIO BETWEEN THE COMPENSATION PAID TO EXECUTIVE DIRECTORS AND THE MEAN AND MEDIAN COMPENSATION PAID TO EMPLOYEES BASED IN FRANCE BY THE PLASTIC OMNIUM GROUP

	Equity ratio	2015	2016	2017	2018	2019
Laurent Burelle Chairman and Chief Executive Officer	Individual compensation / Average compensation of other employees	77.9	67.3	67.8	68.7	60.6
	Individual compensation/ Median compensation of other employees	104	88	89.2	89.2	81
Paul Henry Lemarié Chief Operating Officer	Individual compensation/ Average compensation of other employees	23	22.8	22.2	21.8	17.6
	Individual compensation/ Median compensation of other employees	30.7	29.8	29.2	28.2	23.6
Jean-Michel Szczerba <sup>(1)</sup> Chief Operating Officer	Individual compensation/ Average compensation of other employees	37.3	31.5	33.2	30	31.2
	Individual compensation/ Median compensation of other employees	49.8	41.2	43.7	38.9	41.8

(1) End of mandate on September 24, 2019 (annualized compensation for 2019).

#### CHANGE TO THE CONSOLIDATED NET RESULT OF THE PLASTIC OMNIUM GROUP BETWEEN 2015 AND 2019 (IN MILLIONS OF EUROS)

	2015	2016	2017	2018	2019
Net profit – Group share	258.4	312.1	425.2	533.3	258.2
Change	+15%	+21%	+36%	+25%	-51%
Net profit attributable to the Group excluding disposal/ acquisition transactions outside the Group	258.4	334.2	391.4	278.3	258.2
Change	+15%	+29%	+17%	-29%	-7%

### 3.1.2.3 COMPENSATION OF NON-EXECUTIVE CORPORATE OFFICERS

#### 3.1.2.3.1 Compensation of corporate officers in respect of their corporate office during the fiscal year ended December 31, 2019

<i>In euros</i>	<b>2019</b>	<b>2018</b>
<b>Mrs. Eliane Lemarié, Director and member of the Appointments Committee</b>		
Compensation due for his corporate office	46,460	41,387
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>46,440</b>	<b>41,387</b>
<b>Mrs. Félicie Burelle, Director</b>		
Compensation due for her corporate office	43,260	39,787
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	322,00	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>365,260</b>	<b>39,787</b>
<b>Mr. Jean Burelle, Honorary Chairman and Director</b>		
Compensation due for his corporate office	43,260	39,787
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>43,260</b>	<b>39,787</b>
<b>Mrs. Anne Asensio, Director and member of the Accounts Committee</b>		
Compensation due for her corporate office	48,060	45,387
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>48,060</b>	<b>45,387</b>
<b>Mrs. Lucie Maurel-Aubert, Director and member of the Audit Committee and the Appointments Committee</b>		
Compensation due for her corporate office	42,608	44,587
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>42,608</b>	<b>44,587</b>
<b>Mrs. Anne-Marie Couderc, Director and Chair of the Appointments Committee and the Compensation Committee</b>		
Compensation due for her corporate office	57,660	46,987
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>57,660</b>	<b>46,987</b>

<i>In euros</i>	2019	2018
<b>Mrs. Cécile Moutet, Director</b>		
Compensation due for her corporate office	43,260	39,787
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>43,260</b>	<b>39,787</b>
<b>Mrs. Amélie Oudéa-Castéra, Director and member of the Compensation Committee</b>		
Compensation due for her corporate office	49,660	42,987
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>49,660</b>	<b>42,987</b>
<b>Mr. Jérôme Gallot, Director</b>		
Compensation due for his corporate office	44,860	46,187
Exceptional compensation due with respect to a mission granted to him as part of his corporate office	10,000 <sup>(1)</sup>	0
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>54,860</b>	<b>46,187</b>
<b>Prof. Dr. Bernd Gottschalk, Director and member of the Compensation Committee</b>		
Compensation due for his corporate office	49,660	33,040
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	-
<b>TOTAL</b>	<b>49,660</b>	<b>33,040</b>
<b>Mr. Vincent Labruyère, Director and Chairman of the Audit Committee</b>		
Compensation due for his corporate office	50,460	46,187
Value of stock options awarded during the year	0	-
Value of performance shares awarded during the year	0	-
Valuation of other long-term compensation plans	0	-
<b>TOTAL</b>	<b>50,460</b>	<b>46,187</b>
<b>Mr. Alexandre Mérieux, Director</b>		
Compensation due for his corporate office	43,260	29,840
Value of stock options awarded during the year	0	0
Value of performance shares awarded during the year	0	0
Valuation of other long-term compensation plans	0	0
<b>TOTAL</b>	<b>43,260</b>	<b>29,480</b>
<b>Mr. Alain Mérieux<sup>(2)</sup>, Director</b>		
Compensation due for his corporate office	-	9,947
Value of stock options awarded during the year	-	0
Value of performance shares awarded during the year	-	0
Valuation of other long-term compensation plans	-	0
<b>TOTAL</b>	<b>-</b>	<b>9,947</b>

<i>In euros</i>	<b>2019</b>	<b>2018</b>
<b>Mrs. Amandine Chaffois<sup>(3)</sup>, Director representing the employees</b>		
Compensation due for her corporate office	8,652	-
Value of stock options awarded during the year	0	-
Value of performance shares awarded during the year	23,000	-
Valuation of other long-term compensation plans	0	-
<b>TOTAL</b>	<b>31,652</b>	
<b>Mr. Ireneusz Karolak<sup>(4)</sup>, Director representing the employees</b>		
Compensation due for his corporate office	8,652	-
Value of stock options awarded during the year	0	-
Value of performance shares awarded during the year	0	-
Valuation of other long-term compensation plans	0	-
<b>TOTAL</b>	<b>8,652</b>	

(1) See paragraph 3.1.2.3.2.

(2) until April 26, 2019.

(3) from July 4, 2019.

(4) from May 23, 2019.

### **3.1.2.3.2 Exceptional compensation of the corporate officers due or granted during the fiscal year ended December 31, 2019 with respect to their corporate office**

At its meeting on 13 February 2019, the Board of Directors of Compagnie Plastic Omnium SE appointed Mr. Jérôme Gallot to carry out an independent valuation of the market value of the properties in Lyon and Nanterre, with the assistance of a real estate expert and legal counsel, in order to determine their market value in connection with the proposed sale of these assets to Sofiparc. As this real estate sale took place on December 4, 2019, the Board of Directors set the amount of the exceptional compensation, in accordance with Article L. 225-46 of the French Commercial Code, allocated to Mr. Jérôme Gallot at €10,000 for the assignment that he carried out, independently and on behalf of the Board, to evaluate the real estate assets thus sold to the real estate company Sofiparc.

This agreement relating to the exceptional compensation of Jérôme Gallot is subject to the approval of the Ordinary Shareholders' Meeting of April 23, 2020 as part of the approval of related-party agreements in Resolution No. 4 presented in Chapter 8 of this Universal Registration Document.

During 2019, no other exceptional compensation within the scope of Article L. 225-46 of the French Commercial Code was paid or allocated to a corporate officer.

### **3.1.2.4 PRINCIPLES AND CRITERIA FOR DETERMINING, DISTRIBUTING AND AWARDING THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL COMPENSATION AND BENEFITS IN KIND TO EXECUTIVE AND NON-EXECUTIVE DIRECTORS IN WITH RESPECT TO THEIR CORPORATE OFFICE**

#### **Compensation of the Chairman of the Board of Directors in respect of fiscal year 2020**

Upon a proposal from the Compensation Committee, the Board of Directors during its meeting on February 18, 2020 approved the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the total compensation and benefits in kind to the Chairman of the Board of Directors with respect to his corporate office in 2020.

The compensation of the Chairman of the Board of Directors consists of a fixed annual compensation. It does not include any annual or multi-year bonus.

The Board of Directors decided to set the fixed annual compensation of Mr. Laurent Burelle, Chairman of the Board of Directors, at €1,950,000 starting in fiscal year 2020.

The Chairman of the Board, who is also a director, receives compensation (formerly called "directors' fees") for his participation in the Board of Directors. This compensation is set by the Shareholders' Meeting and distributed according to a distribution rule set out below.

He will also be a receive a supplementary defined benefits pension scheme under the aforementioned conditions and the group life, disability and health insurance for senior managers.

The Chairman of the Board receives a company car and a driver.

### Compensation of the Chief Executive Officer and Chief Operating Officer for fiscal year 2020

Upon a proposal from the Compensation Committee, the Board of Directors during its meeting on December 13, 2019 defined the parameters of the bonus policy for the Chief Executive Officer and the Chief Operating Officer.

The detailed, required quantifiable and qualitative criteria set for the bonus help to maintain a link between the Group's performance and the compensation of the Chief Executive Officer and the Chief Operating Officer in a short, medium and long-term scenario. Its objective is to recognize the personal contribution of the executive directors to the Group's development and the growth of its profits. It is balanced in comparison to the fixed part and set as a percentage of the fixed compensation. Its criteria are consistent with the annual assessment of the performance of both the Chief Executive Officer and the Chief Operating Officer, in line with the Group's strategy.

60% of the assessment is based on financial criteria correlated directly with the Company's performance indicators:

- the change in the operating margin compared to budget (30%);
- achievement of a free cash-flow level in comparison to the budget (30%).

These targets, quantifiable for 2020, were set in comparison to the Group's budget as it was presented to the Board of Directors on December 13, 2019.

The Board of Directors also approved the following qualitative objectives, for 40%, with a view to ensuring the Group's positioning in the technological transformation movement that the automotive industry is currently undergoing:

- to develop sustainable growth drivers: strengthen organic growth from existing offers and through the development of new skills and solutions for carmakers, and through external growth transactions and adapting partnerships according to defined objectives (15%);
- to develop the Group's Digital and Innovation strategy: anticipate market developments, accelerate the Group's digital transformation, continue improving industrial assets and accelerate the deployment of 4.0 (15%);
- to anticipate and manage risks: refine the methodology to anticipate, identify and deal with risks that are serious or likely to impact the Group's businesses (5%);
- to focus on social, societal and environmental responsibility: monitor changes to non-financial ratings and the Group's reputation while paying particular attention to the health and safety of Group employees and equal opportunity for men and women (5%).

This policy, reviewed annually by the Compensation Committee, will be submitted for approval by the Ordinary Shareholders' Meeting on April 23, 2020, in accordance with Article L.225-37-2 of the French Commercial Code.

Payment of the bonus and exceptional elements of compensation to the Chief Executive Officer and the Chief Operating Officer for 2020 will be subject to the approval by the Ordinary Shareholders' Meeting, to be held in 2021, and will only be made following a favorable vote by the aforementioned Shareholders' Meeting.

The Chief Executive Officer and the Chief Operating Officer, who are also directors, receive compensation for their participation in the Board of Directors. This compensation is set by the Shareholders' Meeting and distributed according to a distribution rule set out below.

It should be noted that there is no system for paying a signing/exit bonus to executive directors at Compagnie Plastic Omnium SE.

The Chief Executive Officer and the Chief Operating Officer each receive a company car and the standard benefits in kind in the Group described in section 3.1.2.2.1.

### Compensation of corporate officers for their work as members of the Board of Directors for the year ended December 31, 2020

Upon a proposal from the Board of Directors, the Shareholders' Meeting sets the overall budget for the annual compensation of corporate officers for their work on the Board of Directors and the Committees, to be distributed to each corporate officer.

On the recommendation of the Compensation Committee, the Board of Directors approved the rules for distributing this annual budget according to an individual compensation distribution system based on attendance by directors at meetings of the Board of Directors and those of its Committees, in accordance with Article 21.1 of the AFEP-MEDEF Code. The distribution rules are set out below.

The Board of Directors will recommend to the Shareholders' Meeting of April 23, 2020 to set the overall amount of compensation allocated to the corporate officers at €790,000, instead of €690,000, as of January 1, 2020, to take into account the increase in the number of directors.

In its meeting on February 18, 2020, the Board of Directors decided the compensation distribution system for corporate officers as follows:

- Chairman: €4,200 per Board meeting;
- Directors and directors representing the employees: €2,000 per Board meeting subject to physical attendance; compensation reduced to €1,000 per Board meeting in the event of attendance by any teletransmission means;
- Chairman of a Committee: €3,800 per Committee meeting; compensation reduced to €1,900 per meeting of the Board in the event of attendance by any teletransmission means;
- Member of a Committee: €3,000 per meeting of the Committee; compensation reduced to €1,500 per Board meeting in the event of attendance by any teletransmission means.

The balance shared between the corporate officers based on their attendance at Board of Directors meetings.

### 3.1.2.5 STOCK OPTIONS AWARDED DURING 2019 TO EACH CORPORATE OFFICER

Name and position of the corporate officer	Plan date	Number of options awarded during the year	Value of options using the method applied in the consolidated financial statements	Exercise price	Exercise period
Mr. Laurent Burelle <i>Chairman-Chief Executive Officer</i>	None	0	0	N/A	N/A
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer<sup>(1)</sup></i>	None	0		N/A	N/A
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	None	0	0	N/A	N/A
Mrs. Éliane Lemarié	None	0	0	N/A	N/A
Mr. Jean Burelle	None	0	0	N/A	N/A
Mrs. Anne Asensio	None	0	0	N/A	N/A
Mrs. Félicie Burelle	None	0	0	N/A	N/A
Mrs. Anne-Marie Couderc	None	0	0	N/A	N/A
Mrs. Amélie Oudéa-Castéra	None	0	0	N/A	N/A
Mrs. Lucie Maurel Aubert	None	0	0	N/A	N/A
Mrs. Cécile Moutet	None	0	0	N/A	N/A
Mr. Jérôme Gallot	None	0	0	N/A	N/A
Prof. Dr. Bernd Gottschalk	None	0	0	N/A	N/A
Mr. Vincent Labruyère	None	0	0	N/A	N/A
Mr. Alexandre Mérieux	None	0	0	N/A	N/A
Mrs. Amandine Chaffois	None	0	0	N/A	N/A
Mr. Ireneusz Karolak	None	0	0	N/A	N/A

(1) Until September 24, 2019.

**3.1.2.6 STOCK OPTIONS EXERCISED BY EACH CORPORATE OFFICER DURING 2019**

	<b>Date of plans</b>	<b>Stock options exercised</b>	<b>Exercise price</b>
<b>Mr. Laurent Burelle</b> <i>Chairman-Chief Executive Officer</i>	None	0	N/A
<b>Mr. Jean-Michel Szczerba</b> <i>Co-Chief Executive Officer, Chief Operating Officer<sup>(1)</sup></i>	None	0	N/A
<b>Mr. Paul Henry Lemarié</b> <i>Chief Operating Officer</i>	None	0	N/A
<b>Mrs. Éliane Lemarié</b>	None	0	N/A
<b>Mr. Jean Burelle</b>	None	0	N/A
<b>Mrs. Anne Asensio</b>	None	0	N/A
<b>Mrs. Félicie Burelle</b>	None	0	N/A
<b>Mrs. Anne-Marie Couderc</b>	None	0	N/A
<b>Mrs. Amélie Oudéa-Castéra</b>	None	0	N/A
<b>Mrs. Lucie Maurel Aubert</b>	None	0	N/A
<b>Mrs. Cécile Moutet</b>	None	0	N/A
<b>Mr. Jérôme Gallot</b>	None	0	N/A
<b>Prof. Dr. Bernd Gottschalk</b>	None	0	N/A
<b>Mr. Vincent Labruyère</b>	None	0	N/A
<b>Mr. Alexandre Mérieux</b>	None	0	N/A
<b>Mrs. Amandine Chaffois</b>	None	0	N/A
<b>Mr. Ireneusz Karolak</b>	None	0	N/A

(1) Until September 24, 2019.

### 3.1.2.7 PERFORMANCE SHARES AWARD PLAN

#### 3.1.2.7.1 Authorization of the Combined Shareholders' Meeting of April 26, 2018

The Combined Shareholders' Meeting of April 26, 2018 authorized the Board of Directors to freely award existing free shares of the Company to employees and corporate officers of the Company and its French and foreign subsidiaries that are related to it under the conditions set forth in Article L. 225-197-1 of the French Commercial Code.

The Shareholders' Meeting set the period of validity of the authorization at thirty-eight months, which may be used on one or more occasions.

The number of shares thus awarded may not represent more than 1% of the share capital as of the date of the Shareholders' Meeting of April 26, 2018.

The Board of Directors shall identify the beneficiaries of the awards and the number of performance shares granted to each, as well as the vesting conditions, in particular the performance conditions.

The Board of Directors may provide for vesting periods and, where applicable, a holding periods of more than one year.

#### 3.1.2.7.2 Performance share awards as part of the April 26, 2018 authorization (the May 2, 2019 Plan)

On February 13, 2019, the Board of Directors, on the basis of proposals from Senior Management, examined by the Appointments Committee and the Compensation Committee, decided on the conditional grant of performance shares under the authorization granted by the Shareholders' Meeting of April 26, 2018.

The share capital on 26 April 2018 was comprised of 150,976,720 shares, enabling 1,509,767 shares to be distributed.

The Board of Directors used this authorization at its meeting of February 13, 2019 by granting 400,000 shares to 255 beneficiaries.

The number of free shares granted to the Company's executive directors may not represent more than 10% of the total number of free shares granted during a fiscal year.

This is a free grant of existing shares.

Vesting of the shares is subject to a double condition:

- of presence: the shares granted will only become definitively vested after a period of four years, at the end of which the beneficiary must be an employee or corporate officer of the Group (except in the case of legal exceptions provided for in the Plan's regulations);
- of performance:
  - the vesting of all or part of 50% of the shares granted will depend on the achievement of the Group's operating margin target for the fiscal years 2019, 2020, 2021 and 2022;
  - the acquisition of all or part of 50% of the shares granted will depend on the achievement of the Group's free cash-flow target over the same period.

The Compensation Committee is responsible for informing the Board of Directors of the level of indicators noted for the years used to calculate the performance conditions. The Board of Directors acknowledges the level of performance achieved, on which the number of shares vested depends.

#### 3.1.2.7.3 Shares granted to the ten employees who are not corporate officers and who have the highest number of shares granted

The total number of shares allocated in 2019 to the ten employees who received the highest number of shares and who are not corporate officers amounts to 116,000 shares.

**3.1.2.7.4 Performance shares granted during 2019 to each corporate officer by Compagnie Plastic Omnium SE**

Name and position of the executive director	Plan date	Number of performance shares awarded	Valuation of the shares <sup>(1)</sup>	Vesting date	End of vesting period
Mr. Laurent Burelle <i>Chairman-Chief Executive Officer</i>	May 2, 2019	0	0	N/A	N/A
Mr. Jean-Michel Szczerba <i>Co-Chief Executive Officer, Chief Operating Officer<sup>(2)</sup></i>	May 2, 2019	15,000	345,000	May 2, 2023	May 2, 2023
Mr. Paul Henry Lemarié <i>Chief Operating Officer</i>	May 2, 2019	0	0	N/A	N/A
Mrs. Éliane Lemarié	May 2, 2019	0	0	N/A	N/A
Mr. Jean Burelle	May 2, 2019	0	0	N/A	N/A
Mrs. Anne Asensio	May 2, 2019	0	0	N/A	N/A
Mrs. Félicie Burelle	May 2, 2019	14,000 <sup>(3)</sup>	322,000	May 2, 2023	May 2, 2023
Mrs. Anne-Marie Couderc	May 2, 2019	0	0	N/A	N/A
Mrs. Amélie Oudéa-Castéra	May 2, 2019	0	0	N/A	N/A
Mrs. Lucie Maurel Aubert	May 2, 2019	0	0	N/A	N/A
Mrs. Cécile Moutet	May 2, 2019	0	0	N/A	N/A
Mr. Jérôme Gallot	May 2, 2019	0	0	N/A	N/A
Prof. Dr. Bernd Gottschalk	May 2, 2019	0	0	N/A	N/A
Mr. Vincent Labruyère	May 2, 2019	0	0	N/A	N/A
Mr. Alexandre Mérieux	May 2, 2019	0	0	N/A	N/A
Mrs. Amandine Chaffois	May 2, 2019	1,000 <sup>(3)</sup>	23,000	May 2, 2023	May 2, 2023
Mr. Ireneusz Karolak	May 2, 2019	0	0	N/A	N/A

(1) In accordance with the method used for the consolidated financial statements.

(2) Until September 24, 2019.

(3) Performance share awarded in respect of the employment contract.

Performance conditions	2019	2020	2021	2022	Total
Operating Margin	12.50%	12.50%	12.50%	12.50%	50%
Free cash-flow	12.50%	12.50%	12.50%	12.50%	50%
Number of performance shares delivered if the conditions are met	25%	25%	25%	25%	100%

**3.1.2.7.5 Performance shares vested during 2019 by each corporate officer**

Not applicable.

### 3.1.2.8 HISTORY OF STOCK OPTION AWARDS THAT ARE STILL EXERCISABLE ON DECEMBER 31, 2019

Date of plans	Number of options awarded	Number of options not exercised	Date of 1st possible exercise	Date of expiry	Subscription price
<b>Mr. Laurent Burelle</b> <i>Chairman and Chief Executive Officer</i>					
08/06/2015 Plan	150,000	150,000	08/07/2019	08/07/2022	€24.72
<b>Mr. Jean-Michel Szczerba</b> <i>Co-Chief Executive Officer, Chief Operating Officer</i>					
08/06/2015 Plan	150,000	150,000	08/07/2019	08/07/2022	€24.72
03/10/2017 Plan	40,000	40,000	03/11/2021	03/11/2024	€32.84
<b>Mr. Paul Henry Lemarié,</b> <i>Chief Operating Officer</i>					
not applicable, Mr. Paul Henry Lemarié having no unexercised options as at December 31, 2019					

#### Stock option plans

##### Compagnie Plastic Omnium SE stock option policy

For years Compagnie Plastic Omnium SE has put long-term incentive plans in place for the benefit of its employees and executive directors in an international context.

These awards have a dual purpose:

- to motivate key staff members and give them a stake in the Group's future results;
- to strengthen teamwork and a sense of belonging among managers and thus encourage them to make their careers at the Company.

At the recommendation of the Compensation Committee, Compagnie Plastic Omnium SE's Board of Directors grants stock options to managers and executive directors who the Company wishes to recognize for their performance and their important role in business development and the Group's current and future projects, wherever they may be based.

These stock options are granted after publication of the financial statements for the previous year, in accordance with the AFEP-MEDEF recommendation. In any case, stock options are granted on the basis of the performance of the individual in question at the time the plan is put in place.

Employees and corporate officers who receive stock options thus have a stake along with shareholders in the Group's strong and consistent growth.

At December 31, 2019, 179 employees, of which 49.2% in foreign subsidiaries, benefit from at least one stock option plan.

Stock option beneficiaries must comply with the regulations in force relating to inside information. They must familiarize themselves and abide by the stock exchange Code of Ethics accompanying the rules governing stock option plans.

**Outstanding stock option plans of Compagnie Plastic Omnium SE**

As at December 31, 2019, Compagnie Plastic Omnium SE had several stock option plans. Key information about these plans is given below:

<b>Date authorized by Shareholders' Meeting</b>	<b>04/28/2011</b>	<b>04/25/2013</b>
Date of Board meeting	03/06/2012	07/23/2013
Total number of beneficiaries	208	184
Total number of shares offered for purchase	2,668,500	1,272,000
<i>Of which can be bought by corporate officers:</i>		
Laurent Burelle	360,000	180,000
Jean-Michel Szczerba	240,000	120,000
Paul Henry Lemarié	180,000	60,000
Éliane Lemarié	0	0
Félicie Burelle	15,000	12,000
Jean Burelle	0	0
Anne Asensio	0	0
Lucie Maurel-Aubert	0	0
Anne-Marie Couderc	0	0
Cécile Moutet	0	0
Amélie Oudéa-Castéra	0	0
Jérôme Gallot	0	0
Prof. Dr. Bernd Gottschalk	0	0
Vincent Labruyère	0	0
Alexandre Mérieux	0	0
Amandine Chaffois	9,000	3,000
Ireneusz Karolak	0	0
Start date for exercise of the options	03/21/2016	08/07/2017
Date of expiry	03/20/2019	08/06/2020
Purchase price ( <i>in euros</i> )	7.37	16.17
Number of options exercised at 12/31/2019	2,257,900	975,200
Total number of stock options that have been cancelled or lapsed	410,600	120,000
Options outstanding at the year end	0	176,800

<b>Date authorized by Shareholders' Meeting</b>	<b>04/25/2013</b>	<b>04/28/2016</b>
Date of Board meeting	07/21/2015	02/22/2017
Total number of beneficiaries	172	195
Total number of shares offered for purchase	1,253,000	578,500
<i>Of which can be subscribed for or bought by corporate officers:</i>	0	0
Laurent Burelle	150,000	0
Jean-Michel Szczerba	150,000	40,000
Paul Henry Lemarié	0	0
Éliane Lemarié	0	0
Félicie Burelle	30,000	20,000
Jean Burelle	0	0
Anne Asensio	0	0
Lucie Maurel-Aubert	0	0
Anne-Marie Couderc	0	0
Cécile Moutet	0	0
Amélie Oudéa-Castéra	0	0
Jérôme Gallot	0	0
Prof. Dr. Bernd Gottschalk	0	0
Vincent Labruyère	0	0
Alexandre Mérieux	0	0
Amandine Chaffois	3,000	1,500
Ireneusz Karolak	0	0
Start date for exercise of the options	08/07/2019	03/11/2021
Date of expiry	08/06/2022	03/11/2024
Purchase price ( <i>in euros</i> )	24.72	32.84
Number of options exercised at 12/31/2019	12,000	0
Total number of stock options that have been cancelled or lapsed	186,000	93,500
Number of stock options remaining at end of fiscal year	1,055,000	485,000

At December 31, 2019, the number of options outstanding awarded by the Board of Directors under the authorizations voted by the Shareholders' Meetings and not yet exercised was equivalent to 1,716,800 stock options at an average purchase price of €26.13 per share (1.15% of the 148,566,107 shares comprising the share capital at that date).

In accordance with the recommendations of the AFEP-MEDEF Code, the exercise of stock options granted in 2015 and 2017 is subject to two performance conditions related to the outperformance over the vesting period of the options in respect of:

- the share price relative to the SBF 120 index;
- the Company's operating margin compared with its main competitors.

The executive directors shall retain, in bearer form, until the end of their appointment, a number of shares corresponding to 10% of the balance of

shares resulting from the exercise of the option. The "balance shares resulting from the exercise of option" refers to the total number of shares resulting from the decreased exercise of stock options, which must be transferred in order to finance the exercise of options in question and, where applicable, the payment of any immediate or deferred tax, social contributions and charges relating to the exercise of these options as applicable on the date of exercise of the options. If the number of shares fixed as a result, which must be retained until the loss of office, is a fraction, it is rounded off to the nearest lower whole number. Since January 1, 2020, Messrs. Paul Henry Lemarié and Laurent Burelle are no longer executive directors of Compagnie Plastic Omnium SE.

The executive directors are committed not to resort to risk hedging transactions.

### Outstanding performance share allocation plans of Compagnie Plastic Omnium SE

The Combined Shareholders' Meeting of April 26, 2018 authorized the Board of Directors to award free existing shares of the Company to employees and/or corporate officers of the Company and/or of Group companies.

On February 13, 2019 the Board of Directors decided to award shares subject to performance conditions on May 2, 2019.

The characteristics of the plan are as follows:

Total number of beneficiaries	255
Number of performance shares awarded	400,000
Laurent Burelle	0
Jean-Michel Szczerba	15,000
Paul Henry Lemarié	0
Éliane Lemarié	0
Félicie Burelle	14,000*
Jean Burelle	0
Anne Asensio	0
Lucie Maurel-Aubert	0
Anne-Marie Couderc	0
Cécile Moutet	0
Amélie Oudéa-Castéra	0
Jérôme Gallot	0
Prof. Dr. Bernd Gottschalk	0
Vincent Labruyère	0
Alexandre Mérieux	0
Amandine Chaffois	1,000*
Ireneusz Karolak	0
Award date May 2, 2019	05/02/2019
Vesting date May 2, 2023	05/02/2023
Term	4 years
Presence conditions	Yes
Holding period	None

\* Performance shares awarded in respect of the employment contract

### 3.1.2.9 STOCK OPTIONS AWARDED TO THE TEN NON-CORPORATE OFFICER EMPLOYEES OF THE GROUP WHOSE NUMBER OF OPTIONS IS THE HIGHEST WITHIN THE SCOPE OF OPTION AWARDS, OR STOCK OPTIONS EXERCISED DURING 2019

Number of options awarded	Weighted average price (in euros)	Exercise date
-	N/A	N/A
	<b>Total number of shares purchased</b>	<b>Weighted average price (in euros)</b>
Options held on Compagnie Plastic Omnium exercised by the ten employees <sup>(1)</sup> with the highest number of options thus purchased		
Plan of March 6, 2012	48,780	25.32
Plan of August 7, 2013	54,500	25.85
Plan of August 6, 2015	12,000	26.86
Plan of February 22, 2017	Not exercisable	-

(1) Compagnie Plastic Omnium SE employees other than corporate officers included in the scope of option awards.

### 3.1.2.10 SUMMARY OF TRANSACTIONS REPORTED BY EXECUTIVE CORPORATE OFFICERS AND NON-EXECUTIVE DIRECTORS DURING FISCAL YEAR 2019

(Article 223-26 of the General Regulation of the French Financial Market Authority (Autorité des Marchés Financiers) and Article L. 621-18-2 of the French Monetary and Financial Code)

	Date of transaction	Type of transaction	Financial instrument	Quantity	Unit price (in euros)	Transaction price (in euros)
Laurent Burelle	02/21/2019	Disposal	Shares	50,000	25.4063	1,270,315
	02/22/2019	Disposal	Shares	110,000	25.3414	2,787,554
	02/25/2019	Disposal	Shares	20,000	25.3296	506,592
	02/28/2019	Acquisition	Shares	58,345	24.6432	1,438,391
	03/01/2019	Acquisition	Shares	29,114	25.7745	750,399
	03/01/2019	Acquisition	Shares	19,506	25.8927	505,063
	03/04/2019	Acquisition	Shares	15,239	26.0322	396,704
	03/05/2019	Acquisition	Shares	7,034	25.9531	182,554
Related persons	03/05/2019	Acquisition	Shares	5,762	25.9547	149,551
Jean-Michel Szczerba	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
Paul Henry Lemarié	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
Burelle SA	03/12/2019	Acquisition	Shares	30,000	24.0988	722,964
	03/13/2019	Acquisition	Shares	30,000	24.4020	732,060
	03/14/2019	Acquisition	Shares	45,500	24.5539	1,117,202
	03/15/2019	Acquisition	Shares	45,000	24.9556	1,123,002
	03/18/2019	Acquisition	Shares	37,000	24.7121	914,347.70
	03/19/2019	Acquisition	Shares	30,000	25.3514	760,452
	03/20/2019	Acquisition	Shares	50,000	24.6749	1,233,745
	03/21/2019	Acquisition	Shares	42,000	24.8035	1,041,747
	03/22/2019	Acquisition	Shares	50,000	24.0060	1,200,300
	03/25/2019	Acquisition	Shares	20,500	23.4625	480,981
Related persons	03/26/2019	Acquisition	Shares	20,000	23.6514	473,028
Félicie Burelle	02/21/2019	Disposal	Shares	14,100	25.4001	358,141
Related persons	02/21/2019	Acquisition	Options	15,000	7,3800	110,700
Jean Burelle	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
Anne Asensio	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
Lucie Maurel-Aubert	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
Anne-Marie Couderc	-	-	-	-	-	-
Related persons	-	-	-	-	-	-

	Date of transaction	Type of transaction	Financial instrument	Quantity	Unit price (in euros)	Transaction price (in euros)
<b>Cécile Moutet</b>	10/02/2019	Fiscal year	Options	4,500	16.600	72,720
Related persons: Olivier Moutet (spouse)	10/02/2019	Disposal	Shares	2,600	24.5286	63,774.36
<b>Amélie Oudéa-Castéra</b>	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
<b>Jérôme Gallot</b>	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
<b>Prof. Dr. Bernd Gottschalk</b>	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
<b>Vincent Labruyère</b>	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
<b>Alexandre Mérieux</b>	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
<b>Amandine Chaffois</b>	-	-	-	-	-	-
Related persons	-	-	-	-	-	-
<b>Ireneusz Karolak</b>	-	-	-	-	-	-
Related persons	-	-	-	-	-	-

### 3.1.3 INFORMATION REGARDING THE EQUITY CAPITAL

#### SHARE CAPITAL

Shares in Compagnie Plastic Omnium SE are listed on Eurolist of Euronext Paris (compartment A). Plastic Omnium shares are included in the SBF 120 and CAC Mid 60 indices.

At December 31, 2019, Compagnie Plastic Omnium SE's share capital amounted to €8,913,966.42 divided into 148,566,107 fully paid-up shares with a par value of €0.06 each.

#### VOTING RIGHTS

Shareholders have the right to vote and speak at Shareholders' Meetings. Each shareholder has one vote per fully paid-up share he or she holds.

In accordance with Article 16 of the bylaws, all fully paid-up shares held on a registered basis in the name of the same shareholder for at least two years are entitled to a double voting right with the shareholder having

either bought or inherited the shares under intestacy rules or being a spouse or a relative entitled to inherit the shares who received them as an *inter vivos* gift.

If the equity capital is increased by incorporating reserves, profits or share premiums, the double voting right is also attached to the registered bonus shares linked to the shares with double voting rights already held by the shareholder.

A double voting right shall cease for any share, which has been the subject of a conversion to bearer form or a transfer.

It may also be canceled by decision of an Extraordinary Shareholders' Meeting.

At December 31, 2019, excluding treasury shares, the Company had 146,177,608 shares with the same number of voting rights, including 90,607,873 shares with double voting rights.

#### POTENTIAL EQUITY CAPITAL AND SECURITIES GIVING RIGHTS TO EQUITY CAPITAL

As at December 31, 2019, there were no securities or rights giving direct or indirect access to the share capital of Compagnie Plastic Omnium SE.

## CURRENT AUTHORIZATIONS RELATING TO CAPITAL AND SECURITIES CARRYING RIGHTS TO THE ALLOCATION OF DEBT SECURITIES – USE OF AUTHORIZATIONS

The Company's shareholders have delegated the following powers and financial authorizations to the Board of Directors:

### Authorizations given to the Board of Directors at the Shareholders' Meeting on April 26, 2018

Resolution No.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power	Use of the authorization or delegation of power
21	Authorization to grant stock options to corporate officers and/or employees of the Company and/or Group companies	38 months – until 06/25/2021	Maximum holding: 1% of equity capital, to be deducted from the 1% in the 18 <sup>th</sup> resolution approved at the Shareholders' Meeting on April 26, 2016	At its meeting on February 13, 2019, the Board of Directors of Compagnie Plastic Omnium SE decided to grant 400,000 performance shares, representing 0.27% of the share capital, to 255 beneficiaries.
22	Authorization to reduce the equity capital by canceling treasury shares	26 months – until 06/26/2020	10% of the share capital per 24-month period	Between April 27 and December 31, 2018, Compagnie Plastic Omnium SE cancelled 2,410,613 treasury shares, representing 1.62% of its share capital

### Authorizations and delegations given to the Board of Directors at the Combined Shareholders' Meeting on April 25, 2019

Resolution No.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power	Use of the authorization or delegation of power
6	Buyback by the Company of its own shares	18 months – until 10/24/2020	Maximum purchase price: €60 – Maximum holding: 10% of share capital – Accumulated value of acquisitions: €891,396,600	At December 31, 2019, Compagnie Plastic Omnium SE held 1.608% of its share capital
13	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, with preferential subscription rights	26 months – until 06/24/2021	€1 million for shares and €750 million for debt securities.	None
14	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities or entitling the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, through a public offer and/or as consideration for securities as part of a public exchange offer during the delegation	26 months – until 06/24/2021	€1 million for shares by way of an offer as referred to in par. II of Article L. 411-2 of the French Monetary and Financial Code €750 million for transferable debt securities	None
15	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights by way of an offer referred to in par. II of Article L. 411-2 of the French Monetary and Financial Code	26 months – until 06/24/2021	€1 million for shares by way of an offer as referred to in par. II of Article L. 411-2 of the French Monetary and Financial Code €750 million for transferable debt securities	None
16	Delegation of authority to increase the number of shares or securities to be issued when a share issue with or without preferential subscription rights is made under the 16 <sup>th</sup> to 18 <sup>th</sup> resolutions up to a maximum of 15% of the initial issue	26 months – until 06/24/2021	15% of the initial issue, the maximum authorized amount of which are: €1 million for shares – €750 million for transferable debt securities	None
17	Share capital increase reserved for Plastic Omnium employees savings plan (PEE)	26 months – until 06/24/2021	Maximum holding: 3% of the equity capital at the date of the Shareholders' Meeting (i.e. a maximum of 4,456,983 shares at December 31, 2018)	None

### Authorizations and delegations proposed to the Shareholders' Meeting of April 23, 2020 relating to the capital and to transferable securities giving the right to the allocation of debt securities

Resolution No.	Type of authorization and delegated power	Duration and expiry date	Maximum amount per authorization or delegated power
8	Buyback by the Company of its own shares	18 months – until 10/22/2021	Maximum purchase price: €60 – Maximum holding: 10% of share capital – Accumulated value of acquisitions: €891,396,600
21	Authorization to reduce the equity capital by canceling treasury shares	26 months – until June 22, 2022	10% of the share capital per 24-month period
22	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, with preferential subscription rights	26 months – until June 22, 2022	€4 million for shares and €1 billion for debt securities
23	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities or entitling the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights, through a public offer and/or as consideration for securities as part of a public exchange offer during the delegation	26 months – until June 22, 2022	€4 million for shares and €1,500 million for debt securities
24	Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities providing access to other equity securities, or granting entitlement to the allocation of debt securities and/or investment securities providing access to equity securities to be issued by the Company, without preferential subscription rights by way of an offer referred to in para. 1 of Article L.411-2 of the French Monetary and Financial Code	26 months – until June 22, 2022	€1.7 million for shares by way of an offer referred to in para. 1 of Article L.411-2 of the French Monetary and Financial Code – €1,500 million for debt securities
25	Delegation of authority to increase the number of shares or securities to be issued when a share issue with or without preferential subscription rights is made under the 22nd to 24th resolutions up to a maximum of 15% of the initial issue	26 months – until June 22, 2022	15% of the initial issue
26	Share capital increase reserved for Plastic Omnium employees savings plan (PEE)	26 months – until June 22, 2022	Maximum holding: 3% of the equity capital at the date of the Shareholders' Meeting (i.e. a maximum of 4,456,983 shares at December 31, 2019)

## MOVEMENTS IN THE CAPITAL OVER THE PAST FIVE YEARS

Year and type of corporate transaction	Amount of capital increase/reduction		Share capital (in euros)	Number of shares comprising the equity capital	Par value of share (in euros)
	Nominal	Premium			
<b>March 2016</b> Capital reduction by canceling 1,100,000 treasury shares	66,000	32,579,380	9,148,603	152,476,720	0.06
<b>August 2017</b> Reduction in equity capital by cancelling 1,500,000 treasury shares	90,000	49,819,507	9,058,603	150,976,720	0.06
<b>July 2018</b> Reduction in equity capital by cancelling 1,110,613 treasury shares	66,637	39,223,119	8,991,966	149,866,107	0.06
<b>November 2018</b> Reduction in equity capital by cancelling 1,300,000 treasury shares	78,000	45,252,090	8,913,966	148,566,107	0.06

## Buyback by the Company of its own shares

Percentage of equity capital held directly and indirectly by the Company as at December 31, 2019 including:	1.61%
backing existing stock option plans	1.22%
backing existing performance share plans	0.27 %
Backing liquidity contract	0.08 %
intended for cancellation	0.04 %
Number of shares canceled over the past 24 months	1,300,000
Number of securities in the portfolio on December 31, 2019	2,388,499
Carrying amount of portfolio on December 31, 2019	54,071,657
Market value of portfolio on December 31, 2019	59,473,625

## Share buybacks during the 2019 fiscal year

	Aggregate gross movements		
	Purchases	Sales	Options exercised
Number of securities	1,507,909	1,219,178	191,162
Average transaction price	€23.70	23.94	-
Average exercise price	-	-	13.31
Totals	35,733,934	29,183,597	2,545,146

Trading fees of €55 thousand were incurred in buying back shares during 2019.

The change in the number of outstanding shares between the opening date and the closing date of fiscal year 2019 is as follows:

	January 1, 2019	Movements for fiscal year 2019 <sup>(1)</sup>	December 31, 2019
Number of shares comprising the share capital	148,566,107	0	148,566,107
Number of treasury shares	2,290,930	97,569	2,388,499
Number of outstanding shares	146,275,177	(97,569)	146,177,608

(1) See purchase flows, sales flows and options exercised, indicated in the table above.

The sixth resolution of the Combined Shareholders' Meeting of April 25, 2019 authorized the Company to buy back its own shares subject to the following conditions:

Maximum purchase price	€60 per share (excluding acquisition costs)
Maximum shares that may be held	10% of the share capital on the date of the Combined Shareholders' Meeting on 04/25/2019
Maximum investment in the buyback program	€891,396,600

A new liquidity agreement, signed with Kepler Capital Markets SA on January 1, 2015 for an initial amount of €3 million, has a term of one year, renewable automatically, in accordance with the Code of Ethics drawn up by AMAFI (Association Française des Marchés Financiers – the representative body for professionals working in the securities industry and financial markets in France). On January 28, 2019, Plastic Omnium made an additional contribution of €3 million to the liquidity agreement, increasing its overall budget to €6 million. The primary purpose of the agreement is to reduce the volatility of the Compagnie Plastic Omnium share price, and thus the risk perceived by investors.

#### Information about share buybacks since April 25, 2019

Between April 25, 2019 and January 31, 2020, the Company purchased 1,195,469 shares for a total value of €27,771,435, representing a value per share of €23,23, including 1,139,769 shares purchased under the liquidity agreement and 55,700 shares purchased outside the agreement. Over the same period, the Company sold 1,074,153 shares under the liquidity agreement for a total of €25,543,698, representing a value per share of €23,78.

Between April 25, 2019 and January 31, 2020, the Company did not buy back any of its own shares to cover its commitments to beneficiaries of options, free shares and company savings schemes.

At January 31, 2020, Compagnie Plastic Omnium SE held 2,437,097 treasury shares, representing 1.64% of the share capital, broken down as follows:

#### Number of shares

162,212	Liquidity agreement AMAFI
1,819,185	Shares allocated to employees or corporate officers of the Company or of Group companies
55,700	Cancellation
400,000	Hedging of securities carrying rights to the allocation of shares

#### Description of the share buyback program submitted for approval to the Combined Shareholders' Meeting on April 23, 2020

Under Articles 241-1 to 241-6 of the AMF General Regulations, this description defines the objectives of the Compagnie Plastic Omnium SE share buyback policy and how it will be implemented. The program will be submitted for approval to the Combined Shareholders' Meeting convened for April 23, 2020.

#### OBJECTIVES OF THE SHARE BUYBACK PROGRAM

Compagnie Plastic Omnium SE intends to use the share buyback program to achieve the following objectives:

- to use an investment service provider to maintain the secondary market or the liquidity of Plastic Omnium's shares, via a liquidity agreement complying with the AMAFI Code of Ethics accepted by the AMF;
- to cancel the shares purchased, if appropriate, subject to the approval of the Shareholders' Meeting of the authorization submitted to its vote, pursuant its 21<sup>st</sup> extraordinary resolution;
- to cover stock option plans and/or free share plans (or similar) for Group employees and/or corporate officers, as well as any allocations of shares for a company or group savings scheme (or similar), in respect of employee profit sharing and/or all other forms of allocation of shares to employees and/or corporate officers of Compagnie Plastic Omnium SE;

- to retain the shares acquired and use them later on for exchange or in payment for any external growth transactions, with the understanding that shares purchased for this purpose may not exceed 5% of the Company's capital;
- to implement all market practices currently accepted or accepted in the future by the market authorities.

#### TERMS – THE MAXIMUM PROPORTION OF EQUITY CAPITAL THAT MAY BE ACQUIRED AND THE MAXIMUM AMOUNT PAYABLE BY COMPAGNIE PLASTIC OMNIUM SE

Compagnie Plastic Omnium SE is authorized to acquire a maximum of up to 10% of its equity capital on December 31, 2019, 14,856,610 shares, each with a par value of €0.06.

Since the Company held 2,388,499 treasury shares as at December 31, 2019, the maximum number of its shares it could purchase under the share buyback program is 12,468,111. In the event that treasury shares already held are cancelled or used, the maximum amount that the Company can pay out to acquire the 12,468,111 shares is €748,086,660.

Thus, the total value of acquisitions (net of costs) may not exceed €891,396,600 based on the maximum purchase price of €60 provided in the 8<sup>th</sup> resolution to be proposed to the Combined Shareholders' Meeting on April 23, 2020.

Shares may be purchased, sold or transferred using any method, including by purchasing blocks of shares, on the stock market or over the counter. These means include the use of any derivatives, traded on a regulated market or over the counter, and the setting up of option operations such as the purchase and sale of call and put options. These transactions may be made at any time.

**TERM OF THE BUYBACK PROGRAM**

This buyback program may continue for a period of eighteen months from approval of the 8<sup>th</sup> resolution to be voted by shareholders at the Combined Shareholders' Meeting on April 23, 2020, i.e. until October 22, 2021.

**Bonds**

Details of the outstanding bonds and private placements issued by the Company on December 31, 2019 are given below:

<b>Issuer</b>	<b>Currency</b>	<b>Coupon</b>	<b>Initial issue date</b>	<b>Maturity date</b>	<b>Amount outstanding</b> <i>(in millions of euros)</i>	<b>Listing market</b>
Compagnie Plastic Omnium SE	EUR	2.875%	05/21/2013	05/29/2020	500	Paris
Compagnie Plastic Omnium SE	EUR	1.478%	06/17/2016	06/17/2023	300	
Compagnie Plastic Omnium SE	EUR	1.25%	06/26/2017	06/26/2024	500	Paris
Compagnie Plastic Omnium SE	EUR	1.632%	12/21/2018	12/21/2025	300	

**3.1.4 INFORMATION ABOUT SHAREHOLDERS****SHAREHOLDING STRUCTURE OF COMPAGNIE PLASTIC OMNIUM SE**

**BREAKDOWN AT DECEMBER 31, 2019 OF THE SHARE CAPITAL OF COMPAGNIE PLASTIC OMNIUM SE COMPRISING 148,566,107 SHARES**

	<b>December 31, 2019</b>		<b>December 31, 2018</b>		<b>December 31, 2017</b>	
	<b>% equity capital</b>	<b>% voting rights</b>	<b>% equity capital</b>	<b>% voting rights</b>	<b>% equity capital</b>	<b>% voting rights</b>
Burelle SA	58.78	72.08	58.51	73.70	57.57	71.91
Employee shareholders	0.98	0.98	0.97	0.97	0.98	0.98
Held by Company	1.61	-	1.54	-	2.19	-
Public	38.63	26.94	38.98	25.33	39.26	27.11
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

At December 31, 2019, Burelle SA held 58.78% of the equity capital of Compagnie Plastic Omnium SE. To the Company's knowledge, no other shareholder owns 5% or more of the share capital.

In France, at December 31, 2019, the Group Savings Plan had 1,193 members, holding 1,452,471 shares in Compagnie Plastic Omnium SE, or 0.98% of the share capital, purchased on the stock market.

The Company has not been informed of any shareholders' agreement.

**FACTORS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER**

None.

## AGREEMENTS MADE BY AN EXECUTIVE OR SIGNIFICANT SHAREHOLDER OF COMPAGNIE PLASTIC OMNIUM SE WITH A SUBSIDIARY

Pursuant to Article L. 225-37-4, 2° of the French Commercial Code, no new agreements were entered into during the year ended December 31, 2019, either directly or indirectly, between any corporate officers or shareholders holding more than 10% of the Company's voting rights and any subsidiaries of Compagnie Plastic Omnium SE that are controlled within the meaning of Article L. 233-3 of the French Commercial Code.

## SHAREHOLDERS' MEETING (ARTICLE 17 OF THE BYLAWS)

### Notice of meetings

The Shareholders' Meetings are convened, meet and deliberate under conditions set forth by law. The agenda of the meetings is determined by the author of the notice; however, one or more shareholders may, under conditions set forth by law, require draft resolutions to be written into the agenda.

The meeting takes place at the headquarters, or at any other place indicated in the notice.

The notice of meeting for the Shareholders' Meeting is published in the *Bulletin des Annonces Légales Obligatoires* (BALO) under conditions set forth by law and regulations.

Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director who is specially authorized for such purpose by the Board of Directors. Otherwise, the meeting shall itself elect its Chairman.

The duties of the tellers shall be performed by the two members of the meeting who are present and accept such duty, and who have the greatest number of votes. The officers of the meeting shall appoint a Secretary, who may be chosen from outside of the shareholders.

There shall be an attendance list kept under conditions set forth by law. The minutes of the Shareholders' Meetings shall be drawn up, and copies thereof shall be delivered and certified under conditions set forth by law.

### Participation in the meetings

Every shareholder has the right to participate in the meetings, provided that all payments due for such shares have been met.

The right to participate in the meetings, or arrange to be represented, is subject to the accounting entry of the shares in the name of the shareholder by the second business day preceding the meeting at 0:00 hours, Paris time, either in registered share accounts kept by the Company, or in bearer share accounts kept by an authorized intermediary.

In accordance with Article 18 of the bylaws, any shareholder may participate in the Shareholders' Meeting, if the Board of Directors so decides when the meeting is convened, by videoconference or other telecommunication means including the internet, under the conditions pursuant to the applicable regulation at the time of its use. Where applicable, this decision is sent with the notice of meeting published in the *Bulletin des Annonces Légales Obligatoires* (BALO).

The Board of Directors may, if it deems it useful, arrange for the delivery to the shareholders of admission cards with their names, and require the presentation of the same in order to access the Shareholders' Meeting.



# 4

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## A GENERAL COMMITMENT: ACT FOR ALL™



As part of its strategic priorities, Plastic Omnium has improved its strategy for Corporate Social Responsibility: the ACT FOR ALL™ program now groups together the policies and actions that have long been carried out by Plastic Omnium in social, environmental and ethical matters.

Based on 3 pillars – Responsible entrepreneurs, Care for people and Sustainable production – detailed in markers, the program provides

consistency to these themes, whose importance has increased over the years. The consistency and relevance of this program is ensured by its dedicated governance and its sponsors at the highest level of the Company.

The ambition of Plastic Omnium is to continue to support its manufacturer customers in the transition to clean and connected mobility, an essential condition for maintaining their competitiveness in a significantly changing sector. Plastic Omnium's business model is supported by a strong policy on innovation and by its responsible and sustainable development strategy, ACT FOR ALL™.

An important change in the organization of the Plastic Omnium Group has just occurred at the end of 2019, with a new management team being put in place and changes made to the governance. The positions of Chairman and Chief Executive Officer are split from January 1, 2020, with a transition by the end of 2019. This new governance supports the gradual transformation of the Group in a profoundly changing automotive market.

## 4.1 BUSINESSES AND PROSPECTS

### 4.1.1 A CHANGING MARKET

The worldwide automotive market is currently affected by two strong developments: one is economic and the other is structural.

The three main markets for automotive production (China, the United States and Europe) are down, due to the tensions destabilizing international trade. Throughout 2019, the number of vehicles produced thus dropped by 5.8%. Thanks to its financial strength and its strategy of anticipation, the Group outperformed the market by 6.9 points. This resulted in increases in market share in all of its business lines, increases in its new production capacity rates and the success of its range of innovative products.

This current economic situation is part of a fundamental structural change, which must be taken into account in the strategy to maintain this level of excellence: regulations, expectations of customers and users of vehicles and the demands of investors are converging to take these major global trends into account, with the ecological transition and air quality as the first amongst them.

#### ECOLOGICAL TRANSITION AND AIR QUALITY

Climate change is a major international concern. There are numerous initiatives and commitments: Paris Agreement and the carbon strategy of countries, taken into account in the investments of asset managers and investors, low-carbon or carbon neutral commitment from companies, regulations and standards, etc.

Civil society is waiting for concerted actions between companies and governments. Thus, in France, the Government has set up a Citizens Convention on the Climate, composed of 150 French citizens drawn by lot to work on policies for the country. Their contributions on the "Travel" theme anticipate the changes to be made by companies, changes to regulations, tax incentives to develop innovative solutions, etc.

The automotive sector is identified as particularly important in the ecological transition. Indeed, the passenger road transport sector represents about 45% of worldwide CO<sub>2</sub> emissions due to transport, representing 11% of total emissions from energy combustion. Carmakers are gradually announcing their strategies towards cleaner and less carbon-dependent mobility. Several technologies are currently being developed and together they form the solution to environmental challenges: hybrid, electric, hydrogen-powered vehicles, etc. Indeed, the 2 priority areas, according to the International Energy Agency, are the increase in electric vehicles, which should reach 50% of the fleet by 2040, and the increase in the energy efficiency of combustion vehicles.

Legislation is governing these transitions: regulation and gradual prohibition of diesel vehicles in towns and countries. The standards governing CO<sub>2</sub> emissions and consumption of vehicles: in Europe, 95 g CO<sub>2</sub>/km in 2021, 81 g in 2025 and 59 g in 2030; in China, 117 g of CO<sub>2</sub>/km from 2020; in the United States, 4.3 liters per hundred kilometers in 2025 compared to 8.1 in 2014

Vehicles affect air quality, which is also a subject of increasing concern, particularly in urban areas. National and local regulations are increasingly numerous, particularly concerning NO<sub>x</sub> (nitrogen oxides) emissions and fine particles: prohibitions or restrictions on traffic issued by governments and towns supplement the standards such as Euro 6 and soon 7 in Europe, Tier 2 in the United States and China 6a then China 6b in China.

Current forecasts accordingly predict that by 2030, 80% of vehicles will have a combustion engine, 36% of which will be hybrid. Electric vehicles should have a 13% market share. Natural gas and hydrogen will fuel 7% of vehicles.

Through its current developments, Plastic Omnium supports its customers with solutions for clean mobility, regarding energy storage (hybrid, SCR for diesel, hydrogen and fuel cells, etc.) and external solutions (reducing the weight of parts, aerodynamics, etc.).

## SHARED AND CONNECTED MOBILITY

Modes of consumption are moving towards less individual ownership and more connectivity, particularly in the automotive sector: Mobility-as-a-Service (MaaS) is growing and will quickly become a common travel mode: in 2030, a third of kilometers travelled could be in shared vehicles. One of the key points for developing this mode of transport is connectivity: localization of vehicles must be immediate and in real-time and the safety of drivers and passengers must be ensured. Thus, driver aid tools must become predominant to help drivers to travel in complete safety. From now on, this requires work on sensors, radars and cameras and their integration into the bodywork.

The business lines of plastronics (a mix of plastics processing and electronics) and mechatronics (a combination of mechanics and connected systems) will grow to an unprecedented extent. In addition to collection of information and connection to infrastructure, data processing is a crucial component of connected vehicles: it will require the increasing integration of new professions: data scientist, artificial intelligence engineer or cyber security specialist.

These last skills will also be used in the development of industry 4.0, the first plants of which are currently deployed at Plastic Omnium.

## THE CIRCULAR ECONOMY AND BIODIVERSITY

In the wake of climate change, environmental subjects are becoming a major concern and are affecting companies asked to play their part. Increasing consumer awareness is influencing their purchasing decisions and companies directly linked with the general public are impacted by new requirements: reduction of environmental impact, recyclability, etc. Regulations are supporting these societal developments, thus in Europe, European Directive n° 2000/53/CE dated September 18, 2000 relative to scrapped vehicles has imposed, from 2015, reuse and recycling of scrapped vehicles at 95% of the average weight per vehicle and per year, with a rate of reuse and recycling of at least 85%. Carmakers are partnering their equipment suppliers with their improvement processes by asking them to improve the recyclability and possible reuse of parts.

Life-cycle analyses can measure, throughout the service life of a product (from the extraction of materials until end of life), its environmental impact according to various criteria: emissions of greenhouse gases, photochemical oxidation, acidification, eutrophication, etc. These analyses enable better understanding of impacts and therefore possible avenues for improvement.

These major trends influence the strategies and decisions of Plastic Omnium. Innovation, particularly in these areas, is enabling the Group to continue its development and remain the leader in its markets.

## 4.1.2 BUSINESS AND AMBITIONS

SNFP

### 4.1.2.1 BUSINESSES AND MARKETS



Plastic Omnium operates in 3 segments of the automotive market:

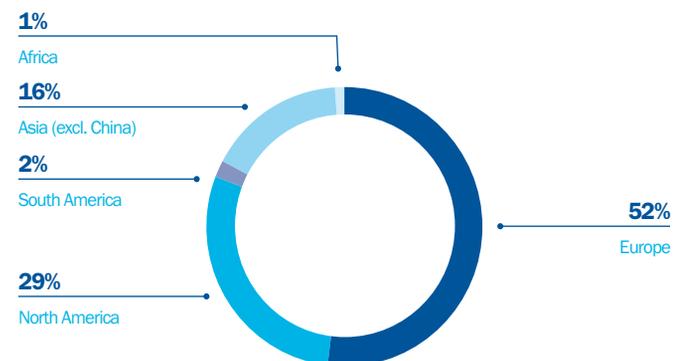
- complex and smart systems for plastic and composite body parts: bumpers, body parts and spoilers and tailgate modules enabling a reduction in vehicle weight and improved aerodynamics which allow their CO<sub>2</sub> emissions to be reduced;
- clean energy systems: plastic fuel systems for internal combustion and hybrid vehicles, NOx emissions reduction systems for diesel cars and CO<sub>2</sub> reduction systems for gasoline-powered vehicles, and tanks in composite filament for high pressure hydrogen storage;
- front-end modules integrating the impact beam, the lighting and engine cooling systems, the active radiator grille shutters and the driving-aid radar and sensor systems and new complex modules such as cockpits, consoles or electrical energy converters.

The Group's added value is based on its expertise in customized and multi-material solutions that integrate both functionality and safety performance and reduce carbon emissions.

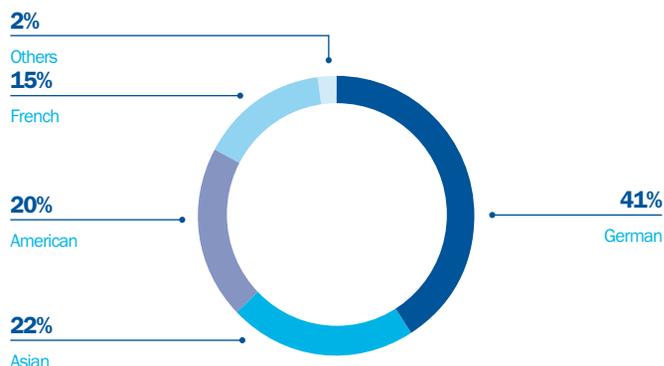
The Group's international presence, with its 131 plants spread over 26 countries in Europe/Africa, North and South America and Asia, gives it the responsiveness and adaptability necessary to completely fulfill the requirements of its customers.

Its 93 customers are spread over all continents, with a majority in Europe, America and Asia. These are mainly the traditional players in the automotive sector, as well as emerging players in the electric or self-driving vehicles sector.

### BREAKDOWN OF WORKFORCE BY REGION



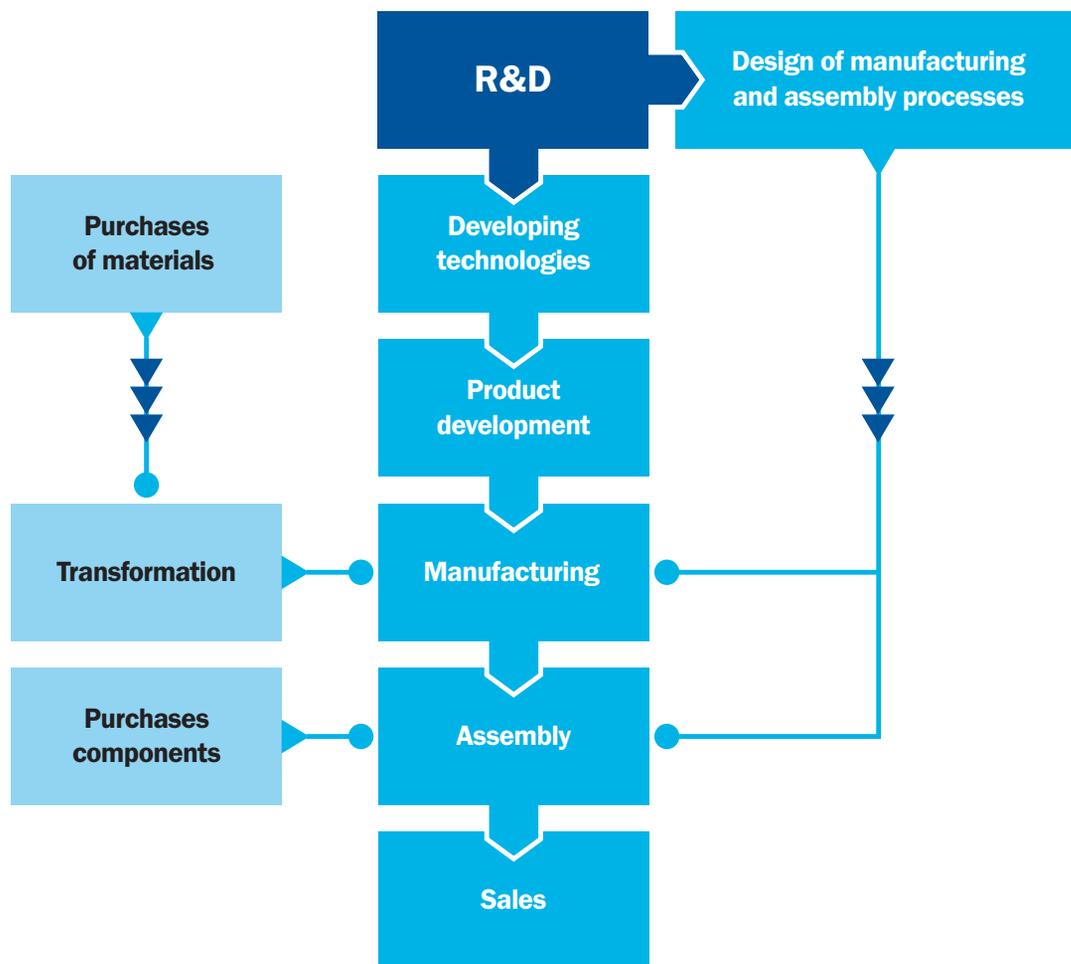
**BREAKDOWN OF ECONOMIC REVENUE BY CUSTOMER**



This international presence, as well as Plastic Omnium’s capacity for innovation and development, have enabled it to stay in a leading position in its markets for several years.

Plastic Omnium is the world leader in its three business lines: in 2019, 26 million vehicles throughout the world were equipped with an Intelligent Exterior Systems bodywork system, bringing the Group to 16% market share. 21 million fuel systems were manufactured in 2019 by Clean Energy Systems, giving the Group a 22% market share. HBPO has an 18% market share in the development, assembly and logistics of front-end modules with 6 million parts in 2019. The main growth areas are, firstly, for Clean Energy Systems, the replacement of metal fuel tanks which still represent 17% of the market and, secondly, for Intelligent Exterior Systems and HBPO, bumpers and front-ends that intelligently integrate an increasing number of functions.

To offer its customers the best possible products, Plastic Omnium includes the entire chain from Research and Development through marketing of the finished products.



For further information on Plastic Omnium’s businesses, markets and solutions, see chapter 1.5 “Businesses” in this Universal Registration Document.

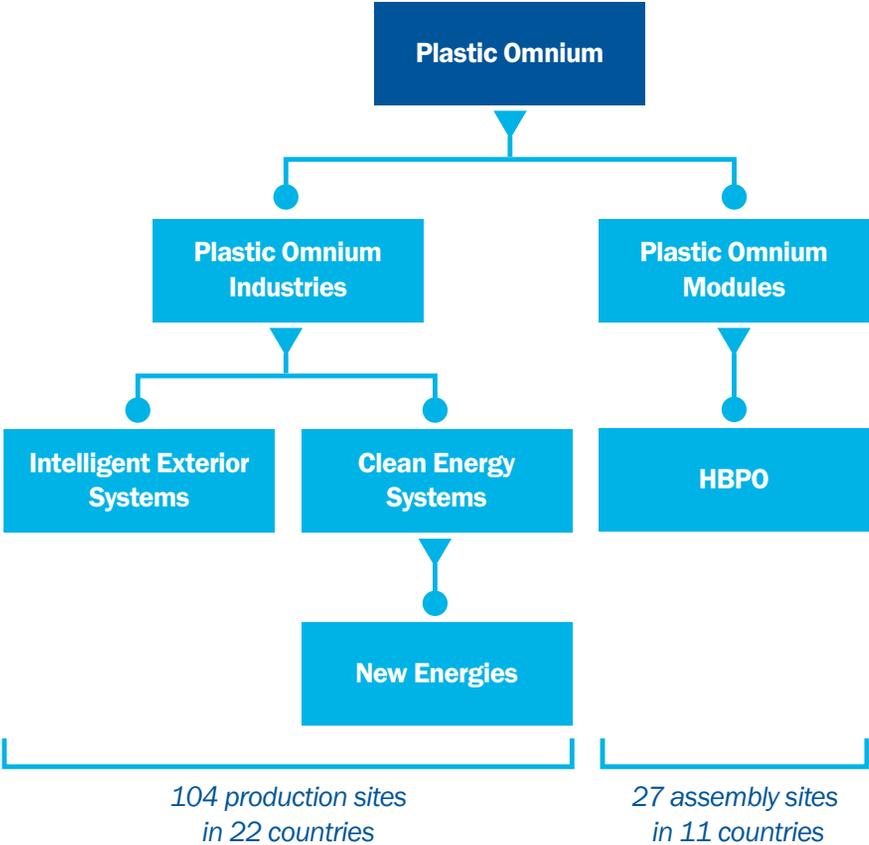
**4.1.2.2 ORGANIZATION**

Since 2018, the Group has been organized around 2 businesses: Plastic Omnium Industries and Plastic Omnium Modules, and 3 businesses: Intelligent Exterior Systems, Clean Energy Systems and HBPO.

Intelligent Exterior Systems is dedicated to complex and intelligent body part solutions. Clean Energy Systems covers systems for the storage of energy (for combustion vehicles and hybrid rechargeable vehicles) and includes the New Energies subsidiary, specialized in the development of

new energies such as fuel cells and hydrogen propulsion. HBPO groups together the vehicle modularization businesses.

The operational businesses are managed at the level of the local subsidiaries of the Group, closer to the markets, and are supported by the subsidiary, Plastic Omnium Gestion. Within it are the central support and strategic functions, such as the Finance, Legal, Risks and Compliance, Human Resources, HSE, CSR, Information Systems and Scientific departments. Procedures and requirements are then applied locally, with regular reporting ensuring a consistent level of quality and compliance.

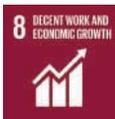


The Group is managed by a Board of Directors comprising 17 members of whom 6 are independent directors, 2 directors representing the employees and 47% are women. Three committees with specific roles participate in this governance: the Audit Committee, the Compensation Committee and the Appointments Committee. The Executive Committee, which had 13 members in 2019, ensures that the commercial, industrial and R&D strategy and the Group's CSR policy are implemented.

This governance and organization enables Plastic Omnium's values to be disseminated across all business lines and entities and is the cornerstone of our success. The 'PO Way', a culture, state of mind and way of life for all of the Group's managers and employees, rests on five pillars, the "5I", symbols of Plastic Omnium's entrepreneurial spirit, boldness and level of excellence:

- independence: the cornerstone of the strategy, independence is guaranteed by the majority control exercised by the family holding company, Burelle SA, which ensures freedom of action;
- investment: robust investment programs allow new products to be defined and market growth to be captured by developing a presence in high potential countries and through the development of new technologies;
- innovation: part of the Group's DNA, continuous innovation ensures the Group's leadership position in its markets;
- internationalization: being flexible and capable of supporting its customers in growth regions ensures the Group's future;
- integration: the 'PO Way' is a medium for integration shared by all employees on all continents.

#### 4.1.2.3 STRATEGY AND PROSPECTS



Plastic Omnium's strategy is based on the creation of customized solutions to fulfill the current requirements of its customers, while investing in innovation and research to cope with market changes. The investment program initiated is continuing with the construction of new capacity when this is necessary, the optimization of the industrial fabric (transition towards industry 4.0 and operational excellence), the development of new programs and the launch of new research projects. In 2019, 6% of revenue was invested. 240 new programs were put into production.

The Group has production capacity adapted to the requirements of its customers with 131 plants across 26 countries.

At the same time, the rollout of industry 4.0 is continuing with a transition program for the whole of the industrial installed base by 2023. Industry 4.0 combines the latest available technologies – data, advanced robotics, augmented reality, the Internet of industrial things – and is bringing along all players in the value chain in a virtuous industrial revolution. Predictive maintenance reduces downtime, breaks in production rates and bursts of energy consumption. Data enables production to be optimized, to get close to 0 faults and reduces discards and waste. In a highly competitive automotive sector, industry 4.0 improves competitiveness: improvements to costs, deadlines and quality while ensuring sustainable development of the Company that generates a general increase in skills, a guarantee of staff employability. The plant 4.0, whose industrial performance will be increased, will have less impact on the environment: predictive maintenance, automation and optimized quality will reduce consumption of energy and materials and will reduce waste.

The projects pursued by Plastic Omnium and its vision of the car of the future are illustrated by the Living Body concept car, designed according to a biomimetic approach. The characteristics of this vehicle are:

- increased autonomy: the techniques used are reducing the weight of parts and aerodynamics, as well as the use of supercapacitors storing energy from braking;
- reduced emissions: the hydrogen and fuel cell motors do not discharge polluting emissions or greenhouse gases;
- connectivity: the vehicle will communicate with its environment, particularly through the light signature integrated into its structure.

In the shorter term, the Group's strategy is to continue supporting its customers in reducing greenhouse gas emissions and polluting emissions from vehicles: reducing the weight of exterior and interior parts while ensuring safety and aerodynamics, tanks for combustion vehicles and hybrid rechargeable vehicles, emissions reduction solutions (SCR for diesel, water injection for petrol). The fundamentals of the Plastic Omnium's current competitiveness are firstly the rigor and excellence in day-to-day operational management, and secondly, the ability to control development costs and cash.

Plastic Omnium's outlook, according to this trajectory, is to increase its market share in its 3 business lines and to grow its content per vehicle, while maintaining its leadership, and to continue to outperform worldwide automotive production by 5 points.

#### 4.1.2.4 BUSINESS MODEL AND VALUE CREATION

Plastic Omnium's business model is based on the organization and businesses described previously. The businesses and business lines of Plastic Omnium require human, intellectual, social, financial, manufacturing and natural resources and generate financial value as well as overall value, shared with the Group's stakeholders and ecosystem.

The reader can find the business model in the report included in pages 12 and 13 of the 2019 Universal Registration Document.

### 4.1.3 CONTRIBUTE TO SUSTAINABLE DEVELOPMENT GOALS

The overall and shared value created by Plastic Omnium enables the Group to contribute to the United Nations Sustainable Development Goals (SDGs). This international standard, recognized by all, sets worldwide objectives by 2030 for the creation of a sustainable, viable and equitable future. Amongst the 17 objectives, Plastic Omnium has identified those to which the Group contributes the most through its businesses and through its ACT FOR ALL™ program.



#### SDG 3 – ENSURE HEALTHY LIVES AND PROMOTE WELLBEING FOR ALL AT ALL AGES

Plastic Omnium contributes to this Goal by ensuring the health and safety within the Company (goal of zero accidents, work on ergonomics, engagement survey, etc.) of its 23,000 employees, and by locally proposing additional actions: health coverage, promotion of sport, vaccination campaigns, etc. These pillars form part of the commitments of the ACT FOR ALL™ program. Plastic Omnium also contributes to improving health and well-being by proposing technological solutions to carmakers, enabling them to drastically reduce nitrogen oxide emissions which are acknowledged to degrade air quality and to affect health. Through its intelligent exterior body parts and modules which incorporate an increasing number of sensors, Plastic Omnium also contributes to improving road safety. The reliability of its products in the event of an impact with a pedestrian is, for Plastic Omnium, a non-negotiable safety aspect.

Key indicators 2019: Tf2 (Workplace accident frequency rate with and without lost time including temporary staff: 1.85. Jobs whose ergonomics are assessed: 79% (excluding HBPO).



#### SDG 7 – ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

Through Clean Energy Systems and its New Energies subsidiary, the Group helps to develop a clean energy for vehicles. Firstly by improving air quality for traditional gasoline and diesel energies and by proposing solutions for hybrid vehicles and, secondly, by investing heavily in research to develop hydrogen and to make it a source of energy with the same characteristics as traditional fuels: range, rapid refilling and cost. For this, Plastic Omnium has acquired companies – Swiss Hydrogen and Optimum CPV – or invested in the companies of the Aster venture capital fund dedicated to the energy transition and future mobility. The Group has also joined the Steering Group of the Hydrogen Council, which brings together leading

energy, transport and industry companies with a united vision and long-term ambition for hydrogen to be a key part of the energy transition, particularly in the transport sector.

Key indicators 2019: first approval of a 700-bar hydrogen tank for passenger vehicles and first order for a 350-bar tank for a bus



#### SDG 8 – PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

Through its global presence, Plastic Omnium contributes to regional economic development: the Company creates jobs, while also ensuring the health, safety and well-being of its employees, whether permanent or temporary. The Group prioritizes stable jobs by promoting long duration contracts and ensuring that its service providers, subcontractors and suppliers respect workers' rights through its responsible purchasing policy, a pillar of the ACT FOR ALL™ program. Sustained and shared growth is also the result of Plastic Omnium's high capacity for innovation, which is demonstrated by its significant investment in Research and Development, a constant quest for continuous improvement through an innovation competition open to all employees and through the implementation of an open innovation approach (integrating external experts, partnerships with universities and schools or with SMEs, start-ups, etc.). Plastic Omnium also contributes to this goal through its salary policy. Thus, in France, Spain, Germany or in Mexico, to mention just a few countries, salary levels are much higher than local minimum legal requirements.

Key indicator 2019: 5,422 hired across 26 countries



#### SDG 12 – ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

In all stages of a product's life, Plastic Omnium takes sustainability criteria into account: research allows technologies to be designed and products to be developed that are more sustainable and, as a result, to offer customers responsible innovations; life-cycle analyses are currently being carried out so that customers can be guided in their decisions by integrating environmental criteria; environmental criteria are incorporated in supplier selection; the Top Planet policy aims to reduce energy consumption during manufacturing; and the Group has a stringent requirements for managing waste, emissions and chemical products irrespective of the site and country. These areas of work, responsible purchasing, eco-design and sustainable production, form an integral part of the markers of the ACT FOR ALL™ program.

Key indicator 2019: 4 life cycle analyses, 13.7% final waste



### SDG 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Clean Energy Systems' products are developed with the goal of improving air quality and also reducing greenhouse gas emissions. Accordingly, the HydroPower emissions control system for gasoline-powered engines enables, among other things, CO<sub>2</sub> emissions to be reduced by up to 15%. Plastic Omnium also offers hybrid vehicle fuel storage systems pending the development of hydrogen systems. In manufacturing, the Top Planet program which aims to seek optimum energy efficiency and thus reduce greenhouse gas emissions has been in place since 2008. In 2018, the Group measured its carbon footprint including emissions generated upstream and downstream of its activities (scope 3) allowing areas of improvement to be identified, beyond the direct impact of its activities that are already managed through the Top Planet program (scope 1 and 2). In addition, life-cycle analyses have been carried out on four of the Group's flagship products in order to understand the mechanisms for improvement related to the products themselves (from the extraction of materials to their end-of-life). The reduction of greenhouse gas emissions and the promotion of renewable energies on the sites are emblematic markers of the ACT FOR ALL™ sustainable development strategy.

Key indicators 2019: objective of a 20% reduction of emissions related to energy consumption (scopes 1 and 2) between 2018 and 2025 per kilogram of material processed; Top Planet score: 49% (self-assessment of sites compared to their progress in the environmental program, Top Planet), 4 sites with renewable energy.



### SDG 17 – STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

Plastic Omnium has opened a lasting dialogue with its stakeholders to contribute collectively to achieving objectives. For its customers, Plastic Omnium is developing innovative technological solutions incorporating environmental sustainability criteria. For its investors, Plastic Omnium is demonstrating its ability to be a responsible company through its constantly improving rating from RobecoSAM and by developing meetings for socially responsible investors. With its suppliers, Plastic Omnium is incorporating CSR criteria in its purchasing through its contracts, charters and questionnaires. Several of the Group's partnerships aim to develop responsible innovations that will make a positive contribution to the above Goals.

Key indicator 2019: ethical suppliers index: 68% for 450 key suppliers analyzed.

Plastic Omnium contributes less directly to the Sustainable Development Goals 1 – No poverty; 4 – Quality education; 5 – Gender equality; 9 – Industry, innovation and infrastructure; 10 – Reduced inequality. The markers of the ACT FOR ALL™ program regarding gender equality and the promotion of employment of young people and the strong policy on training and skills development support these SDGs.

Although the businesses of the Group have no direct link with SDGs 2 – Zero hunger; 6 – Clean water and sanitation; 11 – Sustainable cities and communities; 14 – Life below water; 15 – Terrestrial life on land and 16 – Peace, justice and strong institutions, Plastic Omnium ensures that it does not adversely impact their achievement.

## 4.1.4 STAKEHOLDER DIALOGUE

SNFP

Stakeholder dialogue is essential to identify requirements and expectations and establish better cooperation. Sustainable Development Goal 17 promotes the establishment of constructive dialogue and partnerships to reach these goals.

The types of dialogue put in place were identified following the map of the Group's key stakeholders.

Stakeholders	Type of dialogue
Employees	Social dialogue, internal communication, collaborative spaces, events, internal network, innovation competition, social networks and career website for future employees
Labor unions and local and European representative bodies	Meetings, consultations, negotiation
Board of Directors	Board meetings
Shareholders	Shareholders' Meeting, Shareholders' day, shareholders' newsletter, quarterly and annual publications, site visits, response to financial and non-financial rating agencies, meetings with financial analysts, meetings with socially responsible investors
Banks	Annual reviews
Non-financial rating agencies	Responses to questionnaires
Insurance companies	Site visits and ratings
Trade receivables	Contracts, annual reviews, R&D partnerships, responses to CSR questionnaires
End users	Motor shows
Suppliers	Contracts, supplier CSR Charter, partnership, visits
Trade associations	Participation in working groups
Standardization body	Participation in working groups focused on standards
Research cluster	Participation in projects
Schools and universities	Partnerships, participation in events, site visits
Specialized administrative services	Consultation
Organizations promoting CSR and sustainable development initiatives	Membership, participation in working groups, patronage and sponsorship

### EMPLOYEE DIALOGUE

Employee dialogue is a major issue for Plastic Omnium. A poor quality dialogue could lead to deterioration in the social climate, heightening the risk of work interruption and affecting employee motivation. Product quality and productivity could be affected and turnover and absenteeism rates could increase, resulting in costs for the Company. There are 2 complementary channels for dialogue: internal communication and formalized social dialogue.

Aiming to be close to employees, numerous tools for communication and interaction are used and have proved successful.

Employees take part in numerous events: the ACT FOR ALL™ Day, organized on October 23, 2019, was dedicated to sharing the pillars and markers of the Group's CSR program. Traditionally devoted to safety, this day was an opportunity for all employees to hold discussions about the Company's social, societal and environmental issues. The 32,000 employees of Plastic Omnium (including joint ventures) were invited to participate. The key moment of the day was the speech by the senior management from a multiplex theater at Σ-Sigmatech in front of 500 persons and broadcast live to 10,000 employees. A recreational activity was proposed at each site to raise employee awareness of CSR topics. Lastly, each site was free to organize its own events and activities around ACT FOR ALL™ themes. Locally, the sites organize interactive sessions

with the families of employees: site visits and open days with children were organized at α-AlphaTech in France, Detroit in the United States, Köshing in Germany as well as San Luis Potosi and Toluca in Mexico.

The internal competition on innovation – Innovation Awards by Plastic Omnium – was highly successful. It enabled each employee to propose innovation projects and be recognized for his/her initiative. The challenge is intended to stimulate innovation and recognize the best initiatives in 3 categories: "Operational Excellence", "Products" and "Open Innovation". 160 projects were proposed by 600 employees from 52 sites and 18 countries. 10 projects were awarded prizes. Given the significant participation of employees and the quality of the projects registered, this internal competition will be repeated in 2020: the projects submission phase began in December 2019. HBPO's employees are involved in this new version and are invited to submit their projects.

The Plastic Omnium Group focuses on developing effective and inclusive internal communication. Thus, employees were informed beforehand of changes to governance. The information was communicated in their language to all employees individually from September and via articles in the Optimum internal newspaper and on the intranet. Plastic Omnium pays particular attention to explaining these changes to obtain the support of employees. From 2019, the new Chief Executive Officer met the local management teams and employees in China, Germany, Belgium, France, the United States, etc.

Various complementary internal communication media are used:

- the bi-annual newspaper Optimum is presented in 8 languages to 23,000 employees. A satisfaction survey regarding internal information sources was carried out in 2019 amongst 1,800 employees. It demonstrated the commitment of employees to this tool, read by 90% of those surveyed and declared as one of the main sources of information;
- for connected employees, the Topnet intranet is the primary source of information according to the internal survey. It brings together 14,000 employees. More than 150 news items have been broadcast and, on average, were consulted 20,000 times each month;
- for all employees on site, the video screen system has been highly successful since its launch and deployment continues: around sixty sites are now equipped. Each month, new information, available in 8 languages, is broadcast.
- A draft collaborative tool is under review and will enable discussions on current projects.

Management meetings are focused on company strategy, communication of strategic guidelines and objectives. Every year, the "Top 100" brings together the main senior managers: the 2019 event took place in the new Δ-Deltatech site in Brussels with the new Chief Executive Officer. Quarterly telephone conversations are organized by the business lines to inform managers of results, objectives and current projects. A telephone

conference was dedicated to the ACT FOR ALL™ program in July after announcement of its launch in April to all employees.

The Plastic Omnium Code of Conduct ensures that all employees have freedom of expression and social dialogue, the right to set up trade unions and organize personnel representation according to the legislation in force. Employees or their representatives are informed or consulted by the Group on subjects specified by the local regulations.

Within the Group, social dialogue is constructive. The number of existing committees demonstrates Plastic Omnium's ability to create and ensure a good social dialogue. There are an average of 1.2 committees per site. In 2019, all negotiations led to agreements, whether they concerned the closure of a site or the resizing of an industrial facility with relocation to other sites, thus generating no negative impact on the Group's economic performance.

Compagnie Plastic Omnium now has two employee directors: an employee representative from Clean Energy Systems in Poland was appointed by consensus by the European Works Council; an employee of Intelligent Exterior Systems in France was elected by the French Works Council following a call for candidates. They are appointed for 3 years. The European Works Council met once in 2019. 267 agreements were concluded, including 24 concerning health and safety following consultation with the personnel representative bodies. 60% of employees are covered by a collective agreement and 38 trade unions are represented within the Group.

<i>Number/As a percentage</i>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Existing committees	164	146	181
Of which Works Councils	66	58	73
Other committees (training, etc.)	78	64	86
Number of trade unions represented	33	33	38
Number of Company agreements signed during the year	163	199	267
Agreements on health and safety at work	16	21	24
Percentage of employees covered by a collective agreement	67%	68%	60%

<i>In thousands of euros</i>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Contribution to works council employee welfare programs over the year in France	914	807	808

## 4.2 INNOVATIONS AND EXPERTS: TOWARDS CLEAN AND CONNECTED MOBILITY

Plastic Omnium's competitiveness, particularly over the long term, arises from its ability to anticipate the future and innovate to meet the needs of its external stakeholders, including its customers, and the expectations of civil society, including its current and future employees. A drop in the Group's competitiveness would decrease its attractiveness for current and future customers. In fact, the automotive sector is very competitive and competitiveness is a key selection criteria. Ultimately, a drop in competitiveness could have a financial impact. Major current trends are leading to profound change and significant adaptability is necessary to maintain competitiveness levels. Innovation is one of the pillars of Compagnie Plastic Omnium SE's culture: one of the 5 "i" with independence, giving the Group freedom in the projects and ambitions that it wishes to develop.

The priorities on which the Group is working are environmental sustainability, the self-driving car, car-sharing and industrial performance. The Scientific Department is supported by experts, the CASA or Automotive Strategic Analysis Committee, to strengthen open innovation and partnerships. Its members are the Research and Development Directors of the business lines, the directors of the business lines and three external experts from the university and academic world:

- Professor Mathias Fink, teaching at ESPCI Paris, member of the Academy of Science and the Academy of Technology. Professor Fink is an internationally recognized researcher in wave propagation and imaging;
- Professor Emeritus Jay Lee, from the University of Cincinnati, USA. Professor Jay Lee, "Ohio Eminent Scholar, L.W. Scott Alter Chair Professor" is the founding director of the Industry/University Cooperative Research Center of the National Science Foundation (NSF);
- Professor Hiroaki Kitano, President of the Systems Biology Institute at the Okinawa Institute of Science and Technology in Japan, also President & CEO of Sony Computer Science Laboratories Inc. Professor Kitano is one of the pioneers in artificial intelligence, robotics and smart energy systems.

Innovation within the Group is focused on 6 main topics which support the internal innovation within the research centers. 2019 saw the opening of 2 new centers expected: Δ-Deltatech for new energies, particularly hydrogen, in Belgium and ω-Omegatech in China, with a test and development center for fuel systems for Asia, with a focus on hydrogen vehicles. In total, 26 research and development centers and more than 2,700 people are working to develop innovation. In 2019, 105 patents families were added to Plastic Omnium's portfolio, which now has 2,830.

"Innovation entrepreneurship" is encouraged *via* the internal innovation competition that was launched, for which the first trophies, the Innovation Awards by Plastic Omnium were presented in 2019: backed by its success, the challenge was renewed for 2020.



Open innovation is another topic on which much work is being done by the Scientific Department, with the creation of partnerships and ecosystems. Partnerships with universities and research centers take place as part of joint projects: the UTC and the CNRS in France, the IMS in the United States, the VTT in Finland, etc. All of Plastic Omnium's research subjects are addressed: data science, energies, mechatronics and plastics processing, etc.

Partnerships with companies to develop joint projects. Following the partnership with Brose in 2018 to co-develop an innovative project on car doors, Plastic Omnium partnered with Hella to integrate innovative technologies in lighting and front and rear intelligent bodywork systems.

Plastic Omnium continues to participate in the Hydrogen Council. Now with more than 60 members, this council aims to accelerate investment in the development and commercialization of hydrogen sectors and fuel cells and encourage the main stakeholders to increase their support for hydrogen within the future energy mix, with appropriate policies and support programs. Within these missions, the Hydrogen Council obtained an agreement with the European Investment Bank at the end of 2019. It announced that it would provide advice and strategic financial support to companies preparing to deploy large-scale hydrogen projects, making these solutions more easily accessible to consumers worldwide.

In 2019, Plastic Omnium launched the Open Research Lab launched by Plastic Omnium with the aim of carrying out research projects and incubating them, to potentially transform them into future businesses. Open Innovation with the tech and start-up world is an important component of Plastic Omnium's innovation ecosystem. These start-ups are approached either directly or through venture capital funds. The Aster fund dedicated to the energy transition and future mobility has enabled Plastic Omnium to approach 7 start-ups, mainly working on topics related to artificial intelligence. At the end of 2019, the Group committed to invest \$30 million in APVentures, a fund concentrating on hydrogen, giving a more comprehensive vision and understanding of the world of hydrogen: thus, Plastic Omnium has already invested in a start-up working on electrolysis. In 2019, the Group directly participated in the fundraising for TactoTek, a spin-off company from the VTT research center, leader in the development of injection-molded structural electronics solutions. The Group has also invested directly in Greenerwave, a start-up proposing a passive solution to improve the service quality of wireless communications in an efficient and environmentally-friendly manner.



### 4.2.1 BUILDING LIGHTER VEHICLES SNFP



To achieve the CO<sub>2</sub> emission reductions imposed on carmakers, vehicle design must be optimized. Through its products, Plastic Omnium contributes to 2 areas of improvement: building lighter vehicles and aerodynamics. The Group needs to be able to offer innovative products regularly, enabling manufacturers to lighten vehicles and improve their aerodynamics to help them reach their ambitious objectives. If Plastic Omnium's products did nothing to help carmakers in this way, they would turn to other automotive suppliers, which would lead to a loss of market share and ultimately revenue.

To reduce the weight of vehicles, one of the preferred ways is to replace metal parts by plastic parts. The resulting weight savings have a favorable effect on vehicle performance. As 17% of current tanks are made of metal, forecasts for a transition to plastic tanks suggest that Plastic Omnium will be making a significant contribution to reducing the weight of vehicles.

External parts, bumpers and tailgates, made of plastic, contribute to reducing the emissions from vehicles by reducing the weight of parts and by aerodynamically-improved design. Plastic Omnium's intelligent exterior systems are protected by more than 2,200 patents.

2.5 g of CO<sub>2</sub> e/km are saved thanks to the smart bumper, which is 5 kg lighter. Furthermore, it has an active aerodynamics system which optimizes the drag coefficient and cooling of the engine or batteries. Connected and intelligent, it includes a defrosting system and a light signature and, due to its wave-compatible material, it includes and protects radars and lidars. In 2019, 26 million Plastic Omnium bumpers equipped 1 out of every 6 vehicles leaving manufacturing plants.

The smart tailgate, a customizable and interactive tailgate, is 30% lighter than a metal tailgate, offering savings of 2.5 g of CO<sub>2</sub> e/km. Its aerodynamic design, associated with an active spoiler, improves its air resistance. Also wave-compatible, it is equipped with an LED screen to interact with other vehicles, a touch opening system and a rear diffuser.

By combining these multi-material and intelligent solutions, the vehicle will be lighter and will generate savings of up to 5 g of CO<sub>2</sub> e/km.

In these product segments, Plastic Omnium plans to continue its growth and maintain its leading position.

### 4.2.2 CLEAN PROPULSION SYSTEM SNFP



Vehicle engines are undergoing particular developments to move towards cleaner mobility. 2 main aspects are the focus of research: reduction of greenhouse gas emissions to reduce the contribution of the sector to climate change and the reduction of NO<sub>x</sub> (nitrogen oxide) emissions and fine particles, which have a negative impact on air quality. Demand from manufacturers and users is growing. The ambition of Clean Energy Systems is to support its customers in this transition: to improve current and future combustion engines and research alternative solutions. While combustion engines may continue to dominate between now and 2025, regulations and standards both in terms of air quality and the transition to hybrids, electric or gas are growing rapidly. Failure to develop on these markets (emissions control solutions, tanks for hybrid, gas or hydrogen engines) would force Plastic Omnium to operate only in a stagnating or declining market, reducing its market share and its image with its customers and vehicle users, expecting strong innovations.

Sales of diesel are continuing to grow, but important markets such as China or India are becoming increasingly regulated, particularly in terms of the emissions ceiling (mainly NO<sub>x</sub>). Plastic Omnium's SCR – Selective Catalytic Reduction – can significantly reduce these emissions by the addition of AdBlue® to the exhaust pipe: 95% of the NO<sub>x</sub> is turned into nitrogen and water vapor, with a very beneficial effect on air quality. Dual SCR, which supplements the action of SCR, improves its efficiency from start-up and under all driving conditions, particularly in towns. These two complementary technologies are compatible with the requirements of the future Euro 7 standard, which will come into force in 2024.

CO<sub>2</sub> emissions are Plastic Omnium' top priority for gasoline engines. The European standards (95 g CO<sub>2</sub> e/km) in 2021 and the Euro 7 standard are ambitious and require an improvement in current engines. Plastic Omnium has developed a water injection technology, HydroPower, which can reduce CO<sub>2</sub> emissions by 15%. Tests with manufacturers are in progress.

Hybrid and hybrid rechargeable vehicles are becoming more and more popular. The Inwin and Tanktronik® tanks, protected by 64 patents, are Plastic Omnium's proposal to help its customers grow in this market. Specific technologies necessary to this type of engine have enabled Plastic Omnium to demonstrate its expertise and the relevance of plastic solutions. A second generation of tanks for hybrid rechargeable vehicles is currently under development. Most tanks are currently made of metal, which is heavier, and which should enable the Group to gain market share. In 2019, 21 million vehicles were equipped with fuel storage systems manufactured by the Group, representing 1 vehicle in 4.

### NEW ENERGIES

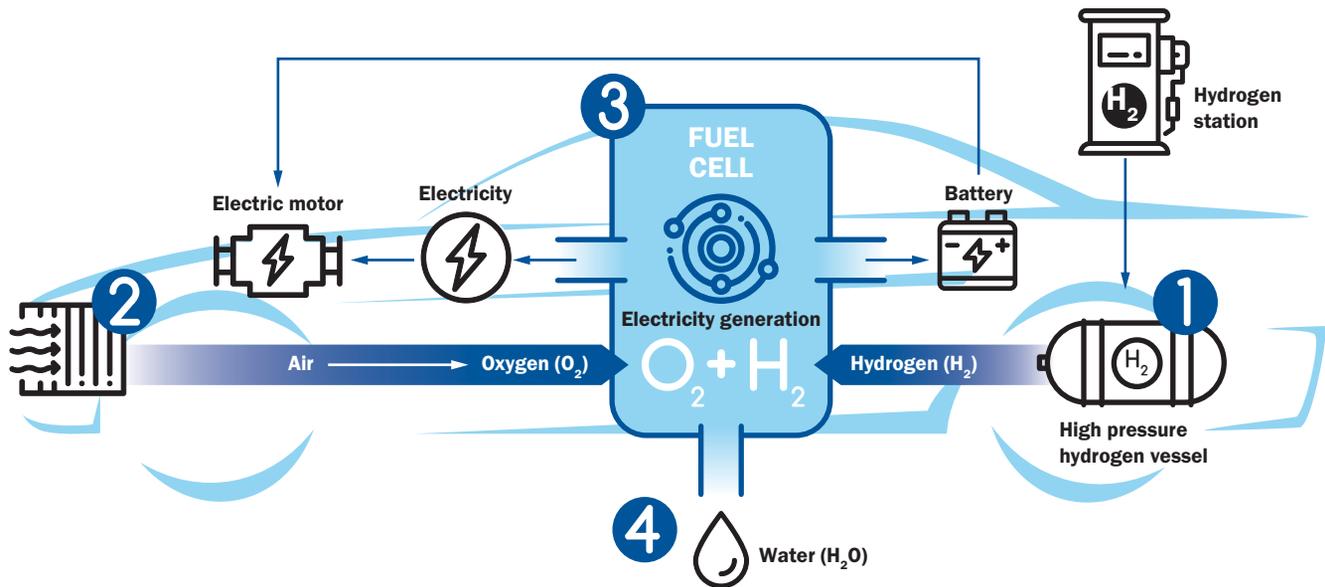
New Energies is continuing its development and is still receiving significant investment : a €200 million investment program is dedicated to this entity. The Δ-Deltatech site in Belgium and the ω-Omegatech site in China opened in 2019. On the Δ-Deltatech site, significant resources have been deployed to perform approval tests on the site. The objective of these internal approvals is to increase the speed of tests and progress research more quickly. The first internal approvals should be delivered in 2020. The ω-Omegatech site is a development center of Clean Energy Systems which has capacity specifically dedicated to new energies, a first for the Group.

Significant events of 2019: the first 700-bar hydrogen tank was approved for a passenger vehicle, which makes Plastic Omnium one of the pioneers in the field of high-pressure composite tanks. The certification obtained, R134, is an international standard that ensures compliance with the most stringent specifications for the regulation of high-pressure hydrogen tanks. Other certifications are ongoing for 350-bar hydrogen tanks and for compressed natural gas (CNG) tanks. At the end of 2019, the first order was announced: the development of 350-bar hydrogen tanks with a German manufacturer for bus equipment.

In 2020, Plastic Omnium will also install a specific production line for hydrogen tanks at its Herentals plant in Belgium, which currently manufactures gasoline tanks.

Optimum CPV, bought by Plastic Omnium in 2017, specializes in spiral carbon composite filament. Its technology supplements Plastic Omnium's expertise in manufacturing high-pressure tanks.

The hydrogen tank is one of the components needed for the hydrogen vehicle to become reality. In addition, Plastic Omnium is working on two other components: the fuel cell and flow management. The fuel cell can transform hydrogen into electricity that is usable by the motor. The Δ-Deltatech site is working on the development of a fuel cell containing very few precious metals. Swiss Hydrogen, a Swiss company bought in 2017, specializes in the integration of fuel cells into vehicles. Its expertise was used to equip the ship Race for Water, sponsored by Plastic Omnium. The integration engineering in fuel cell vehicles can optimize and manage the energy flows entering and exiting the fuel cell system.



### 4.2.3 CONNECTIVITY OF VEHICLES

The major trends currently influencing the automotive market are particularly important for HBPO. Indeed, connectivity, self-driving, shared mobility and electrification of vehicles will affect the front-end modules: manufacturers want to integrate more and more components such as cameras, radars, etc., complicating the creation of these modules and their assembly. New modular systems must be offered to customers, including criteria such as customized design, aerodynamics, influence on greenhouse gas emissions, etc. Increased expertise is necessary as well as strengthening relationships with customers. HBPO's scope of activity is also increasing, with the assembly of new types of modules upon request from customers, such as cockpits, consoles or electrical energy converters.

### 4.2.4 ECO-DESIGN



In Europe, regulations have set an objective for the reuse and recycling of vehicles: 95% of the weight of the vehicle must be recovered. Carmakers therefore expect solutions from their suppliers to meet these ambitious objectives. As a leading equipment supplier in these markets, Plastic Omnium is therefore particularly attentive to fulfilling the expectations and requirements of its customers. Plastic is an important material in reaching these objectives due to its properties: it recycles particularly well.

The Group has enhanced its eco-design approach: the stated intention is to identify the environmental impacts throughout the product life cycle and to understand the drivers to reduce them. These life cycle analyses will clarify the decisions taken internally and the approaches proposed to customers. 5 study criteria were defined as relevant for Plastic Omnium's products:

- climate change (CO<sub>2</sub> emissions);
- photochemical oxidation (ozone);
- acidification (SO<sub>2</sub> emissions);
- eutrophication (amount of sulfates in the water);
- depletion of natural resources (mineral and fossil resources).

In 2018-2019, 4 life cycle analyses (LCA) were carried out, 3 concerning external solutions and 1 on tanks.

The first LCA intended to measure the impact of a new bumper design: on a given platform whose lifetime exceeds 20 years, the shape and finish of the body part may change every 2 or 3 years. The LCA compares the environmental impact of two types of finish, which is the most differentiating component in terms of impact: chrome plating of plastic or hot stamping.

The second LCA objective, for a tailgate, is the difference between an insert made of Thermodur with a thermoplastic skin (technology used by Plastic Omnium) and its equivalent in steel or aluminum. The weight of the part is one of the decisive criteria for identifying impact differences.

The third LCA aims to compare the impact of a conventional bumper and a new-generation wave-compatible bumper including cameras, radars or lidars. Other than the improved environmental impact of connected bumpers (except on the consumption of raw materials due to the electronic components), these have a direct impact on road safety by assisting driving and thus reducing fatal accidents.

Clean Energy Systems has developed a fourth LCA, whose model was validated at the end of 2019. The model enables the environmental impacts of a tank to be calculated by varying the parameters: the quantity of material, the energy consumption in manufacturing, the type of transport, etc. Some fifteen parameters are taken into account to identify the pattern that least affects the environment. This model was developed with the help of external partners. The approach is recognized as robust and scientific, while being usable by non-specialists.

These first LCAs have enabled the Group to develop the necessary skills internally and to identify needs. The results of the various LCAs demonstrate that preparing LCAs must be included further upstream in the products' life cycle: from the design stage, in order to have information that can inform decisions about technological and development choices.

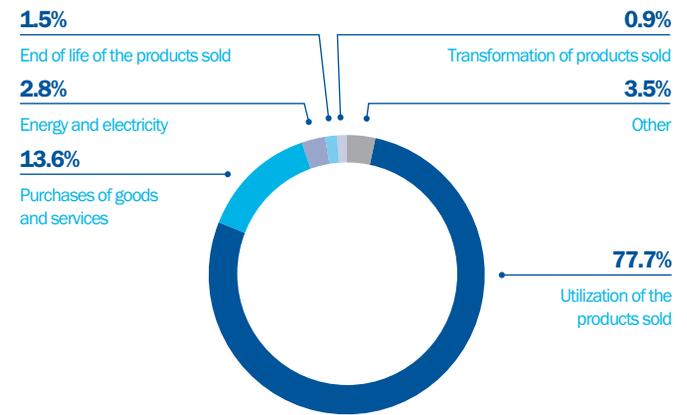
Two new LCAs should therefore be completed in 2020.

In parallel with the internal LCA, the Group takes part in external studies: in France, in 2019, a government agency launched a full LCA study on the hydrogen vehicle. Plastic Omnium provided the necessary information on the hydrogen storage system, particularly the material (origin, quantity, etc.), the production, etc.

The various studies highlight the problem of end of life, particularly for composite materials. Research is ongoing and is based on engaging the start-up ecosystem: technical feasibility and economic viability are being studied.

In 2018, the Group fully measured its carbon footprint. This comprehensive overview of emission sources shows the major impact of the use of the products sold. The other important items were purchases of goods and services, consumption of energy on site, processing and the end of life of products. Through its innovation policy and particularly the creation of life cycle analyses, Plastic Omnium is working to reduce impacts related to the use of products sold. The Top Planet program, presented in chapter 4.3.4 "Sustainable production", aims to reduce emissions generated by the other items. This carbon footprint will be updated in 2020 after integration of HBPO.

**CARBON FOOTPRINT (2018)**



**4.2.5 SAFETY AND QUALITY**

SNFP

Plastic Omnium's products must comply with stringent safety standards. Indeed, an energy tank, whether it contains fossil fuel or hydrogen, is considered as a safety component subject to very strict requirements. Body parts, such as bumpers, must reduce risks to people as far as possible in the event of an accident. The exterior parts are increasingly embedding electronic components such as cameras, sensors or radars assisting the driver: path correction, automatic braking, improving road safety, etc.

If the Group encountered a significant quality problem, it would be exposed to a mandatory recall of products that could have a significant immediate financial impact as well as damage its image. In the event of a serious problem involving personal safety (poor bumper response to a pedestrian impact or tank explosion), the Group's image would be permanently damaged, and the confidence of carmakers would be broken, impacting future sales and revenue. The quality of the parts is therefore the guarantor of safety and requirements in this regard are extremely high. Ensuring impeccable quality is therefore a key issue for the Group, which obtains it by particular attention from the design of the product until its manufacture and its life in use. All of the sites are certified according to the ISO 9001 or the IATF 16949 standards. The recent version of the ISO 9001 standard is specific to the automotive business lines. This certification must be implemented as soon as possible after the sites' opening or acquisition of industrial sites. As well as certifications by an independent third party, the procedures and correct application of the standards are audited internally by the quality teams. The Internal Audit teams report their observations when discrepancies are identified during site inspections.

The Plastic Omnium Code of Conduct reiterates that the safety and product quality are priorities for the Group and that all of its employees, regardless of function, are involved in reaching the high level of internal requirement. The conduct rules ensure the compliance of products and respect for health, safety and quality standards at each stage, from design until distribution, as well as a heightened vigilance and responsiveness in the detection of discrepancies.

Quality is managed by business line management: each has its own policy, organization and deployment defined by regional and country management and the quality network. Several departments ensure quality throughout the life of the product: the production quality, project quality, system quality and suppliers quality departments. In 2019, the two historical business lines strengthened their organization.

The management system provides for continuous improvement through the constant updating of the “design essentials”. From the exploratory phases of research, quality criteria are taken into account to ensure compliance with the standards requirements related to products. This is the strategy adopted within New Energies: processes have been reviewed to better fit in with the specific development phases of these projects. Indeed, hydrogen tanks are subject to greater stresses than fuel tanks and therefore require a review of quality criteria and tests to be carried out before approval. In the new Δ-Deltatech center, test lines are being installed to be able to deliver approvals in the short term. The lines will be certified by an independent third-party organization as compliant to deliver these approvals.

These lines at Δ-Deltatech supplement the existing physical test lines at Σ-Sigmattech, for Intelligent Exterior Systems, and at α-Alphatech for Clean Energy Systems. In China, the ω-Omegatech center can also test products.

During product development, Plastic Omnium can also apply more stringent quality criteria than those required by customers in order to comply with internal standards that are aligned with the strictest global standards. An oversight system in place to provide constant knowledge of regulatory changes.

Plastic Omnium’s quality requirements continue when the products leave the plants: throughout the product’s life, the quality departments are attentive to the problems that customers may encounter, whether on their assembly line or once the product is with the user. The manufacturer and Plastic Omnium work together to identify the source of any faults so that they can be immediately corrected and to feed back to the “design essentials” benchmark to prevent any future reappearance.

Lastly, the quality of parts depends on the quality of the materials, components and services provided. For this reason, benchmarking of internal suppliers includes the robustness of the quality management system: ISO 9001 or IATF 16949 certification is required, followed by an on-site audit. Lastly, throughout the partnership, materials and components are regularly inspected.

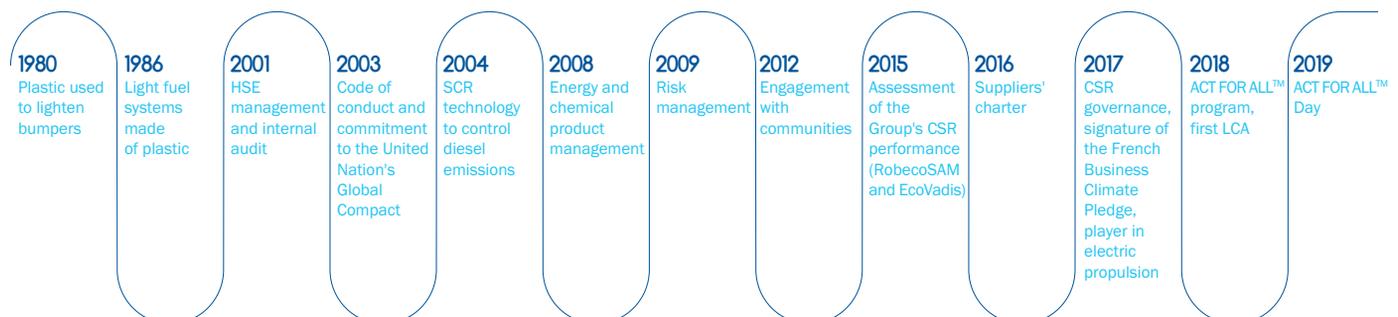
Proof of the robustness of the quality management system put in place by Plastic Omnium: the rate of non-quality detected internally is very low and stable and 3 plants specializing in emissions control systems were recognized by Toyota: Sorocaba (Brazil), Buenos Aires (Argentina) and Guangzhou (China) received the Quality and Logistics Trophy in 2019.

Plastic Omnium’s priority innovation topics – building lighter vehicles and clean propulsion systems – demonstrate Plastic Omnium’s intention to contribute to sustainable development.

## 4.3 COMMITTED AND RESPONSIBLE: ACT FOR ALL™

### 4.3.1 THE ACT FOR ALL™ PROGRAM

Created in 2018, the ACT FOR ALL™ program consolidates the fundamentals of responsible commitment that have been implemented by the Plastic Omnium Group for many years.



## VOLUNTARY COMMITMENTS

Since 2003 and its commitment to the United Nation's Global Compact, Plastic Omnium has publicly and voluntarily committed to support societal initiatives. Through its commitment to the United Nation's Global Compact, the Group supports and promotes ten ethical principles concerning respect for human rights and international labor standards, preservation of the environment and the fight against corruption.

In 2017, Plastic Omnium was a co-signatory of the French Business Climate Pledge, whose goal is to accelerate the energy transition by drastically reducing greenhouse gas emissions.

In 2018, Compagnie Plastic Omnium SE became the official sponsor of Race for Water, a ship that promotes the energy transition and is committed to preserving the oceans from plastic pollution. The ship is powered by a combination of renewable energies: solar, wind and hydrogen, the hydrogen system being manufactured by Swiss Hydrogen, a subsidiary of the Plastic Omnium Group, the hydrogen being manufactured on board from seawater.

In November 2019, the Group made a public commitment for its businesses in France concerning the inclusion of disabled workers. This manifesto includes 10 operational commitments covering the following priorities: develop and perpetuate the link between schools and companies, enable young people, through work-experience and apprenticeships, to determine their professional projects, raise employee awareness concerning disability, develop a managerial culture of diversity, commit to responsible purchasing and create bridges with vocational rehabilitation centers and disability-friendly companies.

In December 2019, Plastic Omnium joined the initiative of the French Association of Private Companies (Association Française des Entreprises Privée, AFEP) to promote the circular economy. The Group is committed to increasing the usage rate of recycled plastics in its products for one of its customers, whose target is 50% by 2030, and to carrying out a life cycle analysis on fuel systems in 2020.

These initiatives show the intention of Plastic Omnium to act responsibly within its ecosystem, while taking into account societal problems in its business and its organization.

## RECOGNIZED PERFORMANCE

Plastic Omnium's non-financial ratings have for several years shown a constant improvement of the Group in its non-financial performance. EcoVadis, a player in rating suppliers for responsible supply chains, awarded the Gold level with a score of 72/100, up by one point compared to 2017. Plastic Omnium is therefore in the top 1% of the best rated companies, all sectors combined. The non-financial rating agency RobecoSAM assessed Plastic Omnium's score at 67/100, 4 points higher than in 2018.



**ROBECOSAM**  
We are Sustainability Investing.

In 2019, the Group wrote a report dedicated to its sustainable development strategy, ACT FOR ALL™, its flagship areas of work, its results and its medium-term objectives.



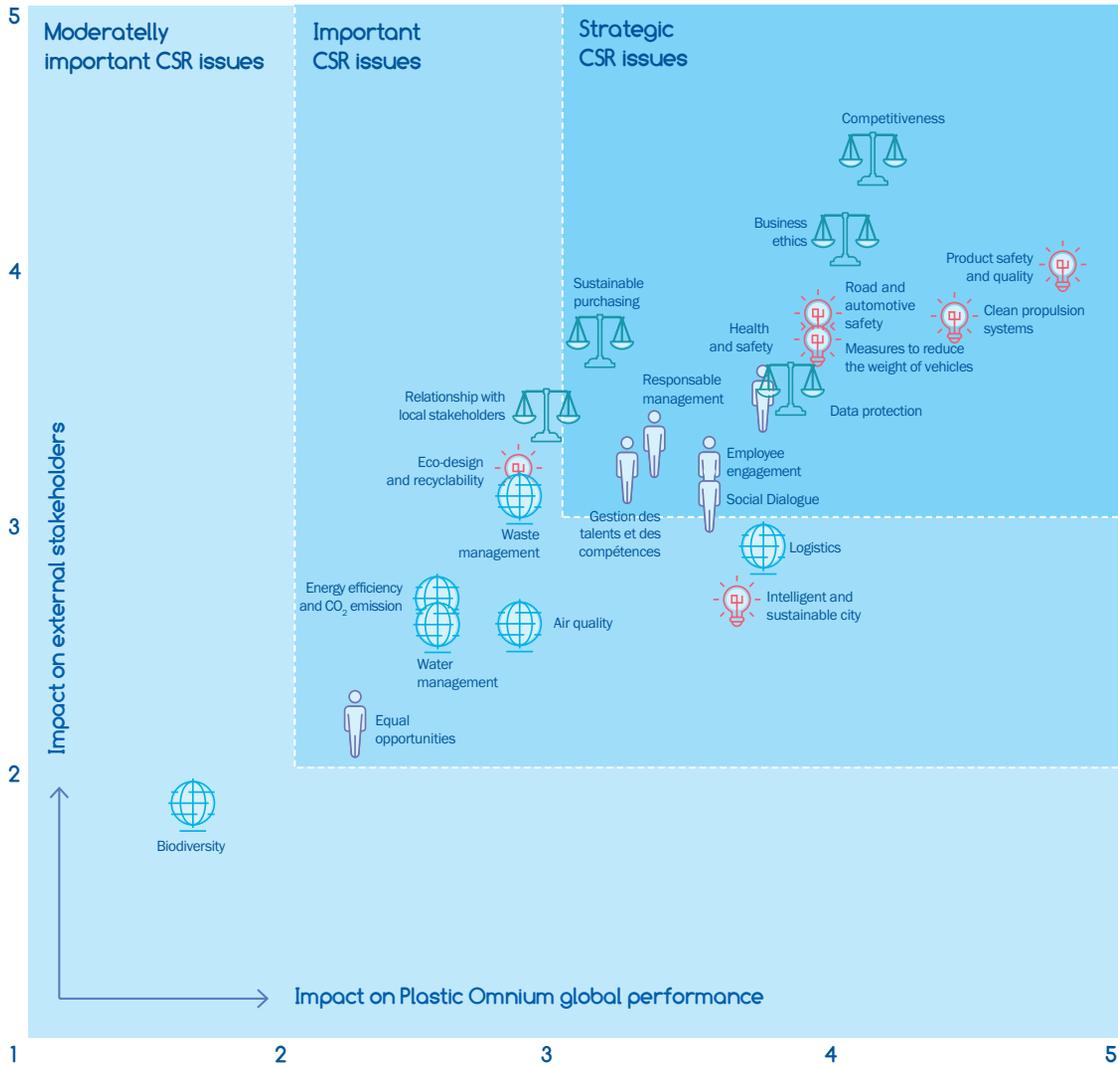
**THE CSR STRATEGY OF PLASTIC OMNIUM**

The ACT FOR ALL™ program is Compagnie Plastic Omnium SE’s response to its important social, societal and environmental challenges. These objectives are based both on the risks from the materiality analysis carried out in 2017 and on the opportunities identified with regard to the Group’s and its intention to act responsibly.

The risk materiality analysis, through questioning both internal and external Company stakeholders, enabled areas considered as particularly strategic for Plastic Omnium to be identified and prioritized. Internal stakeholders rated the risks for the Company in terms of financial, business continuity, reputation and image and regulatory issues. These issues were also submitted to 18 key external stakeholders who were

selected after mapping the links between them and the Company. These stakeholders were interviewed about the impact that these issues could have on their organizations.

The main risks identified and presented in this Statement of Non-Financial Performance are the strategic CSR issues arising from the materiality and risk matrix. Environmental issues (notably Waste management, Energy efficiency and greenhouse gas emissions) are not among the risks identified as main risks but, because of their growing importance, are considered by the Group as risks that have to be taken into account. The description of the risks is provided throughout this chapter 4, in the introduction to each section.



## THE PILLARS AND MARKERS OF PLASTIC OMNIUM

The ACT FOR ALL™ program formalizes the Group's CSR commitments, taking into account the results of the materiality and risk analysis, integrating the expectations of stakeholders as well as the values of the Group and its ambitions. 3 pillars, along with flagship markers, make up the Plastic Omnium Group's sustainable development strategy.

The reader can find the pillars and markers in the report included in pages 20 and 21 of the 2019 Universal Registration Document.

Dedicated governance supports the program. Senior management is responsible for the policy and each pillar is supported, steered and deployed by sponsor members of the Executive Committee. The ACT FOR ALL™ Committee met three times in 2019 with senior management, the sponsors, the HSE and CSR Department and the departments responsible for the pillars. Some markers were chosen to measure progress on the pillars. These markers are flagships of the CSR strategy. They are

monitored in the ACT FOR ALL™ Committee by sponsors who regularly examine their appropriateness and associated requirement levels. These indicators are linked to objectives out to 2025, with intermediate annual objectives.

In order to present and launch the approach in the whole of the Company, senior management announced the program by video in April and a dedicated day, the ACT FOR ALL™ day, was organized on October 23, 2019.

During the "Top 100" meeting, the ACT FOR ALL™ Awards were presented. They strengthen the previous HSE Awards, with the inclusion of other pillars from the ACT FOR ALL™ program: responsible entrepreneurs with the regulatory compliance prize and the social initiative prize. The sites with the best progress or best initiative are rewarded and honored.

### Compliance prize

Amiens, France – Intelligent Exterior Systems

Lublin, Poland – Clean Energy Systems

Pyeongteak, South Korea – HBPO

### Top Planet prize

Langres, France – Intelligent Exterior Systems

Sorocaba, Brazil – Clean Energy Systems

Puebla, Mexico – HBPO

### Safety prize

Ningbo, China – YFPO

Ranipet, India – Clean Energy Systems

Mnichovo Hradiste, Czech Republic – HBPO

### Social initiative prize

Gliwice and Tulipan, Poland – Intelligent Exterior Systems

Manesar, India, – Clean Energy Systems

Windsor, Canada – HBPO

## 4.3.2 RESPONSIBLE ENTREPRENEURS

### 4.3.2.1 BUSINESS ETHICS

SNFP

Ethics is the foundation of responsible action. Since the creation of its Code of Conduct in 2003, the Group has gradually restructured and organized itself to ensure it behaves ethically and coherently wherever it operates. In fact, a company of Plastic Omnium Group's size, experiencing significant growth (internal and external) and with an international presence, runs the risk of fraud, corruption, conflicts of interest, insider trading and anti-competitive practices. Failure by an employee to comply with the regulations in force could expose Compagnie Plastic Omnium SE to financial sanctions imposed by the authorities.

The commitment undertaken in 2003 to join the United Nations Global Compact requires that the Group publicly reports, on annual basis, its progress on the 10 principles covering respect for Human Rights and international labor standards, preservation of the environment and the fight against fraud.

The Code of Ethics outlines the non-negotiable rules of conduct that the Group has set itself in terms of respect for Human Rights, fundamental freedoms, health and safety, diversity, the environment and preventing discrimination, fraud, corruption and influence peddling. It also sets out the obligations of its employees: protecting Plastic Omnium's assets and image, ensuring product quality and safety, and complying with ethics rules and regulations. The Code of Conduct was updated in 2018 to meet the requirements of French law no. 2016-1691 of December 9, 2016 relating to transparency, anti-corruption and economic modernization

(Sapin 2 law). It is available in 22 languages and sent to all employees. HBPO has its own Code of Conduct governing these same themes.

The Sapin 2 law requires that companies put in place eight processes, for which the Code of Ethics is the cornerstone.

Ethics training forms part of the required processes to ensure compliance with business ethics. For several years, the Group has implemented an e-learning program setting out the Code of Conduct. A final assessment ensures that the participants have a good understanding of the rules. It was available in four languages at the end of 2019, and translation into other languages is planned for 2020. All new employees are asked to participate and all HBPO employees, in particular, complete e-learning within the first three months of joining the Company. In addition to e-learning, a classroom-based training campaign, the Compliance Days has been deployed since 2018 and will end in 2020. This program has covered all Plastic Omnium Group entities worldwide (except HBPO). These events are aimed at employees who are most exposed (Executive Committee, Finance, Human Resources, Quality, Sales, Purchasing, etc.), and are delivered in the local language, and cover certain compliance topics (anti-corruption, conflicts of interest, competition) and the golden rules of internal control.

A new internal performance indicator, the Ethics Awareness Index, was defined in 2019 as a marker for the ACT FOR ALL™ program, which monitors the Group's performance in this respect. This index combines the share of employees who achieved a score higher than 80% in online training on the Group Code of Conduct during the year, as well as the share of employees who participated in the Compliance Days out of the employees targeted during the year. In 2019, it reached 92.3% (excluding HBPO).

The other processes required by the Sapin 2 law are:

- corruption risks mapping. This process was completed in 2018 by Clean Energy Systems and Intelligent Exterior Systems and will be updated in 2020. Mapping for HBPO was completed in 2019;
- procedures for evaluating third parties: when approving a third party, in addition to the financial analyses, the Plastic Omnium Group performs reputational controls and performance assessments relating to social, environmental and community issues. In particular, third parties are asked to sign up to the Suppliers Charter and are subject to assessments and audits;
- internal or external accounting audit procedures: to ensure that the books are not hiding corruption, these procedures are regularly audited by Internal Audit at subsidiary, site or administrative function level;
- whistleblowing mechanism: alerts from employees to report behavior or situations which infringe the Code of Conduct are collected by e-mail (corporatesecretary.ethicsalert@plasticomnium.com) or mail (Compagnie Plastic Omnium, Alerte Éthique, 1, allée Pierre-Burelle, 92300 Levallois-Perret). Alerts are treated anonymously. The process is described in the Code of Conduct, in 22 languages, on the intranet and on the Group's website;
- disciplinary system: the Code of Conduct has the same legal effect as the Internal Rules where legislation allows, so that managers can apply the zero-tolerance policy. Any breach of the Code of Conduct can expose employees to disciplinary sanctions. Where legislation allows, a reference to the Code of Conduct has been added to employment contracts, thus strengthening its legal dimension;
- process of the internal control and assessment of measures implemented: the Audit Department performs an annual audit of its entities and sites to ensure compliance with procedures and the efficiency of the processes to prevent, detect and correct wrongdoing.

In 2019, the organization evolved to adapt to the growth of the Company: the Internal Control Committee became the Internal Control and Compliance Committee. It met for the first time in 2019. It comprises managers from Human Resources, Finance, Compliance, Risks and Internal Audit, the Legal Department, and Business Line Management. In addition, a network of Compliance Officers was created.

The Plastic Omnium Group ensures it is compliant with all regulations in force, particularly in terms of fighting tax evasion. A Taxation Department, working closely with the Accounting, Legal and Finance Departments, ensures that the different subsidiaries and business lines fulfill their local tax obligations. The monitoring and control of current and deferred taxes for all owned subsidiaries are ensured by regular tax reporting.

### 4.3.2.2 DUTY OF VIGILANCE AND ETHICAL SUPPLIERS

SNFP

Due to its size, international presence and complex structure, the Group must be vigilant of risks that may be posed by subsidiaries, suppliers, subcontractors and service providers regarding Human Rights, the fundamental freedoms, the environment and health and safety, in accordance with French law no. 2017-399 of March 27, 2017 relating to due diligence by parent companies and subcontracting companies. A supplier's failure in terms of human rights, fundamental freedoms, health, safety or the environment could cause a failure within the company (accident or serious emissions, denunciation by an NGO, strike, etc.) and impact Plastic Omnium: it could find itself unable to deliver or have to deliver inferior products and thus have operational difficulties manufacturing or assembling its products. This failure could generate additional investments or costs for the Group and could also give Plastic Omnium the image of an irresponsible purchaser, undermining the confidence of the financial markets and customers.

The Human Resources and Health and Safety/CSR functions are centralized. They develop policies, procedures, practices, and reports for all entities. The Risk Management and Internal Audit Department monitor the proper implementation of these policies.

The business lines' Purchasing Departments work together to implement common policies and tools, thus ensuring the uniform implementation of responsible purchasing policies.

#### 4.3.2.2.1 Risk Mapping

Risks are identified at both Group and local entity level. These mapping tools are complementary and provide the levels of granularity required to best manage risks.

At Group level, risk factor mapping is reviewed annually and enables the identification of risks facing the Company, such as natural disasters, supplier failures or obsolescence of a vehicle model or internal risks (approaches to innovation, health and safety or even fraud and corruption). The mapping was reviewed in 2019 to incorporate the risks linked to HBPO's business.

As part of the materiality and risk analysis performed in 2017, internal stakeholders were interviewed to identify the social, corporate and environmental risks that the Company faced. Challenges were analyzed from the perspective of financial risk, business continuity risk, image and reputation risk, as well as regulatory risks. In addition, these risks were submitted to the external stakeholders to identify the risks to their organizations due to Plastic Omnium managing these risks.

The two analyses have been cross-referenced to reinforce the consistency of the two analyses. The risk factors are presented in chapter 2.1 "Risk factors and control/Main risk factors"

Risks linked to Human Rights, and fundamental freedoms are included in the Internal Audit framework. Audit due diligence covers in particular, employee working time, and verification that child labor is not used.

In addition to these macroscopic analyses performed at Group level, risk analyses are performed at entity level or on specific issues. Thus, corruption risks were analyzed at Group level, as well as cybersecurity and data security risks. The social climate survey, which is performed periodically, also looks into work conditions, psycho-social risks and health and safety at both Group and local level. Regarding climate change risk, the Group measured its total carbon footprint and conducted life cycle analyses to identify within its businesses those that were most exposed in the event of regulatory change, pressure from customers or even financial impacts linked to the carbon tax for example.

The ISO 14001 and ISO 45001 (or OHSAS 18001) certifications require risk mapping, as a first step. All sites that have already been certified, or are in the process of completing this certification, perform these analyses annually. Risks are identified and measured and actions are implemented locally to prevent, maintain or correct potential threats. The risks identified relate all environmental issues (consumption of raw materials, discharges and pollution, chemical products, waste and attention to biodiversity, etc.) and health and safety issues (accidents, occupational illnesses and psycho-social risks). In terms of health and safety, workstations are evaluated to ensure that they are ergonomic and thus reduce the risks of occupational illnesses and accidents, such as musculoskeletal problems. Top Safety visits also provide an opportunity to raise risk situations so that prevention, reduction or corrective action can be taken quickly.

Risks linked to suppliers, service providers and subcontractors depend on the category of supplier. Suppliers are categorized taking into account their criticality and the level of relations with the Group. A supplier is categorized as critical when they supply strategic products (BOM<sup>(1)</sup> purchases and raw materials) or if, for purchases of services and investments (machinery, equipment, etc.) the supplier presents a potential risk (new supplier, interdependence, monopoly situation, discrepancy identified during audits, size of the investment, non-compliance with CSR criteria, etc.).

In order to become an approved supplier, new entrants are subject to an assessment audit: the supplier's compliance with quality issues and its financial soundness are analyzed, as well as its performance with regard to CSR issues: respect for Human Rights and fundamental freedoms, health and safety and the environment. Compliance with regulations and international standards are the minimum requirement.

For approved suppliers, a process comprising three tools was implemented in 2019, based on the results of previously established processes: a database including financial data as well as CSR data, the Supplier Charter and a CSR assessment by an external third party, EcoVadis. The Group has introduced a new indicator, chosen as a marker for the ACT FOR ALL™ program: The Supplier Ethics Index. This allows the overall progress in the deployment of the three tools in the selection of the 450 critical suppliers to be monitored and the number of suppliers covered by these assessment or risk alleviation measures to be measured.

Intermediaries are also considered as potentially at risk: these service providers act on behalf of Plastic Omnium in certain specific fields that may be exposed: marketing and sales, negotiating contracts and obtaining licenses, permits or other authorizations for example. As such, these intermediaries are categorized as critical supplier.

#### 4.3.2.2.2 Assessment procedures

A number of policies and procedures govern the actions of the Group and its subsidiaries. The Code of Ethics is the first instrument governing the actions of the Company and its employees. It outlines the commitments undertaken in terms of respect of Human Rights, fundamental freedoms,

health and safety and the environment. It reiterates the requirement to strictly follow the ILO's (International Labor Organization) international labor standards with regard to child labor, forced labor, anti-discrimination, psychological and sexual harassment, and the freedoms of expression and association. Commitment to the UN Global Compact and the obligation to report annually on the 10 principles therein reinforces the international commitments.

These rules are supplemented by policies and procedures on specific issues: Code of Compliance with competition law, ACT FOR ALL™ program, Top Safety health and safety policy, Top Planet policy, charter for the use of communication means and IT tools and the "Fundamentals and Golden Rules of internal control". These policies are defined at Group Department level and deployed in each of the business lines and all sites by the business line departments and networks of internal correspondents. Awareness raising and training programs are deployed among target populations and all employees to ensure that these rules and policies are well understood and applied. The MyLearningPlace tool is available for all connected employees and offers e-learning modules on ethics and compliance, HSE awareness and ergonomics. Classroom and blended learning formats are offered on other topics.

A dedicated reporting tool for social management and for monitoring environmental indicators enables monthly, quarterly or annual monitoring, depending on the subject, of changes in the data and to identify any gaps and the possible consequences thereof. The main results are presented to the Executive Committee during dedicated HSE meetings which are held three times a year and during ACT FOR ALL™ Committees. These results are used to set the main guidelines and targets, to define policies and to analyze deployment and any gaps. The main results are also presented twice a year to the European Works Council.

The Internal Audit Department plans an annual program to audit the entities and sites. As well as these planned audits, unannounced audits can also be performed on the request of the local departments for example. These audits incorporate the principles of the UN Global Compact. The sites are audited every three years on average or more regularly in the event of discrepancies with the Group's requirements. In 2019, 28 audits were carried out, some being cross-departmental and covering several sites. The business lines' management and support functions receive a monthly report of the audits, results and action plans to be implemented. The Audit Committee is informed annually of the results.

Regarding the pillars of the ACT FOR ALL™ program, Awards are given to those sites that demonstrate the greatest engagement and best results, in particular in relation to health and safety and environmental protection. These Awards are given based on the self-assessments performed by the sites and checked by management to ensure the accuracy of the statements made.

The ISO 14001, ISO 45001 (or OHSAS 18001) and ISO 50001 certifications provide for additional controls by external third parties. These certifications assess the level of compliance with standards in line with internal requirements at the sites.

450 suppliers from the three Business Lines categorized as critical are included as a priority into the full assessment system. First system tool: the Suppliers Charter. Deployed since 2016, all of the suppliers listed since have signed the charter or confirmed their commitments to the same issues within their own charter: several founding texts are mentioned and must be respected:

- the United Nations' Universal Declaration of Human Rights and its two covenants (the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights);

(1) BOM (Bill Of Materials): finished raw material or by-products used in the composition of a product.

- the Fundamental Conventions of the ILO (International Labor Organization) and the ILO Declaration on fundamental labor principles and rights;
- the OECD Guidelines.

Child labor, forced labor, illegal work and discrimination are prohibited. Equal pay, the right to organize, protection of employment rights and the right to a safe and healthy work environment must be guaranteed. Local regulations regarding minimum wage and benefits, maximum working times and environmental protection measures must be respected. The Suppliers Charter also requires that suppliers commit to controlling their social and environmental impacts, optimizing and tracking the use of resources and to replace, as far as possible, toxic chemical substances. Furthermore, suppliers agree to ensure that their own suppliers, service providers and subcontractors comply with these rules.

At the end of 2019 and since its launch in 2016, more than 7,000 suppliers have signed the charter, including 88% of critical suppliers.

Second system tool: compliance database. This tool, which is recognized in the automotive sector, includes data from a number of suppliers relating to finance and CSR. Plastic Omnium works with the service provider to ensure that all of its suppliers are included in the database and that the information available complies with regulations and the Group's requirements. At the end of 2019, 78% of critical suppliers were in the database.

Last supplier assessment tool: EcoVadis assessment. In 2017, 2018 and the beginning of 2019, suppliers received a self-assessment questionnaire (more than 150 answered). For internal organization questions and to ensure the robustness of the responses, it was decided in 2019 to use an external third party so that the process could be more widely deployed. In 2019, 90% of critical suppliers had already been assessed.

The new performance indicator, the Suppliers Ethics Index, a marker for the ACT FOR ALL™ program, combines the deployment rate of these three tools. In 2019, this was 68%.

On-site audits were completed. The assessment audit performed during the approval of a new supplier takes into account CSR criteria. In 2019, thus 421 Top Safety assessments were completed at suppliers to ensure compliance with Plastic Omnium's health and safety requirements.

#### 4.3.2.2.3 Actions to prevent or mitigate violations

All of the policies and procedures defined by management and deployed by the Group aim to prevent, reduce and correct these impacts. Managers' annual bonuses are linked to achieving five objectives. Since 2018, one of the five objectives is mandatorily linked to CSR issues. Training and awareness-raising activities ensure that the employees concerned are fully informed of the conduct to be followed and the rules to be complied with and have enforced. All of these initiatives are described within the chapters of this Statement of Non-financial Performance. The local networks of HR and HSE/CSR Departments and local correspondents ensure that the tools and action plans are properly implemented.

The Code of Conduct, the "Fundamentals and Golden Rules of internal control" and the charter on the use of communications means and IT tools have legal scope. In the event of a breach, sanctions may be applied.

In addition to the Suppliers Charter, Plastic Omnium incorporates the General Supply Terms and Conditions into its contracts with suppliers, subcontractors and service providers. These contain contractual clauses relating to social and environmental issues. Among others, Plastic Omnium reserves the right to require that some of its contractors be certified according to the ISO 14001 and/or ISO 45001 (or

OHSAS 18001) standards. The EcoVadis assessment of critical suppliers provides the necessary information for the Group to implement measures, where necessary, and request action plans from its least performing suppliers. Further, in the event of a major discrepancy during on-site audits, the Group can consider taking all measures necessary to guarantee its integrity and sustainability.

Two issues in particular are monitored by the Group:

- conflict minerals: very few products contain minerals that are likely to fuel conflict (gold, tungsten, tin and tantalum and their by-products). However, Plastic Omnium has defined a policy to ensure that its supply is ethical and does not come from sources that support human trafficking, slavery, forced labor, child labor, war crimes, etc.;
- chemical products: products covered by the European REACH regulation must be registered. Plastic Omnium is working with an external service provider to ensure that products meet regulations and that the safety data sheets (which provide information on risks and stipulate usage precautions) are up to date. Because the lists of products covered by REACH change regularly, this work involves anticipating regulations.

#### 4.3.2.2.4 Whistleblowing procedure

In 2018, the existing whistleblowing procedure was strengthened and opened up to external third parties. An operating procedure exists in the 22 main languages within the Group and is available on the Intranet. The procedures for system entry were presented to the competent Employee Representative Bodies. Alerts may relate to a number of subjects such as the risk of violations of Human Rights and fundamental freedoms, ethical risks, risks relating to health, safety and the environment, regardless of whether these are internal or linked to Compagnie Plastic Omnium SE's suppliers, subcontractors and service providers.

The procedure must be activated if the direct management hierarchy cannot intervene. Two channels are available to employees: e-mail address (corporatesecretary.ethicsalert@plasticomnium.com) and a postal address (Compagnie Plastic Omnium, Alerte Éthique, 1, allée Pierre-Burelle, 92300 Levallois-Perret). This information is available on the intranet, in the Code of Conduct and on the website. It can therefore also be accessed by people external to the Group.

The information is anonymous and is exclusively addressed to the Group's Corporate Secretary.

In 2019, the alerts were processed and resulted in remedial action where necessary. The procedure therefore proved that it worked well.

#### 4.3.2.2.5 System to monitor the measures implemented and assess their effectiveness

The reporting tools put in place within all the subsidiaries, HBPO included, facilitate monitoring of the social and environmental data on a monthly, quarterly or annual basis. Discrepancies are monitored and the main results are reported to the Divisions and the Executive Committee. The data are presented throughout this Statement of Non-Financial Performance: work organization, overtime hours, compensation, cases of discrimination, equal opportunities, health and safety, greenhouse gas emissions, energy and raw materials consumption, waste generated and environmental incidents. Targets were set for the main key performance indicators for the ACT FOR ALL™ program for 2025 with annual targets in the interim.

Regarding suppliers, the assessment methodology was reviewed in 2019 by integrating the new EcoVadis tool and action plans for the suppliers below are in the process of being defined.

### 4.3.2.3 DATA PROTECTION

SNFP

The digitalization of the business lines and businesses results in an increase in the digitization of the processes and volume of data managed by the Company. This transformation towards industry 4.0 must be supported by increased security for the IT systems and data to protect Plastic Omnium from all cyber-attacks.

The cyber risk mapping, which was reviewed in 2018 and is regularly updated, highlights a constant change in the type of risks identified: cyber-attacks to steal sensitive and strategic information, theft of digital identities, fraud (via phishing e-mail) or sabotage with an operational impact. Operating methods are constantly changing and becoming more sophisticated, thus requiring constant adaptation and regular monitoring.

The organization of the Cyber Defense Department was strengthened with the appointment of a security officer for each of the Group's business sectors. In 2019, the Security Operating Center (SOC) became fully operational. This detects and processes, in real time, risky behavior that could compromise the Group's IT systems and the data stored therein.

New technologies are constantly being deployed. In 2019, security was strengthened with the activation of a Next Generation anti-virus to supplement the traditional one. Investments have also been made to better control connections to the Group's network and to secure documents and their transfer according to their level of confidentiality. The deployment of these two projects is planned for 2020.

Plastic Omnium continues its memberships to CLUSIF (*Club de la Sécurité de l'Information Français*, the French Club for Information Security) and CESIN (*Club des Experts de la Sécurité de l'Information et du Numérique*,

Experts Club for Information and Digital Security): these clubs bring together large French companies including carmakers and allow them to share information: latest attacks experienced, exchange of best practice, new technologies, etc. The ANSSI (*Agence Nationale de la Sécurité des Systèmes d'Information*, French National Cybersecurity Agency) is also an important source of information to learn about and guard against new threats.

Plastic Omnium is also a member of CIGREF (*Club Informatique des Groupes et Entreprises Français*, Information Technology Club for French Groups and Companies). This club supports its members in organizing, preparing and summarizing their collective thoughts on digital challenges and in particular cybersecurity.

Personal data protection, which in Europe is subject to the General Data Protection Regulation (GDPR), is given particular attention. Following compliance in 2018 (processing records, Data Protection Officers, internal procedures, etc.), the training of employees continues via e-learning. 1,651 European employees completed this training in 2019. HBPO also performed an Internal Audit of all of its sites, using a self-assessment questionnaire reviewed by the DPO.

The charter on the use of communications means and IT tools was validated and deployed throughout the entire Group. It is available on the intranet. HBPO has its own charter, with equivalent content.

A key performance indicator is monitored internally. Comprising around 10 operational indicators monitored on a monthly basis, this IT Compliance Index is calculated at site level as well as at higher levels: country, region and business line. The minimum score expected will depend on the criticality of the site.

## 4.3.3 CARE FOR PEOPLE

### ACT RESPONSIBLY

SNFP

A number of changes took place in 2019: a change in governance was announced, HBPO was integrated into the procedures, budgetary discipline due to a declining automotive market. Management was restructured around the Company's fundamentals, prioritizing local action and actions by the business lines rather than Group actions. Irresponsible employee management (violation of workers' rights and international labor standards, poor working conditions, poor anticipation of skills needs, etc.) could lead to breaches of the regulations in force, social conflicts or a bad social climate. Employee commitment, the Group's ability to deliver to its customers and the Company's image would be damaged. Compliance with

current regulations, good social dialogue and particular attention to working conditions and employee motivation are the foundations of responsible management.

The launch of the ACT FOR ALL™ program provided an opportunity to strengthen the Company's cohesion and culture, particularly during the ACT FOR ALL™ day.

After the integration in 2018 of HBPO employees into the workforce by type of employment contract, the change observed in 2019 comes mainly from the start of production at the Greer site, also influencing the number of employees working in teams.

## WORKFORCE BY TYPE OF WORK CONTRACT

	2017		2018 <sup>(1)</sup>		2019	
Permanent employment contracts	19,195	75%	20,745	77%	21,913	80%
Fixed-term employment contracts	1,932	8%	2,067	8%	1,266	5%
Registered employees	21,127	-	22,812	-	23,179	-
Temporary staff	4,376	17%	4,112	15%	4,122	15%
<b>TOTAL EMPLOYEES (REGISTERED AND TEMPORARY)</b>	<b>25,503</b>	<b>-</b>	<b>26,924</b>	<b>-</b>	<b>27,301</b>	<b>-</b>

(1) HPBO included.

## REGISTERED WORKFORCE BY SOCIO-PROFESSIONAL CATEGORY

	2017		2018 <sup>(1)</sup>		2019	
Manufacturing workers	11,324	54%	11,350	55%	13,086	56%
Administrative staff, technicians and supervisors	5,086	24%	4,496	22%	4,897	21%
Managers	4,717	22%	4,778	23%	5,196	22%

(1) HPBO excluded.

## DISTRIBUTION OF WORKFORCE BY REGION AND TYPE OF EMPLOYMENT CONTRACT

	Permanent employment contract	Fixed-term employment contract	Total registered	Temporary staff	Total
France	2,889	8	2,897	517	3,414
Western Europe excluding France	6,672	728	7,400	1,385	8,785
Eastern Europe	3,422	395	3,817	507	4,324
North America	5,453	-	5,453	790	6,243
South America and Africa	1,380	101	1,481	84	1,565
Asia	2,097	34	2,131	839	2,970
<b>TOTAL</b>	<b>21,913</b>	<b>1,266</b>	<b>23,179</b>	<b>4,122</b>	<b>27,301</b>

The organization of work complies with international labor laws, the ILO conventions (International Labor Organization) and the legislation in force. A significant proportion of employees work in shifts due to the industrial

nature of the Group's operations. During operational peaks, inherent in this industry, overtime hours are prioritized over taking on temporary employees.

## TOTAL NUMBER OF EMPLOYEES WORKING IN SHIFTS

	2017	2018	2019
Employees working in shifts	12,411	12,416	14,911
of which employees working only nights	1,203	1,072	1,425
of which employees working only weekends	118	98	131
Part-time employees	344	301	437

## OVERTIME HOURS

	2017	2018	2019
Hours worked per week	From 35 hours to 48 hours	From 35 hours to 48 hours	From 35 hours to 48 hours
Overtime (full-time equivalent)	1,074	1,045	1,297

## FOSTERING EMPLOYEE LOYALTY AND ENGAGEMENT

Having employees who are loyal to their Company and engaged in their business lines is especially important for Plastic Omnium, due to its family roots and corporate culture. In fact, employees who are neither motivated nor committed to their company will stay for a shorter time, be less productive and may generate lower quality work. Consequently, the Group would have to face increasing costs to recruit more, cope with more defects and could ultimately see its image of operational excellence

## EMPLOYEE BENEFIT EXPENSE

<i>In thousands of euros</i>	2017	2018	2019
Wages and salaries	(820,074)	(778,468)	(835,462)
Payroll taxes	(219,808)	(201,177)	(248,762)
Non-discretionary profit-sharing	(18,115)	(15,782)	(19,213)
Pension and other post-employment benefit costs	(2,840)	(7,497)	(5,626)
Share-based compensation	(3,327)	(2,528)	(2,492)
Other employee benefits expenses	(36,011)	(47,575)	(47,356)
<b>TOTAL EMPLOYEE BENEFITS EXPENSE EXCLUDING TEMPORARY STAFF COSTS</b>	<b>(1,100,175)</b>	<b>(1,053,027)</b>	<b>(1,158,911)</b>
Temporary staff costs	(142,677)	(129,868)	(147,890)
<b>TOTAL EMPLOYEE BENEFITS EXPENSE INCLUDING TEMPORARY STAFF COSTS</b>	<b>(1,242,852)</b>	<b>(1,182,895)</b>	<b>(1,306,801)</b>

Plastic Omnium offers additional benefits locally, such as collective incentive policies, sickness cover and a Group Savings Plan. At December 31, 2019, the Group stock ownership plan set up in France had 1,193 employee subscribers, holding a total of 1,452,471 Compagnie Plastic Omnium SE shares purchased on the market, representing 0,98% of the share capital (see chapter 3.1.4 "Information about shareholders").

A pleasant working environment is an advantage for fostering employee loyalty. Regardless of whether it is in the offices or plants, Plastic Omnium values the creation of ergonomic, modern work spaces that promote a good quality of life at work. Rating workstation ergonomics is one of the topics that is studied in particular using rating tools.

The Group's organization is based on delegation of responsibilities to local management teams involving a high degree of autonomy, thus creating a motivating work environment. This delegation of responsibility requires the creation of a consistent management culture in all sites and the deployment of 'PO Way'. To ensure ethical and considerate management, managers regularly complete awareness raising and training programs. According to their profile, managers and future managers are invited to take part in "Starter", "Booster", "Leading Success", "Leading Manufacturing" and "Driving Success" programs.

At Intelligent Exterior Systems, workshops were organized with managers to study the importance of retaining talent and the tools and environment to implement to foster a high level of engagement. An anonymous survey

of employees having started six months ago identified points of satisfaction and areas for improvement for the integration of new employees, which is a key moment in employee engagement.

Globally, skills development and the possibility for career progression are some of the Group's assets to engage its employees. During their annual performance review, employees are asked about the training, careers and the roles that they envisage in their career path. Managers have reviews so that employees can express their satisfaction with their career path within the Company and their career expectations. Development opportunities are discussed: career progression, internal promotion, development programs, etc.

Clean Energy Systems has created an anonymous satisfaction survey to obtain employee feedback on their annual performance review. Around half of managers and engineers responded highlighting the increasing consistency between individual targets and the Company's targets.

A key lever used by Plastic Omnium to engage its employees is recognition and the possibility for its employees to participate in building the Company: the best performing sites with respect to the ACT FOR ALL™ pillars are recognized in the "Top 100" and the Innovation Awards by Plastic Omnium recognize the teams' ability to propose innovative projects and showcase their intrapreneurship, a particularly sought-after skill at the Group.

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Finally, local initiatives are taken to develop a good quality of life at work and to foster employees' loyalty: subsidiaries and sites have introduced agreements to develop teleworking. Cafes or concierge services have emerged, and collaborative spaces have been created.

The new Δ-Deltatech site has introduced Deltatalks: highly inspiring conferences allowing employees to step back from their business lines and duties. The first session in the autumn covered stimulation and Open Innovation during four presentations.

Two Clean Energy Systems sites featured in the list of great companies to work for and obtained very good scores: the Troy site in the United States took part in the Best and Brightest of Metro Detroit competition which is local to the region. It was chosen as one of the best places to work from

6,000 participating companies. The Puebla site in Mexico was recognized as the Best Place to Work in the country, as well as Great Place to Work for millennials.

The information obtained and the actions carried out following the engagement survey conducted in 2016 having yielded results, a new survey will be carried out shortly to measure the Group's evolution and employees' new expectations maximize their engagement.

Due to the integration of HBPO and the increased requirements of the Plastic Omnium Group in a challenging economic context, the manager turnover rate was 14.6% in 2019. This key performance indicator was up slightly compared to the previous year.

#### MANAGER TURNOVER RATE

	2017	2018	2019
Manager turnover rate	13.5%	11.5%	14.6%

#### NUMBER OF DEPARTURES DURING THE YEAR

	2017	2018	2019
Redundancies	443	138	525
Terminations for other reasons	794	746	1,730
Other departures	1,987	1,804	2,065
<b>TOTAL</b>	<b>3,224</b>	<b>2,688</b>	<b>4,320</b>

Absenteeism is also a key indicator to measure employee engagement. Absenteeism is stable and remains low within the Group.

#### ABSENTEEISM RATE BY REASON

	2017	2018	2019
Absenteeism rate due to workplace accidents	0.07%	0.04%	0.02%
Absenteeism rate due to other causes	2.73%	2.78%	2.71%
<b>TOTAL ABSENTEEISM RATE</b>	<b>2.80%</b>	<b>2.82%</b>	<b>2.73%</b>

## 4.3.3.1 WORKPLACE SAFETY

DPEF



Employee safety has been a priority within Plastic Omnium for a number of years. Poor safety management could lead to accidents, occupational illnesses or breaches of the regulations in force. Applicable regulatory requirements are regularly strengthened, increasing the risks of non-compliance. Such events may generate additional costs or investment expenses for Compagnie Plastic Omnium in order to remedy the situation, comply or in respect of any sanctions. The efficiency of the “Top Safety” policy implemented to reduce these risks, as been proven year after year with steady growth in the key performance indicators.

## ACCIDENT FREQUENCY AND SEVERITY RATES (TEMPORARY STAFF INCLUDED)

	2017	2018	2019
Tf1 <sup>(1)</sup> : Workplace accident frequency rate with lost time <i>in number of accidents per million hours worked</i>	1.98	1.40	1.22
Tf2 <sup>(2)</sup> : Workplace accident frequency rate, with and without lost time <i>in number of accidents per million hours worked</i>	2.87	2.12	1.85
Tg <sup>(3)</sup> : Severity rate of workplace accidents <i>in number of days lost per thousand hours worked</i>	0.06	0.05	0.02

(1) Tf1 = Number of workplace accidents with lost time, including temporary staff × 1,000,000/number of hours worked.

(2) Tf2 = Number of workplace accidents with and without lost time, including temporary staff × 1,000,000/number of hours worked.

(3) Tg = Number of days of workplace accident-related lost time × 1000/number of hours worked.

## ACCIDENT FREQUENCY AND SEVERITY RATES (EXCLUDING TEMPORARY STAFF)

	2017	2018	2019
Tf1: Workplace accident frequency rate with lost time <i>in number of accidents per million hours worked</i>	1.86	1.35	1.17
Tf2: Workplace accident frequency rate, with and without lost time <i>in number of accidents per million hours worked</i>	2.72	2.12	1.84
Tg: Severity rate of workplace accidents <i>in number of days lost per thousand hours worked</i>	0.07	0.05	0.03

## SAFETY INDICATORS (INCLUDING TEMPORARY STAFF)

	2017	2018	2019
Number of first aid cases	2,146	1,664	1,678
Number of workplace accidents without lost time	45	33	33
Number of workplace accidents with lost time	99	65	64
Number of days of workplace accident-related lost time	2,944	2,092	1,282

The Group has set a goal to have no serious accidents and a target to achieve Tf2 including temporary workers of 1.6 in 2020.

The Group's policy is based on 8 pillars

- rollout of ISO 45001 certification (by replacing OHSAS 18001) at all sites;
- inclusion of a CSR target, including safety, among managers' targets during their annual assessment interviews;
- ensure implementation of the IMH (Man-Machine Interface) Procedure;
- delivery of the Group's Top Safety training to all managers;
- implementation of the HSE plan's 5 pillars: leadership, recognition, design, policy of excellence and improvement of working conditions;
- management of major risks by implementing appropriate action;
- monitoring of the safety improvement plans for each business line;
- systematic monitoring of insurers' recommendations.

The organization, which has a proven record, plans to integrate safety at all levels of the Company: the Group's HSE and CSR Department provides guidelines to the business lines' HSE Departments who receive the targets and provide the resources to obtain the expected results. The Top Safety program includes all of the 75 actions to be taken to ensure safety. These have been grouped together into five pillars: machinery and equipment, employees and managers, sites and projects, standards and monitoring, and working conditions. These pillars cover in particular the management systems, behaviors, working conditions, including chemical risk and noise pollution, and equipment and site safety. The sites complete an annual self-assessment on these 75 actions to be implemented. In 2019, these actions were estimated to be 79% complete.

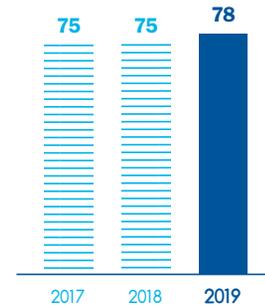
An HSE Committee meets twice a year with the Executive Committee and the ACT FOR ALL™ Committees to ensure that these targets are achieved and the policy is properly implemented. HBPO has gradually been integrated into the program with the creation in 2019 of an HSE Department for the business line; safety had previously been the responsibility of the countries.

The Group has created "six non-negotiables": they cover pedestrian traffic, wearing personal protective equipment, industrial trucks, suspended loads, stop and start operations and working at heights. Zero tolerance is applied when a violation is observed within one of these areas.

The Group implements a number of methods to achieve results beyond their expectations. The safety management system must be certified at all sites in operation. The number of sites certified to ISO 45001 or OHSAS 18001 is 78. 4 sites were newly certified in 2019, 1 certified site closed. To date, the HBPO sites have not certified their management system. Following integration into the Group, two sites were identified as pilots in this process. Certification of all sites will continue until 2021.

Health and safety risks are identified by each site as part of their certification: the causes of accidents and musculoskeletal problems are listed and rectified.

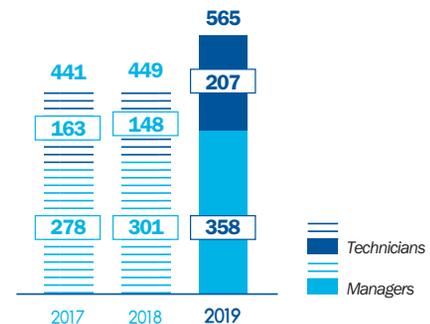
#### NUMBER OF SITES CERTIFIED TO ISO 45001/OHSAS 18001 STANDARDS



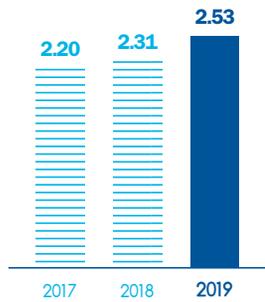
Training is at the core of the system: all employees are made aware of safety and specific training is given to managers and technicians. The training programs were reviewed in 2018 so that they could evolve in real time with the culture of safety within the teams.

The aim of the "Stop 5" training program, designed especially for technicians, is to make employees independently include safety into all their actions and decisions without any prompting. Managers are trained to conduct Top Safety visits: they are thus able to detect any risky situation, report it and have it corrected immediately.

#### NUMBER OF MANAGERS AND TECHNICIANS TRAINED IN "TOP SAFETY"



**NUMBER OF TOP SAFETY VISITS PER EMPLOYEE PER YEAR**



Internal auditors are also able to identify and report violations during their site visits and audits, thus ensuring an additional level of control. Furthermore, insurers visited 64 sites in 2019, to ensure that Plastic Omnium’s fire prevention and protection standards were being applied.

Clean Energy Systems and Intelligent Exterior Systems use chemical products in their processes. The risk linked to their use is taken into account and managed using an external partner. The database of products used is constantly updated identifying in particular products that may be CMR (carcinogenic, mutagenic, reprotoxic) or contain substances of very high concern (SVHC). The database contains nearly 2,000 products, of which 74% are controlled due to their chemical risk. The Group’s policy is to substitute those products which have an impact on health as soon as technical solutions exist, without waiting for regulatory changes and sales prohibitions.

**4.3.3.2 ERGONOMICS**

The ergonomics of workstations is an essential factor in reducing accidents and protecting the health of employees. Musculoskeletal problems are among the most widespread occupational illnesses for Plastic Omnium’s industrial businesses. The Group has decided to make ergonomics one of the priorities of its ACT FOR ALL™ program.

Clean Energy System and Intelligent Exterior Systems have ergonomists in charge of assessing workstations and identifying the improvements required when necessary. Each of the business lines has a tool for scoring the physical strain that a workstation may cause. The target is to have scored all workstations by 2025.

At Clean Energy System, the virtual reality room AlphaVision can integrate ergonomic criteria at the start of the design phase for the production lines and workstations. All future resources (machinery, lines, etc.) have been studied. Scoring goes from 1 to 7, 4 being acceptable and 7 representing a high level of physical strain. The results are sent to the machinery manufacturers to identify areas for improvement when the score is higher than 4. The supplier may modify the machine even before manufacture and therefore achieve, at least, the target level of ergonomics for the Group. On average, workstations improve by 1.5 points after having been entered in the virtual reality system. Clean Energy Systems’ aim is to develop a leading ergonomics line, combining all of the new technologies available. Operators must no longer carry heavy loads such as tanks. In this respect, the ergonomist is working on solutions involving collaborative robots and exoskeletons, etc. Their aim is to identify the best equipment and appliances to install. Active monitoring alongside the INRS (*Institut National de Recherche et Sécurité*, French national institute of research and safety) of protective equipment suppliers enables the ergonomist to find the right solutions.

Intelligent Exterior Systems also uses a workstation scoring tool, which identifies stresses. Workstations are categorized into three colors: green, orange and red. The ergonomists on each site are responsible for scoring the workstations, working with the employees. Employees are invited to participate in this process by recounting their own experience and presenting suggestions for improvement. The ergonomist also actively monitors the working environment.

In total, the number of workstations increased by 6%, the number of workstations assessed grew similarly. 81% of workstations were thus rated.

Two e-learning modules on ergonomics have been implemented since 2018. The first is based on the basics of ergonomics while the other is related to design. These two modules are available to all employees with access to the Group’s e-learning platform MyLearningPlace. More than 1,800 employees were invited to take these e-learning modules in 2019. 89% currently have, and thus since its launch in 2018, more than 3,300 employees have been trained in ergonomics.

	2017	2018	2019
Proportion of workstations assessed	Unavailable	82%	79%
Number of occupational illnesses declared	12	14	19
Number of occupational illnesses recognized	9	10	8

### 4.3.3.3 EMPLOYEE HEALTH

Employee health is a significant concern for the Group. In addition to the actions taken by the Company to manage the potential health impact of its businesses, the Group encourages sites to develop public health actions locally. It is up to the sites to decide which issues to work on depending on the problems in their local area: initiatives may include flu vaccination campaigns, road safety awareness, the importance of a healthy lifestyle (food, sleep, etc.) or even combating addiction.

In 2019, 56% of sites conducted at least one public health campaign. The actions carried out by several sites are screening campaigns (diabetes, cancer, HIV), vaccination campaigns as well as discussions with experts to provide advice on nutrition and healthy living.

### 4.3.3.4 EQUAL OPPORTUNITIES

DPEF

#### Gender equality

Conscious of the richness and open perspective as a result of diversity within the Company, the Group has developed two priority areas of focus: gender equality and youth.

Its commitment to the United Nations Global Compact and its commitments set out in the Code of Conduct form the basis of this diversity policy. The fight against discrimination of any sort is reaffirmed at the highest level and monitored annually using the non-financial data reporting tool.

	2017	2018	2019
Number of incidents of discrimination	1	0	0
Number of measures taken following incidents of discrimination	0	0	0

The three French entities have calculated their Gender Equality Index<sup>(1)</sup>, which has been mandatory in France since the start of 2019. The results are between 85 and 90, thus demonstrating that Plastic Omnium has given this issue due consideration. The areas for improvement identified confirm the main direction taken by the Group over several years: the promotion of women to management roles. This policy is supported by a target of 25% of management roles held by women by 2025. Three areas of focus have been set to achieve this target:

- better identification of those women eligible for vacant management roles so that they can be incorporated into the recruitment processes;
- increasing awareness of the importance and benefits of a more mixed management team;
- support for all women through individual development plans to identify, as soon as they join the Company, women with high potential and to set out a personalized development strategy.

In 2019, employees in France volunteered to set up WoMen@PO, an internal network, to promote and facilitate mix within the company. In a few months, this network has brought together more than 150 employees - men and women, around two types of action:

- communication: 2 conferences were held at I-Tech and α-Alphatech on the importance of networking and on professional careers for women;

- 5 group mentoring sessions were held at Σ-Sigmatech, Levallois and α-Alphatech on the subject of the importance of networking in careers and gender stereotypes.

A total of 350 participants attended the different events in 2019.

In the United States, women were invited to take part in inter-company events and clubs to highlight the issue. A second women's network devoted to mix, built on the WoMen@PO model, is in the process of being created in Asia.

In addition to group mentoring sessions, individual mentoring for high potential women by top women managers to support them in their individual development;

Women's Day was held again in 2019 and was attended by representatives of management, the HR Department, members of the internal WoMen@PO network and sponsors of the *Elles Bougent* association. A similar event was held in South Africa: "Women's Day Pretoria".

Specific attention will be paid to the inclusion of females in development programs aimed at employees with potential and high potential such as Starter or Booster.

Partnerships with associations are a useful tool to raise awareness outside the Company: Plastic Omnium sponsorship of the "Elles Bougent" association promotes technical and engineering professions among young women to attract them into scientific careers.

	2017		2018		2019	
Number of women at December 31	4,981	23.6%	5,028	24.4%	5,956	25.7%
Proportion of women in the Group						
Number of women Managers & Engineers at December 31	986	20.9%	1,022	21.4%	1,100	21.2%
Proportion of women at executive level						
Number of women in management positions at December 31	39	11.5%	37	12.1%	48	12.8%
Proportion of women in management positions						
Number of women Managers & Engineers hired during the year	185	24.8%	195	23.9%	156	25.3%
Proportion of women executives hired						

(1) Equality Index: the French law no. 2018-771 of September 5, 2018 for the freedom to choose one's professional future obliges companies to eliminate the unjustified wage differences between women and men, the first step being to measure these gaps with the Gender Equality Index, whose methodology is imposed.



**Disabled workers**

SNFP

On November 13, 2019, Plastic Omnium worked with around 100 French companies to promote the inclusion of disabled workers in economic life. By signing this manifesto, the Company has taken on 10 operational commitments concerning the discovery of trades by disabled students, recruitment, adaptation of workstations, raising employee awareness, combating discrimination and stereotypes and the strengthening of partnerships with stakeholders in this area.

This public commitment initiative extends the actions already taken internally in France, in particular through the Mission Handicap. Mission Handicap continues its program of awareness, recruitment, integration and retaining disabled employees and to strengthen collaboration with the sheltered sector.

Training of key players (disabled workers, Management Committee, managers, Human Resources, buyers, etc.) continued in 2019 and will take place in 2020.

Duoday is an event proposed by the French government and organized voluntarily by nine sites: during European Week for the Employment of Disabled People (SEEPH, *Semaine Européenne pour l'Emploi des Personnes Handicapées*), 16 employee volunteers formed duos with disabled people looking for employment. These events provide opportunities to include disabled people in the business world and continue to raise awareness internally. Two disabled people who attended these Duodays were offered jobs as a result.

Other events are also organized with the help of associations such as ARPEJEH to promote trades among young disabled people: job shadowing or job orientation forums.

In 2019, communication was intensified with the aim of eliminating prejudices and sharing the initiative both internally and externally. Mission Handicap was invited to express their views in internal (Optimum, site papers, intranet) and external (LinkedIn, press articles, letter for the shareholders) communication tools. Communication actions on site were also proposed during the SEEPH: poster campaign to eliminate possible misunderstandings, game animations, intervention of social workers, etc.

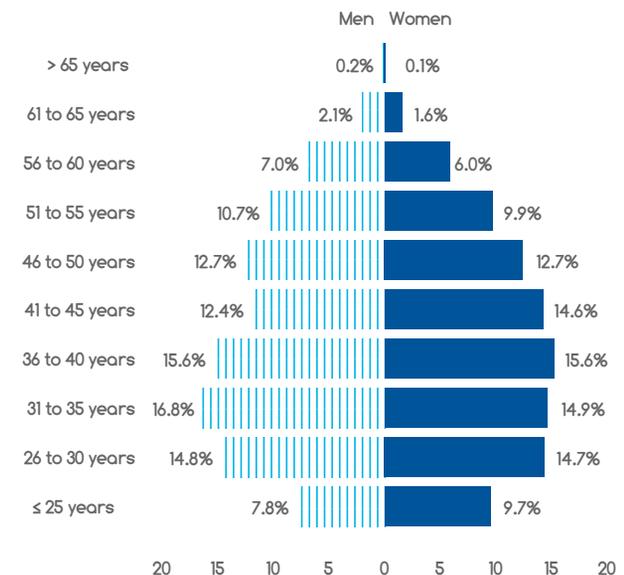
	2017	2018	2019
Number of disabled workers	390	353	377
Workstations adapted for disabled workers	17	39	49
Number of disabled workers recruited in the year	27	39	29

Purchases from the sheltered sector also provides an interesting form of external action with visibility internally. Each year, Plastic Omnium spends more than €2 million with around 30 suppliers. These purchases are, for certain, at the heart of Plastic Omnium's business with, for example, the supply of flexible cables which are integrated in the bumpers.

**4.3.3.5 PROMOTE THE EMPLOYMENT OF YOUNG PEOPLE**

In order to construct the Group's future, Plastic Omnium has been working for several years to increase its attractiveness among young people. The challenge is two-fold: encourage the young generation and women in particular to embrace scientific studies and careers and make them aware of Plastic Omnium's business lines and values to attract talent when they leave their studies.

**BREAKDOWN OF EMPLOYEES BY GENDER AND AGE BRACKET**



Plastic Omnium takes part locally in a number of events for young people. The SIA (Society of Automotive Engineers) has organized its second global forum – *MonJob@FuturAuto – Tech du Mondial de l'Auto de Paris* to convince engineering students that the automotive industry is rich in opportunities for trades and careers. Sponsoring the event, Plastic Omnium has, for the second year, presented the different technical professions that exist within the Group. Plastic Omnium attended motor shows in Lyon in September and in Paris in October. More than 300 students took part in each of these events.

Partnerships with target schools are continuing: in Poland with Lublin University of Technology, in Slovakia with STU-Slovak University of Technology, in Romania with the University of Pitesti and in India with Cadcamguru Solutions Pvt. Ltd training, in England with Burton and South Derbyshire College, in the United States with the University of Kettering in Michigan, and in France with UTC and École Centrale Lyon. The Group has also renewed its commitment as a partner of the CentraleSupélec sporting event, which enables it to develop privileged links between students and employees: six young students from CentraleSupélec were offered an internship at Plastic Omnium in 2019. Partnerships with target schools are continuing: in Poland with Lublin University of Technology, in Slovakia with STU-Slovak University of Technology, in Romania with the University of Pitesti and in India with Cadcamguru Solutions Pvt. Ltd

training, in England with Burton and South Derbyshire College, in the United States with the University of Kettering in Michigan, and in France with UTC and École Centrale Lyon.

Other actions include: sponsorship of an innovation challenge, participation in forums dedicated to the employment of young disabled people and finally the promotion of the professions to children from the youngest age, young girls in particular.

The insertion of young people who have just completed their studies is an interesting source for recruitment: VIE (international volunteer programs), internships and apprenticeships are the type of contract favored by Plastic Omnium. Plastic Omnium's notoriety is increasing among young graduates and a growing share of young people are being hired under these types of contracts.

In the United States, the Co-Op program welcomes students from different reputable American universities every three months for a period of three months. Around 20 students take part in this program each year, which allows Plastic Omnium to create a talent pool while improving its notoriety and attractiveness to young talented graduates.

In 2019, junior profiles accounted for 23% of manager recruits.

	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>	2019
Number of ongoing interns/VIE/apprenticeships at the end of 2019	775	746	816

#### 4.3.3.6 LOCAL SPONSORSHIP INITIATIVES

The Plastic Omnium Group has operations in 26 countries across its 131 sites. Employing more than 27,000 people, the local economic and social impact is significant. Dialogue with local stakeholders is therefore essential to ensure that the sites are well accepted within their region. This acceptance is achieved in particular by showing responsibility to the communities. The sites have always had the freedom to carry out philanthropic or sponsorship actions locally and a number of sites have successfully implemented this type of project involving their employees. The Group has chosen to incorporate local initiatives into the ACT FOR ALL™ markets as a symbol of this willingness to establish permanent roots in the regions and show its responsibility towards the communities. In 2019, 58% of the sites included in the scope of reporting stated that they conducted at least one local initiative.

In India, the Clean Energy Systems Ranipet site has created a partnership with the NGO Hand in Hand to help transform a school which educates disadvantaged children: the project involves renovating the school and helping equip it with IT tools to encourage parents from the surrounding countryside to send their children to school rather than work in the fields. Employees help with the renovation; some of them send their children to the school. The partnership with Magic Bus continues in India to promote the emancipation and education of females as well as gender equality.

Pfstat's French site has created a partnership with an agency: to recruit unemployed people and the site will train and employ them. This provides a second chance for these people in difficulty.

Sponsorship actions are also undertaken at Group level. Compagnie Plastic Omnium SE supports initiatives to promote French culture. Originating from the Lyon region, Plastic Omnium supports its iconic gastronomy as a sponsor of the *Cité Internationale de la Gastronomie*. This leading cultural center, which is entirely dedicated to gastronomy, opened in Lyon in October 2019: 4,000 m<sup>2</sup> were organized in a Taste Trail

to promote the know-how, identity and excellence of French cuisine. The Group has supported this project since its creation.

#### 4.3.3.7 MANAGEMENT OF TALENT AND SKILLS

DPEF

Innovation and operational excellence form the basis of the Group's success. These assets are closely linked to the skills and know-how of its teams. The management of talent and skills is therefore key to maintaining this high level of expertise. Attracting talent is the first stage. New skills appear as markets and technologies develop, and the need for new profiles becomes a challenge: mechatronics, plasronics, electrochemistry, software engineering, digital manufacturing or even data analysis are required to develop connectivity, vehicle electrification and process automation.

Inadequate management of talents and skills could lead to a lack of the expertise necessary to maintain a high level of innovation and therefore ultimately competitiveness in the company. Developments would be less in line with regulatory and customer requirements and no longer allow the Group to win new markets. In addition, poorly-employed or non-promoted talents could lose commitment and leave the company more easily.

To develop its attractiveness, the Group continues its employer brand policy. Social networks and careers websites are a major source for recruitment. With 726 offers of employment and internships published each year, the careers website has recorded a 30% increase in traffic compared to 2018, with more than 15,000 unique hits each month. The number of subscribers on LinkedIn is close to 100,000, an increase of 34% compared to the previous year. Almost 1,700 CVS are received every month, up 25% compared to 2018, showing the success of the attractiveness policy developed by the Group.

(1) Excluding VIE in 2017.





#### NUMBER OF EMPLOYEES HIRED DURING THE YEAR

	2017	2018	2019
Managers & Engineers hired	746	816	616
Non-Managers hired	4,048	4,135	4,806
<b>TOTAL</b>	<b>4,794</b>	<b>4,951</b>	<b>5,422</b>

#### NUMBER OF MANAGERS HIRED DURING THE YEAR PER REGION AS AT END OF DECEMBER

	2017	2018	2019
France	181	165	91
Western Europe excluding France	143	150	149
Eastern Europe	70	103	62
North America	166	152	137
South America and Africa	42	42	34
Asia	144	204	143
<b>TOTAL</b>	<b>746</b>	<b>816</b>	<b>616</b>

Employees' professional development is studied during the people review, which takes place annually. Through this tool, the Group hopes to identify employees with potential at group or local level, any skills requirements to transform future talents into future managers and the projected careers. These plans are created along with the employees during their annual performance reviews: training, role development, internal promotions, mobility between business lines, geographic mobility, and employees' expectations are collated during these interviews. 5,000 managers benefit from this formalized annual performance review process, which follows a format set by the Group.

Clean Energy Systems completely overhauled the expertise system in 2019: the skills required to continue the Company's success were reviewed. A working group comprising operational and functional staff resulted in the definition of new posts, integrating specific expertise. For example, posts were created for mechatronics or blow-molding managers

and will soon be filled, either internally following professional development, or externally. These new posts will be distributed throughout the different geographic zones.

Mobility and internal promotion are specifically supported by the Plastic Omnium Group, which sees them as a very interesting source of richness and diversity. The OPteam IT tool for the management of Human Resources, which is accessible to all connected employees, presents training courses, opportunities for mobility and internal post openings: all employees are encouraged to apply for the posts in accordance with the career path they have planned.

The Group has a target of filling 75% of top manager posts internally and favoring geographic mobility. In 2019, the mobility rate reached 12.6% and 71 employees benefitted from international mobility.

#### MOBILITY RATE FOR MANAGERS

	2017	2018	2019
France	9.3%	10.9%	12,3 %
Western Europe excluding France	12.5%	8.3%	11,3 %
Eastern Europe	11%	12.8%	9,9 %
North America	13.3%	12.2%	15,0 %
South America and Africa	13.4%	13.0%	19,0 %
Asia	11.8%	5.4%	15,7 %
<b>TOTAL</b>	<b>11.6%</b>	<b>9.9%</b>	<b>13,1 %</b>

Training is essential to support employees' internal progression and develop their employability. In addition to the 4 existing programs aimed at talent and future talent, a new program was launched in 2019, "Leading Success". This program is aimed at managers to develop their know-how and skills to become future top managers. In 2019, 27 managers took part.

The "Starter" program over 12 to 18 months is aimed at young talent who are the future leaders of the Company. 61 employees are following this route.

“Driving Success” helps create a shared management culture. Managers are invited to take part in this program to develop their aptitude in communication, leadership and team management. 87 managers took part in this program in 2019.

The “Booster” training program offers young managers and future managers the opportunity to deepen their knowledge in strategy implementation, setting team guidelines and employee motivation. 23 employees have benefited from this program during the year.

“Leading Manufacturing” is specifically directed at current and future plant managers.

90.8% of employees completed at least one training program in 2019, either classroom-based, e-learning or blended learning. On average, each employee has completed 22 hours of training. The main topics are languages, health and safety and the environment, software, management, continuous improvement, expertise and job-specific techniques.

	2017	2018	2019
Training commissions	36	31	39
Number of attendees	122,601	127,468	169,849
Number of training sessions per employee per year	5.8	6.2	7,3
<b>TOTAL TRAINING HOURS</b>	<b>531,130</b>	<b>498,576</b>	<b>510,634</b>
Training hours per year per employee	25.1	24.2	22,0
<b>TOTAL EXPENDITURE ON EXTERNAL TRAINING BODIES (IN THOUSANDS OF EUROS)</b>	<b>5,262</b>	<b>4,813</b>	<b>5,208</b>

All training hours, regardless of their duration, are now recorded in the number of attendees.

## 4.3.4 SUSTAINABLE PRODUCTION SNFP

### 4.3.4.1 TOP PLANET PROGRAM



Environmental impacts are becoming increasingly urgent worldwide. Increasing regulations in terms of environmental management and the fight against climate change could generate additional investments or costs for the Group in order to remedy the situation, comply or in respect of any sanctions. In addition, poor environmental management could generate an increase in impacts (waste, greenhouse gas emissions,

pollution, etc.) leading to a deterioration of the Group's image with stakeholders becoming increasingly sensitive to these topics. For Plastic Omnium, being a responsible player means reducing its environmental footprint by acting on four main pillars: management of the environment and energy, developments in key indicators, compliance with regulations and respect for the planet and the implementation of preventive initiatives. The Top Planet policy, which has existed for more than 10 years, describes all of the actions to be taken primarily regarding the consumption of energy, water and the management of pollution and waste. A network of HSE coordinators is responsible for implementing this policy: application of procedures, action plans, monitoring of indicators and reporting to the business line and Group's HSE Departments.

This policy requires that all sites achieve ISO 14001 certification of their environmental management system. A total of 20 HBPO sites have also been certified.

#### NUMBER OF SITES CERTIFIED TO ISO 14001 STANDARDS

	2017	2018	2019
ISO 14001 certified sites	85	76	99

In 2019, 99 sites were certified, totaling 91% of sites. In 2019, 1 certified site closed, 24 new sites were certified.

One of the main areas for the policy is employee awareness and training, according to the employee profile. In 2019, 18,414 awareness hours were delivered to 33,892 employees. 19,778 employees were trained during the 18,634 hours. The main themes covered are environmental risk management, waste and input management, and the consequences of non-compliance with regulatory requirements.

#### Management of raw material and waste

Plastic Omnium's two main business lines are based on transforming plastic into parts for the automotive industry. Depending on the part to be manufactured and the technical properties and desired esthetics, different types of plastic are used: polyethylene, polypropylene, ABS or ASA as well as composite materials.



## ANNUAL CONSUMPTION OF RAW MATERIALS IN METRIC TONS

	2017	2018	2019
New plastics	354,089	349,262	338,117
Blank composites	15,660	16,623	16,488
Recycled plastics	51,072	11,086	15,051
Biosourced plastics	260	0	0
<b>TOTAL PLASTICS</b>	<b>421,081</b>	<b>376,971</b>	<b>369,656</b>

During manufacturing, internal waste is reintegrated into the manufacturing process, thus reducing the waste generated during production. Process efficiency is constantly improved to optimize yields.

Water is also an important raw material, mainly used to cool circuits. Consumption is mainly in a closed loop, largely limiting the quantity used. Any discharge of used water is linked to sanitary water and water used in

painting processes. These are reprocessed and paint sludge enters the waste management circuits in compliance with regulations.

## WATER CONSUMPTION

	2017	2018	2019
Annual consumption (in m <sup>3</sup> )	1,206,658	1,127,760	1,259,683
Consumption in l/kg of processed material	2.644	2,760	3,136

When technically possible, solvent-based paints are replaced by water-based paints. The solvents contained in paints that emit volatile organic compounds (VOCs) may have a harmful effect on health (they can be classified CMR – carcinogenic, mutagenic and reprotoxic) and

indirectly contribute to climate change. In order to reduce VOCs, incinerators have been installed at the end of the paintwork-station production lines.

## CONSUMPTION OF PAINTS AND SOLVENTS IN METRIC TONS

	2017	2018	2019
Paint <sup>(1)</sup>	6,772	6,504	7,146
Solvents <sup>(2)</sup>	12,096	11,169	8,827
<b>TOTAL</b>	<b>18,868</b>	<b>17,673</b>	<b>15,973</b>

(1) Dry matter contained in the paint, excluding solvent.

(2) Solvents used undiluted and solvents contained in paints.

## VOC EMISSIONS

	2017	2018	2019
VOCS	1,779	1,689	1,771

Production waste (plastic parts that cannot be reinjected into production, packaging waste, etc.) undergo the appropriate processing process.

- recycled waste comprising reuse (with a usage identical to the one for which the part or product was initially designed, without intermediate processing), the recycling or material regeneration (giving the material its primary properties back, by processing or introducing additives that enable it to be put back into the production cycle);

- recovered waste comprising reuse (with a usage different from the one for which the part or product was initially designed, possibly with intermediate processing) and recovery by incineration with energy recovery;
- final waste, which includes non-recovered waste, waste incinerated without energy recovery and waste disposed of in landfill.

WASTE GENERATED ANNUALLY BY TYPE OF WASTE IN METRIC TONS

	2017	2018	2019
Plastic parts <sup>(1)</sup>	42,419	40,151	37,731
Common industrial waste	16,168	14,197	16,884
Metals	7,705	8,931	11,913
Cardboard	7,986	7,544	9,554
Wood	5,814	5,517	6,941
Plastic packaging	1,136	1,653	1,693
Glass	7	1	10
Solvents	4,157	4,461	4,197
Paint sludge	5,850	5,867	5,882
Oils	1,626	1,947	2,349
Other waste <sup>(2)</sup>	6,726	8,860	6,872
<b>TOTAL WASTE</b>	<b>99,595</b>	<b>98,930</b>	<b>104,025</b>

(1) Plastic parts: also include composite material waste.

(2) Other waste: washing and maintenance water, sundry special industrial waste.

When possible and with a view to promoting the circular economy, the sites resell their waste to reduce non-recoverable waste as far as possible. The resale of this waste generated €9.7 million thus offsetting

the management cost which amounts to €7.5 million, thus demonstrating the relevance of the circular economy.

WASTE GENERATED ANNUALLY BY TYPE OF TREATMENT IN METRIC TONS AND IN %

	2017		2018		2019	
Recycling	71,060	71%	71,713	72%	75,098	72%
Recovery	17,631	18%	15,837	16%	14,644	14%
Incineration or disposal in landfills	10,904	11%	11,380	12%	14,283	14%
<b>TOTAL WASTE</b>	<b>99,595</b>	-	<b>98,930</b>	-	<b>104,025</b>	-

Preservation of biodiversity

By signing the Act4Nature initiative in 2018, the Group has undertaken 10 commitments to preserve biodiversity, common to all signatory companies, and additional individual commitments. This initiative asks companies to help protect biodiversity, which is mainly affected by 5 factors: changes in land use, climate change, invasive species, overexploitation and pollution.

Plastic Omnium is committed to helping reduce pressures on biodiversity in its business scope. The reduction of CO<sub>2</sub> emissions and air pollutants linked to automotive transport is one of the areas for product development. The environmental footprint of sites has been reduced

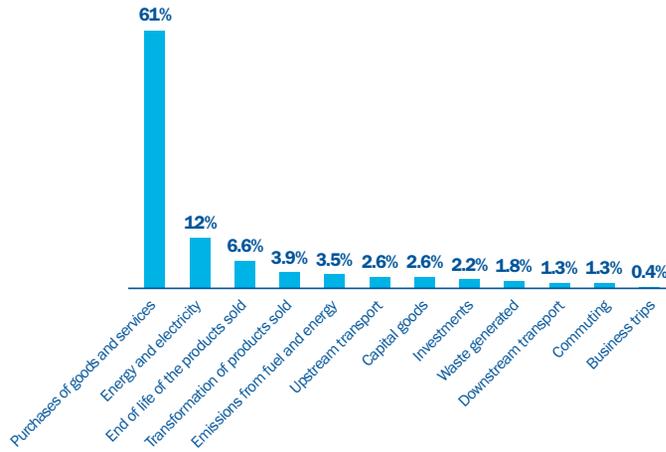
thanks to the Top Planet policy: VOC incinerators help air quality, ISO 14001 certification ensures the proper management of risks of waste into water and soil and risks linked to chemical products. The sites occupy more than 4,800,000 m<sup>2</sup> of which 19.3% is permeable, thus leaving rainwater to penetrate the soil. 86% of waste is recycled or recovered thus contributing to the fight against plastic pollution.

Local initiatives in favor of biodiversity are encouraged. Several sites (Barcelona, Edison Road, Lublin and Kitakyushu) have organized waste collection operations in forests or green spaces surrounding the sites. In collaboration with a local foundation, the Ramos site financed and participated in the planting of 100 trees in a protected area which had been ravaged by a fire.

4.3.4.2 RENEWABLE ENERGY

Energy management is a priority for Plastic Omnium: reducing consumption results in lower greenhouse gas emissions.

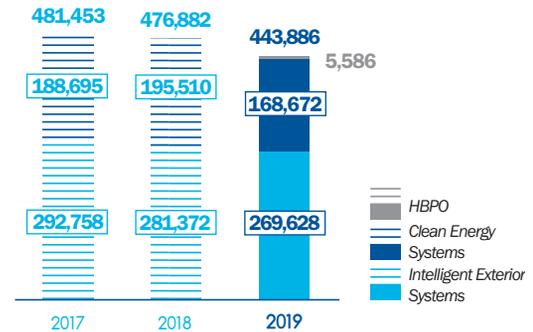
The main sources of emissions, excluding the use of products, are the purchase of goods and services, energy and electricity consumed and the transformation and end-of-life of products. These emissions represent around 3,960,000 metric tons of CO<sub>2</sub> (excluding the use of products sold).



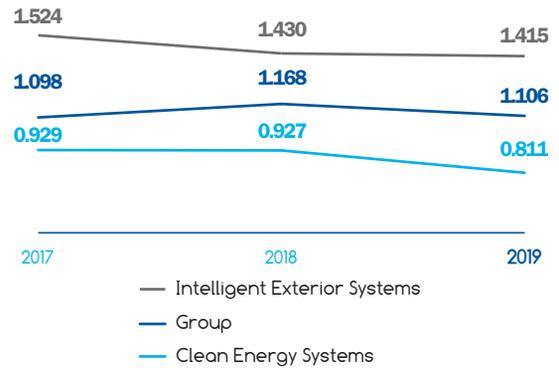
The Group's total emissions generated by energy consumption and electricity amounted to 444,164 tCO<sub>2</sub> (including the Levallois-Perret headquarters), down 7% compared to 2018. The two business lines Clean Energy Systems and Intelligent Exterior Systems saw their emissions related to energy consumption reduced on average by 8% compared to 2018. The Group measures scope 1 and 2 emissions (linked to energy and electricity consumption) per kilogram of material processed in order to measure the improvement and efficiency of its processes, independently of the business volume. The materials used to manufacture the products are plastics, paints and metals.

Plastic Omnium set itself the ambitious objective of a 20% reduction in its emissions of CO<sub>2</sub>e per kilogram of material processed in 2025 compared to 2018.

GREENHOUSE GAS EMISSIONS TOTAL AND BY BUSINESS LINE  
IN TONS OF CO<sub>2</sub> EQUIVALENT



GREENHOUSE GAS EMISSIONS  
IN KG OF CO<sub>2</sub> EQUIVALENT PER KG OF MATERIAL PROCESSED



Greenhouse gas emissions per kilogram of processed material is falling overall and within the two business lines that process plastic (Clean Energy Systems and Intelligent Exterior Systems).

The three levers chosen by the Group to achieve this target are:

- improving the energy efficiency of its plants;
- generating renewable energy on the sites;
- purchasing green energy.

Improvement of energy efficiency begins with a robust management system. HSE and CSR management have asked European sites certified to ISO 14001 and ISO 45001 (or OHSAS 18001) and subject to the obligation of energy audits to roll out ISO 50001 certification. HBPO's European plants have also been certified.

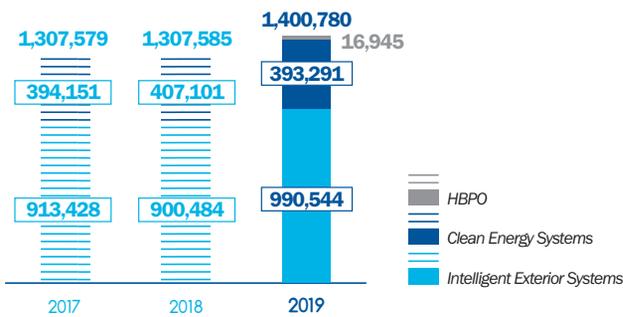
**NUMBER OF SITES CERTIFIED TO ISO 50001 STANDARDS**

	2017	2018	2019
ISO 50001 certified sites	24	23	34

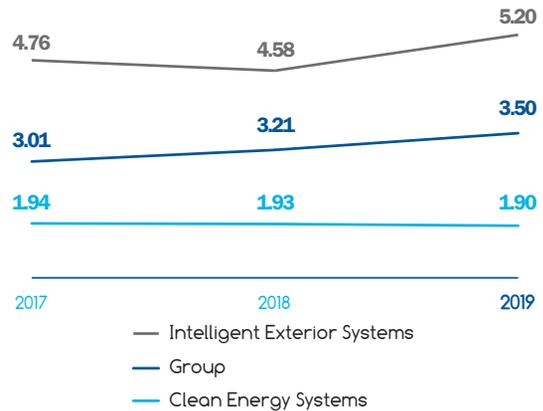
The main energies consumed are electricity and natural gas. In 2019, total consumption increased, in particular due to the integration of HBPO and the production launch of three new factories within Intelligent Exterior Systems.

Energy consumption has been monitored for a long time and a number of gains have been achieved. Measuring kits enable machinery consumption to be verified and potential areas for savings to be identified. Moreover, technical best practice sheets are deployed on all sites.

**ENERGY CONSUMPTION TOTAL AND BY BUSINESS LINE IN MWH**



**ENERGY CONSUMPTION IN KWH PER KG OF MATERIAL PROCESSED**



Since efforts to reduce consumption are quite advanced, the lever to reduce emissions linked to energy is to use less-emitting energies. The Group has undertaken several projects: contracting electricity from renewable sources and power purchasing agreements (PPA) are currently being studied.

Projects are under way to install renewable energy sources on the sites. Some recently acquired sites have co-generation systems. The recently opened Δ-Deltatech site is to the first site to be constructed with solar

panels. Covering 2,600 m2 of roofs, they enable the site to reduce its electricity purchases. Other sites have developed renewable energies in 2019: Clean Energy Systems' Herentals site has developed a network of solar panels thus reducing CO<sub>2</sub> emissions by approximately 10% according to initial estimates. At Intelligent Exterior Systems, the Langres site has developed LED lighting in its car parks powered using renewable sources and the Warrington site has installed solar panels. In total, four sites had installed installations in 2019. Other projects are being studied for 2020.

## 4.4 METHODOLOGY

This statement of non-financial performance sets out the Plastic Omnium Group approach to corporate, social and environmental responsibility and the non-financial information to meet the requirements of Articles L. 225-102-1 and R. 225-105-1 to R. 225-105-3 of the French Commercial Code. The last section contains a cross-reference table with the ten principles of the United Nations Global Compact of which Plastic Omnium has been a signatory since 2003, and with the indicators of the international benchmark, GRI Standards and the United Nations Sustainable Development Goals.

Compagnie Plastic Omnium SE, which is listed on Euronext Paris, is a company with industrial operations and plants.

The CSR indicators are collected separately by the HSE and CSR Department and by the Human Resources Department at each site in the reporting scope, and are checked for consistency during the consolidation process.

The Plastic Omnium Group's corporate, social and environmental reporting approach is based on:

- the regulatory provisions related to Articles R. 225-105-1 to R. 225-105-3 of the French Commercial Code;
- the ten principles of the United Nations Global Compact;
- the ACT FOR ALL™ program;
- the HSE policy integrated into the Company's strategy and management.

The information which must be published in accordance with law no. 2017-399 dated March 27, 2017 relating to due diligence by parent companies and subcontracting companies is presented in this declaration on non-financial performance.

The topics required under Article R. 225-105-1 of the French Commercial Code - preventing food waste, ensuring food security, ensuring animal welfare and responsible, fair and sustainable nutrition, were not deemed to be relevant for the Plastic Omnium Group. This is because the Company's activities are not linked to the production, marketing or distribution of food products. Sites that propose food services (canteens) to its employees contract out this service to a specialized service provider in charge of ensuring compliance with applicable laws. The Group's Conditions of Supply require compliance with applicable laws, which enables Plastic Omnium to ensure that its service providers comply with these regulations. These issues are therefore not included in this chapter.

## SCOPE OF THE REPORT

The reporting scope aims to represent all the businesses of Compagnie Plastic Omnium SE. For 2019, the corporate, social and environmental reporting covers all of the IFRS 2019 revenue of Compagnie Plastic Omnium SE.

The water and energy consumption of the vendor managed inventory (VMI) managed by Intelligent Exterior Systems and Clean Energy Systems is also included, as are the resulting CO<sub>2</sub> emissions.

The Group has 11 facilities classified for the protection of the environment (ICPE) pending authorization and 1 facility pending registration. These ICPEs are included in the Group's HSE scope.

**1.1** Employees by type of contract and temporary employees at December 31, 2019 include all the legal entities in the management accounts' consolidation scope.

**1.2** Likewise, registered employees are broken down by gender, by operators/employees/managers, as well as by age group, and temporary employees are included in all of the legal entities in the scope of consolidation.

**1.3** R&D indicators (number of sites, number of R&D employees) are calculated on the basis of the Group's scope (IFRS and Joint Venture).

### Changes in consolidation scope:

For social reporting indicators are reported as of the establishment or consolidation of the site. In 2019, newly opened or acquired sites were included under Human Resources reporting (HSE data will only be reported from the start of production): for Clean Energy Systems and New Energies, the Kuala Lumpur site. The HBPO entities were included within the scope of IFRS reporting following the acquisition of a controlling interest as of July 1, 2019. In 2019, the total workforce, social and HSE indicators included HBPO. In 2018, the total workforce included HBPO, but the workforce breakdown and the social and HSE indicators were calculated excluding HBPO. In 2019, the indicators related to e-learning training courses (code of conduct and GDPR) do not include HBPO.

Site acquisitions new sites are included within the HSE data from the date activity begins (production start-up).

Regarding HSE reporting, Intelligent Exterior Systems' Kenitra site, all of HBPO's plants and the Lippstadt headquarters were included in 2019 (included from 2018 in the HR reporting).

Sites sold or closed during the year are not included: Intelligent Exterior Systems' Pune site (following its transfer to Bhamboli in 2019).

## INDICATOR CALCULATION METHODS

Indicators are approved on December 31, 2019, except for the following indicators:

**2.1** the indicators approved on November 30, 2019 and extrapolated to December 31, based on the ratio of employees at December/employees at November: gender breakdown, breakdown by operators/employees, employees working in shifts or part-time, number of disabled people;

**2.2** the indicators approved on November 30, 2019 and prorated to December 31, based on the ratio of 12/11: internal and external training hours, invoices from training organizations, number of interns, number of employees trained since January 1, 2019 all environmental data (except for the number of ISO 14001 and ISO 50001 certified sites, approved on December 31);

**2.3** the indicators approved on November 30, 2019 and considered as valid for the entire year: hours worked per week, percentage of employees covered by a collective agreement, percentage of employees trained during the year, workstations adapted for employees with disabilities, economic and financial information: market share, growth forecast, investments, etc.;

**2.4** the indicators approved on October 31, 2019 and considered as valid for the entire year: number of incidents of discrimination, number of measures taken following incidents of discrimination, committees, other commissions, number of trade unions represented, company agreements, agreements on health and safety in the workplace.

All indicators are calculated on the IFRS scope and given for two or three years to enable comparability. HSE topic indicators for the consumption of feedstock, paint, solvent, water, gas, propane, VOC emissions, CO<sub>2</sub> emissions and correlated ratios, along with waste, have been corrected for 2018 further to a subsequent detection of errors of little consequence that concerned 17 sites.

## EXTERNAL PROCEDURES AND CONTROLS

A specific reporting protocol for the HSE and Human Resources Departments was developed and provides information about the collection and validation procedure as well as definitions for the indicators identified, in a single document. This protocol is sent to all contributors and validators of non-financial data. This data is collected in the Group's non-financial reporting software.

For 2019, the procedures for reporting non-financial indicators were externally audited by Mazars, an independent third-party. This involved site audits, based on a selection of corporate, social and environmental indicators, across 11 sites representative of the Plastic Omnium Group's operations to check the quality and overall credibility of the reporting system.

The sites audited in 2019 include: for Clean Energy Systems, Lozorno, Ramos and Adrian; for Intelligent Exterior Systems, Warrington, Essen, Bratislava, Puebla, San Luis Potosi, Reinsdorf, Gliwice, Redondela.

The nature of the audits and the related conclusions are presented in a specific certification at the end of this chapter.

The glossary of indicators may be obtained upon request from the Group Human Resources and HSE/CSR Department.

## 4.5 CROSS-REFERENCE TABLE

Topics	Main risks	Chapters	Pages	Key performance indicators	Principles of the United Nations Global Compact	GRI indicators
Solutions for clean, connected mobility and quality Road and automotive safety	Product safety and quality	4.2.5 "Product safety and quality"	126-127	Number of R&D centers: 26 2,700 employees in R&D centers 105 patent families filed		GRI 416-1
	Clean propulsion systems	4.2.2 "Clean propulsion systems"	124-125	Number of R&D centers: 26 2,700 employees in R&D centers 105 patent families filed	8. To take initiatives that will promote greater environmental responsibility 9. Promoting the development and dissemination of environmentally-friendly technologies.	GRI 305-5
	Measures to reduce the weight of vehicles	4.2.1 "Building lighter vehicles"	124	Number of R&D centers: 26 2,700 employees in R&D centers 105 patent families filed	8. To take initiatives that will promote greater environmental responsibility 9. Promoting the development and dissemination of environmentally-friendly technologies.	GRI 305-5
Responsible entrepreneurs	Competitiveness	4.1.2.3 "Strategy and prospects" 4.2 "Innovations and experts: towards clean and connected mobility"	118, 123-124	Share of revenue devoted to investments: 6%		
	Business ethics	4.3.2.1 "Business ethics"	130-131	Ethics awareness index: 92.3%	10 Acting against corruption in all its forms, including extortion and bribery	GRI 102-16 GRI 102-17 GRI 205-1 GRI 205-2 GRI 205-3
	Duty of vigilance and responsible purchasing	4.3.2.2 "Duty of vigilance and ethical suppliers"	131-134	Ethical suppliers index: 68%	Principles 1 to 9	GRI 102-16 GRI 102-17 GRI 308-1 GRI 308-2 GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1 GRI 412-1 GRI 412-2 GRI 414-1 GRI 414-2
	Data protection	4.3.2.3 "Data protection"	134	Ethical compliance index Number of persons trained in GDPR: 1,651		

Topics	Main risks	Chapters	Pages	Key performance indicators	Principles of the United Nations Global Compact	GRI indicators
Care for people	Responsible management	4.3.3 "Care for people"	134-136	Manager turnover rate: 14.6% Rate of absenteeism: 2.73%	2. Avoiding complicity in human rights violations 4. Working to eliminate all forms of forced or compulsory labor 5. Contributing to the effective abolition of child labor	GRI 102-7 GRI 102-8 GRI 102-35 GRI 102-36 GRI 401-2
	Occupational health and safety conditions	4.3.3.1 "Workplace safety"	138-140	Frequency rate – tf2 (accident frequency rate with and without lost time including temporary employees): 1.85		GRI 403-2 GRI 403-3
	Employee engagement	4.3.3 "Care for people"	136-137	Manager turnover rate: 14.6% Rate of absenteeism: 2.73%		
	Social dialogue	4.1.4 "Social dialogue"	121-122	Number of existing committees: 181 Average number of committees per site: 1.2	3. Respecting freedom of association and recognizing the right to collective bargaining	GRI 102-41
	Talent and skill management	4.3.3.7 "Talent and skill management"	143-145	Training hours per year per employee: 22.0 hours  Share of senior management positions filled internally: 70 %		GRI 202-2 GRI 404-1 GRI 404-2 GRI 404-3
Topics	Risks of increasing importance	Chapters	Pages	Key performance indicators	Principles of the United Nations Global Compact	GRI indicators
Sustainable production	Energy efficiency and CO2 emissions	4.3.4.1 "Top Planet Program"	145-148	Energy consumption per kg of material processed: 3.5 kWh Weight of final waste: 14%	7. Taking a cautious approach to environmental problems 8. To take initiatives that will promote greater environmental responsibility	GRI 102-27 GRI 302-1 GRI 302-3 GRI 302-5 GRI 305-1 GRI 305-2 GRI 302-3 GRI 305-4 GRI 305-5 GRI 306-2 GRI 306-4
	Waste management	4.3.4.2 "Renewable energy"				
Topics	Opportunities	Chapters	Pages	Key performance indicators	Principles of the United Nations Global Compact	GRI indicators
Responsible entrepreneurs	Commitment to local stakeholders	4.3.3.6 "Local initiatives and sponsorships"	143	Share of sites leading local initiatives: 58%		
Care for people	Equal opportunities	4.3.3.4 "Equal opportunities" 4.3.3.5 "Promoting inclusion of young people"	141-143	Share of women in management positions: 12.8%	6. Encouraging companies to eliminate employment and occupational discrimination	GRI 405-1 GRI 406-1
Sustainable production	Water management	4.3.4 "Sustainable production"	145-147	Top Planet Score: 49%	7. Taking a cautious approach to environmental problems 8. To take initiatives that will promote greater environmental responsibility	GRI 303-1 GRI 303-3  GRI 305-6 GRI 305-7
	Air quality				9. Promoting the development and dissemination of environmentally-friendly technologies.	GRI 304-3
	Protection of biodiversity					GRI 301-1 GRI 301-2 GRI 305-5
	Eco-design and recyclability		125-126	4 life cycle analyses performed		GRI 416-1



## 4.6 REPORT FROM THE INDEPENDENT THIRD PARTY

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### FOR THE YEAR ENDED DECEMBER 31<sup>ST</sup> 2019

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*This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the General Assembly,

In our capacity as Statutory Auditor of your Company, , we hereby report to you on the non-financial statement for the year ended December 31<sup>st</sup> 2019 (hereinafter the "Statement"), included on a voluntary basis in the Group management report in reference to the requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

### THE ENTITY'S RESPONSIBILITY

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The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement (which are available on request from the entity's head office).

### INDEPENDENCE AND QUALITY CONTROL

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Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

### RESPONSIBILITY OF THE STATUTORY AUDITOR

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On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

### NATURE AND SCOPE OF OUR WORK

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The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, and with ISAE 3000<sup>(1)</sup>,

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;

(1) ISA 3000 - Assurance engagements other than audits or reviews of historical financial information.

- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (Responsible management, Health, safety and security at work, Employees engagement, Talents and skills management and Energy efficiency and greenhouse gases), our work was carried out on the consolidating entity and on a selection of entities; for the others risks, our work was carried out on the consolidating entity;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement (paragraph *Methodology*);
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 19% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

## MEANS AND RESOURCES

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Our work was carried out by a team of 8 people between September 2019 and February 2020 and took a total of 8 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 5 interviews with people responsible for preparing the Statement, representing in particular CSR, legal, HR Industrial and Purchase Directions.

## CONCLUSION

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Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

*Paris-La Défense, February 18, 2020*

The Statutory Auditors

MAZARS SA

Juliette DECOUX  
Associate

Edwige REY  
CSR & Sustainable Development Associate

## APPENDIX 1: INFORMATION CONSIDERED TO BE THE MOST IMPORTANT

### QUALITATIVE INFORMATION (ACTIONS AND RESULTS) THAT HAS BEEN CONSIDERED AS MOST IMPORTANT TOPICS, RELATED TO MAIN CSR RISKS:

- Product quality and safety;
- Business ethics;
- Responsible Purchasing;
- IT data security;
- Responsible management;
- Health, safety and working conditions;
- Employee engagement;
- Social dialogue;
- Energy efficiency and greenhouse gas emissions;
- Waste management.

### KEY PERFORMANCE INDICATORS AND OTHER QUANTITATIVE INFORMATION THAT HAS BEEN CONSIDERED AS MOST IMPORTANT TOPICS:

Themes	Key Performance indicators and other information	Audited entities
Solutions for clean and connected mobility	Number of R&D centers in relation to the number of people working there	Innovation Department IES and CES Divisions and Group HR Department
	Number of patent families per year	Group Scientific and Legal Departments
Responsible entrepreneurs	Ethics Awareness Index	Group Legal Department
	Supplier Ethics Index	IES Division
	Number of people trained in GDPR	Group Data Protection Department
Care for employees	Total workforce and distribution by gender, age and status	● IES Warrington – audit on site
	Management turnover rate	● IES San Luis Potosi – audit on site
	Absenteeism rate	● IES Puebla – audit on site
	Frequency rate (temporary staff included) (TF1 and TF2)	● IES Essen – audit on site
	Number of Top Safety visits per employee per year	● IES Bratislava – audit on site
	Number of hours of training per year per employee	● CES Lozorno – audit on site
		● CES Ramos – audit on site
	● CES Adrian – audit on site	
	● IES Redondela – remote audit	
	● IES Reinsdorf – remote audit	
	● IES Gliwice – remote audit	
	Average number of committees per site	Group HR Department
Sustainable production	Consumption of electricity and gas/kg of processed material	● IES Warrington – audit on site
	Part of final waste	● IES San Luis Potosi – audit on site
	Greenhouse gas emissions per kg of material processed	● IES Puebla – audit on site
		● IES Essen – audit on site
	● IES Bratislava – audit on site (except gas)	
	● CES Lozorno – audit sur site (except gas)	
	● CES Ramos – audit sur site (except gas)	
	● CES Adrian – audit on site (except gas)	
	● IES Redondela – remote audit (except electricity, gas, waste and greenhouse gas emissions)	
	● IES Reinsdorf – remote audit (except electricity)	
	● IES Gliwice – remote audit (except gas and waste)	

# 5

## CONSOLIDATED FINANCIAL statements 2019

AFR

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## PREAMBULE TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FINANCIAL INDICATORS

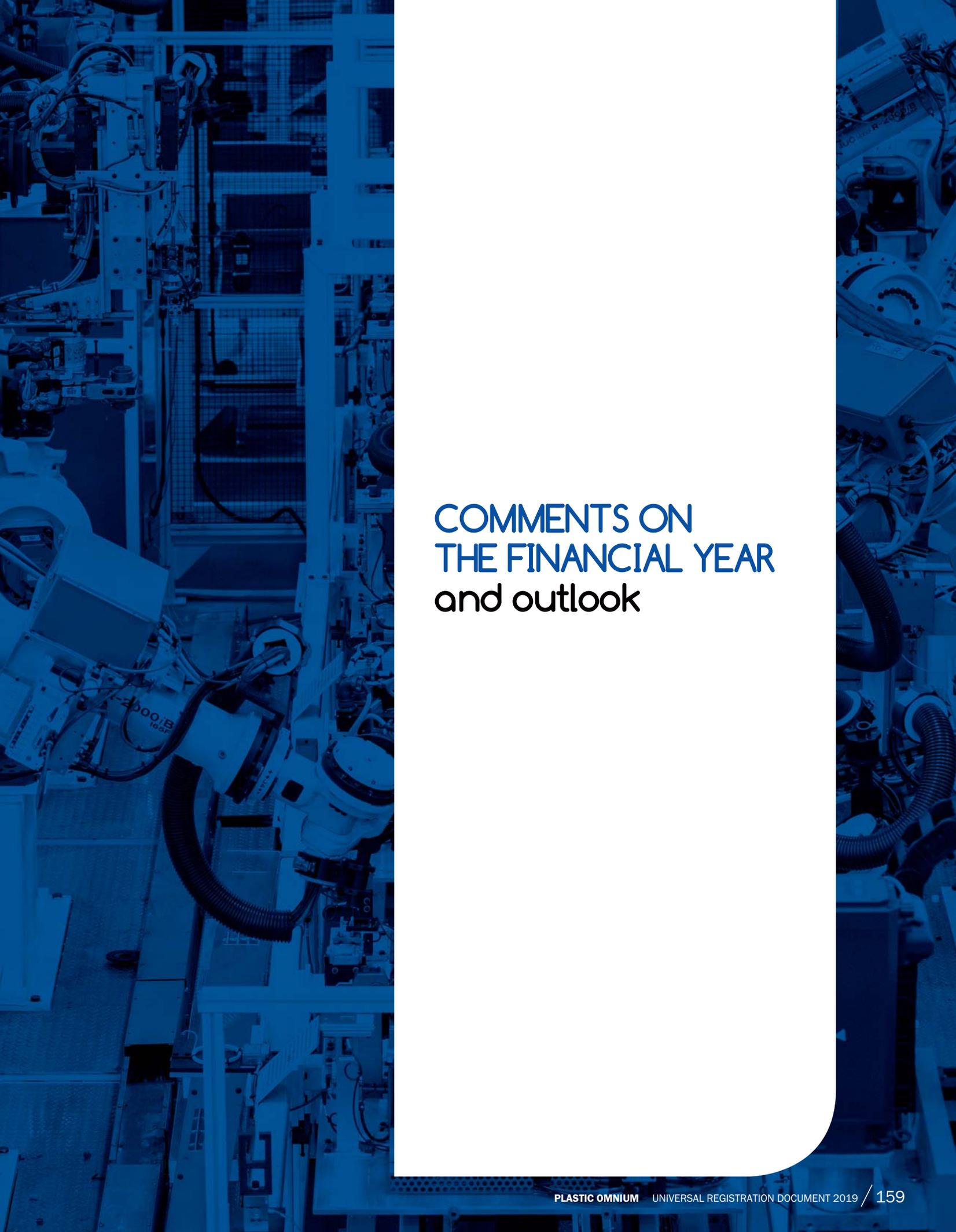
In the context of its financial communication, the Group uses financial indicators based on aggregates taken from the consolidated financial statements prepared in accordance with IFRS, as adopted in the European Union.

As indicated in Note 3.1 on segment information of the consolidated financial statements at December 31, 2019, the Group uses the notion of

“economic revenue” for its operational management, which corresponds to the consolidated revenue of the Group and its joint ventures at their ownership percentage: Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, SHB Automotive modules, the leading Korean front-end module company (Samlip) and BPO, a major player in the Turkish exterior equipment market.

Reconciliation of economic revenue with consolidated revenue:

<i>In thousands of euros</i>	<b>2019</b>	<b>2018</b>
<b>ECONOMIC REVENUE</b>	<b>9,182,632</b>	<b>8,243,934</b>
Including revenue from joint ventures at the Group's percentage stake	689,082	999,298
<b>CONSOLIDATED REVENUE</b>	<b>8,493,550</b>	<b>7,244,636</b>



# COMMENTS ON THE FINANCIAL YEAR and outlook

## 5.1 COMMENTS ON THE FISCAL YEAR AND OUTLOOK

### 5.1.1 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### STRONG GROWTH IN REVENUE

<b>By business</b> <i>In millions of euros</i>	<b>2018</b>	<b>2019</b>	<b>Change</b>	<b>Change like-for-like</b>
Plastic Omnium Industries	6,834	6,919	+1.2%	-0.1%
Plastic Omnium Modules	1,410	2,264	+60.5%	+5.0%
<b>ECONOMIC REVENUE</b>	<b>8,244</b>	<b>9,183</b>	<b>+11.4%</b>	<b>+1.1%</b>
Joint ventures	999	689	-31.0%	-2.5%
Plastic Omnium Industries	6,288	6,398	+1.7%	+0.4%
Plastic Omnium Modules	957	2,096	+119.0%	+4.5%
<b>CONSOLIDATED REVENUE</b>	<b>7,245</b>	<b>8,494</b>	<b>+17.2%</b>	<b>+1.4%</b>

In 2019, the economic revenue reported by Compagnie Plastic Omnium amounted to €9,183 million, a growth of +11.4% compared to 2018.

On a like-for-like basis, growth was +1.1%. The Group's economic revenue includes €119 million of positive currency effects and €701 million of positive net scope effects, mainly due to the full consolidation of HBPO as of July 1, 2018 for Plastic Omnium Modules.

Consolidated revenue reported by Compagnie Plastic Omnium amounted to €8,494 million at December 31, 2019, growth of +17.2% and of +1.4% like-for-like. The Group's consolidated revenue includes a positive exchange rate impact of €119 million and a positive scope impact of €1,015 million, due primarily to the full consolidation of HBPO as of July 1, 2018 for Plastic Omnium Modules.

#### STRONG OUTPERFORMANCE OVER WORLDWIDE AUTOMOTIVE PRODUCTION

Worldwide automotive production dropped by 5.2 million vehicles (-5.8%), falling from 91.2 million vehicles in 2018 to 86.0 million vehicles in 2019.

All of the major car-producing regions were affected: Asia (-3.2 million vehicles) and particularly China (-2.3 million vehicles), Europe (-1 million vehicles) and particularly Germany (-0.5 million vehicles) and North America (-0.7 million vehicles).

In this difficult market environment, Plastic Omnium is outperforming automotive production in all regions, with strong outperformance in China (+12.3 points) and in North America (+10.2 points). Overall, the Group posted economic revenue up by 1.1% on a like-for-like basis and therefore outperformance of 6.9 points over worldwide automotive production, which was down by 5.8%.

The two Group's businesses contributed to this strong outperformance:

- Plastic Omnium Industries, stable over the year, outperformed by 5.7 points;
- Plastic Omnium Modules, up by 5.0% on a like-for-like basis over the year, outperformed by 10.8 points.

<b>By region</b> <i>In millions of euros and % of economic revenue</i>	<b>2018</b>	<b>2019</b>	<b>Change</b>	<b>Change like-for-like</b>	<b>Outperformance/ automotive production</b>
Europe/Africa	4,487 54.4%	4,897 53.3%	+9.1%	-1.0%	+4.3 pts
North America	2,149 26.1%	2,630 28.6%	+22.4%	+6.0%	+10.2 pts
Asia	1,415 17.2%	1,481 16.1%	+4.7%	-1.1%	+5.8 pts
South America	193 2.3%	175 1.9%	-9.5%	+10.9%	+14.8 pts
<b>ECONOMIC REVENUE</b>	<b>8,244</b>	<b>9,183</b>	<b>+11.4%</b>	<b>+1.1%</b>	<b>+6.9 PTS</b>
Joint ventures	999	689	-31.0%	-2.5%	
<b>CONSOLIDATED REVENUE</b>	<b>7,245</b>	<b>8,494</b>	<b>+17.2%</b>	<b>+1.4%</b>	<b>+7.2 PTS</b>

Business in Europe, which represents 53% of total economic revenue, was up by 9.1%. It benefited from the full consolidation of HBPO on July 1, 2018, 60% of whose activity is European. On a like-for-like basis, business slightly declined (-1.0%), posting outperformance of 4.1 points over automotive production, which was down 5.1%. The negative trend continued in Germany (16% of Group revenue) and in the United Kingdom (5% of revenue) where production fell by 8.6% and 13.8% respectively over the year. This drop was partially offset by the growth in SCR revenue (diesel vehicle emissions reduction systems, +12.2%) and by strong business in France (+11.5%) and Eastern Europe (+10.8%).

Business in North America grew strongly by 6.0% on a like-for-like basis over the year, with automotive production down by 4.2%, resulting in outperformance of 10.2 points. Despite the operational difficulties encountered in South Carolina, Plastic Omnium is benefiting from the ramp-up of its recently commissioned American and Mexican plants and its strong exposure on the SUV/Light Trucks markets which account for 80% of its business.

Business in Asia was down by 1.1% on a like-for-like basis over the year, with automotive production down by 6.7%, resulting in outperformance of 5.6 points. In China, which represents revenue of €857 million, or 9% of total revenue, business was up (+3.4% on a like-for-like basis) while automotive production dropped by 8.9%. This strong outperformance of 12.3 points is due to market share gains, by the steady ramp-up of its installed industrial footprint and by the development of the HBPO business, with a first site built in 2017 and 3 additional sites planned by 2021.

The Group has a portfolio of 93 customer brands. In 2019, Volkswagen remained the Group's leading customer with 25.1% of economic revenue, ahead of PSA Peugeot Citroën with 10.3% and General Motors with 9.7%.

In 2019, German carmakers remained the top contributors to Group's economic revenue with 41% of the business, ahead of Asian carmakers with 22%, American carmakers with 20%, and French carmakers with 15%.

## OPERATING RESULT AFFECTED BY THE OPERATIONAL DIFFICULTIES OF GREER

Consolidated gross margin was €1,039 million, versus €1,060 million in 2018. It represented 12.2% of consolidated revenue, versus 14.6% in 2018.

Gross R&D spend was €383 million, representing 4.5% of consolidated revenue (compared with €418 million and 5.8% in 2018). Net R&D spend, i.e. after deduction of capitalized development costs and amounts re-invoiced to customers, was €253 million (3.0% of consolidated revenue), compared with €204 million in 2018 (2.8% of consolidated revenue).

Selling costs were €37 million (0.4% of consolidated revenue) compared with €37 million (0.5% of consolidated revenue) in 2018.

Administrative expenses increased from €242 million in 2018 to €248 million in 2019 and represent 2.9% of consolidated revenue, versus 3.3% in 2018.

Amortization of intangible assets acquired in business combinations represented an expense of €27 million in 2019, compared with an expense of €18 million in 2018. This change is due to the inclusion, on a full-year basis, of the 7-year amortization of customer contracts recognized at the takeover of HBPO in July 2018.

The share of profit of associates and joint ventures amounted to €36 million in 2019, versus €52 million in 2018. This change is explained by the full consolidation of HBPO in the Group's financial statements as of July 1, 2018, and by the lower results of the Chinese joint venture YFPO.

Operating result, after amortization of intangible assets acquired in business combinations and after the share of profit of associates and joint ventures, amounted to €511 million in 2019 (6.0% of consolidated revenue), versus €610 million in 2018 (8.4% of consolidated revenue).

The operating result for Plastic Omnium Industries for the year 2019 stood at €460 million, i.e. 7.2% of consolidated revenue, compared with €578 million in 2018, i.e. 9.2% of consolidated revenue. The profitability of Plastic Omnium Industries has been affected firstly by the significant increase in depreciation, and secondly, by operational difficulties encountered in the ramp-up of the North American plant in Greer (South Carolina). A detailed action plan has been put in place, aimed at reducing the losses by €45 million in 2020, before returning to operational breakeven by 2021.



In 2019, the operating result of Plastic Omnium Modules stood at €50 million, representing 2.4% of consolidated revenue, versus €32 million and 3.4% of consolidated revenue in 2018 (as a reminder, HBPO was fully consolidated as of July 1, 2018). The operating result of

Plastic Omnium Modules includes a negative impact of €17.5 million related to the 7-year amortization of customer contracts recognized as part of the purchase price allocation for HBPO.

Consolidated revenue and operating margin by business <i>in millions of euros</i>	2018			2019		
	Revenue	Operating result	% of revenue	Revenue	Operating result	% of revenue
Plastic Omnium Industries	6,288	578	9.2%	6,398	460	7.2%
Plastic Omnium Modules	957	32	3.4%	2,096	50	2.4%
<b>TOTAL</b>	<b>7,245</b>	<b>610</b>	<b>8.4%</b>	<b>8,494</b>	<b>511</b>	<b>6.0%</b>

To respond to the deterioration in worldwide automotive production, throughout 2019, Plastic Omnium improved its cost reduction plans, for a total amount of €100 million, including €50 million of savings on indirect production costs and structural costs.

## NET RESULT, GROUP SHARE: €258 MILLION

In 2019, Plastic Omnium recognized net non-current expenses of -€67 million (compared to +€114 million of net income in 2018). In 2018, they included a positive impact of €255 million due to the revaluation of the historic 33.33% holding in HBPO as part of the takeover of the joint venture. In 2019, they essentially included restructuring charges to respond to the drop in worldwide automotive production.

At December 31, 2019, the net financial loss stood at -€78 million, versus a loss of €70 million at December 31, 2018, representing 0.9% of consolidated revenue.

In 2019, income tax came to -€90 million, *i.e.* an effective rate of 27.3%, versus -€113 million in 2018 (an effective rate of 18.8%).

Net result in 2019 stood at €276 million (representing 3.2% of consolidated revenue), versus €543 million in 2018 (7.5% of consolidated revenue). In 2018, it included a positive impact of €255 million due to the revaluation of the historic 33.33% holding in HBPO as part of the takeover of the joint venture.

The net result, Group share, stood at €258 million (representing 3.0% of consolidated revenue), versus €533 million in 2018 (representing 7.4% of consolidated revenue).

Basic earnings per share stood at €1.77, versus €3.63 in 2018.

## INVESTMENTS TO SUPPORT FUTURE GROWTH AND STRONG CASH GENERATION

In 2019, the Group invested €512 million, representing 6.0% of its consolidated revenue (versus €562 million, representing 7.8% of its consolidated revenue in 2018).

These investments included:

- 4 plants for the Intelligent Exterior Systems business in the United States, in Slovakia, in India and Morocco and 2 assembly sites for the HBPO business in Germany and Mexico;
- 3 R&D centers, including two for the Clean Energy Systems business (Belgium and China) and the extension and digitization of Σ-Sigmatech for Intelligent Exterior Systems, opened in June 2019.

After a sustained program of industrial investments over the last few years, the Group now has the available installed capacity to ensure its

future growth. Because of this, investments represent a maximum of 6% of its revenue for the period 2019-2022, while continuing a sustained R&D program.

This investment program is largely funded by record EBITDA that rose to €1,005 million in 2019 (or 11.8% of consolidated revenue versus 918 million and 12.7% of consolidated revenue 2018). The increase in EBITDA includes the significant increase in depreciation generated firstly by new plant launches and start-ups of new programs to support the Group's growth, and secondly, by the transition to IFRS 16 and the full consolidation of HBPO.

Also, in December 2019, the Group sold its non-industrial real estate assets to the real estate company Sofiparc, wholly owned by the controlling shareholder of Plastic Omnium, Burelle SA. This disposal was completed, on the basis of two independent valuations, for an amount of €128.5 million.

At December 31, 2019, the Group therefore generated record free cash flow of €347 million, *i.e.* 4.1% of its consolidated revenue (versus €218.0 million, or 3.0% of its consolidated revenue in 2018).

## SOUND FINANCIAL STRUCTURE

Net financial debt totaled €739 million at December 31, 2019, up by €42 million compared with December 31, 2018. It includes a net impact of €228 million from the transition to IFRS 16 in 2019.

In 2019, the Group distributed €124 million in dividends.

The Group's net debt, after application of IFRS 16 in 2019, represented 32% of shareholders' equity and 0.7x EBITDA.

On December 31, 2019, the Group had €1.2 billion of undrawn credit lines and a €1.0 billion of available cash.

## 5.1.2 INVESTMENTS 2020-2022

In a volatile market context, Plastic Omnium is strengthening its fundamental management principles with, among other things, special attention paid to free cash-flow generation. Thus, over the period 2020-2022, Plastic Omnium plans to invest a maximum of 6% of its consolidated revenue (versus 7-8% of its consolidated revenue over the period 2016-2018 and 6% already in 2019). These investments will be in new capacities, the ongoing optimization of the manufacturing base (industry 4.0 and operational excellence), the development of new programs, and the launch of new research projects.

### 5.1.3 OUTLOOK AND POST-BALANCE SHEET EVENTS

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at December 31, 2019 has occurred since the closing date.

#### Group's situation in China:

The Group is present in China through 29 industrial sites and 2 R&D centers, where it has 5,469 employees. Its economic revenue in China stood at €857 million in 2019 (9% of total economic revenue), for consolidated revenue of €370 million (4% of total consolidated revenue). In the province of Hubei (Wuhan), the Group has 588 employees spread over 3 plants and a R&D center.

To protect its teams and ensure the continuity of its businesses, Plastic Omnium is carefully monitoring the impact of Covid-19 developments.

The changing situation is monitored daily site by site. At the date of this Universal Registration Document:

- 26 out of 29 industrial sites have resumed activity with an average utilization rate of 20 to 30%. The other 3 industrial sites (of which 2 are located in the Hubei province) will reopen as soon as the local authorities have given their consent;
- the attendance rate of employees at each site is between 90% and 100%;

- the Group has implemented measures to secure its supply chain;
- the Anting R&D center (Intelligent Exterior Systems) reopened mid-February. The Wuhan R&D center (Clean Energy Systems) will reopen as soon as the local authorities have given their consent.

#### Financial outlook:

Global automotive production will continue to decrease in 2020. Its evolution will depend on the evolution of the Covid-19 impact.

Based on the production assumptions known to date and excluding the systemic effect linked to Covid-19, Plastic Omnium forecasts for 2020:

- a 5-point outperformance compared to worldwide automotive production;
- operating profit and EBITDA up by value;
- free cash-flow of at least €200 million, with confirmed innovation and R&D capacity.

Financial outlook for the 2021-2022 period is part of the 2019-2022 strategic plan presented during the Group's Investor day held on January 7, 2020 and is the same for each year as the 2020 outlook.

In this market environment, the Group benefits from a solid backlog and has strengthened its management fundamentals, with particular attention paid to free cash-flow generation, a strengthened cost reduction policy and a renewed ambition in terms of industrial excellence.





CONSOLIDATED  
FINANCIAL  
STATEMENTS  
at December 31, 2019

## 5.2 CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2019

### 5.2.1 BALANCE SHEET

#### ASSETS

<i>In thousands of euros</i>	Notes	December 31, 2019	December 31, 2018
Goodwill	5.1.1	1,017,830	1,015,730
Other intangible assets	5.1.2	724,745	728,150
Property, plant and equipment	5.1.3	1,958,919	1,653,028
Investment property	5.1.4	30	93,263
Equity method and non-consolidated investments	5.1.5	195,129	193,212
Non-current financial assets <sup>(1)</sup>	5.1.6	70,958	65,775
Deferred tax assets	5.1.10	106,108	101,691
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,073,719</b>	<b>3,850,849</b>
Inventories	5.1.7	735,846	737,109
Finance receivables <sup>(1)</sup>	5.1.8	13,100	22,504
Trade receivables	5.1.9.2	818,799	815,300
Other receivables	5.1.9.3	328,757	370,612
Other financial assets and financial receivables <sup>(1)</sup>	5.1.8	55,127	63,942
Hedging instruments <sup>(1)</sup>	5.2.7	5,027	1,898
Cash and cash equivalents <sup>(1)</sup>	5.1.11	1,142,953	916,336
<b>TOTAL CURRENT ASSETS</b>		<b>3,099,609</b>	<b>2,927,701</b>
<b>ASSETS HELD FOR SALE</b>		<b>750</b>	<b>846</b>
<b>TOTAL ASSETS</b>		<b>7,174,078</b>	<b>6,779,396</b>

(1) Components of net debt.

## EQUITY AND LIABILITIES

<i>In thousands of euros</i>	<b>Notes</b>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Capital	5.2.1.1	8,914	8,914
Treasury stock		(54,071)	(49,850)
Additional paid-in capital		17,389	17,389
Consolidated reserves		2,014,390	1,576,112
Net income for the period		258,197	533,296
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>2,244,819</b>	<b>2,085,861</b>
Attributable to non-controlling interests		98,774	96,138
<b>TOTAL EQUITY</b>		<b>2,343,593</b>	<b>2,181,999</b>
Non-current borrowings <sup>(1)</sup>	5.2.6.5	1,334,713	1,635,811
Provisions for pensions and other post-employment benefits	5.2.5	107,670	105,184
Provisions for liabilities and charges	5.2.4	29,970	35,592
Non-current government grants		3,769	6,323
Deferred tax liabilities	5.1.10	54,859	80,718
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,530,981</b>	<b>1,863,628</b>
Bank overdrafts <sup>(1)</sup>	5.1.11.2	9,875	4,684
Current borrowings and financial debt <sup>(1)</sup>	5.2.6.5	678,731	123,215
Other current financial debt <sup>(1)</sup>	5.2.6.5	31	31
Hedging instruments <sup>(1)</sup>	5.2.7	3,268	4,330
Provisions for liabilities and charges	5.2.4	70,362	55,120
Current government grants		4,207	3,994
Trade payables	5.2.8.1	1,518,204	1,614,989
Other operating liabilities	5.2.8.2	1,014,826	927,406
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,299,504</b>	<b>2,733,769</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,174,078</b>	<b>6,779,396</b>

(1) Components of net debt. Net debt stands at €739.5 million at December 31, 2019 compared with €697.6 million at December 31, 2018 (see Note 5.2.6.5).

## 5.2.2 INCOME STATEMENT

<i>In thousands of euros</i>	Notes	2019	%	2018	%
<b>CONSOLIDATED SALES (REVENUE)</b>		<b>8,493,550</b>	<b>100.0%</b>	<b>7,244,636</b>	<b>100.0%</b>
Cost of goods and services sold	4.2	(7,454,127)	-87.8%	(6,184,457)	-85.4%
<b>GROSS PROFIT</b>		<b>1,039,423</b>	<b>12.2%</b>	<b>1,060,179</b>	<b>14.6%</b>
Net Research and Development costs	4.1 - 4.2	(253,249)	-3.0%	(204,319)	-2.8%
Selling costs	4.2	(37,280)	-0.4%	(37,433)	-0.5%
Administrative expenses	4.2	(247,506)	-2.9%	(241,761)	-3.3%
<b>OPERATING MARGIN BEFORE AMORTIZATION OF INTANGIBLE ASSETS ACQUIRED IN BUSINESS COMBINATIONS AND BEFORE SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES</b>		<b>501,388</b>	<b>5.9%</b>	<b>576,666</b>	<b>8.0%</b>
Amortization of intangible assets acquired in business combinations	4.4	(27,210)	-0.3%	(18,454)	-0.3%
Share of profit/loss of associates and joint ventures	4.5	36,454	0.4%	51,888	0.7%
<b>OPERATING MARGIN</b>		<b>510,632</b>	<b>6.0%</b>	<b>610,100</b>	<b>8.4%</b>
Other operating income	4.6	167,694	2.0%	279,872	3.9%
Other operating expenses	4.6	(234,731)	-2.8%	(165,490)	-2.3%
Financing costs, net	4.7	(79,363)	-0.9%	(69,116)	-1.0%
Other financial income and expenses, net	4.7	1,598	0.0%	(1,088)	-0.0%
<b>PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX AND AFTER SHARE OF PROFITS OF ASSOCIATES AND JOINT VENTURES</b>		<b>365,830</b>	<b>4.3%</b>	<b>654,278</b>	<b>9.0%</b>
Income tax	4.8	(89,860)	-1.1%	(112,996)	-1.6%
<b>NET INCOME AFTER TAX FROM CONTINUING OPERATIONS</b>		<b>275,970</b>	<b>3.2%</b>	<b>541,283</b>	<b>7.5%</b>
Net income after income tax from discontinued activities		-	-	1,494	0.0%
<b>NET INCOME</b>		<b>275,970</b>	<b>3.2%</b>	<b>542,777</b>	<b>7.5%</b>
Net profit attributable to non-controlling interests	4.9	17,773	0.2%	9,481	0.1%
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>		<b>258,197</b>	<b>3.0%</b>	<b>533,296</b>	<b>7.4%</b>
<b>Earnings per share attributable to owners of the parent company</b>	<b>4.10</b>				
• Basic earnings per share ( <i>in euros</i> ) <sup>(1)</sup>		1.77		3.63	
• Diluted earnings per share ( <i>in euros</i> ) <sup>(2)</sup>		1.76		3.61	

(1) Basic earnings per share are calculated using the weighted average number of ordinary shares outstanding, less the average number of shares held in treasury stock.

(2) Diluted earnings per share take into consideration the average number of treasury shares deducted from equity and shares which might be issued under stock option programs.

## 5.2.3 STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of euros</i>	December 31, 2019			December 31, 2018		
	Total	Gross	Tax	Total	Gross	Tax
<b>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT<sup>(1)</sup></b>	<b>258,197</b>	<b>341,297</b>	<b>(83,100)</b>	<b>533,296</b>	<b>643,220</b>	<b>(109,924)</b>
<b>Reclassified to the income statement</b>	<b>6,480</b>	<b>6,242</b>	<b>238</b>	<b>(10,971)</b>	<b>(11,836)</b>	<b>865</b>
<b>Reclassified in the period</b>	<b>302</b>	<b>315</b>	<b>(13)</b>	<b>5,739</b>	<b>5,979</b>	<b>(240)</b>
Exchange differences on translating foreign operations – reclassified to the income statement	-	-	-	5,154	5,154	-
Cash flow hedges – Interest rate instruments reclassified to the income statement	302	315	(13)	585	825	(240)
<b>Reclassified at a later date</b>	<b>6,178</b>	<b>5,927</b>	<b>251</b>	<b>(16,710)</b>	<b>(17,815)</b>	<b>1,105</b>
Exchange differences on translating foreign operations	7,004	7,004	-	(12,089)	(12,089)	-
Cash flow hedges	(826)	(1,077)	251	(4,621)	(5,726)	1,105
<i>Gains/(losses) for the period – Interest rate instruments</i>	-	-	-	(1,815)	(1,815)	-
<i>Gains/(losses) for the period – Exchange rate instruments</i>	(826)	(1,077)	251	(2,806)	(3,911)	1,105
<b>Cannot be reclassified to the income statement at a later date</b>	<b>7,087</b>	<b>7,087</b>	<b>-</b>	<b>10,925</b>	<b>11,979</b>	<b>(1,054)</b>
Actuarial gains/(losses) recognized in equity	(12,194)	(12,194)	-	1,707	2,761	(1,054)
Adjustment for change in fair value of long-term investments in equity instruments and funds	10,290	10,290	-	366	366	-
Revaluation of assets and liabilities due to hyperinflation in Argentina	8,991	8,991	-	8,852	8,852	-
<i>Profit/loss from continuing activities recognized directly in equity</i>	<i>13,567</i>	<i>13,329</i>	<i>238</i>	<i>(46)</i>	<i>143</i>	<i>(189)</i>
Comprehensive income attributable to owners of the parent <sup>(2)</sup>	271,764	354,626	(82,862)	533,250	643,363	(110,113)
<b>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>17,773</b>	<b>24,534</b>	<b>(6,761)</b>	<b>9,481</b>	<b>12,553</b>	<b>(3,072)</b>
<b>Reclassified to the income statement</b>	<b>1,865</b>	<b>1,865</b>	<b>-</b>	<b>(1,125)</b>	<b>(1,125)</b>	<b>-</b>
<b>Reclassified at a later date</b>	<b>1,865</b>	<b>1,865</b>	<b>-</b>	<b>(1,125)</b>	<b>(1,125)</b>	<b>-</b>
Exchange differences on translating foreign operations	1,865	1,865	-	(1,125)	(1,125)	-
<b>Cannot be reclassified to the income statement at a later date</b>	<b>(83)</b>	<b>(83)</b>	<b>-</b>	<b>(14)</b>	<b>(14)</b>	<b>-</b>
Actuarial gains/(losses) recognized in equity	(83)	(83)	-	(14)	(14)	-
<i>Other comprehensive income - non controlling interests</i>	<i>1,782</i>	<i>1,782</i>	<i>-</i>	<i>(1,139)</i>	<i>(1,139)</i>	<i>-</i>
Comprehensive income attributable to non-controlling interests	19,556	26,317	(6,761)	8,342	11,414	(3,072)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>291,320</b>	<b>380,943</b>	<b>(89,623)</b>	<b>541,592</b>	<b>654,777</b>	<b>(113,185)</b>

(1) Net profit for the period attributable to owners of the parent amounted to €154,247 thousand at December 31, 2019 compared with €316,884 thousand at December 31, 2018.

(2) Net comprehensive income for the period attributable to owners of the parent amounted to €162,349 thousand at December 31, 2019 compared with €316,857 thousand at December 31, 2018.

## 5.2.4 CHANGES IN EQUITY

<i>In thousands of euros</i> <i>In thousand units for the number of shares</i>	Number of shares	Capital	Addi- tional paid-in capital	Treasury stock	Other reserves <sup>(1)</sup>	Trans- lation adjust- ment	Net profit for the period	Shareholders' equity		Total equity
								Attribu- table to owners of the parent	Attribu- table to non- controlling interests	
<b>EQUITY AT DECEMBER 31, 2017</b>	150,977	9,059	17,389	(61,764)	1,366,568 <sup>(1)</sup>	(28,809)	425,177	1,727,620	26,614	1,754,234
1 <sup>st</sup> application of IFRS 15					(4,818)			(4,818)	30	(4,788)
1 <sup>st</sup> application of IFRS 9					(1,939)			(1,939)		(1,939)
<b>EQUITY AT JANUARY 1, 2018</b>	150,977	9,059	17,389	(61,764)	1,359,811 <sup>(1)</sup>	(28,809)	425,177	1,720,863	26,644	1,747,507
Appropriation of net profit at December 31, 2017	-	-	-	-	425,177	-	(425,177)	-	-	-
Net profit at December 31, 2018	-	-	-	-	-	-	533,296	533,296	9,481	542,777
Other comprehensive income	-	-	-	-	12,596	(12,688)	-	(92)	(1,139)	(1,231)
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	5,707	(12,688)	-	(6,981)	(1,125)	(8,106)
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	1,707	-	-	1,707	(14)	1,693
<i>Cash flow hedges – Interest rate instruments</i>	-	-	-	-	(1,230)	-	-	(1,230)	-	(1,230)
<i>Cash flow hedges – Currency instruments</i>	-	-	-	-	(2,806)	-	-	(2,806)	-	(2,806)
<i>Change in the fair value adjustment of long-term investments in equity instruments and in funds</i>	-	-	-	-	366	-	-	366	-	366
<i>Revaluation of assets and liabilities due to hyperinflation in Argentina</i>	-	-	-	-	8,852	-	-	8,852	-	8,852
<b>COMPREHENSIVE INCOME</b>	-	-	-	-	437,773	(12,688)	108,119	533,204	8,342	541,546
Treasury stock transactions	-	-	-	(70,715)	-	-	-	(70,715)	-	(70,715)
Capital reduction (cancellation of treasury stock) <sup>(1)</sup>	(2,411)	(145)	-	82,629	(82,629)	-	-	(145)	-	(145)
Change in scope of consolidation and reserves <sup>(2)</sup>	-	-	-	-	-	-	-	-	62,884	62,884
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	(98,822)	-	-	(98,822)	-	(98,822)
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	(1,733)	(1,733)
Stock option costs	-	-	-	-	2,528	-	-	2,528	-	2,528
Deferred tax on stock option and share purchase plans	-	-	-	-	(1,052)	-	-	(1,052)	-	(1,052)
<b>EQUITY AT DECEMBER 31, 2018</b>	148,566	8,914	17,389	(49,850)	1,617,609 <sup>(1)</sup>	(41,497)	533,296	2,085,861	96,138	2,181,999
1 <sup>st</sup> application of IFRS 16	-	-	-	-	-	-	-	-	-	-
1 <sup>st</sup> application of IFRIC 23	-	-	-	-	(2,500)	-	-	(2,500)	-	(2,500)

In thousands of euros In thousand units for the number of shares	Number of shares	Capital	Addi- tional paid-in capital	Treasury stock	Other reserves <sup>(1)</sup>	Trans- lation adjust- ment	Net profit for the period	Shareholders' equity		Total equity
								Attribu- table to owners of the parent	Attribu- table to non- controlling interests	
<b>EQUITY AT JANUARY 1, 2019</b>	148,566	8,914	17,389	(49,850)	1,615,109	(41,497)	533,296	2,083,361	96,138	2,179,499
Appropriation of net profit at December 31, 2018	-	-	-	-	533,296	-	(533,296)	-	-	-
Net profit at December 31, 2019	-	-	-	-	-	-	258,197	258,197	17,773	275,970
Other comprehensive income	-	-	-	-	2,455	11,112	-	13,567	1,782	15,349
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	(4,108)	11,112	-	7,004	1,865	8,869
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	(12,194)	-	-	(12,194)	(83)	(12,277)
<i>Cash flow hedges – Interest rate instruments</i>	-	-	-	-	302	-	-	302	-	302
<i>Cash flow hedges – Currency instruments</i>	-	-	-	-	(826)	-	-	(826)	-	(826)
<i>Change in the fair value adjustment of long-term investments in equity instruments and in funds</i>	-	-	-	-	10,290	-	-	10,290	-	10,290
<i>Revaluation of assets and liabilities due to hyperinflation in Argentina</i>	-	-	-	-	8,991	-	-	8,991	-	8,991
<b>COMPREHENSIVE INCOME</b>	-	-	-	-	535,751	11,112	(275,099)	271,764	19,556	291,320
Treasury stock transactions	-	-	-	(4,221)	215	-	-	(4,006)	-	(4,006)
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	(108,169)	-	-	(108,169)	-	(108,169)
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	(16,920)	(16,920)
Stock option costs	-	-	-	-	2,492	-	-	2,492	-	2,492
Deferred tax on stock option and share purchase plans	-	-	-	-	(622)	-	-	(622)	-	(622)
<b>EQUITY AT DECEMBER 31, 2019</b>	148,566	8,914	17,389	(54,071)	2,044,775 <sup>(1)</sup>	(30,385)	258,197	2,244,819	98,774	2,343,593

(1) See Note 5.2.1.2 for breakdown of "Other reserves".

(2) See Note 5.2.1.3 for breakdown of "Changes in scope of consolidation and reserves".

(3) The dividend per share distributed on December 31, 2019 by Compagnie Plastic Omnium in respect of the 2018 fiscal year is €0.74 compared with €0.67 on December 31, 2018 in respect of the 2017 fiscal year (see Note 5.2.2 on dividends voted and paid).

## 5.2.5 STATEMENT OF CASH FLOWS

<i>In thousands of euros</i>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
<b>I – Cash flows from operating activities</b>			
Net income	3.1.1	275,970	542,777
Dividends received from associates and joint ventures		31,567	40,973
Non-cash items		602,553	212,959
<i>Net income from discontinued operations</i>		-	(1,494)
<i>Share of profit/(loss) of associates and joint ventures</i>	4.5	(36,454)	(51,888)
<i>Stock option plan expense</i>	4.3 - 5.2.3	2,492	2,528
<i>Other adjustments<sup>(1)</sup></i>		6,581	(259,331)
<i>Depreciation and provisions for impairment of fixed assets</i>		297,498	202,740
<i>Amortization and provisions for impairment of intangible assets</i>		200,431	163,353
<i>Changes in provisions</i>		(7,238)	(22,075)
<i>Net (gains)/losses on disposals of non-current assets</i>	4.6	(17,924)	1,210
<i>Operating grants recognized in the income statement</i>		(991)	(1,407)
<i>Current and deferred taxes</i>	4.8.1	89,860	112,995
<i>Interest expense</i>		68,298	66,328
<b>Cash generated by operations (A)</b>		<b>910,090</b>	<b>796,709</b>
Change in inventories and work-in-progress – net		7,937	(23,074)
Change in trade receivables – net		36,513	180,442
Change in trade payables		(99,549)	(8,097)
Change in other operating assets and liabilities – net		38,381	(17,177)
<b>Change in working capital requirements (B)</b>		<b>(16,718)</b>	<b>132,094</b>
<b>Taxes paid (C)</b>		<b>(95,849)</b>	<b>(82,765)</b>
Interest paid		(74,166)	(71,053)
Interest received		6,230	4,641
<b>Net financial interest paid (D)</b>		<b>(67,936)</b>	<b>(66,412)</b>
<b>NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)</b>		<b>729,586</b>	<b>779,626</b>
<b>II – Cash flows from investing activities</b>			
Acquisitions of property, plant and equipment	3.1.3	(333,697)	(434,327)
Acquisitions of intangible assets	3.1.3	(199,798)	(208,452)
Disposals of property, plant and equipment		134,397	4,842
Disposals of intangible assets		6,644	996
Net change in advances to suppliers of fixed assets		10,839	74,131
Government grants received		(1,415)	1,172
<b>Net cash used in operations-related investing activities (E)</b>		<b>(383,031)</b>	<b>(561,639)</b>
<b>FREE CASH FLOW (A + B + C + D + E)</b>		<b>346,555</b>	<b>217,988</b>

<i>In thousands of euros</i>	Notes	2019	2018
Acquisitions of shares in subsidiaries and associates, investments in associates and joint ventures, and related investments <sup>(2)</sup>		23	(369,543)
Acquisitions of non-consolidated equity instruments		(320)	(3,000)
Acquisitions of long-term investments in equity instruments and in funds		(26,307)	(1,000)
Proceeds from disposals of investments in subsidiaries and associates <sup>(3)</sup>		-	200,166
Disposals of long term investments in listed equity instruments and in funds		8,485	-
Impact of changes in scope of consolidation - cash and cash equivalents contributed by companies entering the scope of consolidation		-	26,847
<b>Net cash from financial investing activities (F)</b>		<b>(18,119)</b>	<b>(146,530)</b>
<b>NET CASH FROM INVESTING ACTIVITIES (E+F)</b>		<b>(401,150)</b>	<b>(708,169)</b>
<b>III – Cash flows from financing activities</b>			
Increases/reductions in share capital and premiums		-	(145)
Purchases/sales of treasury stock		(4,006)	(70,715)
Dividends paid by the Compagnie Plastic Omnium to Burelle SA		(64,619)	(58,238)
Dividends paid to other shareholders <sup>(4)</sup>		(58,917)	(42,317)
Increase in financial debt		267,939	385,283
Repayment of financial debt		(247,049)	(306,390)
<b>Net cash provided by (used in) financing activities (G)</b>		<b>(106,652)</b>	<b>(92,522)</b>
Assets held for sale (and discontinued operations) (H) <sup>(5)</sup>		-	15,059
Effect of exchange rate changes (I)		(358)	(7,228)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E + F + G + H + I)</b>		<b>221,426</b>	<b>(13,232)</b>
Net cash and cash equivalents at beginning of period	5.1.11.2 - 5.2.6.5	911,652	924,884
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>5.1.11.2 - 5.2.6.5</b>	<b>1,133,078</b>	<b>911,652</b>

(1) In December 2018, this item included the revaluation of €255,000 thousand relating to the 33.33% equity share held in HBPO based on its fair value recognized as part of the takeover by Compagnie Plastic Omnium.

(2) In December 2018, the amount of €369,762 thousand related to Mahle-Behr's 33.33% equity stake in HBPO acquired by the Group and after the takeover.

(3) This item included the sale of the Environment Division at the end of 2018.

(4) In 2019, the €43,549 thousand in dividends paid to other shareholders (compared with €40,584 thousand in 2018) by Compagnie Plastic Omnium, brought the total dividends paid by Compagnie Plastic Omnium to €108,169 thousand (compared with €98,822 thousand in 2018). See Note 5.2.2 "Dividends voted and paid by Compagnie Plastic Omnium".

(5) In 2018, the amounts for this item corresponded to the results of the Environment Division.

## 5.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On February 18, 2020 the Board of Directors of the Plastic Omnium Group approved the consolidated financial statements for the year ended December 31, 2019, which will be submitted to the Combined Shareholders' Meeting on April 23, 2020.

### PRESENTATION OF THE GROUP

Compagnie Plastic Omnium, a company governed by French law, was set up in 1946. The bylaws set its duration until April 24, 2112. It is registered in the Lyon Trade and Companies Register under number 955 512 611 and its registered office is at 19, boulevard Jules Carteret, 69007 Lyon, France.

The terms "Compagnie Plastic Omnium", "the Group" and "the Plastic Omnium Group" refer to the group of companies comprising Compagnie Plastic Omnium and its consolidated subsidiaries.

The Plastic Omnium Group is a global leader in the transformation of plastic materials for the automotive market for body parts, storage systems and fuel supply systems ("Industries" segment) and front-end modules ("Modules" segment).

Following the disposal in 2018 of the Environment Division, which represented a separate business segment, the Group has organized its business into two operating segments:

- **Industries:**
  - **Intelligent Exterior Systems**, dedicated to complex and intelligent body systems,
  - **Clean Energy Systems**, dedicated to clean energy storage systems and emission reduction systems;
- **Modules:** module design, development and assembly.

Plastic Omnium Group shares have been traded on the Paris Stock Exchange since 1965. The Group has been traded on Eurolist subfund A since January 17, 2013 and is listed on the SBF 120 and the CAC Mid 60 indices. The main shareholder is Burelle SA, which held 58.78% of the Group at December 31, 2019 (59.74% excluding treasury stock).

The unit of measurement used in the Notes to the consolidated financial statements is thousand euros, unless otherwise indicated.

### NOTE 1 ACCOUNTING POLICIES, ACCOUNTING RULES AND PRINCIPLES

#### 1.1 Accounting policies

The accounting policies used to prepare the consolidated financial statements are those applied by the Group at December 31, 2018, except for IFRIC 23 interpretation "Uncertainty over Income Tax Treatments" and IFRS 16 "Leases" applied by the Group as of January 1, 2019.

They comply with IFRS standards and interpretations as adopted by the European Union at December 31, 2019 and available on the European Commission website.

IFRS includes the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as well as the International Financial Reporting Interpretations Committee (IFRIC). These accounting principles do not differ significantly from mandatory standards and interpretations as of December 31, 2019, as published by the IASB.

The Group has not anticipated the application of standards, interpretations and amendments that are not mandatory at December 31, 2019.

#### Standards, interpretations and amendments applicable from January 1, 2019:

The Group has been applying IFRS 16 "Leases" since January 1, 2019. This standard, published in early 2016 by the IASB with an application date of January 1, 2019, was endorsed by the European Union on October 31, 2017.

The Group has chosen to apply the IFRS 16 simplified retrospective method for the transition at January 1, 2019: the 2018 consolidated financial statements are not restated and the new accounting treatment is applied to leases in progress at January 1, 2019.

The two capitalization exemptions proposed by the standard for contracts with an initial duration of less than or equal to 12 months and assets with a low value when new, which the Group has defined as being less than or equal to €5,000, were used.

The main changes induced by IFRS 16 are as follows:

- recognition from January 1, 2019, under property, plant and equipment, of right-of-use assets for leases that meet the capitalization criteria defined by IFRS 16;
- recognition from January 1, 2019 of a financial liability for the obligation to pay rent during the term of these leases;
- recognition of an amortization expense for the right-of-use asset and a financial expense relating to the interest on the lease liability, which partly replace the operating expense previously recognized in respect of rents;
- in the statement of cash flows: debt repayments affect the flow of financing.

As part of the implementation of this new standard, the Group measures whether a contract is a lease under IFRS 16 by assessing, at the date of entry of the said contract, whether the latter relates to a specific asset, whether the Group obtains substantially all the economic benefits associated with the use of the asset and has the ability to control the use of this asset.

The Group has introduced a tool to perform, for each lease complying with the IFRS 16 capitalization criteria, an evaluation of the rights-of-use and the related financial liability in accordance with IFRS 16. The lease term used corresponds to the duration of the lease, taking into account an option to renew or terminate when its exercise is reasonably certain. The discount rate used to calculate the rental liability is determined, for each property, according to the incremental borrowing rate at the date of commencement of the lease. This rate corresponds to the interest rate that the lessee would obtain at inception of the lease to finance the acquisition of the leased goods. This rate is obtained by adding the rate for government bonds with durations similar to the leased goods and the credit spread of the entity. The weighted average interest rate used for the first-time application is around 3.9%.

The amount recognized as of January 1, 2019 for right-of-use assets and financial liabilities amounts to €230.3 million. 85.8% of this amount concerns real estate rentals for industrial sites, storage and administrative premises. The balance mainly corresponds to industrial equipment and vehicles (see Notes 2.1.1 in “Significant events of the period” and 5.1.3 “Property, plant and equipment – Right-of-use of leased assets”). The rights-of-use relating to the leased assets at January 1, 2019 comprise 11.6% of the Group’s net property, plant and equipment.

Since January 1, 2019, the Group has also applied IFRIC 23 “Uncertainty over Income Tax Treatments”, which requires uncertainties regarding the acceptable treatment of a position with respect to tax law to be taken into account in the context of income tax accounting. Accounting for this uncertainty is based on the likelihood of its being challenged by the tax administration, taking into account a 100% “detection risk”. The application of IFRIC 23 did not have a significant impact on the principles that had been applied until then in the valuation of provisions for tax risks: see “Changes in equity” and Note 5.2.8.2 “Other operating debts”.

## 1.2 Scope of consolidation

### 1.2.1 Consolidation principles

Companies in which the Group holds more than 50% of the voting rights or in which governance arrangements allow the Group to exercise power over the companies, are fully consolidated. Companies in which the Group holds less than 50% but over which the Group exercises control in substance are also fully consolidated.

Companies over which the Group exercises joint control with other shareholders, regardless of the size of the holding, treated as “joint ventures” insofar as the Group has no joint operations, as well as companies over which the Group exercises significant influence (significant influence is presumed when the Group holds more than 20% of the voting rights in a company), and classified as “Interests in associates”, are accounted for using the equity method.

The Group mainly reviews the following elements and criteria in order to assess whether joint control or significant influence is exercised over an entity:

- governance: representation of the Group on governance bodies, majority rules, veto rights;
- the determination of substantive or protective rights granted to shareholders, particularly related to the relevant businesses of the entity, namely those that have a significant impact on the entity’s variable returns;
- the consequences of a conflict resolution clause;
- the right/exposure of the Group to the entity’s variable returns.

### 1.2.2 Non-controlling interests

Non-controlling interests represent the share of interest that is not held by the Group. They are presented as a separate item in the income statement and under equity in the consolidated balance sheet, distinct from the profit and equity attributable to owners of the parent.

Non-controlling interests may be either measured at fair value on the acquisition date (*i.e.* with a share of goodwill) or for their share in the fair value of identifiable net assets acquired. This choice can be made on a transaction-by-transaction basis.

Changes in a parent’s ownership interest in a subsidiary that do not change control are recognized as equity transactions. As such, in the event of an increase (or decrease) in the percentage ownership interest of

the Group in a controlled entity, without change in control, the difference between the acquisition cost (or transfer price) and the carrying amount of the share of net assets acquired (or sold) is recognized in equity.

The changes that trigger a takeover have the following consequences.

- a theoretical sale of the historically held equity holding, with recognition of the gain or loss on disposal at the date of acquisition;
- accounting for the business combinations under IFRS 3 “Business Combinations”.

### 1.2.3 Translation of the financial statements of foreign subsidiaries

Plastic Omnium Group uses the euro as its presentation currency in its financial statements. The financial statements of foreign companies are prepared in their functional currency, *i.e.* in the currency of the economic environment in which the entity operates; usually the functional currency corresponds to the local currency, except for some foreign subsidiaries such as the Mexican subsidiaries which carry out the majority of their transactions in another currency. These financial statements are translated into the Group’s presentation currency, as follows:

- translation of balance sheet items, other than equity, at the closing rate;
- translation of income statement items at the average rate for the period;
- translation differences are recognized in consolidated equity.

Goodwill arising from business combinations with foreign companies is recognized in the functional currency of the acquired entity. They are subsequently translated into the Group’s presentation currency at the closing rate, with the translation difference recognized in equity.

On disposal of the entire interest in a foreign company, the related translation differences are initially recognized in equity, then reclassified in profit and loss.

### 1.2.4 Business combinations

Business combinations are recognized by applying the acquisition method. Identifiable assets, liabilities and contingent liabilities acquired are recognized at their fair value on the purchase date.

The surplus of the sum of the price paid to the seller and, where appropriate, the value of the non-controlling interest in the company acquired against the net balance of the assets acquired and the identifiable liabilities assumed is recognized in goodwill.

Where the takeover is carried out through successive purchases, the consideration also includes the acquisition-date fair value of the acquirer’s previously held equity interest in the acquired company. The previously held equity interest is measured at fair value through profit or loss.

Acquisition costs are recorded as expenses.

The fair value adjustments of assets acquired and liabilities assumed are offset against goodwill adjustments on the basis of information obtained during the allocation period, *i.e.* within twelve months of the acquisition. Changes in value after that date are recognized in profit or loss, including any changes in deferred tax assets and liabilities, if they are related to new items that have occurred since the change of control. If they result from new information relating to facts existing at acquisition date and collected during the 12 months following this date, they are an offset to the acquisition’s goodwill.

## 1.3 Operational topics

### 1.3.1 Segment information

Segment information is presented on the basis of the segments identified in the Group's internal reporting and notified to the management in order to decide on the allocation of resources and to analyze performance.

As a consequence of the takeover of HBPO and the disposal of the Environment business in 2018, the Group has two operating segments: "Industries" and "Modules".

### 1.3.2 Revenue/"Revenue from contracts with customers"

Since January 1, 2018, the Group has applied IFRS 15 "Revenue from Contracts with Customers".

#### SALES OF PARTS

Agreements signed with customers in the context of the development and supply of parts do not meet the criteria of a contract within the meaning of IFRS 15; in general, only firm orders received from customers are analyzed as contracts creating a performance obligation.

Sales of parts are recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer, usually upon delivery of the goods, and measured at the fair value of the consideration received, net of discounts, rebates and other taxes on sales and customs duties.

#### SERVICES AND CREATION OF SPECIFIC TOOLING

The project phase corresponds to the period during which the Group is working on the development of the part to be produced, on the design and manufacture of specific tooling to be used in production as well as on the organization of future production processes and logistics. It begins with the selection of the Group for the vehicle and the product concerned and is completed when the normal production volume is reached.

The accounting treatment applied since January 1, 2018 is based on the identification by the Group in most cases of two performance obligations, distinct from the production of parts, under the Design business and the supply of certain specific tooling whose control is transferred to clients.

The costs related to these two performance obligations are recognized in inventories during the project phase and then in expenses when their control is transferred to the client, *i.e.* when series production is launched.

Products related to payments including those explicitly included in the part price and the negative or positive margin for these performance obligations, are recognized at the start of the series production. Payments received prior to the start of the series production are recorded in customer advances.

### 1.3.3 Operating margin

The Group presents an operating margin in the income statement before taking into account the amortization of intangible assets related to acquisitions as part of business combinations and the share of income of associates and joint ventures and an operating margin after taking into account these elements.

The first aggregate corresponds to revenue less direct selling costs, Research and Development, selling and administrative costs. The "Net Research and Development expenses" include tax credits related to the research effort of the Group and its subsidiaries. These tax credits are

included in the operating margin under the item "Net Research and Development expenses", see Notes 4.1 "Research and Development expenses" and 4.2 "Costs of goods and services sold, development, selling and administrative costs").

The second aggregate includes the share of income of associates and joint ventures presented on a separate line and the impacts related to the amortization of customer contracts acquired in the context of business combinations also presented on a separate line of the income statement.

Operating margin after taking into account the amortization of intangible assets related to acquisitions and the share of income of associates and joint ventures, hereafter referred to as "operating margin" in the income statement, is the main performance indicator used by the Group.

The operating margin does not include other operating income and expenses (see Note 1.3.4).

### 1.3.4 Other income and expenses

Other operating income and expenses include, for the most part

- the results of the disposal of property, plant, equipment and intangible assets;
- provisions for the impairment of property, plant, equipment and intangible assets, including any impairment of goodwill;
- exchange rate differences arising from different currency rates between those used to recognize operating receivables and payables and those recorded when these receivables and debts are settled;
- unusual items corresponding to non-customary income and expenses due to their frequency, nature or amount, such as profits and losses realized in the context of changes in the scope of operations, pre-start-up costs for large new plants, restructuring costs and those related to employee downsizing measures.

### 1.3.5 Recognition of transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the rate on the transaction date. On the closing date, monetary assets and liabilities are revalued at the rates prevailing at the closing date. Non-monetary assets and liabilities valued at historic cost, prevailing at the transaction date (for example: goodwill, property, plant and equipment, inventories). Non-monetary assets and liabilities at fair value are valued at the rates prevailing at the date when fair value is determined.

For monetary items, exchange rate differences arising from changes in foreign exchange rates are recorded in the income statement, as other operating income and expenses, when they relate to operations and as financial income/expenses when they relate to financial transactions.

### 1.3.6 Inventories and work in progress

#### 1.3.6.1 RAW MATERIALS INVENTORIES AND OTHER SUPPLIES

Raw materials and other supplies are measured at the lower of cost and net realizable value.

At the end of the fiscal year, a provision for impairment is recorded when the estimated sales price of the finished products for which they are used in the normal course of business, less the residual estimated marketing, production and processing costs, is less than the carrying amount of the raw materials or supplies.

### 1.3.6.2 FINISHED AND SEMI-FINISHED PRODUCT INVENTORIES

Finished and semi-finished products are valued on the basis of standard production costs, revised annually. Cost includes raw materials and direct and indirect production costs. These costs do not include any administrative overheads or IT not linked to production, Research and Development costs or selling costs. In addition, they do not include the cost of any below-normal capacity utilization.

### 1.3.6.3 PROJECTS INVENTORIES – TOOLS AND DEVELOPMENT

These inventories correspond to costs incurred by the Group in order to satisfy a performance obligation in connection with automotive projects.

The cost of inventories is compared at the balance sheet date to the net realizable value. If it exceeds the net realizable value, an impairment loss is recorded to bring the inventories to their net realizable value.

### 1.3.7 Receivables

Receivables are recorded at their fair value at the time they are recorded. The fair value generally corresponds to the nominal value of the receivable as long as the sale has been carried out with normal payment terms. Impairment losses are booked to cover expected credit losses and identified risks of non-recovery. The amount of impairment is calculated on a statistical basis in accordance with IFRS 9 for credit risk and counterparty by counterparty, on an individual basis for non-recovery risk.

Finance receivables mainly correspond to development and tooling sales for which the Group has signed an agreement enabling customers to pay in installments (for example: “development unit” prices contractually agreed by customers). These receivables have initial payment periods of more than one year and may bear interest in the framework of an asset financing agreement signed with the customer. The income related to these receivables is recognized in revenue. These finance receivables are deducted when calculating the Group’s net debt.

Receivables sold to third parties, which are removed from the balance sheet, meet the following criteria:

- the rights attached to the receivables are transferred to third parties;
- substantially all the risks and rewards of ownership are transferred to third parties.

The risks taken into account are the following:

- credit risk,
- risks related to payment arrears both for the duration and amounts,
- the transfer of interest rate risk, which is fully assumed by the buyer.

### 1.3.8 Grants

The grants received are recognized as liabilities in the balance sheet; they correspond to grants to finance investments in new sites, production equipment or Research and Development programs.

The grants are reclassified in gross profit over the periods and in the proportions corresponding to the depreciation of the assets acquired using these grants or associated research expenses.

## 1.4 Staff costs

### 1.4.1 Share-based payment

Options granted under employee share purchase and subscription plans are measured at their fair value at the date of grant by the Board of Directors, using the Black & Scholes mathematical model.

The fair value is recognized in “Employee benefits expense” on a straight-line basis over the vesting period, with a corresponding adjustment to reserves.

When options are exercised, the cash amount received by the Group in respect of the exercise price is recorded in cash and cash equivalents with a corresponding adjustment to consolidated reserves.

### 1.4.2 Provisions for pensions and other post-employment benefits

All Group employees are covered by pensions and other long-term post-employee benefits. Pension plans comprise defined-contribution plans or defined-benefit plans.

#### 1.4.2.1 DEFINED-CONTRIBUTION PLANS

The cost of defined-contribution plans, corresponding to salary-based contributions to national bodies responsible for pension and death/disability insurance plans made in accordance with local laws and practices in each country, is recognized as an operating expense. As the Group has no legal or implicit obligation to pay additional contributions or future benefits. Consequently, no actuarial liability is recorded under these defined-contribution plans.

#### 1.4.2.2 DEFINED BENEFIT PLANS

Defined-benefit plans mainly concern post-employment benefit plans, corresponding to pension plans for French employees, plus:

- other pension and supplementary pension plans, mainly in the US and France;
- plans to cover healthcare costs in the US.

Defined-benefit plans are subject to provisions for staff benefits calculated on the basis of actuarial valuations carried out by independent actuaries using the projected unit credit method.

These assessments take into account assumptions for:

- retirement dates determined according to the terms of the legislation and, in particular for French employees, a voluntary retirement assumption when full benefit rights have been acquired;
- mortality;
- the probability of active employees departing before retirement age;
- estimates of salary increases up to retirement age;
- discount rates and inflation.

When defined-benefit plans are funded, the commitments under these plans are reduced by the market value of plan assets at the reporting date. The valuation builds in long-term profitability assumptions for the invested assets, calculated on the basis of the discount rate used to value company commitments.

Changes in provisions for defined-benefit obligations are recognized over the benefit acquisition period, in the income statement under "Operating expenses", except for:

- the effect of the reversal of discounting of the commitments recognized in financial expenses;
- actuarial gains and losses on post-employment benefit obligations recognized in equity.

In 2019, the Group opted for a "defined-contribution" plan for the US subsidiary Plastic Omnium Auto Inergy LLC that had a "defined-benefit" plan (see Notes 4.6 "Other operating income and expenses", 5.2.4 "Provisions" and 5.2.5.1 "Actuarial Assumptions").

#### **1.4.2.3 OTHER LONG-TERM BENEFITS**

Other long-term benefits correspond mainly to long-service awards for French employees.

Actuarial gains and losses on "Other long-term benefits" (mainly long-service awards) are recognized immediately in profit or loss.

### **1.5 Other provisions**

#### **1.5.1 Provisions for employee downsizing**

The cost of employee downsizing plans is recognized in the period in which a detailed plan is drawn up and announced to the employees concerned or their representatives, thus creating a well-founded expectation that the Group will implement this plan.

#### **1.5.2 Provisions for onerous contracts**

Provisions are booked when there are obligations to third parties leading to a likely outflow of resources for the benefit of these third parties without a counterparty of at least equivalent value expected for the Group. Losses identified on onerous contracts, *i.e.* contracts whose unavoidable costs relating to their obligations are greater than the expected economic benefits, are subject to provisions. These provisions are recognized in current or non-current liabilities depending on whether they are short- or medium/long-term in nature.

### **1.6 Goodwill, property, plant and equipment and intangible assets**

#### **1.6.1 Goodwill**

Goodwill is measured annually at cost, less any accumulated impairment representing loss of value. Impairments on goodwill are irreversible.

Negative goodwill (badwill) is recorded in the income statement during the year of acquisition.

#### **1.6.2 Intangible assets**

##### **1.6.2.1 RESEARCH AND DEVELOPMENT COSTS**

Development costs incurred during the project phase and related to the execution of a contract with a customer not fulfilling a performance obligation are recognized as intangible assets. These internal and external costs relate to the work on the organization of purchasing, logistics and industrial processes to produce the parts that will be ordered by customers.

These costs are recognized as intangible assets in progress during the development phase and amortized on a straight-line basis over the

estimated life of the series production, *i.e.* generally three years for exterior parts, five years for fuel systems and the Modules business.

The amortization of development hours is booked under Research and Development costs.

These assets are subject to annual impairment tests and then to the impairment index from the time that they enter service.

Products received from customers related to these costs are recorded in revenue from the start of series production and over the production period. Payments received before the start of series production are recorded in customer prepayments.

The accounting treatment of costs that satisfy a performance obligation is described in Note 1.3.2 "Revenue/Revenue from contracts with customers".

Furthermore, under IFRS 15, only the costs of obtaining contracts that would not exist in the absence of a contract are credited to the assets and depreciated over the expected production period; costs incurred prior to the selection of the Group, whether or not the contract is obtained, are recognized as an expense for the period.

##### **1.6.2.2 OTHER RESEARCH AND DEVELOPMENT COSTS**

Other Research and Development costs are expenses for the fiscal year.

##### **1.6.2.3 OTHER INTANGIBLE ASSETS**

Other intangible assets are measured at cost less accumulated amortization and impairment losses. They are amortized according to the linear method over their estimated useful lives.

In 2018, they mainly included the "Ford-Milan," "Faurecia Exterior Systems business" and "HBPO" customer contracts.

#### **1.6.3 Property, plant and equipment**

##### **1.6.3.1 ASSETS OWNED OUTRIGHT**

###### **GROSS VALUES**

Property, plant and equipment are initially recorded at their acquisition cost, at their cost of production when they are manufactured by the Company for its own use (or subcontracted) or at their fair value for those acquired without consideration.

Property, plant and equipment may be specific tooling developed by the Group in connection with production contracts signed with customers without transfer of control to customers, for which the Group will receive an integrated remuneration in the part price, where appropriate. In this case, the remuneration is recorded in revenue over the series' production term.

If fixed assets have been sold or transferred within the Group, any gains and losses are eliminated in the consolidated financial statements.

Property, plant and equipment are later recognized at cost less total depreciation based on their lifespan and total impairment.

Maintenance and repair costs for fixed assets to restore or maintain the future economic benefits that the Company can expect in terms of the estimated level of performance at the time of acquisition are recognized as an expense as incurred.

Future expenditures are capitalized only if it is probable that the future economic benefits associated with the expenditure benefit the Group, for example, by an increase in the performance or effectiveness of the asset concerned.

Buildings	20 and 40 years
Real estate fixtures	10 years
Presses and transformation machines	7-10 years
Machining, finishing and other equipment	3-10 years

The Group applies the components approach to its property assets and major functional assemblies.

#### 1.6.3.2 LEASED ASSETS

Since January 1, 2019, the Group has recognized in property, plant and equipment the rights-of-use for leased tangible assets that meet the capitalization criteria defined by IFRS 16. These assets are amortized over the term of the lease including the renewal periods if the renewal is likely or over the useful life of the asset in the event of a probable exercise of an option to purchase.

### 1.6.4 Impairment of goodwill, property, plant and equipment and intangible assets

#### 1.6.4.1 IMPAIRMENT OF GOODWILL

Plastic Omnium Group goodwill is not amortized but is tested for impairment at least annually, at year-end, as well as during the closing of the half-yearly accounts when there is evidence of impairment.

Impairment tests are carried out at the level of the cash-generating units (CGU) or groups of cash-generating units, which are:

- “Industries”;
- “Modules”.

The net carrying amount of all assets (including goodwill), comprising each cash-generating unit, is compared to its recoverable amount, *i.e.* the higher of the fair value less disposal costs and the value in use determined using the discounted cash flow method.

The cash flow forecast is based on the Group’s medium-term plans, which are prepared for the next four years, revised as necessary to reflect the most recent market conditions. Beyond this timeframe, a terminal value is calculated based on the capitalization of the projected cash flows for the last year covered by the business plan, using a long-term growth rate that reflects the outlook for the market. These cash flow projections are then discounted.

The assumptions used to determine the discount rates take into account:

- an industry risk premium;
- an industry financing “spread” to value the cost of debt;
- the rates used by comparable companies in each segment.

Sensitivity tests with an increase in the discount rate of 0.5% or a reduction of 0.5% in the long-term growth rate or a reduction of 0.5% in the operating margin rate are systematically carried out.

#### 1.6.4.2 IMPAIRMENT OF DEPRECIABLE PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Depreciable property, plant and equipment and intangible assets are subject to impairment tests from the time they enter service in the case of recurring losses for an entity, decisions to stop commercializing production, or site closures. Intangible assets in progress are also subject to a value test annually at year-end.

### 1.6.5 Investment property

The items in the “Investment property” section of the Group’s balance sheet assets are not included in ordinary operations. These assets, which belong to the Group, correspond to real estate:

- not occupied on the balance sheet date and whose use is unspecified;
- or held by the Group for their long-term appreciation and which are leased under operating leases.

The Group may, where appropriate, decide to use all or part of a property whose use is unspecified (in which case the relevant part would be reclassified as operating property) or lease them under one or more operating leases.

Investment property is measured at fair value at the balance sheet date, with changes in fair value recognized in profit or loss. The land on which the buildings are constructed follows the same accounting treatment. An independent appraiser makes regular valuations as part of the year-end closing process. Between two valuations, the Group ensures that the real estate market has not undergone any significant change. The fair value determined by the expert is assessed by direct reference to observable prices in an active market (level 2 fair value).

Properties or parts of properties previously classified under investment property and reclassified as operating property when the Group decides to use them for its own purposes, are recognized at their carrying amount in the accounts at the date of transfer.

When properties are moved from the “Property, plant and equipment” category to the “Investment property” category, any difference between the carrying amount and the fair value on that date is accounted for as a revaluation.

### 1.7 Non-current assets held for sale and discontinued operations

The following items are classified as “Assets held for sale” on the balance sheet, as soon as the assets or groups of assets are available-for-sale in their current state and the sale is highly probable:

- non-current assets held pending their sale;
- a group of assets held for sale and not for continuing use;
- businesses or companies acquired with a view to subsequent sale.

Liabilities related to these assets, groups of assets, businesses and companies held for sale are also presented as a separate item under liabilities in the balance sheet, “Liabilities directly related to assets held for sale”.

Assets (or groups of assets) classified in this category are no longer depreciated. They are valued at the lower of their carrying amount and selling price, less selling costs. Any impairment losses are recognized by the Group under “Other operating expenses”.

On the balance sheet, data related to “Assets and activities held for sale” shown separately in the financial statements do not give rise to the restatement of prior years in terms of presentation.

In the income statement, the profit/loss (from the period and from the sale) of business operations or entities that meet the definition of a discontinued operation are reported as a separate line item entitled “Net income from discontinued operations” in each of the fiscal years presented.

## **1.8 Financial items**

### **1.8.1 Financial assets (excluding derivatives)**

#### **1.8.1.1 SHARES AND FUNDS**

These investments (Equity investments and funds) also correspond to shares in listed companies as well as to shares subscribed for in venture capital funds and companies. On the acquisition date, they are measured at fair value plus transaction costs directly attributable to their acquisition.

In accordance with the new IFRS 9 standard:

- changes in the fair value of listed companies are accounted for using the alternative method provided for by IFRS 9 in “Other comprehensive income in equity” (OCI) without recycling in profit or loss;
- changes in long-term investments funds, and mutual funds, are recognized in profit or loss.

#### **1.8.1.2 OTHER FINANCIAL ASSETS**

Other financial assets include loans, security deposits and surety bonds. They are measured at amortized cost. Whenever there is objective evidence of impairment, *i.e.* a negative difference between the carrying amount and the recoverable amount, an impairment provision is recognized through profit or loss. This impairment may be reversed if the recoverable amount subsequently increases.

Other financial assets also include marketable securities that do not meet the criteria for classification as cash equivalents. They are valued at their fair value on the closing date, and changes in fair value are recorded in financial income.

### **1.8.2 Cash and cash equivalents**

Cash and cash equivalents presented in the statement of cash flows include short-term, highly liquid cash items, readily convertibles into known amounts of cash and subject to a negligible risk of change in value. Cash comprises cash and cash equivalents, short-term deposits and bank balances, with the exception of those authorized to cover short- or medium-term cash needs arising from day-to-day operations. Cash equivalents correspond to short-term investments and are subject to a negligible risk of changes in value in the context of the temporary use of cash surpluses (money market funds, negotiable debt securities, etc.). Changes in the fair value of these assets are recognized in profit or loss.

### **1.8.3 Current and non-current borrowings**

Current and non-current borrowings are valued using the amortized cost method and the effective interest rate.

Borrowings in foreign currencies contracted by a subsidiary from the Group and whose repayment is neither planned nor likely in the foreseeable future are considered to be part of the net investment of the Plastic Omnium Group in this foreign business. The corresponding translation differences are recorded in equity.

### **1.8.4 Derivatives and hedge accounting**

In order to manage its interest rate risk, the Group uses OTC derivative instruments. These hedging instruments are valued and recognized in the balance sheet at their fair value.

Changes in the fair value of instruments described as “Cash flow hedges” are recorded under “Other comprehensive income” (equity) for the effective parts and in financial income for the ineffective parts.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in profit or loss.

IFRS 9, applied by the Group since January 1, 2019, does not modify the accounting treatment of the different types of hedging used by the Plastic Omnium Group, or the swap point treatment or the optional nature of hedge accounting. It softens the criteria for the eligibility of hedging instruments and the hedged elements and compliance with the effectiveness criteria. On these bases, and in view of the interest rate and forex risk hedging policy, the Group’s impacts are very limited (see Note 5.2.7.1 on “Interest rate hedges”).

## **1.9 Income tax**

In France, the entity Compagnie Plastic Omnium maintained the option for the ordinary law tax consolidation system for itself and the French subsidiaries at least 95% controlled, as set out in Article 223 A of the French Tax Code.

In addition, the Group applies optional national consolidation or tax consolidation plans in Germany, Spain and the United States.

The Plastic Omnium Group recognizes deferred taxes relating to temporary differences between the tax values and the carrying amount of assets and liabilities on the consolidated balance sheet without discounting.

Deferred taxes are calculated using the liability method, applying the last tax rate enacted (or the quasi-adopted rate) at the balance sheet date and applicable to the period in which the temporary differences reverse.

Tax credits and deferred tax assets on tax loss carryforwards and temporary differences are only recognized when the probability of their utilization within a relatively short period of time is proven.

## **1.10 Shareholders’ equity and earnings per share**

### **1.10.1 Treasury stock**

The Plastic Omnium Group’s treasury stock is recorded as soon as it is acquired as a deduction from equity, regardless of the purpose for which it is being held.

The proceeds from the sale of these securities are recorded directly as an increase in the Group’s equity, any gain or loss on the sales having no impact on the income statement for the year.

### **1.10.2 Earnings per share**

Basic earnings per share are calculated using the weighted average number of ordinary shares outstanding, less the weighted average number of shares held in treasury stock.

Diluted earnings per share take into consideration the average number of treasury shares deducted from equity and shares which might be issued in respect of the year under stock option programs.

### 1.11 Estimates and judgements

In preparing its financial statements, the Plastic Omnium Group uses estimates and assumptions to assess some of its assets, liabilities, income, expenses and commitments. Senior management reviews these estimates and assumptions periodically. The amounts in the future financial statements of the Group may include changes in estimates or assumptions in the consideration of past experience and changes in economic conditions.

In general, the estimates and assumptions used during the fiscal year were based on the information available at the balance sheet date. Estimates may be revised depending on changes in the underlying assumptions. These assumptions mainly concern:

#### Deferred taxes

Recognition of deferred tax assets depends on the probability of sufficient taxable earnings being generated to permit their utilization. This leads the Group to make regular estimates of future taxable earnings, particularly as part of the medium-term plans established within the Group. These estimates take into account the recurring or non-recurring nature of certain losses, expenses, etc.

#### Provisions

##### PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

In the case of defined-benefit plans, the Group, assisted by independent actuaries, adopts assumptions (see Notes 1.4.2 and 5.2.5 "Provisions for pensions and other post-employment benefits") on:

- discount rates for pension and other long-term benefits;
- rates of increases in healthcare costs for the United States;
- employee turnover and future salary increases.

##### OTHER PROVISIONS

Estimates also cover provisions, particularly those relating to employee downsizing, litigation, customer guarantees, legal and tax risks for which, in some cases, the Legal Department may be required to employ specialized lawyers.

#### Asset impairment tests

Impairment tests are carried out in particular on goodwill and development costs relating to Automotive projects recognized as intangible assets. As part of these tests, in order to determine recoverable value, the concepts of fair value net of disposal costs and value in use obtained by the discounted cash flow method are used. These tests are based on assumptions on future operating cash flows and discount rates. Assumptions that could have a material impact on the financial statements concern, in particular, the discount rates and growth rates.

#### Other uncertainties

Given international economic news, to date, the two main uncertainties likely to impact the hypotheses assumptions are "Brexit" and "the epidemic of viral pneumonia that has appeared in China".

#### Determining right-of-use assets and lease liability

The discount rate is a key assumption in determining accounting impacts related to the application of IFRS 16 on leases. It is used to calculate the lease liability for each rented property (see Note 1.1).

## NOTE 2 SIGNIFICANT EVENTS OF THE PERIOD

### 2.1 Application of the new IFRS standards effective from January 1, 2019

#### 2.1.1 First-time application of IFRS 16 "Leases", IFRIC 23 "Uncertainty over Income Tax Treatments" and impacts on the financial statements

The Group has applied IFRS 16 "Leases" and IFRIC 23 interpretation "Uncertainty over Income Tax Treatments" since January 1, 2019. See Notes 1 "Accounting policies, accounting rules and principles" and 5.1.3 "Property, plant and equipment – Right-of-use of leased assets".



The impacts on the Group's consolidated financial statements are shown below:

<i>In thousands of euros</i>	Notes	December 31, 2018	IFRS 16	IFRIC 23	January 1, 2019
<b>ASSETS</b>					
Goodwill		1,015,730	-	-	1,015,730
Intangible assets		728,150			728,150
Property, plant and equipment	5.1.3	1,653,028	230,257	-	1,883,285
Investment property		93,263	-	-	93,263
Equity method and non-consolidated investments		193,212	-	-	193,212
Other non-current financial assets		65,775	-	-	65,775
Deferred tax assets		101,691	-	-	101,691
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,850,849</b>	<b>230,257</b>	<b>-</b>	<b>4,081,106</b>
Inventories		737,109	-	-	737,109
Finance receivables		22,504	-	-	22,504
Trade receivables		815,300	-	-	815,300
Other receivables		370,612	-	-	370,612
Other financial assets and financial receivables		63,942	-	-	63,942
Hedging instruments		1,898			1,898
Cash and cash equivalents		916,336	-	-	916,336
<b>TOTAL CURRENT ASSETS</b>		<b>2,927,701</b>	<b>-</b>	<b>-</b>	<b>2,927,701</b>
<b>Assets held for sale</b>		<b>846</b>	<b>-</b>	<b>-</b>	<b>846</b>
<b>TOTAL ASSETS</b>		<b>6,779,396</b>	<b>230,257</b>	<b>-</b>	<b>7,009,653</b>
<b>EQUITY AND LIABILITIES</b>					
Capital		8,914	-	-	8,914
Treasury stock		(49,850)	-	-	(49,850)
Additional paid-in capital		17,389	-	-	17,389
Consolidated reserves		1,576,112	-	(2,500)	1,573,612
Net income for the period		533,296	-	-	533,296
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>2,085,861</b>	<b>-</b>	<b>(2,500)</b>	<b>2,083,361</b>
Attributable to non-controlling interests		96,138	-	-	96,138
<b>TOTAL EQUITY</b>		<b>2,181,999</b>	<b>-</b>	<b>(2,500)</b>	<b>2,179,499</b>
Non-current borrowings	5.2.6.5	1,635,811	180,274	-	1,816,085
Provisions for pensions and other post-employment benefits		105,184	-	-	105,184
Provisions for liabilities and charges		35,592	-	-	35,592
Non-current grants		6,323	-	-	6,323
Deferred tax liabilities		80,718	-	-	80,718
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,863,628</b>	<b>180,274</b>	<b>-</b>	<b>2,043,902</b>
Bank overdrafts		4,684	-	-	4,684
Current borrowings and financial debt	5.2.6.5	123,215	49,983	-	173,198
Other current financial debt		31	-	-	31
Hedging instruments		4,330	-	-	4,330
Provisions for liabilities and charges		55,120	-	-	55,120
Current grants		3,994	-	-	3,994
Trade payables		1,614,989	-	-	1,614,989
Other operating liabilities (Deferred income)	5.2.8.2	927,406	-	2,500	929,906
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,733,769</b>	<b>49,983</b>	<b>2,500</b>	<b>2,786,252</b>
<b>Liabilities related to assets held for sale</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,779,396</b>	<b>230,257</b>	<b>-</b>	<b>7,009,653</b>

The amount of lessee operating leases in the “Off-balance sheet commitments” (Note 7.2.2) of the Consolidated Financial Statements as of December 31, 2018 amounted to €229,826 thousand. The difference compared with the amount of €230,257 thousand at January 1, 2019 is due to different methods of calculation (renewal assumptions, impact of discounting) and leases not restated for IFRS 16 (leases with a duration of twelve months or less and those with a new value of less than €5,000).

For fiscal year 2019, the amortization expense related to leases was -€54.0 million (see Note 5.1.3) and the interest expense on the lease liability was -€8.8 million (see Note 4.7).

## 2.2 Follow-up in 2019 of the impact of changes in the scope of consolidation in 2018

### 2.2.1 Follow-up in 2019 of HBPO takeover

The takeover of HBPO was recognized in accordance with IFRS 3R “Business combinations.” The opening balance sheet at July 1, 2018 was finalized without any adjustments compared with December 31, 2018.

On this basis, at December 31, 2019, goodwill amounted to €524,795 thousand.

If the takeover of HBPO had occurred at January 1, 2018, the Group aggregates at December 31, 2018 would have been as follows:

- revenue: €8,260 million;
- operating margin: €628 million;
- income from continuing operations before tax and after share of income from associates and joint ventures: €670 million. This amount includes the €255 million revaluation relating to the 33.33% equity stake held in HBPO prior to the acquisition based on its fair value.

## 2.3 Sale of real estate portfolio by Compagnie Plastic Omnium to Sofiparc SAS

### 2.3.1 Sale of investment property located in Lyon Gerland

On December 4, 2019, Compagnie Plastic Omnium sold the investment property it owned in Lyon Gerland (see Note 5.1.4 “Investment properties”) to Sofiparc SAS for an amount of €113.0 million.

The sale price determined on the basis of independent appraisals generated a profit of €19.0 million, recorded at December 31, 2019 under “Other operating income and expenses” – Note 4.6. See also in chapter 7.3 “Related party transactions”, Note 7.3.2 “Transactions with Sofiparc SAS, Burelle SA and Burelle Participations SA”.

### 2.3.2 Sale of the operating property located in Nanterre in the “Hauts de Seine”

On December 4, 2019, Compagnie Plastic Omnium and Plastic Omnium Gestion SNC sold the property complex it owned in Nanterre in the “Hauts de Seine” to Sofiparc SAS. This real estate complex, intended for the Group’s use, was recognized as an operating property (see Note 5.1.3 “Property, plant and equipment”).

The sale price determined on the basis of independent appraisals amounted to €16.0 million and generated a profit on disposal of €0.9 million recognized in “Other operating income and expenses” – see Note 4.6. See also in chapter 7.3 “Related-party transactions”, Note 7.3.2 “Transactions with Sofiparc SAS, Burelle SA and Burelle Participations SA”.

## 2.4 Financial investments in 2019

### 2.4.1 Compagnie Plastic Omnium investment in AP Ventures, a hydrogen venture capital fund

Compagnie Plastic Omnium has joined AP Ventures, a London-based venture capital firm specializing in hydrogen and fuel cells, as a co-sponsor and member of the Advisory Investment Committee. Other sponsors include the Mirai Creation fund (whose founding investors are Toyota and Sumitomo Mitsui Banking Corporation (SMBC)), Mitsubishi Corporation, Anglo American Platinum and the South African investment fund PIC.

Compagnie Plastic Omnium committed \$30 million over the life of the fund.

## 2.5 Change in the legal form of Compagnie Plastic Omnium in 2019

The legal form of Compagnie Plastic Omnium has changed. From a limited company, Compagnie Plastic Omnium has become a European company following the decision of the Shareholders’ Meeting of April 25, 2019.

## 2.6 Change in the shareholding structure of Compagnie Plastic Omnium in the 1st half-year 2019

### 2.6.1 Strengthening of the equity stake of Burelle SA in Compagnie Plastic Omnium

During the 1<sup>st</sup> half-year 2019, Burelle SA acquired 400,000 shares in Compagnie Plastic Omnium, increasing its equity interest from 58.51% to 58.78% before cancellation of treasury shares.

## 2.7 Change in the international economy and impacts on the Group’s financial statements

### 2.7.1 “Brexit” or “British exit”: exit of the United Kingdom from the European Union and impact on the Group

The United Kingdom left the European Union (EU) on January 31, 2020 following the referendum of June 23, 2016. It would appear that the process to actually determine the terms of the new agreement will be long.

In this context, the Group increasingly monitors its two British subsidiaries, “Plastic Omnium Automotive Ltd” and “HBPO UK Ltd”, whose business is mainly domestic. Impairment tests were performed on the long-term assets of these companies on the basis of a hypothetical decline in revenue of 10% and concluded no impairment of assets.

The fluctuations of the pound sterling as well as the activity carried out in the United Kingdom are presented below.

The exchange rate of the pound during the last three years has changed as follows:

- December 31, 2017: 1 euro is exchanged for 0.887 pound;
- December 31, 2018: 1 euro is exchanged for 0.895 pound;
- December 31, 2019: 1 euro is exchanged for 0.851 pound.

The combined turnover and results of these two companies over the last three years represent respectively:

	December 2017	December 2018	December 2019
As a percentage of Group sales	6.16%	6.11%	5.46%
As a percentage of the Group Operating Margin	1.22%	3.31%	5.28%
As a percentage of the Group Net Income	1.03%	3.11%	7.68%

### 2.7.2 Monitoring of the hyperinflation in Argentina and impacts on the Group's financial statements

Argentina's deep financial crisis, characterized by steep inflation and which started in 2018, continues in 2019.

Inflation reached 53.8% at December 31, 2019 (National Institute of Statistics - Index) versus 47.6% at December 31, 2018 with the same characteristics:

- sharp erosion of Argentina's bond prices on the secondary market;
- surge in long-term interest rates, resulting in a sharp depreciation of the country's currency, the Argentine peso.

At December 31, 2019, the euro/peso exchange rate in Argentina fell at à €1 for 67.2 peso against €1 for 43.1 Argentinian peso as at December 31, 2018 (+55.9% over the year).

In accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" and in line with the provisions already recognized by the Group in 2018 on the three entities of the Group whose functional currency is the Argentinian peso:

- the adjustments related to inflation on all non-monetary assets and liabilities already recognized at December 31, 2018 have been updated based on the latest general price index, reflecting the unit of measurement in effect at the end of the year;
- the 2019 Income Statement takes into account the impacts of the financial year.

At December 31, 2019, the assets of the three subsidiaries "Plastic Omnium Auto Inergy Argentina SA" ("Clean Energy Systems"), "Plastic Omnium Argentina" and Plastic Omnium Automotive Argentina ("Intelligent Exterior Systems") were revalued. The impacts on the main aggregates of the income statement are as follows:

	2019
Impact on the Group's Revenue	+€9,593.9 thousand
Impact on the Group's Operating Margin	-€331.2 thousand
Impact on the Group's Financial Income	-€2,983.9 thousand
Impact on the Group's Non-recurring Income	+€275.6 thousand
Impact on the Group's Tax Expense	-€978.8 thousand
Impact on the Group's Net Income	-€4,019.2 thousand

A new law adopted at the end of 2019 by the new government (December 10, 2019) established a series of economic emergency and fiscal measures to try to end the crisis. At the end of January 2020, the euro/peso exchange rate returned to €1 for 66.9 Argentinian peso.

## NOTE 3 SEGMENT INFORMATION

### 3.1 Information by operating segment

The Group uses the concept “Economic revenue” for its operational management, which corresponds to the consolidated sales of the Group and its joint ventures at their ownership percentage: Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, SHB Automotive modules a leading Korean front-end module company (Samlip) and BPO, a major player in the Turkish market for exterior equipment.

The Group organizes its Automotive businesses into two operating segments (see Note on “Group Presentation”): “Industries” and “Modules”.

The columns in the tables below show the amounts by segment. The “Unallocated items” column groups together inter-segment eliminations and amounts that are not allocated to a specific segment (in particular, holding company activity) allowing for the reconciliation of segment data with the Group’s consolidated financial statements. Financial results, taxes and the share of profit/(loss) of associates are monitored at Group level and are not allocated to segments. Transactions between segments are carried out on an arm’s length basis.

#### 3.1.1 Income statement by operating segment

	2019			
	Industries	Modules	Unallocated items <sup>(2)</sup>	Total
<i>In thousands of euros</i>				
<b>Economic revenue<sup>(1)</sup></b>	<b>6,918,963</b>	<b>2,263,669</b>	-	<b>9,182,632</b>
<i>Including Revenue from joint ventures consolidated at the Group’s percentage stake</i>	521,211	167,871	-	689,082
<b>External sales to third parties</b>	<b>6,397,752</b>	<b>2,095,798</b>	-	<b>8,493,550</b>
Sales between segments	(30,037)	30,037	-	-
<b>Consolidated revenue</b>	<b>6,367,715</b>	<b>2,125,835</b>	-	<b>8,493,550</b>
<i>% of segment revenue – Total</i>	75.0%	25.0%	-	100.0%
<b>Operating margin before amortization of intangible assets acquired and before share of profit/(loss) of associates and joint ventures</b>	<b>435,288</b>	<b>66,100</b>	-	<b>501,388</b>
<i>% of segment revenue</i>	6.8%	3.1%	-	5.9%
Amortization of intangible assets acquired	(9,663)	(17,547)	-	(27,210)
Share of profit/(loss) of associates and joint ventures	34,566	1,888	-	36,454
<b>Operating margin</b>	<b>460,191</b>	<b>50,441</b>	-	<b>510,632</b>
<i>% of segment revenue</i>	7.2%	2.4%	-	6.0%
Other operating income	165,865	1,829	-	167,694
Other operating expenses	(232,305)	(2,427)	-	(234,731)
<i>% of segment revenue</i>	-1.0%	-	-	-0.8%
Finance costs, net				(79,363)
Other financial income and expenses, net				1,598
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX AND AFTER SHARE IN ASSOCIATES AND JOINT VENTURES</b>				<b>365,830</b>
Income tax				(89,860)
Net income after income tax from continuing operations				275,970
Net income after income tax from discontinued operations				-
<b>NET INCOME</b>				<b>275,970</b>

(1) Economic revenue corresponds to revenue of the Group and its joint ventures consolidated at their percentage of ownership.

(2) “Unallocated items” correspond to inter-segment eliminations and amounts that are not allocated to a specific segment (for example, holding company activities and the Environment Division’s operations sold in December 2018). This column is included to enable segment information to be reconciled with the consolidated financial statements.



	<b>2018</b>			
<i>In thousands of euros</i>	<b>Industries</b>	<b>Modules</b>	<b>Unallocated items<sup>(2)</sup></b>	<b>Total</b>
<b>Economic revenue<sup>(1)</sup></b>	<b>6,833,613</b>	<b>1,410,321</b>	-	<b>8,243,934</b>
<i>Including Revenue from joint ventures consolidated at the Group's percentage stake</i>	545,840	453,458	-	999,298
<b>External sales to third parties</b>	<b>6,287,808</b>	<b>956,863</b>	<b>(35)</b>	<b>7,244,636</b>
Sales between segments	(35)	-	35	-
Consolidated revenue	6,287,773	956,863	-	7,244,636
<i>% of segment revenue – Total</i>	86.8%	13.2%	-	100.0%
<b>Operating margin before amortization of intangible assets acquired and before share of profit/(loss) of associates and joint ventures</b>	<b>545,376</b>	<b>31,290</b>	-	<b>576,666</b>
<i>% of segment revenue</i>	8.7%	-	-	8.0%
Amortization of intangible assets acquired	(9,681)	(8,773)	-	(18,454)
Share of profit/(loss) of associates and joint ventures <sup>(3)</sup>	41,925	9,964	-	51,889
<b>Operating margin</b>	<b>577,619</b>	<b>32,481</b>	-	<b>610,100</b>
<i>% of segment revenue</i>	9.2%	-	-	8.4%
Other operating income	281,394	(1,522)	-	279,872
Other operating expenses	(166,050)	560	-	(165,490)
<i>% of segment revenue</i>	1.8%	-	-	1.7%
Finance costs, net				(69,116)
Other financial income and expenses, net				(1,088)
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX AND AFTER SHARE IN ASSOCIATES AND JOINT VENTURES</b>				<b>654,278</b>
Income tax				(112,996)
<b>Net income after income tax from continuing operations</b>				<b>541,283</b>
Net income after income tax from discontinued activities				1,494
<b>NET INCOME</b>				<b>542,777</b>

(1) Economic revenue corresponds to revenue of the Group and its joint ventures consolidated at their percentage of ownership.

(2) "Unallocated items" correspond to inter-segment eliminations and amounts that are not allocated to a specific segment (for example, holding company activities and the Environment Division's operations sold in December 2018). This column is included to enable segment information to be reconciled with the consolidated financial statements.

(3) At June 30, 2018, the contribution of HBPO corresponded to 33.33% of HBPO's net income, i.e. before the takeover in July 2018.

### 3.1.2 Balance sheet aggregate data by operating segment

In thousands of euros Net amounts	December 31, 2019			
	Industries	Modules	Unallocated items	Total
Goodwill	493,035	524,795	-	1,017,830
Intangible assets	550,467	168,357	5,921	724,745
Property, plant and equipment	1,792,295	133,857	32,767	1,958,919
Investment property	-	-	30	30
Inventories	674,341	61,505	-	735,846
Trade receivables	682,714	132,230	3,855	818,799
Other receivables	239,765	31,565	57,417	328,747
Finance receivables (C) <sup>(1)</sup>	13,100	-	-	13,100
Current accounts and other financial assets (D)	(1,101,226)	3,103	1,167,906	69,783
Long-term investments in equity instruments and funds – FMEA 2 (F)	142	-	56,160	56,302
Hedging instruments (E)	-	-	5,027	5,027
Net cash and cash equivalents (A) <sup>(2)</sup>	124,545	64,711	943,822	1,133,078
<b>SEGMENT ASSETS</b>	<b>3,469,178</b>	<b>1,120,123</b>	<b>2,272,905</b>	<b>6,862,205</b>
Borrowings and financial debt (B)	334,313	50,018	1,632,412	2,016,742
<b>SEGMENT LIABILITIES</b>	<b>334,313</b>	<b>50,018</b>	<b>1,632,412</b>	<b>2,016,742</b>
<b>SEGMENT NET FINANCIAL DEBT = (B - A - C - D - E - F)<sup>(3)</sup></b>	<b>1,297,752</b>	<b>(17,796)</b>	<b>(540,503)</b>	<b>739,453</b>

In thousands of euros	December 31, 2018			
	Industries	Modules	Unallocated items	Total
Goodwill	490,935	524,795	-	1,015,730
Intangible assets	545,196	176,870	6,084	728,150
Property, plant and equipment	1,548,607	74,881	29,540	1,653,028
Investment property	-	-	93,263	93,263
Inventories	685,168	51,941	-	737,109
Trade receivables	659,608	141,347	14,345	815,300
Other receivables	275,176	30,948	64,488	370,612
Finance receivables (C) <sup>(1)</sup>	24,267	-	-	24,267
Current accounts and other financial assets (D)	(1,015,045)	3,444	1,111,372	99,771
Long-term investments in equity instruments and funds – FMEA 2 (F)	135	-	28,048	28,183
Hedging instruments (E)	-	-	1,898	1,898
Net cash and cash equivalents (A) <sup>(2)</sup>	124,407	65,105	722,140	911,652
<b>TOTAL SEGMENT ASSETS</b>	<b>3,338,454</b>	<b>1,069,331</b>	<b>2,071,178</b>	<b>6,478,963</b>
Borrowings and financial debt (B)	146,303	4,425	1,612,659	1,763,387
<b>SEGMENT LIABILITIES</b>	<b>146,303</b>	<b>4,425</b>	<b>1,612,659</b>	<b>1,763,387</b>
<b>SEGMENT NET FINANCIAL DEBT = (B - A - C - D - E - F)<sup>(3)</sup></b>	<b>1,012,539</b>	<b>(64,124)</b>	<b>(250,799)</b>	<b>697,616</b>

(1) At December 31, 2019, "Finance receivables" amounted to €13,100 thousand vs. €22,504 thousand at December 31, 2018 (increased by €1,763 thousand at December 31, 2018).

(2) Net cash and cash equivalents as reported in the Statement of Cash Flows. See also 5.1.11.2 "Net cash and cash equivalents at end of period".

(3) See Notes 5.2.6.1 "Definition of debt instruments within the Group" and Note 5.2.6.5 "Reconciliation of gross and net debt".

### 3.1.3 Other information by operating segment

<i>In thousands of euros</i>	2019			
	Industries	Modules	Unallocated items	Total
Acquisitions of intangible assets	175,231	22,381	2,186	199,798
Capital expenditure including acquisitions of investment property	304,311	26,452	2,934	333,697

<i>In thousands of euros</i>	2018			
	Industries	Modules	Unallocated items	Total
Acquisitions of intangible assets	193,428	11,084	3,940	208,452
Capital expenditure including acquisitions of investment property	413,978	17,560	2,789	434,327

### 3.1.4 Revenue – Information by geographic region and country of sales

The information given in the following tables corresponds to the revenue generated by the subsidiaries in the sales regions or countries as indicated below:

#### 3.1.4.1 INFORMATION BY SALES REGION

<i>In thousands of euros</i>	2019	
	Totals	%
France	725,146	7.9%
North America	2,629,725	28.6%
Europe excluding France	4,073,847	44.4%
South America	174,798	1.9%
Africa	98,210	1.1%
Asia	1,480,906	16.1%
<b>ECONOMIC REVENUE</b>	<b>9,182,632</b>	<b>100%</b>
<i>Including revenue from joint ventures at the Group's percentage stake</i>	689,082	
<b>CONSOLIDATED REVENUE</b>	<b>8,493,550</b>	

<i>In thousands of euros</i>	2018	
	Totals	%
France	650,513	7.9%
North America	2,148,874	26.1%
Europe excluding France	3,753,041	45.5%
South America	193,168	2.3%
Africa	83,627	1.0%
Asia	1,414,711	17.2%
<b>ECONOMIC REVENUE</b>	<b>8,243,934</b>	<b>100%</b>
<i>Including revenue from joint ventures at the Group's percentage stake</i>	999,298	
<b>CONSOLIDATED REVENUE</b>	<b>7,244,636</b>	

3.1.4.2 INFORMATION FOR THE TOP TEN CONTRIBUTING COUNTRIES

<i>In thousands of euros</i>	2019	
	Totals	%
Germany	1,447,331	15.8%
United States	1,274,576	13.9%
Mexico	1,220,653	13.3%
China	857,265	9.3%
France	725,146	7.9%
Spain	679,964	7.4%
Slovakia	512,123	5.6%
Great Britain	503,920	5.5%
Korea	297,004	3.2%
Hungary	294,877	3.2%
Other	1,369,773	14.9%
<b>ECONOMIC REVENUE</b>	<b>9,182,632</b>	<b>100%</b>
<i>Including revenue from joint ventures at the Group's percentage stake</i>	689,082	
<b>CONSOLIDATED REVENUE</b>	<b>8,493,550</b>	

<i>In thousands of euros</i>	2018	
	Totals	%
Germany	1,438,895	17.5%
United States	1,204,342	14.6%
Mexico	828,612	10.1%
China	793,531	9.6%
Spain	675,348	8.2%
France	650,513	7.9%
United Kingdom	526,503	6.4%
Slovakia	401,077	4.9%
Korea	289,963	3.5%
Czech Republic	180,053	2.2%
Other	1,255,097	15.2%
<b>ECONOMIC REVENUE</b>	<b>8,243,934</b>	<b>100%</b>
<i>Including revenue from joint ventures at the Group's percentage stake</i>	999,298	
<b>CONSOLIDATED REVENUE</b>	<b>7,244,636</b>	



3.1.4.3 INFORMATION BY AUTOMOTIVE MANUFACTURER

	2019	
	Totals	
	Totals	% of total Automotive revenue
<b>Automotive manufacturers</b> <i>In thousands of euros</i>		
Volkswagen-Porsche	2,306,112	25.1%
PSA Peugeot Citroën	948,606	10.3%
General Motors	883,677	9.6%
Daimler	864,560	9.4%
BMW	768,805	8.4%
<b>TOTAL – MAIN MANUFACTURERS</b>	<b>5,771,760</b>	<b>62.9%</b>
Other automotive manufacturers	3,410,873	37.1%
<b>TOTAL ECONOMIC REVENUE</b>	<b>9,182,632</b>	<b>100.0%</b>
<i>Including revenue from joint ventures at the Group's percentage stake</i>	689,082	
<b>TOTAL CONSOLIDATED REVENUE</b>	<b>8,493,550</b>	

	2018	
	Totals	
	Totals	% of total Automotive revenue
<b>Automotive manufacturers</b> <i>In thousands of euros</i>		
Volkswagen-Porsche	2,025,392	24.6%
PSA Peugeot Citroën	946,716	11.5%
General Motors	929,886	11.3%
Ford	697,110	8.5%
Renault/Nissan/Mitsubishi	592,924	7.2%
<b>TOTAL – MAIN MANUFACTURERS</b>	<b>5,192,028</b>	<b>63.0%</b>
Other automotive manufacturers	3,051,906	37.0%
<b>TOTAL ECONOMIC REVENUE</b>	<b>8,243,934</b>	<b>100.0%</b>
<i>Including revenue from joint ventures at the Group's percentage stake</i>	999,298	
<b>TOTAL CONSOLIDATED REVENUE</b>	<b>7,244,636</b>	

### 3.2 Non-current assets by country

<i>In thousands of euros</i>	France	Europe excluding France	North America	Asia	South America	Others <sup>(1)</sup>	Total
<b>December 31, 2019</b>							
Goodwill	213,274	714,923	80,054	-	9,579	-	1,017,830
<i>including translation adjustment</i>	-	-	1,509	-	592	-	2,100
Intangible assets	98,533	363,543	161,538	84,150	8,200	8,781	724,745
Property, plant and equipment	206,624	825,882	576,751	273,786	33,902	41,974	1,958,919
<i>including capital expenditure for the year</i>	23,007	144,416	67,370	71,442	1,437	26,025	333,697
Investment property	30	-	-	-	-	-	30
<b>TOTAL NON-CURRENT FIXED ASSETS</b>	<b>518,461</b>	<b>1,904,348</b>	<b>818,343</b>	<b>357,936</b>	<b>51,681</b>	<b>50,755</b>	<b>3,701,524</b>

(1) The "Other" region includes South Africa and Morocco.

<i>In thousands of euros</i>	France	Europe excluding France	North America	Asia	South America	Others <sup>(1)</sup>	Total
<b>December 31, 2018</b>							
Goodwill	213,273	714,923	78,546	-	8,988	-	1,015,730
<i>including translation adjustment</i>	-	-	3,552	-	1,525	-	5,077
Intangible assets	93,232	391,430	166,299	65,692	7,293	4,204	728,150
Property, plant and equipment	182,782	651,407	553,987	217,472	33,065	14,315	1,653,028
<i>including capital expenditure for the year</i>	29,411	187,208	149,367	54,053	5,356	8,932	434,327
Investment property	93,263	-	-	-	-	-	93,263
<b>TOTAL NON-CURRENT FIXED ASSETS</b>	<b>582,550</b>	<b>1,757,760</b>	<b>798,832</b>	<b>283,164</b>	<b>49,346</b>	<b>18,519</b>	<b>3,490,171</b>

(1) The "Other" region includes South Africa and Morocco.

## NOTE 4 NOTES TO THE INCOME STATEMENT

### 4.1 Breakdown of Research and Development costs

The percentage of Research and Development costs is expressed in relation to the amount of revenue.

<i>In thousands of euros</i>	2019	%	2018	%
Research and Development costs after developments sold	(293,132)	-3.5%	(305,042)	-4.2%
Capitalized development costs	187,314	2.2%	193,346	2.7%
Depreciation of capitalized development costs	(160,764)	-1.9%	(107,112)	-1.5%
Research tax credit	11,650	0.1%	13,696	0.2%
Other (including grants and contributions received)	1,683	0.0%	792	0.0%
<b>NET RESEARCH AND DEVELOPMENT COSTS</b>	<b>(253,249)</b>	<b>-3.0%</b>	<b>(204,319)</b>	<b>-2.8%</b>



## 4.2 Cost of goods and services sold, development, selling and administrative costs

<i>In thousands of euros</i>	2019	2018
<b>Cost of sales includes:</b>		
Raw materials (purchases and changes in inventory) <sup>(1)</sup>	(5,923,749)	(4,895,917)
Direct production outsourcing	(14,892)	(11,515)
Utilities and fluids	(108,254)	(96,865)
Employee benefits expenses	(757,126)	(669,484)
Other production costs	(387,977)	(363,853)
Depreciation	(266,890)	(174,544)
Provisions	4,760	27,721
<b>TOTAL</b>	<b>(7,454,127)</b>	<b>(6,184,457)</b>
<b>Research and Development costs include:</b>		
Employee benefits expenses	(222,276)	(208,303)
Depreciation, amortization and provisions	(178,945)	(117,802)
Other	147,972	121,786
<b>TOTAL</b>	<b>(253,249)</b>	<b>(204,319)</b>
<b>Selling costs include:</b>		
Employee benefits expenses	(25,713)	(27,034)
Depreciation, amortization and provisions	(699)	(638)
Other	(10,869)	(9,761)
<b>TOTAL</b>	<b>(37,280)</b>	<b>(37,433)</b>
<b>Administrative costs include:</b>		
Employee benefits expenses	(153,797)	(142,958)
Other administrative expenses	(73,723)	(86,642)
Depreciation	(19,896)	(12,018)
Provisions	(90)	(143)
<b>TOTAL</b>	<b>(247,506)</b>	<b>(241,761)</b>

(1) Including charges and reversals of provisions for impairment on inventories amounting to:

- €8,223 thousand in 2019;
- €4,708 thousand in 2018.

### 4.3 Staff costs

<i>In thousands of euros</i>	2019	2018
Wages and salaries	(835,462)	(778,468)
Payroll taxes <sup>(1)</sup>	(248,762)	(201,177)
Non-discretionary profit-sharing	(19,213)	(15,782)
Share-based payments	(2,492)	(2,528)
Pension and other post-employment benefit costs <sup>(2)</sup>	(5,626)	(7,497)
Other employee benefits expenses	(47,356)	(47,575)
<b>TOTAL EMPLOYEE BENEFITS EXPENSE EXCLUDING TEMPORARY STAFF COSTS</b>	<b>(1,158,911)</b>	<b>(1,053,027)</b>
Temporary staff costs	(147,890)	(129,868)
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>(1,306,801)</b>	<b>(1,182,895)</b>

(1) This item includes social contributions on the new stock option subscription and/or performance share plans for an amount of:

- - €184 thousand in 2019 (of which -€7 thousand for executive directors);
- none in 2018 (because there was no new stock-option plan).

(2) See Note 5.2.5.5 "Provisions for pensions commitment": changes in balance sheet commitments and benefit costs corresponding to the defined benefit plans" which includes an operating expense of -€5,626 thousand and a non-current income (in "Other operating income and expenses) of +€14,160 thousand.

### 4.4 Amortization of intangible assets acquired

This item corresponds essentially to:

- the amortization over nine years of contractual customer relationships recognized in 2011 on "Ford's fuel tank" business in the United States;

- the amortization over six years of contractual customer relationships recognized during the acquisition in July 2016 of the "Faurecia Group Exterior Systems" business;

- And the amortization over seven years for contractual customer contracts and over 15 years for the brand recognized with the takeover of HBPO in July 2018.

<i>In thousands of euros</i>	2019	2018
Amortization of Brands	(547)	(448)
Amortization of customer contracts	(26,663)	(18,006)
<b>TOTAL AMORTIZATION OF INTANGIBLE ASSETS ACQUIRED</b>	<b>(27,210)</b>	<b>(18,454)</b>

### 4.5 Share of profit/(loss) of associates and joint ventures

The associates Chengdu Faway Yanfeng Plastic Omnium and Dongfeng Plastic Omnium Automotive Exterior are included in the YFPO joint ventures.

Share of profit/(loss) of associates and joint ventures breaks down as follows:

<i>In thousands of euros</i>	2019 % Interest	2018 % Interest	2019	2018
HBPO GmbH and its subsidiaries <sup>(1)</sup>	-	33.33%	-	8,341
HBPO – SHB Automotive Modules (Samlip)	33.34%	33.34%	1,805	1,518
HICOM HBPO Sdn Bhd	26.66%	26.66%	82	105
JV Yanfeng Plastic Omnium and its subsidiaries – joint venture	49.95%	49.95%	28,370	39,363
BPO AS – joint venture	49.98%	49.98%	6,320	7,769
Plastic Recycling SAS – joint venture <sup>(2)</sup>	-	50.00%	-	18
ΞPO-CellTech	23.00%	23.00%	(123)	(5,226)
<b>TOTAL SHARE OF PROFIT/(LOSS) OF ASSOCIATES AND JOINT VENTURES</b>			<b>36,454</b>	<b>51,888</b>

(1) The 33.33% interest in 2018 shown in HBPO corresponds to the Group's equity stake before the acquisition of an additional 33.33% stake from the German group Mahle-Behr in 2018.

(2) The Group sold its equity investment in "Plastic Recycling" in February 2018. The share of profit in 2018 represents its profit in the Group's financial statements at the time of the sale.

#### 4.6 Other operating income and expenses

<i>In thousands of euros</i>	2019	2018
Pre-start-up costs at new plants <sup>(1)</sup>	(13,490)	(20,217)
Reorganization costs <sup>(2)</sup>	(48,372)	(28,182)
Impairment of non-current assets <sup>(3)</sup>	(5,455)	(41,071)
Impairment of investments and financial receivables (net) <sup>(4)</sup>	2,326	(9,139)
Provisions for charges and litigations <sup>(5)</sup>	(14,052)	(8,125)
Foreign exchange gains and losses on operating activities <sup>(6)</sup>	(11,480)	(13,958)
Full consolidation -HBPO	-	255,000
Other changes in the scope of consolidation	-	182
Argentina hyperinflation <sup>(7)</sup>	276	(4,575)
Retirement pension plan: change in the plans <sup>(8)</sup>	14,160	-
Gains/Losses on disposals of non-current assets <sup>(9)</sup>	17,924	(1,660)
Other <sup>(10)</sup>	(8,875)	(13,874)
<b>TOTAL OPERATING INCOME AND EXPENSES</b>	<b>(67,037)</b>	<b>114,382</b>
● of which total income	<b>167,694</b>	<b>279,872</b>
● of which total expense	<b>(234,731)</b>	<b>(165,490)</b>

##### At December 31, 2019

##### (1) Pre-start-up costs at new plants:

All of the costs incurred during the year relate to Intelligent Exterior Systems plants, mainly at the Greer plant in the United States, Hlohovec in Slovakia and Kenitra in Morocco.

##### (2) Reorganization costs:

Reorganization costs mainly relate to significant restructuring in:

- the Intelligent Exterior Systems Division: continued reorganization in Germany and restructuring in the United States;
- the Clean Energy Systems Division: restructuring in France and in Germany.

##### (3) Impairment of non-current assets:

Impairment of non-current assets mainly relates to production and project assets of Intelligent Exterior Systems in Germany and Poland.

##### (4) Impairment of investments and financial receivables:

This section mainly includes the revenue received as a financial receivable on the sale of the "Performance Plastic Products - 3P" business (sold in 2008).

##### (5) Provisions for charges and litigation:

This item mainly includes provisions for quality disputes with several car manufacturers.

##### (6) Foreign exchange gains and losses on operating activities:

Virtually all foreign exchange losses are realized by the "Industries" segment, mainly related to the US dollar and the Argentinian peso.

##### (7) Argentina hyperinflation:

In 2018, the first year of recognition of hyperinflation in the Group's accounts, the entire impact was recognized in "Other operating income and expenses". Please refer to Note 2.7.2 in "Significant events of the period" for details of the impacts in 2019.

##### (8) Change in retirement pension plans:

The Group opted to shift from a defined-benefit retirement plan to a defined-contribution plan for its US subsidiary, Plastic Omnium Auto Inergy LLC, which is part of the "Industries" segment.

This item includes (see Notes 5.2.5.2 and 5.2.5.5 Provisions for pensions):

- for €13,533 thousand, the impact related to the change from a defined-benefit retirement plan to a defined-contribution plan for the U.S. subsidiary, Plastic Omnium Auto Inergy LLC, which is affiliated to the "Industries" segment;
- and for €627 thousand, the impact of the crystallization over the financial year, of the rights of the supplementary pension regime for directors in France (Pacte law/(Loi Pacte)).

##### (9) Gains/losses on disposals of non-current assets:

This item mainly includes the sale to Sofiparc SAS (Burelle) of the Lyon Gerland investment property and the Nanterre operating property (see Notes 2.3.1 and 2.3.2 in "Significant events of the period").

##### (10) Other:

Non-material amounts taken individually.

##### At December 31, 2018

Refer to the Consolidated financial statements at December 31, 2018 for details of operations in the last fiscal year.

## 4.7 Net financial income

<i>In thousands of euros</i>	2019	2018
Finance costs	(63,607)	(61,451)
Interest on post-employment benefit obligations <sup>(1)</sup>	(2,295)	(2,311)
Interest on lease liabilities <sup>(2)</sup>	(8,773)	(476)
Financing fees and commissions	(4,688)	(4,878)
<b>FINANCE COSTS, NET</b>	<b>(79,363)</b>	<b>(69,116)</b>
Exchange gains or losses on financing activities	(3,177)	1,709
Gains or losses on interest rate and currency hedges <sup>(3)</sup>	4,471	(1,976)
Other <sup>(4)</sup>	304	(821)
<b>OTHER FINANCIAL INCOME AND EXPENSES</b>	<b>1,598</b>	<b>(1,088)</b>
<b>TOTAL</b>	<b>(77,765)</b>	<b>(70,204)</b>

(1) See Notes 5.2.5.5 "Changes in net balance sheet benefit positions".

(2) See Notes 2.1.1 "First-time application of IFRS 16 "Leases" and impacts on the financial statements", 5.1.3 "Property, plant and equipment" and 5.2.6.5 "Reconciliation of gross and net financial debt".

(3) See Notes 5.2.7.1.2 on "Impact of hedging on the Income statement" and 5.2.7.2.2 on the "Impact of unsettled foreign exchange hedges on income and equity".

(4) In 2019, this section includes the reversal of the impairment of the UCITS for an amount of €625 thousand versus an impairment of -€822 thousands in 2018. See Note 5.2.6.3 "Loans, negotiable debt securities and other financial assets".

## 4.8 Income tax

### 4.8.1 Income tax recorded in the income statement

The income tax expense breaks down as follows:

<i>In thousands of euros</i>	2019	2018
<b>CURRENT TAXES ON CONTINUING ACTIVITIES</b>	<b>(117,763)</b>	<b>(92,446)</b>
Current income tax expense/(income)	(118,101)	(87,209)
Tax expense/(income) on non-recurring items	338	(5,237)
<b>DEFERRED TAXES ON CONTINUING ACTIVITIES</b>	<b>27,903</b>	<b>(20,550)</b>
Deferred tax expense/(income) on timing differences arising or reversed during the period	27,130	(18,179)
Expense/(income) resulting from changes in tax rates or the introduction of new taxes	773	(2,371)
<b>INCOME TAX ON CONTINUING ACTIVITIES RECORDED IN THE CONSOLIDATED INCOME STATEMENT</b>	<b>(89,860)</b>	<b>(112,996)</b>

#### 4.8.2 Income tax analysis – Tax proof

Analysis of the income tax expense reveals the following:

<i>In thousands of euros</i>	2019		2018	
	Totals	% <sup>(1)</sup>	Totals	% <sup>(1)</sup>
Consolidated profit on continuing activities before tax and share of profit/(loss) of associates and joint ventures (A)	329,376		602,391	
French standard tax rate (B)		34.43%		34.43%
<b>THEORETICAL TAX EXPENSE (C) = (A) X (B)</b>	<b>(113,404)</b>		<b>(207,403)</b>	
Difference between the theoretical tax expense and the current and deferred tax expense excluding tax assessed on net interim profit on continuing activities (D)	23,544	7.1%	94,407	15.7%
Tax credits	51,145	15.5%	33,582	5.6%
Permanent differences between accounting profits and taxable profits	(11,730)	-3.6%	74,562	12.4%
Change in unrecognized deferred taxes	(27,324)	-8.3%	(33,900)	-5.6%
Impact on deferred tax of a tax rate change	773	0.2%	(2,371)	-0.4%
Impact of differences in foreign tax rates	21,377	6.5%	29,043	4.8%
Contribution to Value Added	(6,700)	-2.0%	(6,401)	-1.1%
Other impacts	(3,997)	-1.2%	(108)	-0.02%
<b>TOTAL CURRENT AND DEFERRED TAX EXPENSE ON CONTINUING ACTIVITIES (E) = (C) + (D)</b>	<b>(89,860)</b>		<b>(112,996)</b>	
<b>EFFECTIVE TAX RATE ON CONTINUING ACTIVITIES (E)/(A)</b>		<b>27.3%</b>		<b>18.8%</b>

(1) Percentage expressed in relation to the consolidated profit on continuing activities before tax and share of profit/(loss) of associates and joint ventures (C)

The Group's effective tax rate in 2019 was 27.3% (18.8% in 2018).

In 2019, the tax recognized amounted to an expense of €90 million for a theoretical tax of €113 million, based on a tax rate of 34.43%.

In 2018, the tax recognized was an expense of €113 million for a theoretical tax of €207 million, based on a tax rate of 34.43%.

The difference between the tax recognized and the theoretical tax is mainly explained:

- for €51 million of specific tax reductions or credits mainly in North America, Asia and France (€34 million at December 31, 2018);
- for €21 million by the impact of more favorable tax rates, mainly in Asia (China, Thailand), in the United-States and in Europe (excluding France and Belgium) (€29 million at December 31, 2018);

- for -€27 million by the effect of losses or other assets generated in the year but not recognized, net of those previously not activated but used or recognized in the year (-€34 million at December 31, 2018);
- for -€12 million by permanent differences between accounting profits and taxable profits (€75 million at December 31, 2018 mainly due to the revaluation of HBPO stake);
- for -€7 million by the contribution to the added value of companies (-€6 million at December 31, 2018) of companies; and
- for €1 million as a consequence of changing tax rates. In 2018, the impact of the change in the tax rate was -€2 million, explained by the effect on the Group's deferred tax liabilities.

#### 4.9 Net profit attributable to non-controlling interests

The net profit attributable to non-controlling interests corresponds to the share of minority interests in the profit/loss of fully consolidated entities controlled by the Group. It breaks down as follows:

<i>In thousands of euros</i>	2019	2018
HBPO GmbH and its subsidiaries	10,265	4,845
Beijing Plastic Omnium Inergy Auto Inergy Co. Ltd	3,636	1,007
Plastic Omnium Auto Inergy Manufacturing India Pvt Ltd	718	920
DSK Plastic Omnium Inergy	3,201	2,776
DSK Plastic Omnium BV	(47)	(67)
<b>TOTAL ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>17,773</b>	<b>9,481</b>

#### 4.10 Earnings per share and diluted earnings per share

<b>Net profit attributable to owners of the parent</b>	2019	2018
Basic earnings per share ( <i>in euros</i> )	1.77	3.63
Diluted earnings per share ( <i>in euros</i> )	1.76	3.61
<b>Net income from discontinued activities</b>		
Basic earnings per share from discontinued activities ( <i>in euros</i> )	-	0.01
Diluted earnings per share from discontinued activities ( <i>in euros</i> )	-	0.01
<b>Net income from continuing activities</b>		
Basic earnings per share from continuing activities ( <i>in euros</i> )	1.77	3.62
Diluted earnings per share from continuing activities ( <i>in euros</i> )	1.76	3.60
<b>Weighted average number of ordinary shares outstanding at end of period</b>	<b>148,566,107</b>	<b>150,297,547</b>
• Treasury stock	(2,400,104)	(3,267,977)
<b>Weighted average number of ordinary shares, undiluted</b>	<b>146,166,003</b>	<b>147,029,570</b>
• Impact of dilutive instruments (stock options)	122,180	540,227
<b>Weighted average number of ordinary shares, diluted</b>	<b>146,288,183</b>	<b>147,569,797</b>
<b>Weighted average price of the Plastic Omnium share during the period</b>		
• Weighted average share price	23.78	34.57

## NOTE 5 NOTES TO THE BALANCE SHEET

### 5.1 Assets

#### 5.1.1 Goodwill

For the 2019 fiscal year, the assumptions for impairment tests (see Note 1.6.1) carried out at the level of the cash-generating units (CGU) or groups of cash generating units (business segments), namely "Industries" and "Modules" were:

- a perpetual growth rate of 1.5%; and
- a 9.0% after-tax discount rate.

These assumptions are identical to those used for the 2018 fiscal year.

The tests conducted did not lead to the recording of any impairment of the Group's goodwill at December 31, 2019. An increase in the discount rate of 0.5% or a reduction of 0.5% in the long-term growth rate or a decrease of 0.5% in the operating margin rate would have no impact on the test results.

In the "Industries" CGU, only unreasonable assumptions could impact the test results. Unreasonable assumptions means a negative long-term growth rate combined with a discount rate increased by more than two points. For the "Modules" CGU, a negative long-term growth rate could impact the test results.

#### Goodwill

*In thousands of euros*

	Gross Value	Impairment	Net value
<b>GOODWILL AT JANUARY 1, 2018</b>	<b>584,685</b>	-	<b>584,685</b>
Removal of goodwill linked to the Environment Division	(98,525)	-	(98,525)
Goodwill adjustment on the acquisition of companies in the Clean Energy Systems Division of the Industries segment	(303)	-	(303)
Goodwill of HBPO acquisition	524,795	-	524,795
Translation differences	5,078	-	5,078
<b>GOODWILL AT DECEMBER 31, 2018</b>	<b>1,015,730</b>	-	<b>1,015,730</b>
Translation differences	2,100	-	2,100
<b>GOODWILL AT DECEMBER 31, 2019</b>	<b>1,017,830</b>	-	<b>1,017,830</b>

#### 5.1.2 Other intangible assets

<i>In thousands of euros</i>	Patents and licenses	Software	Development assets	Customer contracts	Other	Total
<b>CARRYING AMOUNT PUBLISHED AT DECEMBER 31, 2018</b>	<b>14,078</b>	<b>20,203</b>	<b>555,347</b>	<b>138,518</b>	<b>2</b>	<b>728,150</b>
Capitalized development	-	-	187,314	-	-	187,314
Increases	200	7,624	4,660	-	-	12,484
Disposals – net	(273)	(8)	(7,667)	-	-	(7,948)
Other reclassifications	2,497	5,791	(7,820)	-	-	468
Amortization for the period	(4,098)	(12,313)	(160,764)	(26,662)	-	(203,837)
Impairments recognized and reversed	-	-	3,406	-	-	3,406
Translation adjustment	62	3	4,555	90	-	4,710
<b>CARRYING AMOUNT AT DECEMBER 31, 2019</b>	<b>12,466</b>	<b>21,300</b>	<b>579,031</b>	<b>111,946</b>	<b>2</b>	<b>724,745</b>

<i>In thousands of euros</i>	<b>Patents and licenses</b>	<b>Software</b>	<b>Development assets</b>	<b>Customer contracts</b>	<b>Other</b>	<b>Total</b>
<b>CARRYING AMOUNT ADJUSTED AT JANUARY 1, 2018</b>	<b>26,478</b>	<b>21,998</b>	<b>431,273</b>	<b>37,294</b>	<b>493</b>	<b>517,536</b>
Capitalized development	-	-	193,346	-	-	193,346
Increases	691	5,939	8,476	-	-	15,106
Disposals – net	(6,477)	(46)	(2,702)	-	-	(9,225)
Newly-consolidated companies <sup>(1)</sup>	8,200	4,726	48,617	119,000	-	180,543
Changes in scope of consolidation (deconsolidation) <sup>(2)</sup>	(8,552)	(1,116)	(1,203)	-	(521)	(11,392)
Other reclassifications	2,234	634	(2,918)	-	-	(50)
Amortization for the period	(4,269)	(11,978)	(107,111)	(18,007)	30	(141,335)
Impairments recognized and reversed	(4,258)	-	(17,760)	-	-	(22,018)
Translation adjustment	31	46	5,329	231	-	5,637
<b>CARRYING AMOUNT PUBLISHED AT DECEMBER 31, 2018</b>	<b>14,078</b>	<b>20,203</b>	<b>555,347</b>	<b>138,518</b>	<b>2</b>	<b>728,150</b>

(1) Takeover of HBPO – See Note 2.3.1 in “Significant events of the period”.

(2) Sale of Environment Division – See Note 2.6.1 in “Significant events of the period”.

<i>In thousands of euros</i>	<b>Patents and licenses</b>	<b>Software</b>	<b>Development costs</b>	<b>Customer contracts</b>	<b>Other</b>	<b>Total</b>
<b>ANALYSIS OF CARRYING AMOUNT AT DECEMBER 31, 2018</b>						
Cost	45,102	145,698	1,126,897	293,303	2	1,611,002
Accumulated amortization	(26,766)	(125,495)	(551,806)	(154,785)	-	(858,852)
Impairment	(4,258)	-	(19,743)	-	-	(24,001)
<b>CARRYING AMOUNT AT DECEMBER 31, 2018</b>	<b>14,078</b>	<b>20,203</b>	<b>555,347</b>	<b>138,518</b>	<b>2</b>	<b>728,150</b>
<b>ANALYSIS OF CARRYING AMOUNT AT DECEMBER 31, 2019</b>						
Cost	47,609	158,020	1,205,499	293,809	2	1,704,939
Accumulated amortization	(30,885)	(136,720)	(610,011)	(181,863)	-	(959,479)
Impairment	(4,258)	-	(16,457)	-	-	(20,715)
<b>CARRYING AMOUNT AT DECEMBER 31, 2019</b>	<b>12,466</b>	<b>21,300</b>	<b>579,031</b>	<b>111,946</b>	<b>2</b>	<b>724,745</b>

### 5.1.3 Property, plant and equipment

Property, plant and equipment corresponds to tangible assets held in their own right but also, since January 1, 2019, to rights-of-use related to leases of tangible assets following the application of IFRS 16 "Leases".

<i>In thousands of euros</i>	Land	Buildings	Tech. eq. & tool.	Property, plant and equipment under construction	Other property, plant and equipment	Total
<b>CARRYING AMOUNT AT DECEMBER 31, 2018: PROPERTY, PLANT AND EQUIPMENT OWNED OUTRIGHT</b>	105,517	473,079	581,347	326,915	166,170	1,653,028
Reclassifications of finance leases (First-time application of IFRS 16) <sup>(1)</sup>	(354)	(860)	(11,294)	-	-	(12,508)
<b>CARRYING AMOUNT AT JANUARY 1, 2019: PROPERTY, PLANT AND EQUIPMENT OWNED OUTRIGHT</b>	105,163	472,219	570,053	326,915	166,170	1,640,520
Acquisitions	1,285	69,711	74,906	109,634	78,161	333,697
Disposals <sup>(2)</sup>	(3,498)	(11,782)	(2,947)	-	(5,715)	(23,942)
Change in consolidation scope (disposals)	-	-	6	-	-	6
Others reclassifications	(1,246)	62,501	123,752	(259,936)	85,155	10,226
Impairments and reversals	(264)	101	(3,128)	-	(853)	(4,144)
Depreciation for the period	(1,608)	(31,569)	(129,754)	-	(76,422)	(239,353)
Translation adjustment	1,426	4,969	5,128	2,966	704	15,193
<b>CARRYING AMOUNT AT DECEMBER 31, 2019: PROPERTY, PLANT AND EQUIPMENT OWNED OUTRIGHT (A)</b>	101,258	566,150	638,016	179,579	247,200	1,732,204
<b>RIGHT-OF-USE ASSETS FOR LEASES</b>						
1 <sup>st</sup> application of IFRS 16 at January 1, 2019	852	196,682	14,162	-	18,561	230,257
Reclassifications of finance leases <sup>(1)</sup>	354	860	11,294	-	-	12,508
Acquisitions	1,298	40,394	6,043	-	4,638	52,373
Diminutions	(86)	(10,231)	(202)	-	(333)	(10,852)
Depreciation for the period	(495)	(36,882)	(8,658)	-	(7,966)	(54,001)
Others reclassifications	-	(4,970)	-	-	-	(4,970)
Translation adjustment	(6)	1,070	265	-	72	1,401
<b>RIGHT-OF-USE ASSETS FOR LEASES: CARRYING AMOUNT AT DECEMBER 31, 2019: (B)</b>	1,917	186,923	22,904	-	14,972	226,715
<b>CARRYING AMOUNT AT DECEMBER 31, 2019: PROPERTY, PLANT AND EQUIPMENT (C) = (A)+ (B)</b>	103,175	753,073	660,920	179,579	262,172	1,958,919

(1) Corresponds to finance leases agreements capitalized in the financial statements at December 31, 2018 in accordance with IAS 17 "Leases" and IFRS 16, reclassified since January 1, 2019 as "Right-of-use of leased assets".

(2) See Note 2.3.2 related to the sale by the Group of the operating investment property in Nanterre in the "Hauts de Seine" to Sofiparc SAS.

Information on rents resulting from uncapitalized leases and services:

The lease expense on uncapitalized leases amounted to -€124 million at December 31, 2019.

<i>In thousands of euros</i>	Land	Buildings	Tech. eq. & tool.	Tangible assets under construction	Other tangible assets	Total
<b>CARRYING AMOUNT AT JANUARY 1, 2018</b>	<b>89,086</b>	<b>415,478</b>	<b>509,421</b>	<b>236,811</b>	<b>159,669</b>	<b>1,410,465</b>
Acquisitions	17,157	25,001	73,705	276,535	41,929	434,327
Disposals	(5,702)	(7,488)	(491)	-	(749)	(14,430)
Newly-consolidated <sup>(3)</sup>	-	7,185	26,437	11,794	18,498	63,914
Changes in consolidation scope (disposals) <sup>(4)</sup>	(2,217)	(5,394)	(24,283)	(4,532)	(16,712)	(53,138)
Impact of IFRS 15 application	-	-	(131)	-	(128)	(259)
Other reclassifications <sup>(5)</sup>	8,211	61,660	91,873	(196,843)	34,943	(156)
Fair value adjustment <sup>(6)</sup>	98	446	2,380	-	43	2,967
Impairments recognized and reversed	-	571	(3,454)	-	(12,238)	(15,121)
Depreciation for the period	(1,377)	(28,002)	(98,899)	-	(59,341)	(187,619)
Translation adjustment	261	3,622	4,789	3,150	256	12,078
<b>CARRYING AMOUNT AT DECEMBER 31, 2018</b>	<b>105,517</b>	<b>473,079</b>	<b>581,347</b>	<b>326,915</b>	<b>166,170</b>	<b>1,653,028</b>

(3) See Note 2.3.1 "Significant events of the Period" related to the takeover of HBPO (consolidated financial statements of December 31, 2018).

(4) See Note 2.6.1 "Significant events of the Period" related to the disposal of the Environment Division (consolidated financial statements of December 31, 2018).

(5) The Other reclassifications stem from the revaluation of property, plant and equipment by shareholders' equity following the hyperinflation on the Argentine peso for €1,693 thousand (see Note 2.10.1 in "Transactions for the Period") and a reclassification in depreciation of property, plant and equipment of the restructuring provision in Germany in the Industries cluster for an impairment of -€1,800 thousand (consolidated financial statements of December 31, 2018).

(6) The fair value adjustments for €2,967 thousand are related to the hyperinflation effects on tangible assets of the three Argentinian subsidiaries recognized under profit and loss.

<i>In thousands of euros</i>	Land	Buildings	Tech. eq. & tool.	Tangible assets under construction	Other tangible assets	Total
<b>ANALYSIS OF CARRYING AMOUNT AT JANUARY 1, 2019</b>						
Gross value	114,750	765,623	1,734,675	326,931	527,557	3,469,536
Depreciation	(9,226)	(280,910)	(1,146,467)	-	(348,905)	(1,785,508)
Impairment	(7)	(11,634)	(6,861)	(16)	(12,482)	(31,000)
<b>CARRYING AMOUNT AT JANUARY 1, 2019</b>	<b>105,517</b>	<b>473,079</b>	<b>581,347</b>	<b>326,915</b>	<b>166,170</b>	<b>1,653,028</b>
<b>ANALYSIS OF CARRYING AMOUNT AT DECEMBER 31, 2019</b>						
Cost	114,846	1,106,388	1,920,713	179,596	689,128	4,010,671
Depreciation	(11,405)	(341,945)	(1,249,816)	-	(413,567)	(2,016,733)
Accumulated impairment	(266)	(11,370)	(9,977)	(17)	(13,389)	(35,019)
<b>CARRYING AMOUNT AT DECEMBER 31, 2019</b>	<b>103,175</b>	<b>753,073</b>	<b>660,920</b>	<b>179,579</b>	<b>262,172</b>	<b>1,958,919</b>

<i>In thousands of euros</i>	Land	Buildings	Tech. eq. & tool.	Tangible assets under construction	Other tangible assets	Total
<b>Analysis of carrying amount at January 1, 2018</b>						
Gross value	99,375	693,128	1,662,871	236,812	510,247	3,202,433
Depreciation	(10,283)	(264,142)	(1,151,594)	-	(349,497)	(1,775,515)
Impairment	(7)	(13,508)	(1,856)	-	(1,082)	(16,453)
<b>CARRYING AMOUNT AT JANUARY 1, 2018</b>	<b>89,086</b>	<b>415,478</b>	<b>509,421</b>	<b>236,812</b>	<b>159,669</b>	<b>1,410,465</b>
<b>Analysis of carrying amount at December 31, 2018</b>						
Cost (excluding IFRS 5 reclassifications)	114,750	765,623	1,734,675	326,931	527,557	3,469,536
Depreciation (excluding IFRS 5 reclassifications)	(9,226)	(280,910)	(1,146,467)	-	(348,905)	(1,785,508)
Accumulated impairment (excluding IFRS 5 reclassifications)	(7)	(11,634)	(6,861)	(16)	(12,482)	(31,000)
<b>CARRYING AMOUNT AT DECEMBER 31, 2018</b>	<b>105,517</b>	<b>473,079</b>	<b>581,347</b>	<b>326,915</b>	<b>166,170</b>	<b>1,653,028</b>

“Tech. eq. & tool.”: technical equipment and tooling

#### 5.1.4 Investment property

On December 4, 2019, the Group sold the Lyon Gerland real estate complex to Sofiparc SAS (subsidiary of the group Burelle SA). See Note 2.3.1 in “Significant events of the period”.

The transaction resulted in the recognition of a gain of €19.0 million. See Note 4.6 “Other operating income and expenses”.

At the year-end account closing, the Group only has one vacant land in the Lyon region.

<i>In thousands of euros</i>	Land	Buildings	Total
Investment property	12,700	80,589	93,289
Sale to Sofiparc SAS (Burelle)	(12,670)	(80,589)	(93,259)
<b>FAIR VALUE AT DECEMBER 31, 2019</b>	<b>30</b>	<b>-</b>	<b>30</b>

<i>In thousands of euros</i>	Land	Buildings	Total
Investment property	12,700	80,563	93,263
<b>FAIR VALUE AT DECEMBER 31, 2018</b>	<b>12,700</b>	<b>80,563</b>	<b>93,263</b>

Investment property-related income and expenses are as follows:

<i>In thousands of euros</i>	2019	2018
Income from investment property rentals	6,907	6,899
Investment property direct operating expenses	(1,311)	(1,423)

#### 5.1.5 Non-consolidated interests and investments in associates and joint ventures consolidated by the equity method

##### NON-CONSOLIDATED INTERESTS

The non-consolidated interests relate to:

- non-significant shell companies, dormant companies; and

- the shares whose small stake does not allow the Group to exercise at least a notable influence (Tactotek OY).

In the context of the first-time application of IFRS 9 “Financial Instruments”, the Group opted to recognize changes in value of non-consolidated interests in the income statement.

### INVESTMENTS IN ASSOCIATES AND JOINT VENTURES CONSOLIDATED BY THE EQUITY METHOD

Investments in associates and joint ventures correspond to investments by the Group in the following companies:

<i>In thousands of euros</i>	2019 % interest	2018 % interest	December 31, 2019	December 31, 2018
HBPO – SHB Automotive Modules (Samlip) <sup>(1)</sup>	33.34%	33.34%	16,346	16,141
HICOM HBPO Sdn Bhd <sup>(1)</sup>	26.66%	26.66%	559	466
JV Yanfeng Plastic Omnium and its subsidiaries – joint venture <sup>(2)</sup>	49.95%	49.95%	164,683	159,850
BPO AS – joint venture	49.98%	49.98%	13,342	14,221
ΞPO-CellTech	23.00%	23.00%	-	2,319
<b>TOTAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES</b>			<b>194,930</b>	<b>192,997</b>
Equity investments in “Tactotek OY” <sup>(3)</sup>			-	-
Other non-consolidated equity investments			199	225
<b>TOTAL NON-CONSOLIDATED EQUITY INVESTMENTS</b>			<b>199</b>	<b>225</b>
<b>TOTAL OF INVESTMENTS CONSOLIDATED BY THE EQUITY METHOD AND NON-CONSOLIDATED EQUITY INSTRUMENTS</b>			<b>195,129</b>	<b>193,222</b>

(1) This relates to HBPO’s two joint ventures.

(2) The Yanfeng Plastic Omnium sub-group has three new entities in 2019: “Ningde”, “Daqing” (activity not yet started) and “Yankang Rugao” following an acquisition.

(3) The 2018 equity stake acquisition in the Finnish company “Tactotek OY” was impaired at the end of the 2018. An additional investment of €321 thousand at December 31, 2019 that was also impaired.

Investments in these entities include goodwill by segment for the following amounts:

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Goodwill in associates and joint ventures – Industries segment <sup>(1)</sup>	21,414	13,625
<b>TOTAL GOODWILL IN ASSOCIATES AND JOINT VENTURES</b>	<b>21,414</b>	<b>13,625</b>

(1) The change over the period corresponds to:

- the goodwill from the acquisition in 2019 of “Yankang Rugao” by Yanfeng Plastic Omnium; and
- the impairment of ΞPO-CellTech goodwill.

In view of the individual contribution of less than 10% of joint ventures and associates to the Group’s main financial indicators, the summary balance sheet and income statement aggregates of the joint ventures are as follows:

- the joint venture YFPO and its subsidiaries after elimination of internal transactions;
- the Samlip and Hicom associate of HBPO; and
- the BPO joint-venture.

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Non-current assets	424,981	252,090
Current assets	1,030,412	952,428
<b>TOTAL ASSETS</b>	<b>1,455,393</b>	<b>1,204,517</b>
Shareholders’ equity	289,925	275,727
Non-current liabilities	109,145	8,400
Current liabilities	1,056,323	920,390
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,455,393</b>	<b>1,204,517</b>
Revenue	1,541,006	1,399,610

### 5.1.6 Non-current financial assets

The financial assets recognized under this item correspond to long-term investments in equities and funds as well as other assets such as deposits and surety bonds grouped as follows:

#### 5.1.6.1 LONG-TERM INVESTMENTS IN EQUITIES AND FUNDS

- investments in listed companies, funds or equivalents and investments in securities of listed companies, including funds invested in the “Aster” venture capital company;

- the Group’s investments in the “FMEA 2” fund as part of the support of the Automotive Division sub-contractors and in shell companies.

In the context of the application of IFRS 9 “Financial Instruments, the Group opted to recognize changes in the value of listed shares and investments funds, such as “Aster”, “Tactotek OY” and “FMEA” funds, in non-recyclable profit or loss.

In thousands of euros	December 31, 2019			December 31, 2018		
	Subscribed amounts	Non-called-up amounts	Net	Subscribed amounts	Non-called-up amounts	Net
Financial investments in the “FMEA 2” fund <sup>(1) (3)</sup>	-	-	2,330	-	-	829
Financial investments in listed securities <sup>(1)</sup>	-	-	50,530	-	-	25,719
Investment in the venture capital company “Aster” <sup>(2)</sup>	20,000	(16,700)	3,300	20,000	(18,500)	1,500
Other	-	-	142	-	-	135
<b>LONG-TERM INVESTMENTS IN EQUITIES AND FUNDS</b>			<b>56,302</b>			<b>28,183</b>

(1) Financial investments in the “FMEA 2” fund and investments in shares in listed companies are listed with long-term financial receivables in Note 5.2.6.5 “Reconciliation of gross and net financial debt”.

(2) Payment of €1.8 million in the fiscal year 2019.

(3) Payment of \$1.7 million during the fiscal year 2019 to “AP Ventures”, a venture capital fund dedicated to hydrogen. See Note 2.4.1 in “Significant events of the period”.

#### 5.1.6.2 OTHER NON-CURRENT FINANCIAL ASSETS

In thousands of euros	December 31, 2019	December 31, 2018
Loans	1,807	1,979
Deposits and surety bonds	12,849	33,846
Other receivables	-	4
<b>OTHER NON-CURRENT ASSETS AND FINANCIAL RECEIVABLES (SEE NOTE 5.2.6.5)</b>	<b>14,656</b>	<b>35,829</b>
Finance receivables related to Automotive contracts (see Note 6.4.1)	-	1,763
<b>NON-CURRENT FINANCIAL RECEIVABLES (SEE NOTE 5.2.6.5)</b>	<b>-</b>	<b>1,763</b>
<b>TOTAL</b>	<b>14,656</b>	<b>37,592</b>

“Deposits and surety bonds” mainly concern deposits relating to leased offices and assignment of receivables programs.

### 5.1.7 Inventories and Inventories in progress

<i>In thousands of euros</i>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
<b>Raw materials and supplies</b>		
At cost (gross)	213,190	190,377
Net realizable value	197,729	180,667
<b>Molds, tooling and engineering</b>		
At cost (gross)	381,744	431,360
Net realizable value	375,797	426,623
<b>Other work in progress</b>		
At cost (gross)	-	-
Net realizable value	-	-
<b>Maintenance inventories</b>		
At cost (gross)	72,142	63,432
Net realizable value	59,655	54,934
<b>Goods</b>		
At cost (gross)	2,008	1,754
Net realizable value	1,664	1,361
<b>Semi-finished products</b>		
At cost (gross)	62,765	43,311
Net realizable value	59,637	40,746
<b>Finished products</b>		
At cost (gross)	45,282	35,656
Net realizable value	41,364	32,778
<b>TOTAL NET</b>	<b>735,846</b>	<b>737,109</b>

### 5.1.8 Current financial receivables

<i>In thousands of euros</i>	<b>December 31, 2019</b>		<b>December 31, 2018</b>	
	<b>Undiscounted values</b>	<b>Carrying amount</b>	<b>Undiscounted values</b>	<b>Carrying amount</b>
<b>CURRENT FINANCIAL RECEIVABLES (SEE NOTE 5.2.6.5)</b>	<b>13,100</b>	<b>13,100</b>	<b>22,504</b>	<b>22,504</b>
of which Customer receivables	13,100	13,100	22,504	22,504
<b>OTHER CURRENT FINANCIAL ASSETS AND FINANCIAL RECEIVABLES (SEE NOTE 5.2.6.5)</b>	<b>55,127</b>	<b>55,127</b>	<b>63,942</b>	<b>63,942</b>
of which "Negotiable debt securities"	5,000	5,000	14,003	14,003
of which "UCITS" <sup>(1)</sup>	49,809	49,809	49,185	49,185
of which "Other" <sup>(2)</sup>	316	316	754	754
<b>TOTAL CURRENT FINANCIAL RECEIVABLES</b>	<b>68,227</b>	<b>68,227</b>	<b>86,446</b>	<b>86,446</b>

(1) The change corresponds to an impairment of short-term investment securities. See Note 5.2.6.3 "Loans, negotiable debt securities and other financial assets".

(2) See Note 5.2.6.3 on the characteristics of the investment in UCITS (Undertaking for Collective Investment in Transferable Securities) carried out by the Group in 2017 as part as its cash management.

## 5.1.9 Trade and other receivables

### 5.1.9.1 SALE OF RECEIVABLES

Compagnie Plastic Omnium and some of its European and United States subsidiaries have set up several commercial receivables sales programs with French banks. These programs have an average maturity of more than two years.

These non-recourse programs transfer substantially all the risks and rewards of ownership to the buyer of the sold receivables; for these programs, only the non-material dilution risk is not transferred to the buyer.

Receivables sold under these programs, which are therefore no longer included in the balance sheet, totaled €315 million at December 31, 2019 versus €347 million at December 31, 2018.

### 5.1.9.2 TRADE RECEIVABLES – GROSS VALUES, IMPAIRMENT AND CARRYING AMOUNTS

<i>In thousands of euros</i>	December 31, 2019			December 31, 2018		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
<b>TRADE RECEIVABLES</b>	823,843	(5,044)	818,799	820,132	(4,833)	815,300

The Group has not identified significant unaccrued customer risk over the two periods.

### 5.1.9.3 OTHER RECEIVABLES

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Sundry receivables	88,560	101,949
Prepayments to suppliers of tooling and prepaid development costs	40,734	70,713
Prepaid and recoverable income taxes	93,990	97,810
Other prepaid and recoverable taxes	90,655	82,613
Employee advances	3,837	3,129
Prepayments to suppliers of non-current assets	10,980	14,398
<b>OTHER RECEIVABLES</b>	<b>328,757</b>	<b>370,612</b>

### 5.1.9.4 TRADE AND OTHER RECEIVABLES BY CURRENCY

<i>In thousands of currency units</i>	December 31, 2019			December 31, 2018		
	Local currency	Euro	%	Local currency	Euro	%
EUR Euro	579,439	579,439	50%	619,258	619,258	52%
USD US dollar	276,384	246,025	21%	306,508	267,692	23%
CNY Chinese yuan	831,066	106,268	9%	618,348	78,519	7%
GBP Pound sterling	56,899	66,877	6%	29,418	32,887	3%
Other Other currencies		148,947	13%		187,556	16%
<b>TOTAL</b>		<b>1,147,556</b>	<b>100%</b>		<b>1,185,912</b>	<b>100%</b>
Of which:						
• Trade receivables		818,799	71%		815,300	69%
• Other receivables		328,757	29%		370,612	31%

Sensitivity tests on movements in currencies under “Trade and other receivables” give the following results:

In thousands of currency units	Sensitivity tests on receivables at December 31, 2019							Sensitivity tests on receivables at December 31, 2018					
	Base		Increase all currencies		Decrease all currencies			Base		Increase all currencies		Decrease all currencies	
			+10%	+20%	-10%	-20%	+10%			+20%	-10%	-20%	
	Local currency	Exchange rate	%	%	%	%	Local currency	Exchange rate	%	%	%	%	
EUR Euro	579,439	1.0000	48%	46%	53%	56%	619,258	1.0000	50%	47%	55%	58%	
USD US dollar	276,384	0.8902	22%	23%	20%	19%	306,508	0.8734	24%	25%	21%	20%	
CNY Chinese yuan	831,066	0.1279	10%	10%	9%	8%	618,348	0.1270	7%	7%	6%	6%	
GBP Pound sterling	56,899	1.1754	6%	6%	6%	5%	29,418	1.1179	3%	3%	3%	2%	
Other Other currencies	-	-	14%	14%	12%	11%	-	-	16%	18%	15%	14%	
<b>TOTAL IN EUROS</b>	<b>1,147,556</b>	<b>1,204,356</b>	<b>1,261,169</b>	<b>1,090,734</b>	<b>1,033,923</b>	<b>1,185,912</b>	<b>1,242,577</b>	<b>1,299,243</b>	<b>1,129,247</b>	<b>1,072,581</b>			
Of which:													
● Trade receivables	818,799	859,334	899,872	778,263	737,727	815,300	854,257	893,214	776,344	737,387			
● Other receivables	328,757	345,022	361,297	312,471	296,196	370,612	388,320	406,029	352,903	335,194			

Foreign exchange sensitivity tests on “Trade and other receivables and other receivables” and “Trade payables and other operating liabilities by currency” (see Note 5.2.8.3) show a low sensitivity of this item to variations in exchange rates.

#### 5.1.10 Deferred taxes

As noted in Note 1.9 of the accounting rules and principles, deferred tax assets on tax loss carryforwards, temporary differences and tax credits are assessed according to their probability of future use. For this purpose, estimates were made as part of the closing of the accounts and led to the recognition of assets based on probable use within a relatively short

period of time reflecting a prudent approach given the current economic environment.

Deferred taxes are broken down as follows:

In thousands of euros	December 31, 2019	December 31, 2018
Property, plant and equipment	(40,293)	(51,920)
Employee benefit obligations	26,204	26,098
Provisions	41,413	33,463
Financial instruments	(497)	612
Tax loss carryforwards and tax credits	140,528	122,937
Other	714	(18,424)
Impairment of deferred tax assets	(116,820)	(91,793)
<b>TOTAL</b>	<b>51,249</b>	<b>20,973</b>
Of which:		
● Deferred tax assets	106,108	101,691
● Deferred tax liabilities	54,859	80,718

Unrecognized tax assets in respect of tax losses at December 31, 2019 amount to €85 million as at December 31, 2018 and have the following characteristics:

In thousands of euros	December 31, 2019	December 31, 2018
Evergreen tax loss carryforwards	72,247	69,301
Tax loss carryforwards available for more than 5 years	5,256	12,628
Tax loss carryforwards available for up to 5 years	3	846
Tax loss carryforwards available for up to 4 years	578	730
Tax loss carryforwards available for up to 3 years	6,912	535
Tax loss carryforwards available for less than 3 years	483	828
<b>TOTAL</b>	<b>85,479</b>	<b>84,868</b>

The change in the fiscal year is essentially due to variations in France and in Germany.

### 5.1.11 Cash and cash equivalents

#### 5.1.11.1 GROSS CASH AND CASH EQUIVALENTS

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Cash at banks and in hand	1,130,587	903,485
Short-term deposits	12,366	12,851
<b>TOTAL CASH AND CASH EQUIVALENTS ON THE BALANCE SHEET</b>	<b>1,142,953</b>	<b>916,336</b>

Cash and cash equivalents break down as follows:

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Cash and cash equivalents of the Group's captive reinsurance company	18,000	33,689
Cash and cash equivalents in countries with exchange controls <sup>(1)</sup>	95,176	84,380
Available cash	1,029,777	798,267
<b>TOTAL CASH AND CASH EQUIVALENTS ON THE BALANCE SHEET</b>	<b>1,142,953</b>	<b>916,336</b>

(1) The countries in "countries with exchange controls" include Brazil, China, India, Chile, Argentina and South Korea.

The different categories of the above table are presented under current assets in the absence of any general restriction on these amounts.

#### 5.1.11.2 NET CASH AND CASH EQUIVALENTS AT END OF PERIOD

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Cash and cash equivalents	1,142,953	916,336
Short-term bank loans and overdrafts	(9,875)	(4,684)
<b>NET CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS</b>	<b>1,133,078</b>	<b>911,652</b>

### 5.1.12 Statement of cash flows – Acquisitions and disposals of financial assets, non-controlling interests and related investments

#### 5.1.12.1 ACQUISITIONS OF EQUITY INTERESTS, NON-CONTROLLING INTERESTS AND RELATED INVESTMENTS

The Group's financial acquisitions are broken down into two categories, as follows:

##### a – acquisitions of shares in subsidiaries and associates, investments leading to a change in control, equity investments in associates, joint ventures and related investments

These are recorded under "Cash flows from investments" in the Consolidated statement of cash flows.

##### At December 31, 2019:

None.

##### At December 31, 2018:

The amount of €369.6 million under the heading "Acquisitions of equity investment of integrated companies and takeover" corresponded to:

- the acquisition in 2018 of the 33.33% stake in "HBPO" for €369.8 million; and
- reductions in the acquisition prices of the companies "Swiss Hydrogen" and "Optimum CPV BVBA" for -€0.2 million.

#### 5.1.12.2 DISPOSAL OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES AND NON-CONTROLLING INTERESTS

##### Disposals of investments in subsidiaries and associates

Disposals of investments in subsidiaries and associates are recognized under "Cash flows from investments" in the Consolidated statement of cash flows.

2019:

None.

2018: The Group sold:

- the company "Plastic Recycling SAS" at the end of February 2018, for an amount of €0.8 million; and
- the Environment Division on December 18, 2018, for an amount of €199.4 million.

## 5.2 Liabilities

### 5.2.1 Group shareholders' equity

#### 5.2.1.1 SHARE CAPITAL OF COMPAGNIE PLASTIC OMNIUM

<i>In euros</i>	December 31, 2019	December 31, 2018
Share capital at January 1 of the period	8,913,966	9,058,603
Capital reduction during the period	-	(144,637)
<b>SHARE CAPITAL AT END OF PERIOD, MADE UP OF ORDINARY SHARES WITH A PAR VALUE OF €0.06 EACH OVER THE TWO PERIODS</b>	<b>8,913,966</b>	<b>8,913,966</b>
Treasury stock	143,310	137,456
<b>TOTAL SHARE CAPITAL NET OF TREASURY STOCK</b>	<b>8,770,656</b>	<b>8,776,511</b>

Shares registered on behalf of the same holder for at least two years shall have double voting rights.

#### Capital structure at December 31, 2019

At December 31, 2019, the share capital of Compagnie Plastic Omnium remains the same as at December 31, 2018 with 2,388,499 of its own shares, *i.e.* 1.61% of the share capital, compared with 2,290,930 own shares, *i.e.* 1.54% of the capital at December 31, 2018.

In 2019, the parent company Burelle SA strengthened its equity interest, bringing it from 58.51% to 58.78% before cancellation of treasury shares (see Note 2.6.1 in "Significant events of the period").

#### Capital structure at December 31, 2018

The Compagnie Plastic Omnium Boards of Directors' of July 19, 2018 and October 30, 2018 decided, respectively, to cancel 1,100,613 treasury shares (*i.e.* 0.74% of the share capital) and 1,300,000 treasury shares (*i.e.* 0.87% of the share capital previously reduced). The two transactions took effect on July 25, 2018 and November 8, 2018 respectively.

At December 31, 2018, the share capital of Compagnie Plastic Omnium consisted of shares with a par value of €0.06 totaling €8,913,966.42 including 2,290,930 treasury shares, *i.e.* 1.54% of the share capital, against 3,306,070 treasury shares *i.e.* 2.19% of the share capital at December 31, 2017.

#### 5.2.1.2 BREAKDOWN OF "OTHER RESERVES" IN THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In thousands of euros</i>	Actuarial gains/(losses) recognized in equity	Cash flow hedges – interest rate instruments	Cash flow hedges – currency instruments	Fair value adjustments	Retained earnings and other reserves	Attributable to owners of the parent
<b>DECEMBER 31, 2017</b>	(51,733)	(626)	1,525	18,238	1,399,164	1,366,568
First-time application of IFRS 15	-	-	-	-	(4,818)	(4,818)
First-time application of IFRS 9	-	-	-	-	(1,939)	(1,939)
<b>AT JANUARY 1, 2018</b>	(51,733)	(626)	1,525	18,238	1,392,407	1,359,811
Movements in 2018	1,707	(1,230)	(2,806)	366	259,761	257,798
<b>AT DECEMBER 31, 2018</b>	(50,026)	(1,856)	(1,281)	18,604	1,652,168	1,617,609
First-time application of IFRIC 23	-	-	-	-	(2,500)	(2,500)
<b>AT JANUARY 1, 2019</b>	(50,026)	(1,856)	(1,281)	18,604	1,649,668	1,615,109
Movements in 2019	(12,194)	302	(826)	10,290	432,094	429,666
<b>AT DECEMBER 31, 2019</b>	(62,220)	(1,554)	(2,107)	28,894	2,081,762	2,044,775

### 5.2.1.3 BREAKDOWN OF “CHANGES IN THE SCOPE OF CONSOLIDATION AND RESERVES” IN THE “CONSOLIDATED STATEMENT OF CHANGES IN EQUITY”

The takeover of HBPO and its full consolidation, starting from July 1, 2018, had no impact on the reserves “Attributable to owners of the parent”, but led to the recognition of minority interests.

	Shareholders' equity		
	Attributable to owners of the parent	Attributable to non-controlling interests	Total shareholders' equity
<i>In thousands of euros</i>			
Takeover of HBPO with Hella's non-controlling interests integration	-	62,884	62,884
<b>OTHER CHANGES IN THE SCOPE OF CONSOLIDATION AT DECEMBER 31, 2018</b>	-	62,884	62,884
None	-	-	-
<b>OTHER CHANGES IN THE SCOPE OF CONSOLIDATION AT DECEMBER 31, 2019</b>	-	-	-

### 5.2.2 Dividends voted and paid by Compagnie Plastic Omnium

<i>In thousands of euros</i> Dividend per share in euros Number of shares in units	December 31, 2019		December 31, 2018	
	Number of shares in 2018	Dividend	Number of shares in 2017	Dividend
Dividend per share ( <i>in euros</i> )		0.74 <sup>(1)</sup>		0.67 <sup>(1)</sup>
Total number of shares outstanding at the end of the previous year	148,566,107		150,976,720	
Total number of shares held in treasury on the ex-dividend date	2,392,281 <sup>(2)</sup>		3,481,820 <sup>(2)</sup>	
Total number of shares held in treasury at the year-end (for information)	2,290,930 <sup>(2)</sup>		3,306,070 <sup>(2)</sup>	
Dividends on ordinary shares		109,939		101,154
Dividends on treasury stock (unpaid)		(1,770) <sup>(2)</sup>		(2,333) <sup>(2)</sup>
<b>TOTAL NET DIVIDEND</b>		<b>108,169</b>		<b>98,822</b>

(1) In 2019, Compagnie Plastic Omnium paid a dividend of €0.74 per share on the 2018 net profit.

In 2018, Compagnie Plastic Omnium paid a dividend of €0.67 per share on the 2017 net profit.

(2) **At December 31, 2019:** 2,290,930 treasury shares were taken into account at December 31, 2018 to determine the provisional total dividend. The number of treasury shares at the time of the dividend's payment during 2019 amounted to 2,392,281 shares, increasing the dividends attached to these shares from €1,695 thousand to €1,770 thousand.

**At December 31, 2018:** 3,306,070 treasury shares were taken into account at December 31, 2017 to determine the provisional total dividend. The number of treasury shares at the time of the dividend's payment during 2018 amounted to 3,481,820 shares, increasing the dividends attached to these shares from €2,215 thousand to €2,333 thousand.

Distribution of a dividend of €0.74 per share in respect of 2019 (total amount of €109,939 thousand for 148,566,107 outstanding shares before the decrease of treasury shares at December 31, 2019) will be proposed to the Combined Shareholders' Meeting on April 23, 2020.

### 5.2.3 Share-based payments

#### Stock options plan

**2018 and 2019:** no new stock option plans were introduced in the 2018 and 2019 fiscal years.

#### Performance share Plan

The Combined Shareholders' Meeting of April 26, 2018 authorized the Board of Directors of February 19, 2019 to award free existing shares of the Company effective May 2, 2019, subject to performance conditions, and vesting starting on May 2, 2023, following a 4-year vesting period.

Beneficiaries must be employees, executive corporate officers of Compagnie Plastic Omnium, related companies, or groups linked to Compagnie Plastic Omnium.

This plan was valued using the principles of IFRS 2. The main assumptions used for this valuation were as follows:

Valuation of May 2, 2019 plan <i>In euros</i> <i>In units for the number of shares</i>	Valuation of the number of shares allocated and valuation on May 2, 2019		
	Initial	Renunciations in 2019	Final positions
Number of shares allocated to the performance share plan	400,000 shares	-3,440 shares	396,560 shares
Market conditions	Not subject to market conditions		
Plastic Omnium share price at the performance plan date	€26.65		
Average value of one share	€23.00		
Number of shares attributable after application of an employee turnover rate	386,000 shares		
Estimated overall cost of the plan on the date of allocation – (Accounting expense with adjustment to reserves)	€8,878,000		

The overall cost of the plan was subject to a revaluation based on the achievement of the performance conditions for the 2019 financial year. Based on this new estimate, the overall plan charge of May 2, 2019 amounts to €7,768,250. The expense is amortized on a straight-line basis over the vesting period of four years (of which €1,296,479 as of December 31, 2019).

The performance share plan is subject to a 20% social security contribution for the employer, as a French subsidiary. This contribution is due the month following the date of vesting by the beneficiary, i.e. in June 2023. It is subject to a provision for charges, calculated on the nominal value of the shares according to the market price of the day of allocation, spread over the term of the plan, ie four years. As of December 31, 2019, the provision for accrued expenses amounted to €184 thousand.

#### Other information

	Plan of May 2, 2019
Performance condition 1: Operating margin target	Vesting of 50% of the rights granted
Performance condition 2: Free cash flow target	Vesting of 50% of the rights granted
Total number of beneficiaries	255



**OUTSTANDING OPTIONS AT THE END OF THE YEAR AND CHARGE FOR THE PERIOD OF OPTION PLANS**

The vesting period for all plans is four years per plan.

Outstanding options Stock options <i>In euros</i> <i>In units for the number of options</i>	Options outstanding at January 1, 2019	Revaluations/ adjustments	Increases		Decreases		Cost for the period	Options outstanding at December 31, 2019	
			Options granted during the period	Options forfeited during the period	Options exercised during the period	Total		Of which, options exercisable at December 31, 2019	
<b>MARCH 21, 2012 PLAN</b>									
Number of options	140,262			(66,600)	(73,662)			-	-
Share price at the grant date	7.3							-	
Exercise price	7.38							-	
Term	7 years							-	
Unrecognized cost at period-end	-							-	
Remaining life	0.25 year							-	
<b>AUGUST 7, 2013 PLAN</b>									
Number of options	270,300			12,000	(105,500)			176,800	176,800
Share price at the grant date	17.71							17.71	
Exercise price	16.17							16.17	
Term	7 years							7 years	
Unrecognized cost at period-end	-							-	
Remaining life	1.6 year							0.6 year	
<b>AUGUST 6, 2015 PLAN</b>									
Number of options	1,118,000			(51,000)	(12,000)			1,055,000	1,055,000
Share price at the grant date	26.33							26.33	
Exercise price	24.72							24.72	
Term	7 years							7 years	
Unrecognized cost at period-end	953,981			(520,800)		(433,181)		0	
Remaining life	3.6 years							2.6 years	
<b>MARCH 10, 2017 PLAN</b>									
Number of options	528,500			(43,500)				485,000	None
Share price at the grant date	33.71							33.71	
Exercise price	32.84							32.84	
Term	7 years							7 years	
Unrecognized cost at period-end	2,056,627			(382,365)		(763,882)		910,380	
Remaining life	5,2 years							4.2 years	

Outstanding options Performance share Plan <i>In euros</i> <i>In units for the number of options</i>	Options outstanding at January 1, 2019	Revaluations/ adjustments	Increases		Decreases		Cost for the period	Options outstanding at December 31, 2019	
			Options granted during the period	Options forfeited during the period	Options exercised during the period	Total		Of which, options exercisable at December 31, 2019	
<b>MAY 2, 2019 PLAN</b>									
Number of shares		(50,000)	400,000	(3,440)				346,560	None
Number of shares after application of the headcount turnover rate (3.5%) <sup>(1)</sup>		(48,250)	386,000					337,750	
Share price at the grant date			26.65					26.65	
Average share value			23.00					23.00	
Term			4 years					4 years	
Unrecognized cost at period-end		(1,109,750)	8,878,000			(1,294,708)		6,473,542	
Remaining life			4 years					3.3 years	
<b>TOTAL EXPENSE FOR THE FISCAL YEAR</b>						<b>(2,491,771)</b>		<b>IN EUROS</b>	

(1) Used in determining "Diluted earnings per share".

## 5.2.4 Provisions

<i>In thousands of euros</i>	December 31, 2018	Allocations	Utilizations	Releases of surplus provisions	Other reclassi- fications	Actuarial gains/ (losses)	Translation adjustment	December 31, 2019
Customer warranties	26,898	17,554	(6,002)	(5,169)	628	-	65	33,974
Reorganization plans	15,438	21,971	(6,408)	-	45	-	(31)	31,015
Taxes and tax risks	6,363	602	(6,450)	-	289	-	-	804
Contract risks <sup>(1)</sup>	29,654	9,123	(14,747)	(4,417)	416	-	84	20,113
Claims and litigations	4,277	4,520	(435)	(230)	(19)	-	(149)	7,964
Other	8,082	4,249	(3,169)	(1,387)	(1,360)	-	46	6,460
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>90,712</b>	<b>58,019</b>	<b>(37,211)</b>	<b>(11,203)</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>100,332</b>
Provisions for pensions and other post-employment benefits	105,184	3,055	(3,488)	(13,497) <sup>(2)</sup>	-	15,532 <sup>(3)</sup>	884	107,670
<b>TOTAL</b>	<b>195,896</b>	<b>61,074</b>	<b>(40,699)</b>	<b>(24,700)</b>	<b>-</b>	<b>15,532</b>	<b>899</b>	<b>208,002</b>

(1) It corresponds to the loss-making contracts in the "Industries" segment.

(2) The reversal of provisions in the period corresponds mainly to the transition to a defined-contribution scheme of a subsidiary in the United States (see Note 4.6 "Other operating income and expenses").

(3) The change in "actuarial gains and losses" over the period, is explained by the decrease of the discount rates between December 31, 2018 and 2019 respectively from 1.6% to 0.75% for the Euro zone and from 4.25% to 3.2% for the United States zone.  
See Note 5.2.5 "Provisions for pensions and other post-employment benefits".



<i>In thousands of euros</i>	Dec. 31, 2017	IFRS 15 first-time application at Jan. 1, 2018 <sup>(1)</sup>	Allocations	Utilizations	Releases of surplus provisions	Disposal of Environment Division	Other reclassi- fications	Actuarial gains/ (losses)	Consoli- dation of Modules <sup>(2)</sup>	Translation adjustment	Dec. 31, 2018
Customer warranties	27,403	-	16,534	(4,122)	(13,255)	(2,212)	(936)	-	3,378	108	26,898
Reorganization plans <sup>(3)</sup>	15,905	-	8,296	(10,928)	(27)	(300)	2,616	-	425	(549)	15,438
Taxes and tax risks <sup>(4)</sup>	8,548	-	4,446	(4,111)	(2,083)	(667)	230	-	-	-	6,363
Contract risks <sup>(5)</sup>	47,650	4,008	23,858	(37,412)	(14,262)	-	5,779	-	43	(10)	29,654
Claims and litigations	11,172	-	938	(5,214)	(2,883)	(113)	442	-	-	(65)	4,277
Other <sup>(6)</sup>	14,955	-	2,796	(625)	(512)	(633)	(9,953)	-	2,240	(186)	8,082
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>125,633</b>	<b>4,008</b>	<b>56,868</b>	<b>(62,412)</b>	<b>(33,022)</b>	<b>(3,925)</b>	<b>(1,822)</b>	<b>-</b>	<b>6,086</b>	<b>(702)</b>	<b>90,712</b>
Provisions for pensions and other post-employment benefits <sup>(7)</sup>	106,517	-	11,281	(1,477)	-	(11,871)	-	(2,285)	964	2,055	105,184
<b>TOTAL</b>	<b>232,150</b>	<b>4,008</b>	<b>68,149</b>	<b>(63,889)</b>	<b>(33,022)</b>	<b>(15,796)</b>	<b>(1,822)</b>	<b>(2,285)</b>	<b>7,050</b>	<b>1,353</b>	<b>195,896</b>

- (1) First-time application of IFRS 15.  
(2) Impacts of the takeover of HBPO.  
(3) Impacts of the restructuring in the Intelligent Exterior Systems Division sites.  
(4) Reversal of provisions for tax audits.  
(5) Loss-making contracts and losses on completion in the Industries segment.  
(6) The "Other" item included individually insignificant amounts.  
(7) The actuarial difference corresponded to the revaluation of the US plan assets.

## 5.2.5 Provisions for pensions and other post-employment benefits

### Post-employment benefits

The generic term "post-employment benefits" covers both pension and other employee benefits.

### Provisions for pensions

Provisions for pensions mainly concern:

- end of career benefits;
- supplementary pension plans; and
- healthcare coverage plans.

In France, supplementary pension plans only concern executive corporate officers and consist end-of-career benefits ("IFC"). Supplementary pension plans, when they related to the other geographical regions, concern all employees.

Plans for the payment of healthcare costs mainly concern North America Zone (United States).

### Other long-term employee benefits

Other long-term employee benefits cover long-service awards and other service awards within the Group.

Post-employment benefit plans are subject to the regulations applicable in each country. The benefits recognized in the financial statements are therefore not a function of the number of employees by region.

The regions identified and presented are those for which the regulations are consistent, allowing data to be aggregated. Where no such aggregation is possible, no reference actuarial rate is given as a discrepancy in the parameters does not enable an average to be calculated. Similarly, sensitivity tests are carried out on significant, homogeneous data by and region.

### 5.2.5.1 ACTUARIAL ASSUMPTIONS

The decrease in interest rates in 2019 led the Group to revalue its employee-related commitments for the Euro zone and the United States. The rates used at December 31, 2019 were respectively:

- 0.75% for the Euro zone (1.6% at December 31, 2018);
- 3.2% for the United States (4.25% at December 31, 2018).

In 2019, the Group opted for a "defined-contribution" plan for the only American subsidiary that operated a "defined-benefit" plan (see Notes 4.6 "Other operating income and expenses" and 5.2.4 "Provisions").

The main actuarial assumptions used to value post-retirement and long-term benefits are the following:

	December 31, 2019		December 31, 2018	
	France	United States	France	United States
	<b>Managers and non-managers</b>		<b>Managers and non-managers</b>	
Minimum age for receiving a full pension	60-62 years	65 years	60-62 years	65 years
Age from which no reduction applies	65-67 years		65-67 years	
Discount rate – post-employment benefits	0.75%	3.20%	1.60%	4.25%
Discount rate – long-service awards	0.30%		1.30%	
Inflation rate	1.70%	2.00%	1.70%	2.00%
Rate of future salary increases			1.70% to 4.70%	3.50%
Rate of increases in healthcare costs				
For those under 65 years old			8.00%	8.25%
For those over 65 years old			5.50%	5.75%
Expected long-term rate of return on pension plan assets	0.75%	3.20%	1.60%	4.25%

**Annual rate of discounting of post-employment benefits**

The Group uses, as a reference, the rate of bonds issued by good quality (AA) commercial and industrial companies and with maturity equal to the length of the commitment being valued.

**Inflation rates**

In France, benefits are linked to inflation rates. The impact of inflation rates is not material in the United States.

**Average rate of future salary increases**

The average rates of future salary increases are weighted between “managers” and “non-managers” and the age of employees.

**Expected long-term return on pension plan assets**

These rates are based on long-term market forecasts and take account of each plan’s asset allocation.

For other foreign subsidiaries, rate differentials are determined based on local conditions.



### 5.2.5.2 CHANGES IN BALANCE SHEET COMMITMENTS AND BENEFIT COSTS CORRESPONDING TO DEFINED-BENEFIT PLANS

The balance sheet amounts for these benefits are as follows:

In thousands of euros	Post-employment benefit plans			Other long-term benefits			Total		
	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2019	December 31, 2018	December 31, 2017
	<b>Projected benefit obligation at January 1</b>	<b>154,484</b>	<b>154,399</b>	<b>150,173</b>	<b>3,233</b>	<b>4,323</b>	<b>4,876</b>	<b>157,717</b>	<b>158,722</b>
Service cost	8,055	9,560	11,108	272	232	263	8,327	9,792	11,371
Interest cost	4,016	3,846	3,626	66	46	44	4,082	3,892	3,670
Curtailments, settlements and other	(14,160)	-	632	-	-	(65)	(14,160)	-	567
Actuarial gains and losses	21,839	(4,801)	1,172	433	(117)	(466)	22,272	(4,918)	706
Of which, experience adjustments	58	2,009	(1,715)	71	(74)	(327)	129	1,935	(2,042)
Benefits paid from plan assets	(1,685)	(979)	(368)	5	5	21	(1,680)	(974)	(347)
Benefits paid by the Company	(1,501)	(700)	(1,920)	(327)	(121)	(324)	(1,828)	(821)	(2,244)
Change in scope	-	-	(9,703)	-	(0)	(898)	-	(0)	(10,601)
Consolidation of "Modules"	-	964	-	-	-	-	-	964	-
IFRS 5 Reclassifications	-	(11,421)	9,057	-	(1,157)	933	-	(12,578)	9,990
Translation adjustment	1,499	3,616	(9,378)	9	23	(61)	1,508	3,639	(9,439)
<b>Projected benefit obligation at December 31</b>	<b>172,547</b>	<b>154,484</b>	<b>154,399</b>	<b>3,691</b>	<b>3,233</b>	<b>4,323</b>	<b>176,238</b>	<b>157,717</b>	<b>158,722</b>
Change in projected benefit obligation	18,063	85	4,226	458	(1,090)	(553)	18,521	(1,005)	3,671
<b>Fair value of plan assets at January 1</b>	<b>52,533</b>	<b>52,206</b>	<b>45,331</b>	-	-	-	<b>52,533</b>	<b>52,206</b>	<b>45,331</b>
Return on plan assets	1,787	1,581	1,392	-	-	-	1,787	1,581	1,392
Employer contributions	7,727	1,179	6,655	-	-	-	7,727	1,179	6,655
Actuarial gains and losses	6,740	(2,480)	3,568	-	-	-	6,740	(2,480)	3,568
Benefit payments funded by plan assets	(845)	(829)	(514)	-	-	-	(845)	(829)	(514)
IFRS 5 Reclassifications	-	(707)	-	-	-	-	-	(707)	-
Translation adjustment	624	1,583	(4,226)	-	-	-	624	1,583	(4,226)
<b>Fair value of plan assets at December 31</b>	<b>68,568</b>	<b>52,533</b>	<b>52,206</b>	-	-	-	<b>68,568</b>	<b>52,533</b>	<b>52,206</b>
Change in fair value of plan assets	16,035	327	6,875	-	-	-	16,035	327	6,875
<b>EXCESS OF PROJECTED BENEFIT OBLIGATION OVER PLAN ASSETS = NET PROVISION RECORDED IN THE BALANCE SHEET</b>	<b>103,979</b>	<b>101,951</b>	<b>102,194</b>	<b>3,691</b>	<b>3,233</b>	<b>4,323</b>	<b>107,670</b>	<b>105,184</b>	<b>106,517</b>
of which France	48,064	43,372	47,720	2,270	2,283	3,047	50,334	45,655	50,767
of which Europe excluding France	12,069	9,303	9,927	750	428	827	12,819	9,731	10,754
of which United States	31,257	38,296	35,224	670	522	449	31,927	38,818	35,673
of which other regions	12,589	10,980	9,323	-	-	-	12,589	10,980	9,323

The present value of partially hedged commitments amounted to €117,067 thousand at December 31, 2019, including €16,363 thousand for French plans and €77,977 thousand the United States plans. As at December 31, 2018, the present value of partially funded liabilities amounted to €105,450 thousand, including €13,844 thousand for France and €73,230 thousand for the United States plans.

#### In 2019

The increase in the value of commitments is due to the decrease of discount rates in the two regions of Europe and United States.

#### In 2018

The decrease in the value of the commitments is related to the disposal of the Environment Division and the increase in the discount rate in the United States.

### 5.2.5.3 ANALYSIS OF NET OBLIGATIONS BY REGION

Details of net obligations by region are presented in the table below:

	December 31, 2019				December 31, 2018			
	France	Europe excluding France	United States	Other	France	Europe excluding France	United States	Other
<i>In thousands of euros</i>								
Post-employment benefit plans								
Indemnity payable on retirement	45,873	1,955	-	12,589	40,638	1,854	-	10,980
Supplementary pension plans	2,191	10,114	26,626	-	2,734	7,449	34,808	-
Healthcare plans			4,631	-			3,488	-
Total post-employment benefit obligations	48,064	12,069	31,257	12,589	43,372	9,303	38,296	10,980
Other long-term benefits	2,270	750	670	-	2,283	428	522	-
Total other post-employment benefit obligations	2,270	750	670	-	2,283	428	522	-
<b>NET OBLIGATIONS RECOGNIZED IN THE BALANCE SHEET</b>	<b>50,334</b>	<b>12,819</b>	<b>31,927</b>	<b>12,589</b>	<b>45,655</b>	<b>9,731</b>	<b>38,818</b>	<b>10,980</b>

	December 31, 2019		December 31, 2018	
	France	United States	France	United States
Average maturity of obligations ( <i>in years</i> )	13	20	13	19
Amount of obligations ( <i>in thousands of euros</i> )	59,382	77,977	52,121	73,230
of which:				
Retirement obligations	-	6,991	-	5,175
Vested deferred obligations	-	11,256	-	5,464
Active obligations	59,382	59,730	52,121	62,590

### 5.2.5.4 SENSITIVITY TESTS ON RETIREMENT OBLIGATIONS

The retirement obligation sensitivity-tests on the main external variable, the discount rate, in 2019 and in 2018 show the following impacts:

	December 31, 2019					December 31, 2018				
	Basis	Increase		Decrease		Basis	Increase		Decrease	
		Amount	%	Amount	%		Amount	%	Amount	%
<i>In thousands of euros</i>										
<b>France</b>										
Effect on service cost and interest cost	3,808	3,704	-2.74%	3,679	-3.40%	4,170	4,155	-0.37%	4,185	0.36%
Effect on projected benefit obligation	57,127	55,473	-2.89%	58,853	3.02%	52,121	50,090	-3.88%	53,143	1.98%
<b>United States</b>										
Effect on service cost and interest cost	2,842	2,882	1.40%	2,793	-1.74%	6,328	6,221	-1.69%	6,440	1.78%
Effect on projected benefit obligation	79,086	75,497	-4.54%	82,854	4.76%	73,230	69,984	-4.43%	76,637	4.65%



### 5.2.5.5 CHANGES IN NET BALANCE SHEET BENEFIT POSITIONS

Changes in net balance sheet positions related to the full range of benefits are as follows:

In thousands of euros	Post-employment benefit plans			Other long-term benefits			Total		
	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2019	December 31, 2018	December 31, 2017
Net projected benefit obligation at January 1	101,950	102,194	104,842	3,234	4,323	4,876	105,183	106,517	109,718
Expense/income for the year									
Service cost	8,055	9,560	11,108	272	232	263	8,327	9,792	11,371
Curtailments, settlements and other	(14,160)	-	632	-	-	(65)	(14,160) <sup>(1)</sup>	-	567
Benefits paid by the Company	(1,500)	(700)	(1,920)	(328)	(121)	(324)	(1,828)	(821)	(2,244)
Actuarial gains and losses	-	-	-	-	(153)	(431)	-	(153)	(431)
Benefit payments funded by assets	(840)	(150)	146	5	5	21	(835)	(145)	167
Employer contributions	(2)	(1,179)	(6,655)	-	-	-	(2)	(1,179)	(6,655)
<b>NET NON-RECURRING POST-EMPLOYMENT BENEFIT PLAN COSTS RECORDED IN OPERATING EXPENSES<sup>(1)</sup></b>	<b>(8,447)</b>	<b>7,530</b>	<b>3,311</b>	<b>(51)</b>	<b>(37)</b>	<b>(536)</b>	<b>(8,498)</b>	<b>7,493</b>	<b>2,775</b>
Interest cost	4,016	3,846	3,626	66	46	44	4,082	3,892	3,670
Expected return on plan assets	(1,787)	(1,581)	(1,392)	-	-	-	(1,787)	(1,581)	(1,392)
<b>INTEREST COSTS OF POST-EMPLOYMENT BENEFIT OBLIGATIONS<sup>(2)</sup></b>	<b>2,229</b>	<b>2,265</b>	<b>2,234</b>	<b>66</b>	<b>46</b>	<b>44</b>	<b>2,295<sup>(2)</sup></b>	<b>2,311</b>	<b>2,278</b>
<b>Balance sheet impact</b>									
Pension plan asset contribution	(7,727)	-	-	-	-	-	(7,727)	-	-
Change in scope	-	964	(9,703)	-	-	(898)	-	964	(10,601)
IFRS 5 reclassification <sup>(3)</sup>	-	(10,714)	9,057	-	(1,157)	933	-	(11,871) <sup>(3)</sup>	9,990
Actuarial gains and losses	15,099	(2,321)	(2,396)	433	36	(35)	15,532	(2,285)	(2,431)
Translation adjustment	875	2,032	(5,152)	9	23	(61)	884	2,055	(5,213)
<b>BALANCE SHEET IMPACT</b>	<b>8,247</b>	<b>(10,039)</b>	<b>(8,194)</b>	<b>442</b>	<b>(1,098)</b>	<b>(61)</b>	<b>8,689</b>	<b>(11,137)</b>	<b>(8,255)</b>
<b>NET PROJECTED BENEFIT OBLIGATION AT DECEMBER 31</b>	<b>103,979</b>	<b>101,950</b>	<b>102,194</b>	<b>3,691</b>	<b>3,234</b>	<b>4,323</b>	<b>107,670</b>	<b>105,183</b>	<b>106,517</b>

(1) This is the income linked to the change in the retirement pension plan of the U.S. subsidiary Plastic Omnium Auto Inergy LLC from "Defined benefits" to "Defined contributions" for €13,533 thousand, and the impact of the crystallization of the rights of supplementary pension plan of the Managers in France (Pacte law/(Loi Pacte)) for €627 thousand.

See Note 4.6 "Other income and expenses".

(2) See "Interest on post-employment benefit obligations" in Note 4.7 on "Net Financial Income".

(3) See Note 5.1.15 for the breakdown of components reclassified in "Assets and liabilities held for sale" in the consolidated financial statements at December 31, 2018.

### 5.2.5.6 HEALTHCARE COST SENSITIVITY TESTS IN THE UNITED STATES

The following table shows the impact of a 1-point change in the rate of increase of health care costs in the United States:

In thousands of euros	December 31, 2019		December 31, 2018	
	Increase	Decrease	Increase	Decrease
Effect on provisions for post-employment benefit obligations	669	(847)	651	(298)

### 5.2.5.7 BREAKDOWN OF PLAN ASSETS BY CATEGORY

The funded plan assets at fair value break down by category as follows:

In thousands of euros	December 31, 2019	December 31, 2018
Equities	33,853	24,854
Bonds	19,843	15,019
Real estate	1,199	856
Other	13,673	11,803
<b>TOTAL</b>	<b>68,568</b>	<b>52,533</b>

#### 5.2.5.8 CONTRIBUTIONS PAID IN RESPECT OF DEFINED-CONTRIBUTION PLANS

Contributions paid in respect of defined-contribution plans amounted to €14,014 thousand in 2018 compared with €11,594 thousand in 2017.

### 5.2.6 Non-current and current borrowings

#### 5.2.6.1 DEFINITION OF DEBT WITHIN THE GROUP

Net debt is an important notion for the day-to-day management of Plastic Omnium's treasury cash. It is used to determine the Group's debit or credit position in relation to third parties and outside of the operating cycle. Net debt is determined as:

- long-term borrowings:
  - drawdowns on lines of credit,
  - private placement notes,
  - bonds;
- less loans, negotiable debt securities and other long-term financial assets (see Note 5.2.6.3 "Loans, negotiable debt securities and other financial assets");
- plus short-term loans;
- plus overdraft facilities; and
- less cash and cash equivalents.

#### 5.2.6.2 BORROWINGS: PRIVATE PLACEMENT NOTES AND BONDS

At December 31, 2019

The main features of the bonds and private placements as at December 31, 2019 are summarized in the following table:

December 31, 2019	2013 bond	Schuldscheindarlehen private placement of 2016	Private placement bond issue of June 2017	Schuldscheindarlehen private placement of December 21, 2018
Issue – Fixed rate (in euros)	500,000,000	300,000,000	500,000,000	300,000,000
Interest rate/coupon	2.875%	1.478%	1.25%	1.6320%
Features	European investors	International (Asian, German, Dutch, Swiss, Luxembourg, Belgian) and French investors	European investors	International (Germany, China, Belgium, Switzerland, Austria) and French investors
		No "covenants" and "rating"		
Maturity	May 29, 2020	June 17, 2023	June 26, 2024	December 21, 2025

#### 5.2.6.3 LOANS, NEGOTIABLE DEBT SECURITIES AND OTHER FINANCIAL ASSETS

Changes in the fair value of marketable securities that do not meet the criteria for classification as cash equivalents are recorded in financial income. The balance sheet impairment at December 31, 2019 amounted to -€197 thousand compared with -€822 thousand as of December 31, 2018.

In 2015, the Group subscribed negotiable medium-term notes with a credit institution and in 2017, the Group invested in UCITS holding medium-term bonds and cash. One of these notes matured in 2019.

Maturity of negotiable medium-term notes taken out on February 24, 2015 and on July 13, 2015:

The €5 million and €4 million in negotiable medium-term note subscribed by the Group respectively on February 24, 2015 and on July 13, 2015, have expired. See Note 5.2.6.5 "Reconciliation of gross and net financial debt".



The summary is presented in the table below:

<b>Negotiable medium-term notes</b>	<b>Classified as current financial receivables<sup>(1)</sup></b>	<b>UCITS<sup>(2)</sup></b>
Subscription date	February 24, 2015	December 14 and 29, 2017
Nominal ( <i>in euros</i> )	5,000,000	50,006,265
Impairment		(197,078) <sup>(3)</sup>
Maturity	February 24, 2020 Not available for eight quarters following the subscription date	Not fixed
Quarterly coupon:		
Fixed rate	Fixed for the first eight quarters following the issue 3-month	
Variable rate	Euribor + spread as of the ninth quarter	N/A
<b>TOTAL AT DECEMBER 31, 2019</b>	<b>€5,000,000</b>	<b>€49,809,188</b>

(1) See Note 5.1.8 "Current financial receivables".

(2) UCITS: Undertaking for Collective Investment in Transferable Securities.

(3) Regarding the impairment of the UCITS in the two periods, please refer to Note 4.7 "Net financial income".

#### 5.2.6.4 UTILIZATION OF MEDIUM-TERM CREDIT LINES

- At December 31, 2019 as at December 31, 2018, the Plastic Omnium Group had access to several confirmed bank lines of credit exceeding the Group's requirements.
- At December 31, 2019, the amount of these confirmed bank lines of credit amounted to €1,340 million with an average maturity of four years, compared with €1,264 million at December 31, 2018.

5.2.6.5 RECONCILIATION OF GROSS AND NET FINANCIAL DEBT

In thousands of euros	December 31, 2019			December 31, 2018		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Finance lease liabilities	228,565	56,582	171,983	11,616	2,400	9,216
Bonds and bank loans	1,784,878	622,149	1,162,729	1,747,410	120,815	1,626,595
of which the <i>Schuldscheindarlehen private placement 2018</i> <sup>(1)</sup>	298,960	135	298,825	298,841	148	298,693
of which the <i>bond issue in 2017</i>	500,099	3,750	496,349	499,148	3,545	495,603
of which the <i>bond issue in 2013</i>	508,110	508,110	-	507,072	8,546	498,526
of which the <i>Schuldschein private placement 2016</i>	301,607	2,393	299,214	301,393	2,393	299,000
of which <i>bank lines of credit</i>	176,102	107,761	68,341	140,956	106,183	34,773
Non-current and current borrowings (+)	2,013,444	678,731	1,334,713	1,759,026	123,215	1,635,811
Other current debt (+)	31	31		31	31	
Hedging instruments – liabilities (+) <sup>(2)</sup>	3,268	3,268		4,330	4,330	
<b>Total borrowings (B)</b>	<b>2,016,743</b>	<b>682,030</b>	<b>1,334,713</b>	<b>1,763,387</b>	<b>127,576</b>	<b>1,635,811</b>
Long-term investments in equity instruments and funds (-) <sup>(3)</sup>	(56,302)		(56,302)	(28,183)		(28,183)
Other financial assets (-)	(27,756)	(13,100)	(14,656)	(60,096)	(22,504)	(37,592)
of which non-current financial receivables <sup>(4)</sup>	(14,656)		(14,656)	(35,829)		(35,829)
of which trade accounts receivable <sup>(4)(5)</sup>	(13,100)	(13,100)	-	(24,267)	(22,504)	(1,763)
Other current financial assets and financial receivables (-) <sup>(5)</sup>	(55,127)	(55,127)		(63,942)	(63,942)	
of which negotiable debt securities and UCITS <sup>(6)</sup>	(54,809)	(54,809)		(63,188)	(63,188)	
Hedging instruments – assets (-) <sup>(2)</sup>	(5,027)	(5,027)		(1,898)	(1,898)	
<b>Total financial receivables (C)</b>	<b>(144,212)</b>	<b>(73,254)</b>	<b>(70,958)</b>	<b>(154,119)</b>	<b>(88,344)</b>	<b>(65,775)</b>
<b>GROSS DEBT (D) = (B) + (C)</b>	<b>1,872,531</b>	<b>608,776</b>	<b>1,263,755</b>	<b>1,609,268</b>	<b>39,232</b>	<b>1,570,036</b>
Cash and cash equivalents (-) <sup>(7)</sup>	1,142,953	1,142,953		916,336	916,336	
Short-term bank loans and overdrafts (+)	(9,875)	(9,875)		(4,684)	(4,684)	
<b>NET CASH AND CASH EQUIVALENTS AS RECORDED IN THE STATEMENT OF CASH FLOWS (A)<sup>(8)</sup></b>	<b>(1,133,078)</b>	<b>(1,133,078)</b>		<b>(911,652)</b>	<b>(911,652)</b>	
<b>NET FINANCIAL DEBT (E) = (D) + (A)</b>	<b>739,453</b>	<b>(524,302)</b>	<b>1,263,755</b>	<b>697,616</b>	<b>(872,420)</b>	<b>1,570,036</b>

(1) See Note 5.2.6.2 “Bonds: private placement notes and bonds”.

(2) See Note 5.2.7 “Interest rate and currency hedges”.

(3) See Note 5.1.6.1 “Long-term investments in equity instruments and funds”.

(4) See 5.1.6.2 “Other non-current financial assets”.

(5) See Notes 5.1.8 “Current financial receivables” and 5.2.6.3 for the principal amount.

(6) See Note 5.2.6.3 “Loans, negotiable debt securities and other financial assets: Expiry of negotiable medium-term notes subscribed on February 24, 2015”.

(7) See Note 5.1.11.1 “Gross cash and cash equivalents”.

(8) See Note 5.1.11.2 “Net cash and cash equivalents at end of period”.

#### 5.2.6.6 ANALYSIS OF GROSS FINANCIAL DEBT BY CURRENCY

The table below shows the gross financial debt after taking into account the swaps transactions that allowed the conversion of the euro into foreign currency.

<i>As a % of total debt</i>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Euro	60%	72%
US dollar	28%	18%
Chinese yuan	6%	5%
Pound sterling	3%	4%
Brazilian real	1%	1%
Indian rupee	1%	-
Other currencies <sup>(1)</sup>	1%	-
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

(1) "Other currencies" concerns various currencies, which, taken individually, account for less than 1% of total financial debt over the two periods.

#### 5.2.6.7 ANALYSIS OF GROSS FINANCIAL DEBT BY TYPE OF INTEREST RATE

<i>As a % of total debt</i>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Hedged variable rates	-	-
Unhedged variable rates	6%	6%
Fixed rates	94%	94%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

## 5.2.7 Interest rate and currency hedges

The last interest rate swap contract signed by the Group expired in February 2019.

<i>In thousands of euros</i>	December 31, 2019		December 31, 2018	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	-	-	-	(486)
Exchange rate derivatives	5,027	(3,268)	1,898	(3,844)
<b>TOTAL BALANCE SHEET</b>	<b>5,027</b>	<b>(3,268)</b>	<b>1,898</b>	<b>(4,330)</b>

### 5.2.7.1 INTEREST RATE HEDGES

The last interest rate instrument (swap) contract signed by the Group expired in February 2019.

#### 5.2.7.1 PORTFOLIO OF DERIVATIVES

<i>In thousands of euros</i>	December 31, 2019			December 31, 2018		
	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities
Interest rate derivatives (fair value)	-	-	-	(486)	-	(486)
<b>TOTAL FAIR VALUE AND OUTSTANDING PREMIUMS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(486)</b>

Composition of interest rates derivatives portfolio:

	December 31, 2019							Reference interest rate	Outstanding premiums	Nature of derivative
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI <sup>(1)</sup>	Nominal	Maturity				
<b>TOTAL</b>					NONE					

<i>In thousands of euros</i>	December 31, 2018							Reference interest rate	Outstanding premiums	Nature of derivative
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI <sup>(1)</sup>	Nominal	Maturity				
Swaps	(486)	-	(486)	-	105,000	February 2019	1-month EURIBOR	N/A	Non qualified	
<b>TOTAL</b>	<b>(486)</b>	<b>-</b>	<b>(486)</b>	<b>-</b>	<b>105,000</b>			<b>N/A</b>		

(1) OCI: Other comprehensive income.

#### 5.2.7.1.1. Amounts recognized in equity under "Other comprehensive income"

The amounts below are expressed in gross value before tax.

<i>In thousands of euros</i>	Balance before tax recorded in OCI at December 31, 2018 <sup>(1)</sup>	Change in fair value of derivatives	Amount reclassified in profit or loss in the period	Balance before tax recorded in OCI at December 31, 2019 <sup>(1)</sup>
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio <sup>(2)</sup>	217	-	(217)	-
Effect of June 2013 restructuring of the derivatives portfolio	(272)	-	272	-
Effect of the rate hedging of <i>Schuldschein</i> maturing in 2025	(1,815)	-	260	(1,555)
<b>TOTAL</b>	<b>(1,870)</b>	<b>-</b>	<b>315</b>	<b>(1,555)</b>

<i>In thousands of euros</i>	Balance before tax recorded in OCI at December 31, 2017 <sup>(1)</sup>	Change in fair value of derivatives	Amount reclassified in profit or loss in the period	Balance before tax recorded in OCI at December 31, 2018 <sup>(1)</sup>
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio <sup>(2)</sup>	1,020	-	(803)	217
Effect of June 2013 restructuring of the derivatives portfolio	(1,900)	-	1,628	(272)
Effect of the rate hedging of <i>Schuldschein</i> maturing in 2025	-	(1,823)	8	(1,815)
<b>TOTAL</b>	<b>(880)</b>	<b>(1,823)</b>	<b>833</b>	<b>(1,870)</b>

(1) OCI: Other Comprehensive Income.

(2) Restructuring of derivatives portfolio to extend maturity of hedging instruments.

#### 5.2.7.1.2 Impact of hedging on the income statement

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Effective component of hedging instruments related to derivatives portfolio ( <i>hedging of accrued interest over the period</i> )	(478)	(2,970)
Reclassification in profit or loss of accumulated gains and losses related to past restructurings <sup>(1)</sup>	(55)	(825)
Reclassification in profit or loss of accumulated gains and losses related to interest rate hedging	(260)	(8)
Time value of caps	-	-
Changes in value of instruments that do not qualify for hedge accounting	478	2,898
<b>TOTAL<sup>(2)</sup></b>	<b>(315)</b>	<b>(905)</b>

(1) See Note 5.2.7.2 "Currency hedges" for the amounts reclassified in profit or loss.

(2) See "Gains or losses on interest rate and currency hedges" in Note 4.7 "Net financial income".

See also the impact of currency hedges in Note 5.2.7.2.

#### 5.2.7.2 CURRENCY HEDGES

The Group uses derivatives to hedge its exposure to currency risk.

The Group has opted for a policy of hedging the highly probable future transactions in foreign currencies of its entities. Hedging instruments implemented in this respect are forward purchases of foreign currency. The Group has applied to these instruments the accounting treatment of cash flow hedges as planned: instruments are valued at fair value and changes in value are recognized in equity for the effective portion. These amounts recognized in equity are reported in profit or loss when the hedged cash flows affect income.

Instruments are valued at fair value and changes in value and their settlement are recognized in equity.

At December 31, 2019, the fair value of the instruments subscribed and thus recognized was €1,759 thousand, of which -€2,773 thousand was recognized in equity.

Changes in the fair value of other currency hedging instruments are recognized in net financial income.

### 5.2.7.2.1 Portfolio of currency hedges

	December 31, 2019				December 31, 2018			
	Fair value <i>(in thousands of euros)</i>	Notional amount <i>(in thousands of currency units)</i>	Medium-term exchange rate	Exchange rate at December 31, 2019	Fair value <i>(in thousands of euros)</i>	Notional amount <i>(in thousands of currency units)</i>	Medium-term exchange rate	Exchange rate at December 31, 2018
			Currency/Euro	Currency/Euro			Currency/Euro	Currency/Euro
<b>Net sell position (net buy position if &gt;0)</b>								
USD/EUR – Forward exchange contract	(2,861)	(74,181)	1.1805	1.1234	(1,241)	(198,990)	1.1708	1.1450
JPY/EUR – Forward exchange contract	(88)	(329,595)	126.0400	121.9400	(4)	(329,595)	126.0400	125.8500
KRW/EUR – Forward exchange contract	-	-	-	-	(6)	(1,615,763)	1,283.4758	1,277.9300
KRW/USD – Forward exchange contract	-	-	-	-	(19)	(3,036,296)	1,123.9282	1,115.8000
KRW/JPY – Forward exchange contract	-	-	-	-	+2	(282,598)	10.0373	10.1809
KRW/CNY – Forward exchange contract	-	-	-	-	(4)	(794,457)	162.9103	162.1331
USD/EUR – Forward currency swap	+5,001	(416,300)	1.1110	1.1234	(542)	(303,300)	1.1482	1.1450
GBP/EUR – Forward currency swap	(39)	(24,000)	0.8520	0.8508	(91)	(25,000)	0.8974	0.8945
CHF/EUR – Forward currency swap	(39)	(7,240)	1.0915	1.0854	(11)	(3,940)	1.1301	1.1269
RUB/EUR – Forward currency swap	(20)	(48,000)	7.8765	69.9563	+60	(108,000)	76.8650	79.7153
CNY/EUR – Forward currency swap	(72)	(238,000)	7.9177	7.8205	(22)	(398,000)	7.9579	7.8751
CNY/USD – Forward currency swap	(123)	(94,084)	7.0740	6.9615	(68)	(92,403)	6.9003	6.8778
<b>TOTAL</b>	<b>+1,759</b>				<b>(1,946)</b>			

### 5.2.7.2.2 Impact of unsettled foreign exchange hedges on income and equity

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Impact of change in foreign exchange hedging portfolio on income (ineffective portion) <sup>(1)</sup>	4,781	(1,071)
Impact of change in foreign currency hedging portfolio on equity (effective portion)	(1,077)	(3,911)
<b>TOTAL</b>	<b>3,704</b>	<b>(4,982)</b>

(1) See "Gains or losses on interest rate and currency hedges" in Note 4.7 "Net financial income".  
See also Note 5.2.7.1.2 "Impact of hedging on the income statement".

## 5.2.8 Operating and other liabilities

### 5.2.8.1 TRADE PAYABLES

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Trade payables	1,368,188	1,444,192
Due to suppliers of fixed assets	150,016	170,797
<b>TOTAL</b>	<b>1,518,204</b>	<b>1,614,989</b>

### 5.2.8.2 OTHER OPERATING LIABILITIES

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Accrued employee benefits expense	167,813	155,985
Accrued income taxes	57,605	38,797
Other accrued taxes	153,552	122,494
Other payables	282,921	254,299
Customer prepayments – Deferred revenues	352,936	355,831
<b>TOTAL</b>	<b>1,014,826</b>	<b>927,406</b>

### 5.2.8.3 TRADE PAYABLES AND OTHER OPERATING LIABILITIES BY CURRENCY

<i>In thousands of currency units</i>	December 31, 2019			December 31, 2018		
	Local currency	Euro	%	Local currency	Euro	%
EUR Euro	1,413,809	1,413,809	56%	1,390,737	1,390,737	55%
USD US dollar	576,873	513,507	20%	684,139	597,502	24%
GBP Pound sterling	127,186	149,490	6%	117,196	131,014	5%
CNY Chinese yuan	1,422,557	181,901	7%	1,010,547	128,322	5%
BRL Brazilian real	122,648	27,160	1%	146,333	32,928	1%
Other Other currencies		247,163	10%		261,892	10%
<b>TOTAL</b>		<b>2,533,030</b>	<b>100%</b>		<b>2,542,395</b>	<b>100%</b>
Of which:						
• Trade payables		1,518,204	60%		1,614,989	64%
• Other operating liabilities		1,014,826	40%		927,406	36%

Sensitivity tests on changes in foreign exchange rates of "Trade payables and other liabilities" give the following results:

		Sensitivity tests on liabilities at December 31, 2019						Sensitivity tests on liabilities at December 31, 2018					
		Base		Increase – all currencies		Decrease – all currencies		Base		Increase – all currencies		Decrease – all currencies	
				+10%	+20%	-10%	-20%			+10%	+20%	-10%	-20%
<i>In thousands of currency units</i>		Local currency	Conversion rate	%	%	%	%	Local currency	Conversion rate	%	%	%	%
EUR	Euro	1,413,812	1.0000	53%	51%	58%	61%	1,390,737	1.0000	52%	50%	57%	60%
USD	US dollar	576,873	0.8902	21%	22%	19%	18%	684,139	0.8734	25%	26%	22%	21%
GBP	Pound sterling	127,186	1.1754	6%	7%	6%	5%	117,196	1.1179	5%	6%	5%	5%
CNY	Chinese yuan	1,422,557	0.1279	9%	8%	7%	6%	1,010,547	0.1270	5%	6%	5%	4%
BRL	Brazilian real	122,648	0.2214	1%	1%	1%	1%	146,333	0.2250	1%	1%	1%	1%
Other	Other currencies			10%	11%	9%	9%			12%	11%	10%	9%
<b>TOTAL IN EUROS</b>		<b>2,533,030</b>		<b>2,644,376</b>	<b>2,756,246</b>	<b>2,420,638</b>	<b>2,308,768</b>	<b>2,542,395</b>		<b>2,657,561</b>	<b>2,772,727</b>	<b>2,427,229</b>	<b>2,312,063</b>
Of which:													
● Trade payables		1,518,204		1,584,940	1,651,991	1,450,840	1,383,789	1,614,989		1,688,145	1,761,301	1,541,833	1,468,677
● Other operating liabilities		1,014,826		1,059,436	1,104,255	969,798	924,979	927,406		969,416	1,011,426	885,396	843,386

Foreign exchange sensitivity tests on "Trade payables and other liabilities" and "Trade and other receivables" (see Note 5.1.9) show an insignificant net sensitivity to exchange rate fluctuations as of December 31, 2019.

## NOTE 6 CAPITAL MANAGEMENT AND MARKET RISKS

Compagnie Plastic Omnium has set up a global cash management system with its subsidiary Plastic Omnium Finance, which manages liquidity, currency and interest rate risks on behalf of all subsidiaries. The market risks strategy, which may result in entering balance sheet and off-balance sheet commitments, is approved every quarter by the Chairman and Chief Executive Officer.

### 6.1 Capital management

The Group's objective is to have, at all times, sufficient financial resources to enable it to carry out its current business, fund the investments required for its development and also to respond to any exceptional events.

This is achieved through the use of capital markets, leading to capital and financial debt management.

As part of its capital management strategy, the Group compensates its shareholders primarily through the payment of dividends and may make adjustments in line with changes in economic conditions.

The capital structure may be adjusted by paying ordinary or special dividends, through share buybacks and cancellation of treasury stock, returning a portion of capital to shareholders or issuing new shares and/or securities giving rights to capital.

The Group uses the gearing ratio, corresponding to the ratio of consolidated net debt to equity, as an indicator of the Group's leverage. The Group includes in net debt all financial liabilities and commitments, other than operating payables, interest-bearing liabilities, less cash and cash equivalents and other non-operating financial assets, such as marketable securities and loans. At December 31, 2019 and December 31, 2018, the gearing ratio was as follows:

<i>In thousands of euros</i>	December 31, 2019	December 31, 2018
Net financial debt <sup>(1)</sup>	739,453	697,616
Equity (including non-current grants)	2,347,363	2,188,321
<b>GEARING RATIO</b>	<b>31.50%</b>	<b>31.88%</b>

(1) See Note 5.2.6.5 "Reconciliation of gross and net financial debt".

None of the Group's bank loans or financial liabilities contains covenants providing for early repayment in the event of non-compliance with financial ratios.

As part of its capital management, the liquidity account shows the following positions:

- at December 31, 2019:
  - 113,614 securities (shares),
  - and €3,490,024 in cash;
- at December 31, 2018:
  - 110,583 securities (shares),
  - and €9,035 in cash.

### 6.3.1 Customer risk

At December 31, 2019, 7.7% of the Group's trade receivables were past due, versus 7.4% at December 31, 2018. Trade receivables break down as follows:

#### AGEING ANALYSIS OF NET RECEIVABLES

<i>In thousands of euros</i>	December 31, 2019						
	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Industries	682,714	624,178	58,536	28,004	18,957	6,983	4,592
Modules	132,230	127,714	4,517	793	3,724	-	-
Unallocated items	3,855	3,855	-	-	-	-	-
<b>TOTAL</b>	<b>818,799</b>	<b>755,747</b>	<b>63,053</b>	<b>28,797</b>	<b>22,681</b>	<b>6,983</b>	<b>4,592</b>

<i>In thousands of euros</i>	December 31, 2018						
	Total outstanding	Not yet due	Due and past due	Less than 1 month	1-6 months	6-12 months	More than 12 months
Industries	659,608	602,083	57,525	30,926	14,368	6,131	6,100
Modules	141,347	138,916	2,431	1,811	620	-	-
Unallocated items	14,345	14,341	4	4	-	-	-
<b>TOTAL</b>	<b>815,300</b>	<b>755,340</b>	<b>59,960</b>	<b>32,741</b>	<b>14,988</b>	<b>6,131</b>	<b>6,100</b>

The risk of non-recovery of trade receivables is low and involves only a non-material amount of receivables more than twelve months past due.

### 6.2 Commodities risk – Exposure to plastics risk

Plastic Omnium's business requires the purchase of large quantities of plastic, steel, paint and other raw materials subject to price changes that could have an impact on its operating margin.

To limit the risks associated with such price fluctuations, the Group has negotiated selling price indexation clauses with most of its automotive customers or, failing that, regularly renegotiates selling prices.

In view of these measures, the Group considers that raw materials price fluctuations do not have a material impact on its operating margin.

### 6.3 Credit risk

Credit risk covers customer credit risk and bank counterparty risk.

### 6.3.2 Bank counterparty risk

The Group invests its cash surplus with leading banks and/or in senior securities.

## 6.4 Liquidity risk

The Group must at all times have sufficient financial resources to finance the current business and the investments required to support its development, but also to withstand any exceptional events.

This objective is mainly achieved by using medium-term lines of credit with banking institutions but also by short-term bank resources.

The cash position of the Group is monitored daily for each business division and at central level, and a weekly summary report is submitted to the Chairman and Chief Executive Officer and the Chief Operating Officers.

### 6.4.1 Other long-term financial receivables – carrying amounts and undiscounted values

Undiscounted values can be reconciled to the information in the table in Note 6.4.2 on “Liquidity risks by maturity”.

	December 31, 2019		December 31, 2018	
	Undiscounted finance receivables	Carrying amount	Undiscounted finance receivables	Carrying amount
<i>In thousands of euros</i>				
<b>DUE IN ONE TO FIVE YEARS</b>			1,876	1,767
Other receivables (see Note 5.1.6.2)			-	4
Finance receivables related to Environment finance leases (see Note 5.1.6.2)	NONE	NONE		
Finance receivables related to Automotive contracts (see Note 5.1.6.2)			1,876	1,763
<b>DUE BEYOND FIVE YEARS</b>			-	-
Other receivables (see Note 5.1.6.2)			-	-
<b>TOTAL</b>			<b>1,876</b>	<b>1,767</b>

#### 6.4.2 Liquidity risk by maturity

Liquidity risk by maturity is calculated on the basis of the undiscounted contractual cash flows of financial assets and liabilities. The liquidity risk analysis shows the following:

In thousands of euros	December 31, 2019			
	December 31, 2019	Less than 1 year	1 to 5 years	More than 5 years
<b>Financial assets</b>				
Non consolidated equity interests	199	-	199	-
Long-term investments in equities and funds	56,302	-	56,302	-
Other financial assets	14,656	-	14,656	-
Finance receivables <sup>(1)</sup>	13,100	13,100	-	-
Trade receivables <sup>(2)</sup>	818,799	814,207	4,592	-
Other current financial assets and financial receivables	55,127	55,127	-	-
Hedging instruments	5,027	5,027	-	-
Cash and cash equivalents	1,142,953	1,142,953	-	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,106,163</b>	<b>2,030,414</b>	<b>75,749</b>	<b>-</b>
<b>Financial liabilities</b>				
Non-current borrowings <sup>(3)</sup>	1,403,692	82	1,036,967	366,644
Bank overdrafts	9,875	9,875	-	-
Current borrowings <sup>(4)</sup>	712,580	712,580	-	-
Other current financial debt	31	31	-	-
Hedging instruments	3,268	3,268	-	-
Trade payables	1,518,204	1,518,204	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>3,647,650</b>	<b>2,244,040</b>	<b>1,036,967</b>	<b>366,644</b>
<b>FINANCIAL ASSETS AND FINANCIAL LIABILITIES - NET<sup>(5)</sup></b>	<b>(1,541,487)</b>	<b>(213,626)</b>	<b>(961,218)</b>	<b>(366,644)</b>

(1) Undiscounted amounts (see Notes 5.1.8 "Current financial receivables" and 6.4.1 "Other long-term financial receivables").

(2) "Trade receivables" includes €63,053 thousand past due at December 31, 2019 against €59,960 thousand at December 31, 2018. See Note 6.3.1 on "Customer risk".

(3) "Non-current borrowings" includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(4) "Current borrowings" includes the amounts reported in the balance sheet and interest due within one year.

(5) See Note 5.2.6.4 on confirmed medium-term credit lines compared to usage. In 2019 and 2018, the confirmed and unused bank lines amply covered the Group's cumulative medium-term financing requirements.

December 31, 2018

<i>In thousands of euros</i>	December 31, 2018	Less than 1 year	1 to 5 years	More than 5 years
<b>Financial assets</b>				
Non consolidated equity interests	215	-	215	-
Long-term investments in equities and funds	28,183	-	28,183	-
Other financial assets	35,829	-	35,829	-
Finance receivables <sup>(1)</sup>	24,380	22,504	1,876	-
Trade receivables <sup>(2)</sup>	815,300	809,200	6,100	-
Other current financial assets and financial receivables	63,942	63,942	-	-
Hedging instruments	1,898	1,898	-	-
Cash and cash equivalents	916,336	916,336	-	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>1,886,083</b>	<b>1,813,880</b>	<b>72,203</b>	<b>-</b>
<b>Financial liabilities</b>				
Non-current borrowings <sup>(3)</sup>	1,762,934	29,955	924,231	808,748
Bank overdrafts	4,684	4,684	-	-
Current borrowings <sup>(4)</sup>	126,754	126,754	-	-
Other current financial debt	31	31	-	-
Hedging instruments	4,330	4,330	-	-
Trade payables	1,614,989	1,614,989	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>3,513,722</b>	<b>1,780,743</b>	<b>924,231</b>	<b>808,748</b>
<b>FINANCIAL ASSETS AND FINANCIAL LIABILITIES – NET<sup>(5)</sup></b>	<b>(1,627,639)</b>	<b>33,137</b>	<b>(852,028)</b>	<b>(808,748)</b>

(1) Undiscounted amounts (see Notes 5.1.8 “Current financial receivables” and 6.4.1 “Other long-term financial receivables”).

(2) “Trade receivables” includes €59,960 thousand past due at December 31, 2018, against €124,021 thousand at December 31, 2017. See Note 6.3.1 on “Customer risk”.

(3) “Non-current borrowings” includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(4) “Current borrowings” includes the amounts reported in the balance sheet and interest due within one year.

(5) See Note 5.2.6.4 on confirmed medium-term credit lines compared to usage in 2018 and 2017, the confirmed and unused bank lines amply cover the Group’s cumulated medium-term financing requirements.

## 6.5 Currency risks

Plastic Omnium’s business is based for the most part on local plants: by producing locally what is sold locally, the Group has little exposure to currency fluctuations, except for the translation of financial statements.

The Group’s policy is to minimize the currency risk arising from transactions that will result in future payment or future revenue. If a transaction does give rise to a material currency risk, it is hedged with a forward currency contract. The subsidiary involved places this hedge with the central treasury or, with the latter’s approval, locally.

## 6.6 Interest rate risk

Interest rate risk relates to the possibility of an increase in variable rates for variable rate debt, which would adversely affect net financial income. Interest rate risk is managed on the basis of the Group’s consolidated

debt with the main objective of maintaining a durably low consolidated financing cost in light of the Group’s operating profitability.

At December 31, 2019 as at December 31, 2018, the Group’s core funding was at fixed rates (see Notes 5.2.6.7 “Analysis of debt by type of interest rate”).

Financial transactions, particularly interest rate hedges, are carried out with a broad panel of leading financial institutions. A competitive bidding process is carried out for any significant financial transactions and the diversification of resources and satisfactory participants is a selection criterion.

## Sensitivity to interest rate changes

At December 31, 2019, the Group no longer had interest rate hedges (see Note 5.2.7.1 “Interest rate hedges”).

At December 31, 2018, a 1% increase in interest rates on floating rate debt would lead to an increase of €1.4 million in the cost of interest after taking into account the impact of hedging instruments. In the opposite side, a 1% decrease in interest rates on floating rate debt would lead to a decrease of €1.4 million in the cost of interest after taking into account the impact of hedging instruments at December 31, 2018.

## 6.7 Additional information about financial assets and liabilities

Most derivatives are traded over-the-counter for which there are no listed prices. Therefore, their valuation is based on models commonly used by traders to evaluate these financial instruments (models for discounting future cash flows or option valuation models).

Financial assets and liabilities by category and fair value break down as follows:

In thousands of euros	2019								
	At fair value				Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
	At amortized cost	Through profit or loss	Through shareholders' equity	Through shareholders' equity (CFH) <sup>(2)</sup>					
<b>Assets</b>									
Non consolidated equity interests	-	-	199	-	199	199	-	-	-
Long-term investments in equities and funds	-	-	56,302	-	56,302	-	56,302	-	-
Other non-current financial assets	14,656	-	-	-	14,656	-	-	-	-
Finance receivables	13,100	-	-	-	13,100	-	-	-	-
Trade receivables	818,799	-	-	-	818,799	-	-	-	-
Other current financial assets and receivables	5,318	49,809	-	-	55,127	-	49,809	-	-
Hedging instruments	-	5,027	-	-	5,027	-	-	5,027	-
Cash and cash equivalents	-	1,142,953	-	-	1,142,953	-	-	1,142,953	-

In thousands of euros	2019								
	At fair value				Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobservable market data (level 3)
	At amortized cost	Through profit or loss	Through shareholders' equity	Through shareholders' equity (CFH) <sup>(2)</sup>					
<b>Liabilities</b>									
Non-current borrowings <sup>(1)</sup>	1,334,713	-	-	-	1,334,713	-	-	-	-
Bank overdrafts	9,875	-	-	-	9,875	-	-	-	-
Current borrowings	678,731	-	-	-	678,731	-	-	-	-
Other current debt	31	-	-	-	31	-	-	-	-
Hedging instruments	-	2,191	-	1,077	3,268	-	-	3,268	-
Trade payables	1,518,204	-	-	-	1,518,204	-	-	-	-

In 2019, as in 2018, there was no transfer between fair value levels.

In 2019, as in 2018, there was no transfer between fair value levels.

In thousands of euros Assets	2018								
	At fair value				Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobser- vable market data (level 3)
	At amortized cost	Through profit or loss	Through share- holders' equity	Through share- holders' equity (CFH) <sup>(2)</sup>					
Non consolidated equity interests	-	-	215	-	215	215	-	-	-
Long-term investments in equities and funds	-	-	27,514	-	28,183	-	27,514	-	669
Other non-current financial assets	37,592	-	-	-	37,592	-	-	-	-
Finance receivables	22,504	-	-	-	22,504	-	-	-	-
Trade receivables	815,300	-	-	-	815,300	-	-	-	-
Other current financial assets and receivables	13,935	50,007	-	-	63,942	-	50,007	-	-
Hedging instruments	-	1,898	-	-	1,898	-	-	1,898	-
Cash and cash equivalents	-	916,336	-	-	916,336	-	-	916,336	-

In thousands of euros Liabilities	2018								
	At fair value				Total carrying amount	Valued at cost	Instrument listed on an active market (level 1)	Valuations based on observable market data (level 2)	Valuations based on unobser- vable market data (level 3)
	At amortized cost	Through profit or loss	Through share- holders' equity	Through share- holders' equity (CFH) <sup>(2)</sup>					
Non-current borrowings <sup>(1)</sup>	1,635,811	-	-	-	1,635,811	-	-	-	-
Bank overdrafts	4,684	-	-	-	4,684	-	-	-	-
Current borrowings	123,215	-	-	-	123,215	-	-	-	-
Other current debt	31	-	-	-	31	-	-	-	-
Hedging instruments	-	8,021	-	(3,691)	4,330	-	-	4,330	-
Trade payables	1,614,989	-	-	-	1,614,989	-	-	-	-

(1) See Note 5.2.6.5 "Reconciliation of gross and net debt". This item includes "Finance lease liabilities" and "Bonds and bank loans".

(2) CFH: "Cash Flow Hedge".

The fair value of financial assets and liabilities at amortized cost was close to the carrying amount, except for current and non-current debt.

In thousand of euros	Balance sheet values at December 31, 2019			Fair value at December 31, 2019		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Bonds and bank loans <sup>(1)</sup>	1,784,878	622,149	1,162,729	1,815,892	628,335	1,187,557

In thousand of euros	Balance sheet values at December 31, 2018			Fair value at December 31, 2018		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Bonds and bank loans <sup>(1)</sup>	1,747,410	120,815	1,626,595	1,729,473	120,880	1,608,593

(1) See Note 5.2.6.5 "Reconciliation of gross and net debt".

Methods for measuring fair value:

- the fair value of listed bonds is determined on the basis of quoted prices (level 1). The fair value of other borrowings is determined for each loan by discounting future cash flows at a rate corresponding to the Euribor yield curve at year-end, corrected for the Group's credit risk (level 2);
- the fair value of monetary and non-monetary UCITS is measured according to their last known net asset value (level 1). The fair value of interest rate products (certificates of deposit, time-deposit accounts, negotiable medium-term notes, etc.) is based on discounted future cash flows from coupons and coupons excluding accrued interest (principal and interest) for the remaining duration of the product on the balance sheet date (level 2). The discount rate used in this case is the market rate matching the maturity and products' characteristics;
- other non-current financial assets and financial receivables: items consisting mainly of financial receivables recorded on the basis of a discounted value when their maturity is more than one year;
- most of the derivatives are traded over-the-counter, for which there are no listed prices. As a result, their valuation is based on models commonly used by traders to evaluate financial instruments using discounted cash flow models or option valuation models (level 2).

## NOTE 7 ADDITIONAL INFORMATION

### 7.1 Headcount at end of year of controlled companies

	December 31, 2019			December 31, 2018			Changes/ Total
	Excluding temporary	Temporary	Total	Excluding temporary	Temporary	Total	
France	2,897	517	3,414	2,994	553	3,547	-4%
%	12.5%	12.5%	12.5%	13.1%	13.4%	13.2%	
Europe excluding France	11,217	1,892	13,109	11,294	1,835	13,129	0%
%	48.4%	45.9%	48.0%	49.5%	44.6%	48.8%	
North America	5,453	790	6,243	4,978	650	5,628	11%
%	23.5%	19.2%	22.9%	21.8%	15.8%	20.9%	
Asia and South America <sup>(1)</sup>	3,612	923	4,535	3,546	1,074	4,620	-2%
%	15.6%	22.4%	16.6%	15.5%	26.1%	17.2%	
<b>TOTAL</b>	<b>23,179</b>	<b>4,122</b>	<b>27,301</b>	<b>22,812</b>	<b>4,112</b>	<b>26,924</b>	<b>1%</b>

(1) The "Asia and South America" region includes Turkey, South Africa and Morocco.

## 7.2 Off-balance sheet commitments

### 7.2.1. Commitments granted/received

<i>In thousands of euros</i>	December 31, 2019				
	Total	On intangible assets	On property, plant and equipment	On financial assets and liabilities	On other non-financial current assets/liabilities
Surety bonds granted <sup>(1)</sup>	(17,059)	-	(1,434)	(13,814)	(1,811)
Commitments to purchase assets <sup>(2)</sup>	(29,235)	(13)	(29,222)	-	-
Other off-balance sheet commitments <sup>(3)</sup>	(8,570)	-	(8,570)	-	-
<b>TOTAL COMMITMENTS GIVEN</b>	<b>(54,864)</b>	<b>(13)</b>	<b>(39,226)</b>	<b>(13,814)</b>	<b>(1,811)</b>
Surety bonds received <sup>(4)</sup>	2,927	-	2,927	-	-
<b>TOTAL COMMITMENTS RECEIVED</b>	<b>2,927</b>	<b>-</b>	<b>2,927</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMMITMENTS - NET</b>	<b>(51,937)</b>	<b>(13)</b>	<b>(36,299)</b>	<b>(13,814)</b>	<b>(1,811)</b>

<i>In thousands of euros</i>	December 31, 2018				
	Total	On intangible assets	On property, plant and equipment	On financial assets and liabilities	On other non-financial current assets/liabilities
Surety bonds granted <sup>(5)</sup>	(37,087)	-	(21,386)	(11,453)	(4,248)
Commitments to purchase assets <sup>(6)</sup>	(48,618)	(504)	(48,114)	-	-
<b>TOTAL COMMITMENTS GIVEN</b>	<b>(85,705)</b>	<b>(504)</b>	<b>(69,500)</b>	<b>(11,453)</b>	<b>(4,248)</b>
Surety bonds received <sup>(7)</sup>	6,390	-	6,390	-	-
<b>TOTAL COMMITMENTS RECEIVED</b>	<b>6,390</b>	<b>-</b>	<b>6,390</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMMITMENTS - NET</b>	<b>(79,315)</b>	<b>(504)</b>	<b>(63,110)</b>	<b>(11,453)</b>	<b>(4,248)</b>

#### At December 31, 2019:

- (1) The surety bond given mainly related to:
  - 7.5 million of Compagnie Plastic Omnium SA to "Société Générale Frankfurt";
  - €6.0 million on financial assets and liabilities of HBPO Germany GmbH to "Deutsche Bank";
  - €1.4 million on other non-financial current assets/liabilities of Plastic Omnium Auto Exteriors (India) Pvt Ltd to "Crédit Agricole CIB";
  - €1.2 million on other non-financial current assets/liabilities of Plastic Omnium Auto Exteriors SP Z.O.O to "BNP Paribas".
- (2) The commitments to purchase assets are mainly related to:
  - €21 million of Plastic Omnium Auto Inergy (USA) LLC;
  - €3.3 million of Plastic Omnium Equipamientos Exteriores SA;
  - €1.6 million of Plastic Omnium Auto Inergy Mexico SA de CV.
- (3) The other off-balance sheet commitments are mainly:
  - €5.8 million of Plastic Omnium Auto Exteriors SRO;
  - €2.3 million of credit letter for the purchase of molds for Plastic Omnium Auto Exteriors (India) Pvt Ltd.
- (4) The surety bonds received mainly related to:
  - €2.2 million of "Crédit Agricole CIB" for Plastic Omnium Auto Exteriors SRO.

#### At December 31, 2018:

- (5) The surety bonds given mainly relate to:
  - €19.8 million for a Plastic Omnium Auto Exteriors SRO paint line;
  - €6.0 million for HBPO Germany GmbH financial assets and liabilities to "Deutsche Bank" and €5.2 million for Compagnie Plastic Omnium SA to "Société Générale Frankfurt";
  - €4.1 million surety bond for non-financial current assets/liabilities of Plastic Omnium Equipamientos Exteriores SA to "BNP Spain".
- (6) The commitments to purchase assets mainly relate to:
  - €34.4 million for Plastic Omnium Auto Inergy (USA) LLC;
  - €3.5 million for Plastic Omnium Auto Inergy Mexico SA de CV;
- (7) The surety bonds received mainly relate to:
  - €6.7 million from Crédit Agricole CIB for Plastic Omnium Auto Exteriors SRO.

### 7.3 Related-party transactions

#### 7.3.1 Compensation paid to senior executives and corporate officers

Senior executives are, in accordance with IAS 24 "Persons with the authority and responsibility for planning, directing and controlling the activities" of Compagnie Plastic Omnium and its subsidiaries.

The Board granted 15,000 shares to executive directors as part of the Performance Share Plan of May 2, 2019 (see 5.2.3 "Share-based payments").

The total amount of compensation paid to members of the Board of Directors and senior executives is presented in the table below:

<i>In thousands of euros</i>	<b>Paid or payable by...</b>	<b>2019</b>	<b>2018</b>
Directors' fees	Paid by Compagnie Plastic Omnium	103	166
Directors' fees	Paid by companies controlled by Compagnie Plastic Omnium (excl. Compagnie Plastic Omnium) and by Burelle SA	191	397
Gross compensation	Payable by the Plastic Omnium Group	5,806	6,751
Supplementary pension plans	Payable by the Plastic Omnium Group <sup>(1)</sup>	1,423	-
	Payable by the Plastic Omnium Group	235	498
	Cost to be spread over the vesting period	186	498
Cost of stock option plans	Social contributions related to the new plan over the period <sup>(2)</sup>	49	-
<b>TOTAL COMPENSATION</b>		<b>7,758</b>	<b>7,811</b>

(1) No supplementary pension plan has been taken out during 2019.

(2) No new stock option plan in 2019.

#### 7.3.2 Transactions with Sofiparc SAS, Burelle SA and Burelle Participations SA

<i>In thousands of euros</i>	At December 31, 2019												
	Direct and indirect costs	Royalties and management fees	Proceeds from disposal of tangible assets including Investment property	Gain on disposal of tangible assets including Investment property	Financial income and expenses	Net book value of Investment Property	Net book value of Operating Property	Current accounts	Deposits	Trade payables	Trade receivables	Other receivables	Other debtors
Sofiparc SAS	374	(4,796)	128,955 <sup>(1)</sup> and <sup>(2)</sup>	19,937 <sup>(1)</sup> and <sup>(2)</sup>	5	(93,968) <sup>(1)</sup>	(15,052) <sup>(2)</sup>	-	1,104	5	28	-	54
Burelle SA	2	(6,879)	-	-	10	-	-	-	-	1,966	-	-	11
Burelle Participations SA	-	120	-	-	10	-	-	-	-	-	-	-	-

(1) See Note 2.3.1 in the "Significant events of the period" related to the "Sale of Investment property located at Lyon Gerland".

(2) See Note 2.3.2 in the "Significant events of the period" related to the "Sale of Investment property located at Nanterre in Hauts de Seine".

<i>In thousands of euros</i>	At December 31, 2018												
	Direct and indirect costs	Royalties and management fees	Proceeds from disposal of capital assets	Financial income and expenses	Property, plant and equipment	Investment property	Current accounts	Deposits	Trade payables	Trade receivables	Other receivables	Other debtors	
Sofiparc SAS	-	(5,842)	-	2	-	-	-	886	-	2	-	36	
Burelle SA	2	(7,903)	-	8	-	-	-	-	2,319	8	-	11	
Burelle Participations SA	-	-	-	8	-	-	-	-	-	8	-	-	

## 7.4 Fees paid to the Statutory Auditors

In thousands of euros	2019		
	Mazars	EY	Total
<b>AUDIT SERVICES</b>	(2,335)	(2,301)	(4,636)
of which:			
• <i>Compagnie Plastic Omnium</i>	(482)	(578)	(1,060)
• <i>Subsidiaries</i>	(1,853)	(1,723)	(3,576)
<b>FEES OTHER THAN CERTIFICATION OF ACCOUNTS<sup>(1)</sup></b>	(105)	(372)	(477)
of which:			
• <i>Compagnie Plastic Omnium</i>	(89)	(37)	(126)
• <i>Subsidiaries</i>	(16)	(335)	(351)
<b>TOTAL</b>	<b>(2,440)</b>	<b>(2,673)</b>	<b>(5,113)</b>

In thousands of euros	2018		
	Mazars	EY	Total
<b>AUDIT SERVICES</b>	(1,763)	(2,314)	(4,078)
of which:			
• <i>Compagnie Plastic Omnium</i>	(431)	(376)	(807)
• <i>Subsidiaries</i>	(1,332)	(1,938)	(3,271)
<b>FEES OTHER THAN CERTIFICATION OF ACCOUNTS<sup>(1)</sup></b>	(174)	(1,071)	(1,245)
of which:			
• <i>Compagnie Plastic Omnium</i>	(127)	(84)	(211)
• <i>Subsidiaries</i>	(47)	(987)	(1,034)
<b>TOTAL</b>	<b>(1,937)</b>	<b>(3,385)</b>	<b>(5,323)</b>

(1) The "Fees other than certification of accounts" are related to the review of the consolidated social, environmental and societal information provided in the management report, the certificates, the agreed procedures, and due diligence.

## 7.5 Consolidating entity

Burelle SA holds 59.74% of Compagnie Plastic Omnium, after the cancellation of Compagnie Plastic Omnium's treasury stock (58.78% before cancellation of treasury stock), and fully consolidates the Company.

Burelle SA – 19, boulevard Jules-Carteret  
69342 Lyon Cedex 07

## 7.6 Subsequent events

No event likely to have a material impact on the Group's business, financial position, earnings or assets and liabilities at December 31, 2019 has occurred since the closing date.



**LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2019**

Legal name	Reportable segment				December 31, 2019			December 31, 2018			Tax group
	Industries	Modules	Environ- ment	Unallocated	Method of Consolidation	% control	% interest	Method of Consolidation	% Control	interest	
<b>France</b>											
COMPAGNIE PLASTIC OMNIUM SA				*	Parent company			Parent company			1
PLASTIC OMNIUM GESTION SNC				*	FC	100	100	FC	100	100	1
PLASTIC OMNIUM FINANCE SNC				*	FC	100	100	FC	100	100	1
SIGNALISATION FRANCE SA				*	FC	100	100	FC	100	100	1
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS		*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO EXTERIEUR HOLDING SA	d	*			-	-	-	FC	100	100	1
PLASTIC OMNIUM AUTO EXTERIEUR SERVICES SAS		*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO EXTERIORS SA		*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO INERGY SAS		*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO INERGY MANAGEMENT SAS		*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO EXTERIEUR SA		*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM COMPOSITES SA		*			FC	100	100	FC	100	100	1
MIXT COMPOSITES RECYCLABLES - MCR SAS	d	*			-	-	-	FC	100	100	
PLASTIC OMNIUM AUTO INERGY SERVICES SAS		*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM AUTO INERGY FRANCE SAS		*			FC	100	100	FC	100	100	1
PLASTIC OMNIUM MODULES SAS	e			*	FC	100	100	FC	100	100	1
PLASTIC OMNIUM MANAGEMENT 4				*	FC	100	100	FC	100	100	1
PLASTIC RECYCLING SAS	d	*			-	-	-	EM_lfrs	50	50	
PLASTIC OMNIUM SYSTEMES URBAINS SAS	c		*		-	-	-	FC	100	100	
METROPLAST SAS	c		*		-	-	-	FC	100	100	
LA REUNION VILLES PROPRES SAS	c		*		-	-	-	FC	100	100	
PLASTIC OMNIUM CARAIBES SAS	c		*		-	-	-	FC	100	100	
LUDOPARC SAS	c		*		-	-	-	FC	100	100	
BEAUVAIS DIFFUSION SAS			*		-	-	-	FC	100	100	
TECHNIQUES ET MATERIELS DE COLLECTE - "TEMACO" SAS	c		*		-	-	-	FC	100	100	
PLASTIC OMNIUM ENVIRONNEMENT HOLDING SAS	c		*		-	-	-	FC	100	100	
SULO FRANCE SAS			*		-	-	-	FC	100	100	
<b>South Africa</b>											
PLASTIC OMNIUM AUTO INERGY SOUTH AFRICA (PROPRIETARY) Ltd		*			FC	100	100	FC	100	100	

Legal name	Reportable segment				December 31, 2019			December 31, 2018			Tax group
	Industries	Modules	Environment	Unallocated	Method of Consolidation	% control	% interest	Method of Consolidation	Control	interest	
<b>Germany</b>											
PLASTIC OMNIUM GmbH				*	FC	100	100	FC	100	100	2
PLASTIC OMNIUM AUTO COMPONENTS GmbH		*			FC	100	100	FC	100	100	2
PLASTIC OMNIUM AUTO INERGY GERMANY GmbH		*			FC	100	100	FC	100	100	2
PLASTIC OMNIUM COMPOSITES GmbH		*			FC	100	100	FC	100	100	2
PLASTIC OMNIUM AUTOMOTIVE EXTERIORS GmbH		*			FC	100	100	FC	100	100	2
HBPO BETEILIGUNGSGESELLSCHAFT GmbH	b		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO RASTATT GmbH	b		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO GERMANY GmbH	b		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO GmbH	b		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO INGOLSTADT GmbH	b		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO REGENSBURG GmbH	b		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO VAIHINGEN Enz GmbH	b		*		FC	66.67	66.67	FC	66.67	66.67	5
HBPO Saarland GmbH	a		*		FC	66.67	66.67	-	-	-	5
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH	c		*		-	-	-	FC	100	100	
PLASTIC OMNIUM ENVIRONNEMENT GmbH	c		*		-	-	-	FC	100	100	
ENVICOMP SYSTEMLOGISTIK GmbH	c		*		-	-	-	FC	100	100	
WESTFALIA INTRALOG GmbH	c		*		-	-	-	FC	100	100	
SULO UMWELTECHNIK GmbH	c		*		-	-	-	FC	100	100	
PLASTIC OMNIUM SYSTEMS GmbH	c		*		-	-	-	FC	100	100	
SULO EA GmbH	d		*		-	-	-	FC	100	100	
<b>Argentina</b>											
PLASTIC OMNIUM AUTO INERGY ARGENTINA SA		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM SA		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE ARGENTINA		*			FC	100	100	FC	100	100	
<b>Belgium</b>											
PLASTIC OMNIUM NV	c		*		-	-	-	FC	100	100	
PLASTIC OMNIUM ADVANCED INNOVATION AND RESEARCH NV		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY BELGIUM SA		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE BELGIUM		*			FC	100	100	FC	100	100	
OPTIMUM CPV BVBA		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM NEW ENERGIES SA		*			FC	100	100	FC	100	100	



Legal name	Reportable segment				December 31, 2019			December 31, 2018			Tax group
	Industries	Modules	Environ- ment	Unallocated	Method of Consolidation	% control	% interest	Method of Consolidation	% Control	% interest	
<b>Brazil</b>											
PLASTIC OMNIUM AUTO INERGY	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM DO BRASIL Ltda	*				FC	100	100	FC	100	100	
HBPO BRASIL AUTOMOTIVE SERVICIOS Ltda	b	*			FC	66.67	66.67	FC	66.67	66.67	
<b>Canada</b>											
HBPO CANADA INC.	b	*			FC	66.67	66.67	FC	66.67	66.67	
<b>Chile</b>											
PLASTIC OMNIUM SA	c		*		-	-	-	FC	100	100	
<b>China</b>											
PLASTIC OMNIUM HOLDING (SHANGHAI) Co. Ltd				*	FC	100	100	FC	100	100	
PLASTIC OMNIUM COMPOSITES (JIANGSU) Co. Ltd	*				-	-	-	FC	100	100	
WUHAN PLASTIC OMNIUM AUTO INERGY Co. Ltd	*				FC	100	100	FC	100	100	
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING Co. Ltd	*				FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (BEIJING) Co. Ltd	*				FC	100	100	FC	100	100	
BEIJING PLASTIC OMNIUM AUTO INERGY Co. Ltd	*				FC	60	60	FC	60	60	
CHONGQING PLASTIC OMNIUM AUTO INERGY Co. Ltd	*				FC	100	100	FC	100	100	
GUANGZHOU PLASTIC OMNIUM AUTO INERGY Co. Ltd	*				FC	100	100	FC	100	100	
NINGBO PLASTIC OMNIUM AUTO INERGY Co. Ltd	*				FC	100	100	FC	100	100	
SHENYANG PLASTIC OMNIUM AUTO INERGY Co. Ltd	*				FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*				EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM (SHANGHAI) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*				EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM YIZHENG AUTOMOTIVE EXTERIOR SYSTEM Co. Ltd	*				EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM (SHENYANG) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*				EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM NINGBO AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*				EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM WUHAN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*				EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM HARBIN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*				EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	
YANFENG PLASTIC OMNIUM HANGZHOU AUTO EXTERIORS SYSTEMS Co. Ltd	*				EM_ifrs	49.95	49.95	EM_ifrs	49.95	49.95	

Legal name	Reportable segment				December 31, 2019			December 31, 2018			Tax group
	Industries	Modules	Environment	Unallocated	Method of Consolidation	% control	% interest	Method of Consolidation	Control	interest	
YANFENG PLASTIC OMNIUM NINGDE AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a	*			EM_ifrs	49.95	49.95	-	-	-	
YANKANG AUTO PARTS RUGAO Co. Ltd	a	*			EM_ifrs	49.95	49.95	-	-	-	
YANFENG PLASTIC OMNIUM (DAQING) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a	*			EM_ifrs	49.95	49.95	-	-	-	
CHONGQING YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR FAWAY Co. Ltd		*			EM_ifrs	49.95	25.47	EM_ifrs	49.95	25.47	
GUANGZHOU ZHONGXIN YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR TRIM Co. Ltd		*			EM_ifrs	49.95	25.47	EM_ifrs	49.95	25.47	
CHENGDU FAWAY YANFENG PLASTIC OMNIUM Co. Ltd		*			EM	24.48	24.48	EM	24.48	24.48	
DONGFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd		*			EM	24.98	24.98	EM	24.98	24.98	
CHANGCHUN HUAZHONG YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIORS Co. Ltd		*			EM_ifrs	49.95	24.98	EM_ifrs	49.95	24.98	
HBPO CHINA Co. Ltd	d		*		-	-	-	FC	66.67	66.67	
HBPO CHINA BEIJING Co. Ltd	b		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO Nanjin Co. Ltd	a		*		FC	66.67	66.67	-	-	-	
<b>South Korea</b>											
PLASTIC OMNIUM Co. Ltd		*			FC	100	100	FC	100	100	
SHB AUTOMOTIVE MODULES	b		*		EM_ifrs	33.34	33.34	EM_ifrs	33.34	33.34	
HBPO PYEONGTAEK Ltd	b		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO ASIA HQ Ltd	b		*		FC	66.67	66.67	FC	66.67	66.67	
<b>Spain</b>											
COMPANIA PLASTIC OMNIUM SA	d			*	-	-	-	FC	100	100	3
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA		*			FC	100	100	FC	100	100	3
PLASTIC OMNIUM AUTO INERGY SPAIN SA		*			FC	100	100	FC	100	100	3
PLASTIC OMNIUM COMPOSITES ESPANA SA		*			FC	100	100	FC	100	100	3
PLASTIC OMNIUM COMPONENTES EXTERIORES SL	d	*			-	-	-	FC	100	100	3
PLASTIC OMNIUM AUTOMOTIVE ESPANA		*			FC	100	100	FC	100	100	3
HBPO AUTOMOTIVE SPAIN SL	b		*		FC	66.67	66.67	FC	66.67	66.67	
PLASTIC OMNIUM SISTEMAS URBANOS SA	c		*		-	-	-	FC	100	100	



Legal name	Reportable segment				December 31, 2019			December 31, 2018			Tax group
	Industries	Modules	Environ- ment	Unallocated	Method of Consolidation	% control	% interest	Method of Consolidation	% Control	interest	
<b>United States</b>											
PLASTIC OMNIUM Inc.				*	FC	100	100	FC	100	100	4
PLASTIC OMNIUM INDUSTRIES Inc.				*	FC	100	100	FC	100	100	4
PLASTIC OMNIUM AUTO EXTERIORS LLC		*			FC	100	100	FC	100	100	4
PLASTIC OMNIUM AUTO INERGY (USA) LLC		*			FC	100	100	FC	100	100	4
HBPO NORTH AMERICA Inc.	b		*		FC	66.67	66.67	FC	66.67	66.67	
AUTOMOTIVE EXTERIORS LLC	d	*			-	-	-	FC	100	100	4
<b>Hungary</b>											
HBPO MANUFACTURING HUNGARY Kft	b		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO AUTOMOTIVE HUNGARIA Kft	b		*		FC	66.67	66.67	FC	66.67	66.67	
HBPO Szekesfehervar Kft	a				FC	66.67	66.67	-	-	-	
<b>India</b>											
PLASTIC OMNIUM AUTO EXTERIORS (INDIA) PVT Ltd		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDIA PVT Ltd		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MANUFACTURING INDIA PVT Ltd		*			FC	55	55	FC	55	55	
<b>Israel</b>											
EPO-CellTech		*			EM	50	23	EM	50	23	
<b>Japan</b>											
PLASTIC OMNIUM KK		*			FC	100	100	FC	100	100	
<b>Malaysia</b>											
HICOM HBPO SDN BHD	b		*		EM	26.66	26.66	EM	26.66	26.66	
PO AUTOMOTIVE SDN BHD Malaysia	a	*			FC	100	100	-	-	-	
<b>Morocco</b>											
PLASTIC OMNIUM AUTO INERGY (MOROCCO) SARL		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIEUR		*			FC	100	100	FC	100	100	
<b>Mexico</b>											
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MEXICO SA DE CV		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV	c		*		-	-	-	FC	100	100	
HBPO MEXICO SA DE CV	b		*		FC	66.67	66.67	FC	66.67	66.67	
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV	c		*		-	-	-	FC	100	100	
PLASTIC OMNIUM AUTO INDUSTRIAL SRL DE CV		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDUSTRIAL SA DE CV		*			FC	100	100	FC	100	100	
HBPO SERVICES MEXICO SA DE CV	b		*		FC	66.67	66.67	FC	66.67	66.67	

Legal name	Reportable segment				December 31, 2019			December 31, 2018			Tax group
	Industries	Modules	Environ- ment	Unallocated	Method of Consolidation	% control	% interest	Method of Consolidation	Control	interest	
HBPO MANAGEMENT SERVICES MEXICO SA DE CV	b		*		FC	66.67	66.67	FC	66.67	66.67	
PLASTIC OMNIUM AUTO INERGY SERVICIOS SA DE CV	a	*			FC	100	100	-	-	-	
<b>Netherlands</b>											
PLASTIC OMNIUM BV	c		*		-	-	-	FC	100	100	
PLASTIC OMNIUM ENVIRONMENT BV	c		*		-	-	-	FC	100	100	
DSK PLASTIC OMNIUM BV		*			FC	51	51	FC	51	51	
PLASTIC OMNIUM AUTO INERGY NETHERLANDS HOLDING BV		*			FC	100	100	FC	100	100	
<b>Poland</b>											
PLASTIC OMNIUM AUTO INERGY POLAND Sp Z.O.O		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORS Sp Z.O.O		*			FC	100	100	FC	100	100	
SULO Sp Z.O.O	c		*		-	-	-	FC	100	100	
PLASTIC OMNIUM AUTO Sp Z.O.O		*			FC	100	100	FC	100	100	
<b>Czech Republic</b>											
HBPO CZECH SRO	b		*		FC	66.67	66.67	FC	66.67	66.67	
SULO SRO	c		*		-	-	-	FC	100	100	
<b>Romania</b>											
PLASTIC OMNIUM AUTO INERGY ROMANIA SRL		*			FC	100	100	FC	100	100	
<b>United Kingdom</b>											
PLASTIC OMNIUM AUTOMOTIVE Ltd		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM URBAN SYSTEMS Ltd	c		*		-	-	-	FC	100	100	
SULO MGB Ltd	c		*		-	-	-	FC	100	100	
HBPO UK Ltd	b		*		FC	66.67	66.67	FC	66.67	66.67	
<b>Russia</b>											
POAI Russia		*			FC	100	100	FC	100	100	
DSK PLASTIC OMNIUM INERGY		*			FC	51	51	FC	51	51	
<b>Singapore</b>											
SULO ENVIRONMENTAL SYSTEMS PTE Ltd	c		*		-	-	-	FC	100	100	
<b>Slovakia</b>											
PLASTIC OMNIUM AUTO EXTERIORS SRO		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY SLOVAKIA SRO		*			FC	100	100	FC	100	100	
HBPO SLOVAKIA SRO	b		*		FC	66.67	66.67	FC	66.67	66.67	
<b>Sweden</b>											
PLASTIC OMNIUM AB	c		*		-	-	-	FC	100	100	



Legal name	Reportable segment				December 31, 2019			December 31, 2018			Tax group
	Industries	Modules	Environ- ment	Unallocated	Method of Consolidation	% control	% interest	Method of Consolidation	% Control	interest	
<b>Switzerland</b>											
PLASTIC OMNIUM AG	c		*		-	-	-	FC	100	100	
PLASTIC OMNIUM RE AG				*	FC	100	100	FC	100	100	
SWISS HYDROGEN		*			FC	100	100	FC	100	100	
<b>Thailand</b>											
PLASTIC OMNIUM AUTO INERGY THAILAND Co. Ltd		*			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE Co. Ltd		*			FC	100	100	FC	100	100	
<b>Turkey</b>											
BPO AS		*			EM_lfrs	50	49.98	EM_lfrs	50	49.98	

**Consolidation method and special features:**

FC: Full consolidation

EM: Companies that were already consolidated by the equity method before the application of the new consolidation standards at January 1, 2014

EM\_lfrs: Companies consolidated by the equity method since the application of the new consolidation standards at January 1, 2014

**Movements for the period:**

- a Companies acquired or created in 2019
- b Takeover of HBPO at July 1, 2018
- c Disposal of the Environment Division in December 2018
- d Companies disposed and/or merged in 2018
- e Companies whose name was changed in 2019

**Tax group:**

- 1 Plastic Omnium France
- 2 Germany Plastic Omnium GmbH
- 3 Spain
- 4 United States
- 5 Germany HBPO

## 5.2.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### FOR THE YEAR ENDED 31 DECEMBER 2019

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To the annual general meeting of Compagnie Plastic Omnium,

#### OPINION

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In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Compagnie Plastic Omnium for the year ended December 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

#### BASIS FOR OPINION

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##### AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

##### INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from from 1<sup>st</sup> January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*code de déontologie*) for statutory auditors.

##### EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to the matter set out in notes "1.1. Accounting policies" and "2.1. Application of the new IFRS standards effective from January 1, 2019" to the consolidated financial statements, which describes the impact of the first-time application of IFRS 16 "Lease contracts".

#### JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

---

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

## VALUATION OF REVENUE

Note 1.3.2 « Revenue » / « Revenue from contracts with Customers » and note 1.1 « Accounting policies» of the notes to the consolidated financial statements.

As of December 31, 2019, consolidated revenue of Compagnie Plastic Omnium amounts to €8 493 million.

### KEY AUDIT MATTERS

- Parts revenue is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer, usually upon delivery of the goods, and measured at the fair value of the consideration received, after deducting discounts, rebates and other sales taxes and customs duties.
- Regarding the revenue from services and tooling:
  - The accounting treatment is based on the Group's identification of two performance obligations, separate from the production of parts, which are the Design of the part activity and certain specific tools, for which control is transferred to customers;
  - Revenue related to "lumps sums" payments and contractually stated amounts that will be paid via part price ("PPA") that are explicitly identified in the contracts, and the negative or positive margin related to these performance obligations are recognized at the start of series production. Costs related to performance obligations are recognized as inventory during the project phase and then expensed when their control is transferred to the customer, i.e. at the start of series production.
- We have considered revenue recognition as a key audit matter given:
  - the volume of accounting entries related to sales of goods and the numerous ongoing discussions between the Group and its customers on prices,
  - judgments to be made by Management of the Group to estimate the incurred and projected costs related to the project phase that could lead to an incorrect turnover related to the services rendered and the production of tools.

### OUR RESPONSE

- We analyzed the process and identified key controls implemented by management regarding revenue recognition and tested their effectiveness by sampling.
- In order to assess the recognition of revenues related to the sale of goods, we conducted tests on a sample of contracts by:
  - comparing the sale prices applied to the deliveries of parts with the contractual prices;
  - examining the credit notes issued during the period.
- In order to corroborate the level of progress and the recognition of the turnover related to services and tooling, we conducted tests on a sample of contracts by:
  - comparing the sales prices applied to services and tooling at the start of the series life with the contractual prices;
  - examining revenue and costs allocated to performance obligations.

## EVALUATION OF FIXED ASSETS RELATED TO THE DEVELOPMENT COSTS AND TANGIBLE ASSETS

Notes 1.6.2 « Intangible assets », 1.6.3 « Property, plant and equipment », 1.6.4.2 « Impairment of depreciable property, plant and equipment and intangible assets » in the notes to the consolidated financial statements.

As of December 31, 2019, the net value of the fixed assets related to the development costs and to property, plant and equipment amounts respectively to €579 million and €1 732 million.

### KEY AUDIT MATTERS

- Note 1.6.2 describes the accounting methods in intangible assets of the development costs incurred during the project phase and related to the execution of the contract with the client not fulfilling a performance obligation as well as those used for their amortization. Note 1.6.3 describes the accounting methods in tangible assets of the property, plant and equipment and tangible assets in progress as well as those used for their amortization.
- As describe in note 1.6.4.2, these intangible assets and depreciable property, plant and equipment are subject to impairment tests when there are indications of impairment loss, and at least annually for the intangible assets in progress. The criteria used by the Group to assess the existence of an indication of impairment loss include recurring losses for an entity, decisions to stop commercializing production or site closures.
- The valuation of capital assets related to development costs and the valuation of property, plant and equipment are considered as a key audit matter due to (i) their significant value in the Group's consolidated financial statements, (ii) judgments to be made by Management to estimate the existence of an indication of impairment loss, and (iii) the recoverable value of these assets.

## OUR RESPONSE

- Regarding the valuation of property, plant and equipment we have:
  - acknowledged the process and analyses performed by the Group;
  - reconciled the file of assets subject to the impairment test with the consolidated financial statements;
  - verified the arithmetical accuracy of the models used to determine the values in use;
  - analyzed the key data and assumptions used to determine the recoverable amount by interviewing the Division CFO, the Group CFO and the CEO.
- Regarding the valuation of the fixed assets related to the development costs, we have:
  - acknowledged the process and analyses performed by the Group to identify the development costs to capitalize;
  - analyzed the estimated development costs incurred for a sample of automotive projects
  - analyzed the depreciation method used in the light of the principles set out in the consolidated financial statements;
  - analyzed the process for the Management to estimate the existence of an indication of impairment loss at year-end and the key data and assumptions used to determine the recoverable amount.

Lastly, regarding the valuation of these assets, we have too:

- compared the discount rates and long-term growth rates used with our internal databases;
- performed sensitivity analyses on the main assumptions used.

## VERIFICATION OF THE GROUP INFORMATION GIVEN IN THE MANAGEMENT REPORT

---

In accordance with the professional standards applicable in France, we have also performed the specific verification required by law of the information relating to the group given in the management report of the Board of Directors.

We have no comments to make as to their fairness and consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.

## INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY REQUIREMENTS

---

### APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Compagnie Plastic Omnium by the annual general meeting held on December 28, 1977 for MAZARS and on April 29, 2010 for ERNST & YOUNG et Autre.

As at December 31, 2019, MAZARS and ERNST & YOUNG et Autres were in the 43<sup>rd</sup> and 10<sup>th</sup> year of total uninterrupted engagement respectively.

Previously, ERNST & YOUNG Audit was statutory auditor since 2001.



## RESPONSIBILITIES OF MANAGEMENT AND CORPORATE GOVERNANCE OFFICERS IN THE CONSOLIDATED FINANCIAL STATEMENTS

---

It is the responsibility of management to prepare consolidated accounts that present a true and fair view in accordance with the IFRS as adopted in the European Union, as well as to implement the internal control that it deems necessary for the preparation of consolidated financial statements. No material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating the ability of the Company to continue as a going concern, to present in these accounts, where appropriate, the necessary information relating to the continuity of operations and operations apply the going concern accounting policy unless it is intended to wind up the company or cease trading.

The Accounts Committee is responsible for following the process of preparing financial information and for monitoring the effectiveness of the internal control and risk management systems and, where applicable, internal audit, as regards procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

## STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

---

### OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

## REPORT TO THE AUDIT COMMITTEE

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We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

*Paris-La Défense, 18th of February 2020*

The Statutory Auditors

*Frend original signed by*

ERNST & YOUNG et Autres  
Gilles PUISSOCHET

MAZARS  
Juliette DECOUX



# 6

## STATUTORY ACCOUNTS 2019

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## 6.1 COMMENTS ON THE STATUTORY ACCOUNTS

### BALANCE SHEET CHANGES

---

The main changes in the balance sheet involved the following items:

- the sale on December 4, 2019 of the commercial real estate assets to the real estate company Sofiparc, wholly-owned by Burelle SA which is also the holding company controlling Compagnie Plastic Omnium. This sale was completed for €127.1 million, excluding taxes. (See Note B)
- the \$30 million (€26.9 million) investment in AP Ventures, a venture capital fund specializing in hydrogen and fuel cells.

At December 31, 2019, Compagnie Plastic Omnium's financial position showed positive net cash of €532.9 million versus positive net cash of €257.1 million at December 31, 2018.

### EARNINGS PERFORMANCE

---

Compagnie Plastic Omnium posted operating revenue of €41.6 million in 2019, compared with €49.7 million in 2018. This revenue can be broken down as follows:

- €29.1 million in trademark license fees from subsidiaries;
- €12.4 million in rents.

Net operating profit was €3.2 million in 2019, compared with a profit of €2.2 million in 2018.

Net financial profit for Compagnie Plastic Omnium was €203.9 million, versus €211.4 million in 2018. The change was largely due to:

- dividends from subsidiaries for €204.9 million in 2019, versus €206.5 million in 2018;
- net expense income on loans, receivables and borrowings of €1.1 million in 2019 vs. a net expense of €8.8 million in 2018;
- net provision charge of €2.6 million in 2019, versus a net provision reversal of €14 million in 2018.

The non-recurring profit of €63.3 million mainly includes the capital gain of €55.2 million on the sale of real estate assets.

After factoring in €63.3 million of non-operating income, net income before tax in 2019 amounted to a positive €270.4 million, compared with €219.7 million in 2018.

Income tax was taxable income of €1.4 million in 2019, compared with €12.1 million in 2018.

As a result, the net profit for 2019 was €271.8 million, compared with €231.8 million in 2018.

No non-deductible overhead expenses were added back to taxable income during 2019, in application of Articles 223 *quater* and 223 *quinquies* of the French General Tax Code.

## 6.2 INCOME STATEMENT

<i>In thousands of euros</i>	Notes	2019	2018
<b>NET SALES<sup>(1)</sup></b>		<b>12,418</b>	<b>12,818</b>
Provision reversals and expense transfers		45	6,760
Other operating revenue <sup>(1)</sup>		29,108	30,094
<b>TOTAL OPERATING REVENUE</b>	<b>J</b>	<b>41,571</b>	<b>49,672</b>
Purchases and other external charges	K	(30,812)	(37,616)
Taxes other than on income		(1,306)	(1,599)
Payroll taxes		(138)	(117)
Depreciation, amortization and provisions	L	(4,590)	(5,025)
Other expenses		(1,531)	(3,105)
<b>TOTAL OPERATING EXPENSES</b>		<b>(38,377)</b>	<b>(47,462)</b>
<b>NET OPERATING INCOME (LOSS)</b>		<b>3,194</b>	<b>2,210</b>
<b>NET FINANCIAL INCOME</b>	<b>M</b>	<b>203,905</b>	<b>211,441</b>
<b>INCOME BEFORE NON-OPERATING ITEMS</b>		<b>207,099</b>	<b>213,651</b>
Non-operating items	N	63,291	6,015
Income before tax		270,390	219,666
Corporate income tax	O	1,384	12,131
<b>NET INCOME</b>		<b>271,774</b>	<b>231,797</b>
<i>(1) Net sales and other operating revenue.</i>		41,526	42,912



## 6.3 BALANCE SHEET

### ASSETS

<i>In thousands of euros</i>	Notes	2019			2018
		Gross values	Depreciation, amortization and provisions	Net amounts	Net amounts
<b>Non-current assets</b>					
Intangible assets	A	993	954	39	51
Property, plant and equipment	B	3,718	560	3,158	78,677
Investments	C	1,873,596	1,063	1,872,533	1,454,424
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,878,307</b>	<b>2,577</b>	<b>1,875,730</b>	<b>1,533,152</b>
<b>Current assets</b>					
Prepayments to suppliers	D	45	0	45	45
Trade receivables	D	6,218	0	6,218	8,168
Other receivables	D	1,037,282	0	1,037,282	1,226,638
Cash and cash equivalents	E	311,603	488	311,115	238,166
<b>TOTAL CURRENT ASSETS</b>		<b>1,355,148</b>	<b>488</b>	<b>1,354,660</b>	<b>1,473,017</b>
Prepaid expenses	F	570	0	570	933
Deferred charges (debt issuance costs)	F	4,096	0	4,096	6,617
Bond redemption premiums	F	3,505	0	3,505	3,376
Translation loss on FX payables and receivables	F	303	0	303	236
<b>TOTAL</b>		<b>3,241,929</b>	<b>3,065</b>	<b>3,238,864</b>	<b>3,017,331</b>

## LIABILITIES

<i>In thousands of euros</i>	Notes	2019	2018
<b>Shareholders' equity</b>			
Share capital	G	8,914	8,914
Additional paid-in capital	G	17,389	17,389
Other reserves	G	1,107,296	983,668
<b>Net income for the year</b>		<b>271,774</b>	<b>231,797</b>
Tax-regulated provisions	G	0	738
<b>TOTAL EQUITY</b>		<b>1,405,373</b>	<b>1,242,506</b>
Provisions for contingencies and charges	H	77,377	71,093
<b>Liabilities</b>			
Bonds		1,614,823	1,614,631
Bank borrowings	I	0	0
Other borrowings	I	43,864	22,500
Trade payables	I	9,687	13,724
Accrued taxes and payroll costs	I	48,253	9,841
Other liabilities	I	39,306	43,024
<b>TOTAL LIABILITIES</b>	<b>I</b>	<b>1,755,933</b>	<b>1,703,720</b>
Prepaid expenses and accrued income-liabilities		181	12
<b>TOTAL</b>		<b>3,238,864</b>	<b>3,017,331</b>

Note: Net cash and cash equivalents of Compagnie Plastic Omnium of +€532.9 million in 2019 (including medium- and long-term loans) versus +€257.1 million in 2018.



## 6.4 NOTES TO THE STATUTORY ACCOUNTS

*In thousands of euros*

	2019	2018
<b>Financial position</b>		
Capital	8,914	8,914
Shareholders' equity	1,405,373	1,242,506
Net cash and cash equivalents	532,851	257,059
Net non-current assets	1,875,730	1,533,152
<b>TOTAL ASSETS</b>	<b>3,238,864</b>	<b>3,017,331</b>
<b>Businesses</b>		
Operating revenue	41,571	49,672
Net operating income (loss)	3,194	2,210
Income before non-operating items	207,099	213,651
Non-operating items	63,291	6,015
<b>NET INCOME</b>	<b>271,774</b>	<b>231,797</b>
<b>NET INCOME PER SHARE (IN EUROS)</b>	<b>1.8</b>	<b>1.6</b>

### SIGNIFICANT EVENTS OF THE YEAR

On December 4, 2019 Compagnie Plastic Omnium sold its non-industrial real estate assets to the real estate company Sofiparc, wholly owned by Burelle SA, which is also the holding company with control of Compagnie Plastic Omnium. This sale was completed for €127.1 million, excluding tax. The resulting capital gain was €55.2 million.

On July 16, 2019 Compagnie Plastic Omnium joined as a co-sponsor and member of the Investment Advisory Committee of AP Ventures, a venture capital fund specializing in hydrogen and fuel cells. Compagnie Plastic Omnium's commitment is \$30 million, or €26.9 million, over the life of the fund.

Upon authorization by the Combined Shareholders' Meeting of April 26, 2018, the Board of Directors decided on May 2, 2019 to award 400,000 performance shares to the employees and corporate officers of Compagnie Plastic Omnium and/or of companies in its Group. These performance shares will vest on May 2, 2023. The cost associated with this plan was estimated at €7.5 million on December 31, 2019. On the vesting date of the shares, the relevant subsidiaries with plan beneficiaries will be re-invoiced.

### CHANGES IN FINANCIAL POSITION

Compagnie Plastic Omnium has granted subsidiaries €402.4 million in net additional financing in the form of loans over the fiscal year. (see note C).

### ACCOUNTING POLICIES AND PRINCIPLES

The financial statements of Compagnie Plastic Omnium have been prepared in accordance with the provisions of the French Commercial Code and the French General Accounting Plan (ANC regulation 2014-03 of June 5, 2014 amended by regulation no.2018-07 of December 10, 2018). The annual financial statements incorporate regulation 2015-05 of the French Accounting Standards Board (ANC) relating to forward financial instruments and hedging transactions.

The accounting conventions for preparing and presenting the Company statutory accounts have been applied in accordance with the following basic assumptions:

- going-concern;
- consistency of accounting principles;
- separation of accounting periods.

The basic method used for the items presented in the accounts is the historical cost method.

The accounting policies used to prepare the 2019 financial statements are the same as those used in 2018. The significant accounting policies applied are described below:

#### Property, plant and equipment

Property, plant and equipment are initially recognized at cost and depreciated on a straight-line basis over their estimated useful lives, as follows:

- buildings: 20-40 years;
- fixtures and fittings: 10 years;
- office equipment and furniture: 5-10 years.

When the component approach is applied, the Company uses different depreciation periods for each significant part of the same fixed assets

when one of these components has a different useful life from the main asset of which it is a component.

### Equity investments and related receivables

The shares in subsidiaries and affiliates are composed of investments that enable control of the issuing company or notable influence to be exercised over it. They are intended to be retained over the long term and to contribute to the business of the holding company.

Gross values of investments in subsidiaries and affiliates are initially recognized at cost or transfer value. If applicable, a provision for impairment will be booked when the value in use or the probable realization value is lower than the net book value.

Value in use is determined by taking into account the share of net equity and profit outlook in view of current market conditions as set out in the subsidiaries' medium-term business plans.

Related receivables are valued at their par value. Depreciation is recorded where the inventory value is less than the carrying amount. Related receivables are impaired through a provision by taking into account the overall situation and the likelihood of non-recovery.

### Other long-term investments

The other long-term investments are securities that the company intends to hold for the long term without involvement in the management of the companies in which the securities are held.

The gross value of the other long-term investments corresponds to the acquisition cost. If applicable, a provision for impairment will be booked when the value in use or the probable realization value is lower than the net book value.

### Treasury stock

The Company has been authorized by shareholders to purchase its own shares to maintain a liquid market for its shares under a liquidity contract with an investment firm, reduce the share capital by canceling shares, cover current or future stock option or stock grant plans for employees and corporate officers of the Group, or hold in treasury for subsequent delivery in exchange for payment for acquisitions.

The accounting classification of treasury shares depends on its final purpose:

- treasury shares intended for cancellation and allocated to a future capital reduction or acquired as part of a liquidity contract are recognized as long-term investment;
- treasury shares bought back to be granted to employees as part of a stock-option plan or performance share plan are recognized as short-term investment securities.

Treasury shares are measured in line with their accounting classification (investments, stock option plans or performance share plans, shares acquired under the liquidity contract) using a FIFO (first in, first out) method.

The gross value equals the acquisition price, and treasury shares are valued at the average market price of the latest month. Impairment is recognized where the gross value is higher than the carrying amount, except for treasury shares intended for cancellation. For shares allocated

to covering stock option plans, their fair value is the lower of the exercise price of the options granted. For treasury shares allocated to the grant of performance shares, a provision for expenses is recognized for the total value of the treasury shares allocated to the employees and corporate officers of Compagnie Plastic Omnium and its subsidiaries.

For shares otherwise classified, market value is determined on the basis of the average quoted stock market price during the month before the balance sheet date.

### Receivables

Receivables are valued at their nominal value. Depreciation is recorded where the inventory value is less than the carrying amount. Receivables are depreciated through provisions that take into account possible recovery problems.

### Short-term investment securities

The short-term investment securities are valued by securities category (shares held as part of the liquidity agreement, unallocated treasury shares, other short-term investment securities), using a FIFO (first in, first out) method.

When necessary, they are impaired, calculated for each line of similar securities.

For securities that represent listed securities, the impairment is booked to bring their value to the closing price.

### Cash and cash equivalents

These include cash, and other items with a similar nature to cash, on hand and at the bank, as well as warrants that may be redeemed at any time after they have been subscribed.

Cash and cash equivalents are valued at their nominal value.

### Foreign currency transactions

At closing, monetary items in foreign currencies are converted on the balance sheet at the exchange rates in effect at the closing date as an offset to items in "Translation differences - Assets/Liabilities" on the balance sheet, except for hedges, in which case revaluations are carried in net financial income and are offset by the impacts recognized on the hedging instrument. Unrealized foreign exchange gains are not recognized in accounting income.

A provision for foreign exchange losses is recognized for the total amount of unrealized losses, except for the following situations:

- in the case of a hedge, the provision is recognized only for the amount of unhedged exposure;
- when unrealized gains or losses on foreign exchange relate to transactions in a single currency maturing in the same accounting period, the provision is limited to the excess of the losses over the gains, based on the overall foreign exchange position.

Bank accounts in foreign currencies are valued on the balance sheet at the exchange rate in effect at the closing date as an offset to foreign exchange gain or losses.



### Financial instruments and hedging instruments

The Company may at times use currency derivative to hedge the currency risk on loans granted to Group companies. Realized foreign exchange gains or losses on these derivatives are recognized in financial income to match those of the hedged items.

Unrealized gains and losses on foreign exchange are recognized in financial assets and liabilities as offsets to the income statement, to show on the balance sheet their exact correspondence with the monetary items in hedged currencies.

Swaps are spread in the income statement under financial income/expense over the hedging term.

At December 31, 2019, the Company does not hold any derivative instrument that does not qualify as a hedge.

### Provisions for contingencies and charges

Provisions for contingencies and charges are recognized when:

- the Company is bound by a legal or implicit obligation resulting from past events;
- a likely outflow of resources, without any equivalent benefit, is required to extinguish the obligation;
- the amount of the provision can be reliably measured.

### Current borrowings and financial debt

Debts are recognized at their nominal reimbursement value. They are not discounted.

Issuance costs and redemption premiums incurred at the time of borrowing are recognized as assets and spread over the life of the bond using the compound interest rate method.

### Revenue

Revenue is booked to profit (loss) if it is:

- realized, *i.e.* if the principle and amount are certain;
- and it was acquired during the year.

### Corporate income tax

The Company is the parent company of the tax consolidation group that it constitutes with its subsidiaries.

The subsidiaries of the tax consolidation scope contribute the amount that they would have had to pay if there was no consolidation to the Group's tax consolidation tax expense.

The additional tax savings or expense resulting from the difference between the tax owed by consolidated subsidiaries and the tax resulting from the determination of the overall profit/loss is recorded by the parent company.

### Non-operating items

Non-operating income and expenses include exceptional items, as well as items qualified as exceptional in their nature under accounting law, primarily income from non-current asset disposals.

## NOTES TO THE BALANCE SHEET

### A – INTANGIBLE ASSETS

<i>In thousands of euros</i>	2018	+	-	2019
Patents, trademarks and licenses	995		2	993
<b>TOTAL, GROSS</b>	<b>995</b>		<b>2</b>	<b>993</b>
Accumulated amortization	(944)	(12)	2	(954)
<b>TOTAL, NET</b>	<b>51</b>	<b>(12)</b>	<b>0</b>	<b>39</b>

### B – PROPERTY, PLANT AND EQUIPMENT

<i>In thousands of euros</i>	2018	+	-	2019
Land	2,287		2,274	13
Buildings	85,789	124	85,913	0
Fixtures and fittings	2,008	94	1,975	127
Office equipment and furniture	4,152		576	3,576
Property, plant and equipment in progress	30	49	77	2
Prepayments to suppliers of non-current assets	0			0
<b>TOTAL, GROSS</b>	<b>94,266</b>	<b>267</b>	<b>90,815</b>	<b>3,718</b>
Accumulated amortization	(15,589)	(3,441)	18,470	(560)
<b>TOTAL, NET</b>	<b>78,677</b>	<b>(3,174)</b>	<b>72,345</b>	<b>3,158</b>

On December 4, 2019 Compagnie Plastic Omnium sold its commercial real estate assets to the real estate company Sofiparc, wholly-owned by Burelle SA which is also the holding company controlling Plastic Omnium.

This sale for €127.1 million (with VAT of €22.8 million) generated a profit on sale of €55.2 million.

### C – INVESTMENTS

<i>In thousands of euros</i>	2018	+	-	2019
Shares in subsidiaries and affiliates	954,714	1	0	954,715
Other long-term investments	26,556	28,060	772	53,844
Loans	475,587	554 483	165 033	865,037
<b>TOTAL, GROSS</b>	<b>1,456,857</b>	<b>582 544</b>	<b>165 805</b>	<b>1,873,596</b>
Provisions for impairment	(2,433)	0	1,370	(1,063)
<b>TOTAL, NET</b>	<b>1,454,424</b>	<b>582 544</b>	<b>164 435</b>	<b>1,872,533</b>

Other long-term investments mainly comprise:

- €20 million commitment in the Aster IV professional equity fund of Aster Capital Partners SAS, specialized in the energy, industry and mobility sectors;
- €26.9 million commitment in AP Ventures, a venture capital fund specializing in hydrogen and fuel cells;

- 113,614 treasury shares allocated to market-making and valued at €2.8 million;
- 55,700 treasury shares canceled and valued at €1.2 million.

Loans consist of medium- and long-term financing provided to entities of Plastic Omnium Group.



The list of subsidiaries and affiliates is presented as follows:

<b>Subsidiaries</b>	<b>Share capital and currency</b>	<b>% interest</b>
PLASTIC OMNIUM AUTO EXTERIORS SA - 19, boulevard Jules-Carteret- 69007 Lyon- France	€87,156,000	100.0%
PLASTIC OMNIUM AUTO INERGY SAS- 19, boulevard Jules-Carteret- 69007 Lyon- France	€119,796,330	100.0%
PLASTIC OMNIUM GESTION SNC - 19, boulevard Jules-Carteret - 69007 Lyon - France	€2,011,500	100.0%
PLASTIC OMNIUM FINANCE SNC - 19, boulevard Jules-Carteret - 69007 Lyon - France	€247,500	100.0%
PLASTIC OMNIUM MANAGEMENT 3 SAS - 19, boulevard Jules-Carteret - 69007 Lyon - France	€37,500	100.0%
PLASTIC OMNIUM GmbH - Romanstrasse 35 - 80639 Munich - Germany	€13,500,000	100.0%
PLASTIC OMNIUM RE AG - Schochenmühlestrasse 2 - 6340 Baar - Switzerland	CHF 16,167,000	100.0%
PLASTIC OMNIUM INC. - 1209 Orange Street, Wilmington, Delaware 19801 - United States	\$60,100	100.0%
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING CO. LTD 3502, Block 2, 391 Guiping Road - Xuhui District - Shanghai - PR China	€250,000	100.0%
PLASTIC OMNIUM HOLDING (Shanghai) CO. LTD RM 3501, F35 Building 2 no. 391 Guiping Road Shanghai - PR China	€70,000,000	100.0%
<b>Affiliates</b>		
BPO AS - Y. Yalova Yolu 8 km, Panayir - Bursa - Turkey	TRL 5,000,000	50.0%

## D - RECEIVABLES

<i>In thousands of euros</i>	<b>2019</b>	<b>Maturity date &lt;1 year</b>	<b>Maturity date &gt;1 year</b>
Prepayments to suppliers	45	45	
Trade receivables	6,218	6,218	
Tax receivables	49,415	19,278	30,137
Short-term loans - Current accounts	972,504	972,504	
Other receivables	15,363	15,363	
<b>TOTAL, NET</b>	<b>1,043,545</b>	<b>1,013,408</b>	<b>30,137</b>

Trade receivables mainly consisted of €3.5 million of accrued income from companies of the Compagnie Plastic Omnium Group, including €2.4 million in royalties and €0.9 million for the re-invoicing of patent protection costs.

Tax receivables primarily include:

- €31.4 million of research tax credits from consolidated subsidiaries;
- €13.1 million of competitiveness and employment tax credits from subsidiaries consolidated for tax purposes in the fiscal years 2016 to 2018;
- €3.1 million of unallocated tax withholding;
- €1.4 million of deductible VAT.

Amounts received as competitiveness and employment tax credits will be used by wholly-owned subsidiaries in accordance with Article 244 quater C of the French General Tax Code.

Other receivables mainly include:

- the tax current accounts owed by the various member companies of the tax group of which Compagnie Plastic Omnium is the parent company, for an amount of €5.2 million;
- the earn-out for the sale of the Performance Plastics Products (3P) business for €2.6 million under the agreement finalized in 2019 with the acquirer;
- a debt owed by the subsidiaries of €7.5 million for the 400,000 shares subject to the Performance Shares Free Award plan. The cost of this plan will be invoiced by Compagnie Plastic Omnium to the subsidiaries whose employees and corporate officers benefit from the plan. (See the Note Significant events of the fiscal year).

## E – CASH AND CASH EQUIVALENTS

<i>In thousands of euros</i>	2018	+	-	2019
Short-term investment securities	46,257	3,829		50,086
Other short-term investment securities	69,048	5,000	9,004	65,044
Bank accounts	124,407	72,066		196,473
<b>TOTAL, GROSS</b>	<b>239,712</b>	<b>80,895</b>	<b>9,004</b>	<b>311,603</b>
Provisions for short-term investment securities	(1,546)		1,058	(488)
<b>TOTAL, NET</b>	<b>238,166</b>	<b>80,895</b>	<b>7,946</b>	<b>311,115</b>

The item “Short-term investment securities” includes 1,819,185 treasury shares reserved for stock option plans, with a gross value of €42.6 million and 400,000 treasury shares reserved for the Performance Shares Free Award plan with a gross value of €7.5 million.

A provision for impairment of €0.3 million was recognized in respect of the shares held and allocated to stock purchase plans but not yet awarded.

At December 31, 2019, Compagnie Plastic Omnium had granted the following stock options:

- Plan authorized by the Extraordinary Shareholders' Meeting of April 25, 2013 and decided by the meeting of the Board of Directors of July 23, 2013: 176,800 stock options

- Plan authorized by the Extraordinary Shareholders' Meeting of April 25, 2013 and decided by the meeting of the Board of Directors of July 21, 2015: 1,055,000 stock options

- Plan authorized by the Extraordinary Shareholders' Meeting of April 28, 2016 and decided by the meeting of the Board of Directors of February 22, 2017: 485,000 stock options.

The item “Other short-term investment securities” totaling €65 million consists of €50 million in mutual funds, €5 million in negotiable medium-term notes and €10 million in short-term investments. The mutual funds are covered by an impairment provision of €0.2 million.

## F – PREPAID EXPENSES AND ACCRUED INCOME

<i>In thousands of euros</i>	2019	2018
Prepaid expenses	570	933
Deferred charges (debt issuance costs)	4,096	6,617
Bond redemption premiums	3,505	3,376
Translation loss on FX payables and receivables	303	236
<b>TOTAL, NET</b>	<b>8,474</b>	<b>11,162</b>

## G – CHANGE IN EQUITY

<i>In thousands of euros</i>	2018	+	-	2019
Capital	8,914			8,914
Additional paid-in capital	17,389			17,389
Revaluation reserve	245			245
Legal reserve	1,501			1,501
Other reserves	8,956			8,956
Carried forward	972,966	231,797	108,169	1,096,594
Net income for the year	231,797	271,774	231,797	271,774
Tax-regulated provisions	738	40	778	
<b>TOTAL</b>	<b>1,242,506</b>	<b>503,611</b>	<b>340,744</b>	<b>1,405,373</b>

After the disposal of the real estate, the special depreciation allowances were almost entirely reversed.



At December 31, 2019, share capital amounted to €8,913,966.42, consisting of 148,566,107 shares of €0.06 each.

The number of shares held as treasury shares totals 2,388,499 and represents 1.61% of the Company's capital.

Movements for the year concerning treasury shares were as follows:

<i>In number of shares</i>	<b>Number as at 01/01/2019</b>	<b>Purchases</b>	<b>Sales</b>	<b>Share transfers</b>	<b>Number as at 12/31/2019</b>
Treasury shares intended for award and not allocated	0	230,000	0	(230,000)	0
Treasury shares held for cancellation	0	55,700			55,700
Treasury shares allocated to stock option plans	2,180,347	0	(191,162)	(170,000)	1,819,185
Treasury shares allocated to the Performance Shares Free Award plan <sup>(1)</sup>	0	0	0	400,000	400,000
Treasury shares allocated to liquidity contracts	110,583	1,222,209	(1,219,178)	0	113,614
<b>TOTAL</b>	<b>2,290,930</b>	<b>1,507,909</b>	<b>1,410,340</b>	<b>0</b>	<b>2,388,499</b>

(1) See Note "Significant events of the fiscal year"

<i>In value In thousands of euros</i>	<b>Amount at 01/01/2019</b>	<b>Purchases</b>	<b>Sales</b>	<b>Share transfers</b>	<b>Gross value at 12/31/2019</b>
Treasury shares intended for award and not allocated	0	5,867	0	(5,867)	0
Treasury shares held for cancellation		1,164			1,164
Treasury shares allocated to stock option plans	46,257	0	(2,037)	(1,598)	42,622
Treasury shares allocated to the Performance Shares Free Award plan	0	0	0	7,465	7,465
Treasury shares allocated to liquidity contracts	3,593	28,703	(29,475)	0	2,821
<b>TOTAL</b>	<b>49,850</b>	<b>35,734</b>	<b>(31,512)</b>	<b>0</b>	<b>54,072</b>

## H – PROVISIONS FOR CONTINGENCIES AND CHARGES

<i>In thousands of euros</i>	<b>2018</b>	<b>+</b>	<b>Utilized (-)</b>	<b>Surplus (-)</b>	<b>2019</b>
Provisions for foreign exchange losses	237	303		237	303
Provisions for risks and other contingencies	6,758	11,165			17,923
Provisions for taxes (see Note O)	64,098	0		4,947	59,151
<b>TOTAL</b>	<b>71,093</b>	<b>11,468</b>	<b>0</b>	<b>(5,184)</b>	<b>77,377</b>

Compagnie Plastic Omnium recognized a €7.5 million charge with respect to the 400,000 free performance shares granted to employees and corporate officers of Compagnie Plastic Omnium and its subsidiaries.

A provision for financial risks of €2.8 million was recognized for the net negative position of one of its subsidiaries, bringing the total amount of the provision to €9.4 million.

During the year, Compagnie Plastic Omnium reversed €4.9 million of a provision for taxes to reflect use by the tax group of tax losses likely to be used by its subsidiaries, thus bringing the amount of this provision at €59.1 million at December 31, 2019.

## I - LIABILITIES

<i>In thousands of euros</i>	2019	Maturity date < 1 year	Maturity date 1-5 years	Maturity date > 5 years
Bonds	1,614,823	514,823	800,000	300,000
Bank borrowings	-	-		
Other borrowings	43,864	43,864		
<b>TOTAL NET FINANCIAL LIABILITIES</b>	<b>1,658,687</b>	<b>558,687</b>	<b>800,000</b>	<b>300,000</b>
Trade payables	9,687	9,687		
Accrued taxes and payroll costs	48,253	48,253		
Other liabilities	39,306	13,489	25,817	
<b>TOTAL</b>	<b>1,755,933</b>	<b>630,116</b>	<b>825,817</b>	<b>300,000</b>

### Net financial liabilities

#### Bonds

The key features of bonds issued are as follows:

#### Bond issue of May 21, 2013

Bond issue	Euro Bond
Issue ( <i>in euros</i> )	500,000,000
Maturity	May 29, 2020
Annual coupon - Fixed rate	2.875%
Listed	Euronext Paris

#### Schuldschein private placement of June 16, 2016

Private placement	Schuldschein
Issue ( <i>in euros</i> )	300,000,000
Maturity	June 17, 2023
Annual coupon - Fixed rate	1.478%

#### Bond issue of June 26, 2017

Bond issue	Euro Bond
Issue ( <i>in euros</i> )	500,000,000
Maturity	June 26, 2024
Annual coupon - Fixed rate	1.250%
Listed	Euronext Paris

#### Schuldschein private placement of December 21, 2018

Private placement	Schuldschein
Issue ( <i>in euros</i> )	300,000,000
Maturity	December 21, 2025
Annual coupon - Fixed rate	1.632%

The accrued interest payable on loans totaled €14.8 million at December 31, 2019.



### Bank borrowings

Other borrowings mainly consisted of:

- the remaining financial commitment to the Aster VI institutional venture capital (FPCI) fund of €16.7 million;
- the remaining financial commitment to the AP Ventures fund of €23.4 million;
- and hedging instruments against currency risk for €0.8 million.

### Portfolio at December 31, 2019

Currency <i>In thousands of euros</i>	Nominal Currency	Fair value Assets	Fair value Liabilities	Fair value
CNY/EUR	190,000	20	(224)	(204)
USD/EUR	213,300	4,070	(625)	3,445
<b>TOTAL</b>		<b>4,090</b>	<b>(849)</b>	<b>3,241</b>

### Portfolio at December 31, 2018

Currency <i>In thousands of euros</i>	Nominal Currency	Fair value Assets	Fair value Liabilities	Fair value
CNY/EUR	350,000	130	(228)	(98)
USD/EUR	113,300	57	(939)	(882)
<b>TOTAL</b>		<b>187</b>	<b>(1,167)</b>	<b>(980)</b>

### Trade payables, tax and other liabilities

Compagnie Plastic Omnium had an income tax payable in relation to the tax consolidation group of €25.9 million and a VAT payable of €21.8 million on December 31, 2019 related to the sale of real estate assets.

Other liabilities mainly relate to tax current accounts with the other corporate members of the tax group for €38.4 million (including €35.9 million relating to tax credits).

### Accrued expenses

<i>In thousands of euros</i>	Amount
Other bonds, accrued interest	14,823
Bank borrowings and liabilities	0
Net financial liabilities	0
Trade payables	8,718
Other liabilities	777
<b>TOTAL</b>	<b>24,318</b>

### Forward financial instruments and hedging transactions

The currency swaps portfolio, created to hedge foreign-currency loans granted to subsidiaries stood as follows:

## Related companies

### Balance sheet items

*In thousands of euros*

	Related parties
<b>Assets</b>	
Shares in subsidiaries and affiliates	954,677
Loans	864,816
Trade receivables	6,059
Short-term loans – Current accounts	972,503
Other receivables	12,669
<b>Liabilities</b>	
Trade payables	940
Other liabilities	38,486

## NOTES TO THE INCOME STATEMENT

### J – NET SALES AND OTHER OPERATING REVENUE

Total operating revenue excluding expense transfers and provision reversals breaks down as follows:

<i>In thousands of euros</i>	2019	2018
<b>By business segment</b>		
Rental payments and other expenses re-invoiced	12,418	12,818
License and service fees	29,059	30,033
<b>TOTAL</b>	<b>41,477</b>	<b>42,851</b>
<b>By region</b>		
France	16,086	18,064
International	25,391	24,787
<b>TOTAL</b>	<b>41,477</b>	<b>42,851</b>

### K – PURCHASES AND OTHER EXTERNAL CHARGES

<i>In thousands of euros</i>	2019	2018
General management services	861	1,765
Overheads and headquarters expenses	2,453	2,117
Professional fees	8,310	12,426
Advertising, print collateral and publication	2,451	4,332
Travel and entertainment	2,052	1,757
Bank charges	4,272	5,830
Other purchases and external charges	10,413	9,389
<b>TOTAL</b>	<b>30,812</b>	<b>37,616</b>

Professional fees mainly arose from external growth projects or the disposal of subsidiaries.



## L – DEPRECIATION, AMORTIZATION AND IMPAIRMENT

<b>Change in depreciation</b> <i>In thousands of euros</i>	<b>2018</b>	<b>+</b>	<b>-</b>	<b>2019</b>
Trademarks, patents and software	944	13	(3)	954
Land development	845	208	(1,053)	0
Buildings	13,087	2,885	(15,972)	0
Fixtures and fittings	783	174	(877)	80
Office equipment and furniture	874	174	(568)	480
<b>TOTAL</b>	<b>16,533</b>	<b>3,454</b>	<b>(18,473)</b>	<b>1,514</b>

Following the disposal on December 4, 2019 of the non-industrial real estate assets to Sofiparc, depreciation on buildings, facilities and fittings was fully reversed.

<b>Changes in provisions for impairment</b> <i>In thousands of euros</i>	<b>2018</b>	<b>+</b>	<b>-</b>	<b>2019</b>
<b>On assets</b>				
Investments	2,433	0	1,370	1,063
Other receivables	10,294	0	10,294	0
Cash and cash equivalents	1,546	488	1,546	488
<b>TOTAL</b>	<b>14,273</b>	<b>488</b>	<b>13,210</b>	<b>1,551</b>
<b>On liabilities</b>				
Tax-regulated provisions	739	40	779	0
Provisions for contingencies and charges	71,092	11,469	5,184	77,377
<b>TOTAL</b>	<b>71,831</b>	<b>11,509</b>	<b>-5,963</b>	<b>77,377</b>

Following the agreement finalized in 2019 with the acquirer, the earn-out for the sale of the business of Performance Plastics Products (3P), previously fully impaired for €10.3 million, was exceptionally reversed. The related debt was recognized as a non-operating expense at €7.7 million.

The net increase in provisions for contingencies and charges includes:

- an exceptional provision of €7.5 million for the 400,000 performance shares granted to employees and corporate officers of Compagnie Plastic Omnium and its subsidiaries,
- a financial provision of €2.8 million for the negative position of one of its subsidiaries,
- an exceptional €4.9 million reversal of the tax provision concerning deficits likely to be used by the subsidiaries (see note H)

## M – NET FINANCIAL INCOME

<i>In thousands of euros</i>	<b>2019</b>	<b>2018</b>
Dividend income	204,936	206,480
Other financial income and expenses	218	250
Interest income and expense	1,118	(8,762)
Net gain on disposal of short-term investment securities	0	0
Foreign exchange gains and losses	285	(516)
Provision charges and reversals	(2,652)	13,989
<b>TOTAL</b>	<b>203,905</b>	<b>211,441</b>

Dividend income includes €110 million in dividends from French subsidiaries and €95 million received from international subsidiaries.

The increase in interest income was related to the increase in loans granted to subsidiaries.

## N – NON-OPERATING ITEMS

<i>In thousands of euros</i>	2019		
	Products	Expenses	Net
On revenue transactions		463	(463)
On disposals of property, plant and equipment	127,523	72,297	55,226
Other non-operating income and expenses	9,617	9,603	14
Provision charges and reversals	16,020	7,506	8,514
<b>TOTAL</b>	<b>153,160</b>	<b>89,869</b>	<b>63,291</b>

Following the sale on December 4, 2019 of non-industrial real estate assets to the property company Sofiparc, the capital gain stands at €55.2 million.

The reversal of the net provision of €8.5 million mainly corresponds to:

- the €2.6 million positive impact on the debt concerning the sale price of the business of Performance Plastics Products (3P) resulting from the agreement finalized in 2019 with the acquirer,
- a €4.9 million reversal of the tax provision in relation to subsequent use of deficits by the subsidiaries,
- the €0.7 million reversal of accelerated depreciation, related to the sale of real estate assets.

## Related companies

### Income statement items

*In thousands of euros*

	Related parties
<b>Products</b>	
Net sales and other operating revenue	34,910
Financial income	247,681
Non-operating income	134,988
<b>Expenses</b>	
Operating expenses	(13,223)
Interest cost	(5,077)
Non-operating expenses	(72,296)

## O – CORPORATE INCOME TAX

<i>In thousands of euros</i>	2019 Results		
	Current portion	Non-operating items	Net
* Income before tax	207,099	63,291	270,390
* Tax adjustments	(186,556)	(4,947)	(191,503)
= Tax base	20,543	(58,344)	78,887
<b>Theoretical tax (34.43%)</b>	<b>(7,073)</b>	<b>(20,088)</b>	<b>(27,161)</b>
<b>INCOME AFTER TAX AT THEORETICAL (STANDARD) RATE</b>	<b>200,026</b>	<b>43,203</b>	<b>243,229</b>
<b>Impact of Group relief</b>			<b>14,635</b>
<b>Other tax impacts</b>			<b>13,910</b>
<b>TOTAL CORPORATE INCOME TAX</b>			<b>1,384</b>
<b>INCOME AFTER TAX</b>			<b>271,774</b>

Compagnie Plastic Omnium is the parent company of a tax consolidation group comprising 17 entities.

The tax consolidation impact for 2019 was income of €14.6 million.



The other positive impacts for an amount of €13.9 million mainly represent income tax on the share of the individual carryforward in previous fiscal years, charged to the fiscal year 2019 profit for tax purposes.

The tax group has tax loss carryforwards totaling €49.5 million (excluding the loss from the widened basis of €2.4 million), equivalent to future tax savings of €12.8 million.

Compagnie Plastic Omnium also reversed the €4.9 million tax provision to adjust the amount of carryforwards used by the Group and likely to be offset subsequently by its subsidiaries.

Unrecognized deferred tax assets and liabilities excluding tax loss carryforwards, calculated at a tax rate of 25.82%, broke down as follows at December 31, 2019:

<i>In thousands of euros</i>	2019
Translation adjustment on FX payables 2019	47
Translation adjustment on FX receivables 2019	(78)
<b>Total net deferred tax asset</b>	<b>(31)</b>

## OTHER DISCLOSURES

### OFF BALANCE SHEET COMMITMENTS

#### Commitments given

<i>In thousands of euros</i>	2019
Guarantees <sup>(1)</sup>	275,742
Collateral	-
<b>TOTAL</b>	<b>275,742</b>

(1) Guarantees given to banks on behalf of subsidiaries as part of their financing.

#### Loans and advances to senior executives

No loans or advances were made to senior managers as defined in Article L. 225-43 of the French Commercial Code.

#### Compensation of management bodies

The total compensation paid to the Board of Directors in 2019 amounted to €682,948.

#### Subsequent events

A change to the corporate legal structure was completed on January 22, 2020, setting up the operational branch Plastic Omnium Modules, now held directly by Compagnie Plastic Omnium.

#### Other

The identity of the parent company consolidating the financial statements of Compagnie Plastic Omnium: Burelle SA – 19, boulevard Jules-Carteret-69342 Lyon Cedex 07.

At December 31, 2019, Burelle SA held 58.78% of the capital of Compagnie Plastic Omnium versus 58.51% at December 31, 2018 (% excluding treasury shares).

## 6.5 FIVE-YEAR FINANCIAL SUMMARY

<i>In thousands of euros</i>	2015	2016	2017	2018	2019
<b>1 – Capital at year end</b>					
a) Share capital	9,215	9,149	9,058	8,914	8,914
b) Shares outstanding	153,576,720	152,476,720	150,976,720	148,566,107	148,566,107
c) Convertible bonds outstanding	0	0	0	0	0
<b>2 – Transactions and profit/(loss) for the year</b>					
a) Net sales excluding tax and other operating revenue	38,395	40,230	43,994	49,672	41,571
b) Profit before tax, depreciation, amortization and provisions	223,159	171,273	(11,484)	210,014	269,118
c) Corporate income tax	11,041	3,372	17,559	12,131	1,384
d) Net income	222,893	46,670	111,728	231,797	271,774
e) Dividends	62,966	74,714	98,821	108,169	109,939
<b>3 – Earnings per share(1)</b>					
a) Profit after tax, before depreciation, amortization and provisions	1.33	1.15	0.04	1.50	1.82
b) Profit after tax, depreciation, amortization and provisions	1.45	0.31	0.74	1.56	1.84
c) Dividend paid per share	0.41	0.49	0.67	0.74	0.74
<b>4 – Employees</b>					
a) Number of employees	0	0	0	0	0
b) Total payroll	0	0	0	0	0
c) Employee benefits expense (social security, private welfare programs, etc.)	0	0	0	0	0



## 6.6 SUBSIDIARIES AND AFFILIATES

<b>Subsidiaries</b>	<b>Share capital</b>	<b>% interest</b>
PLASTIC OMNIUM AUTO EXTERIORS SA 19, boulevard Jules-Carteret – 69007 Lyon – France	€87,156,000	100.0%
PLASTIC OMNIUM AUTO INERGY SAS 19, boulevard Jules-Carteret – 69007 Lyon – France	€119,796,330	100.0%
PLASTIC OMNIUM GESTION SNC 19, boulevard Jules-Carteret – 69007 Lyon – France	€2,011,500	100.0%
PLASTIC OMNIUM FINANCE SNC 19, boulevard Jules-Carteret – 69007 Lyon – France	€247,500	100.0%
PLASTIC OMNIUM MANAGEMENT 4SAS 19, boulevard Jules-Carteret – 69007 Lyon – France	€37,500	100.0%
PLASTIC OMNIUM GmbH Romanstrasse 35 – 80639 Munich – Germany	€13,500,000	100.0%
PLASTIC OMNIUM RE AG Schochenmühlestrasse 2 – 6340 Baar – Switzerland	CHF 16,167,000	100.0%
PLASTIC OMNIUM INC. 1209 Orange Street, Wilmington, Delaware 19801 – United States	\$60,100	100.0%
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING CO. LTD 3502, Block 2, 391 Guiping Road – Xuhui District – Shanghai – PR China	€250,000	100.0%
PLASTIC OMNIUM HOLDING (Shanghai) CO. LTD RM 3501, F35 Building 2 no. 391 Guiping Road Shanghai – PR China	€70,000,000	100.0%

### **Affiliates**

BPO AS Y. Yalova Yolu 8 km, Panayir – Bursa – Turkey	TRL 5,000,000	50.0%
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### *In thousands of euros*

	<b>Subsidiaries</b>	<b>Affiliates</b>
Carrying amount of shares held		
• Gross	950,484	4,231
• Net	950,446	4,231
Loans and advances granted	1,465,362	0
Dividends received	199,379	5,557

## TABLE OF SUPPLIER AND CUSTOMER PAYMENT TERMS AS REFERRED TO IN ARTICLE D. 441-4 OF THE FRENCH COMMERCIAL CODE

Invoices received or issued but not paid and overdue as of the reporting date (Table pursuant to Article D. 441-4-1 of the French Commercial Code)

	<b>Article D. 441 I. -1 of the French Commercial Code: Invoices received and unpaid at the reporting date which are past due</b>						<b>Article D. 441 I. -2 of the French Commercial Code: Invoices issued and unpaid at the reporting date which are past due</b>					
	<b>0 days (as reference)</b>	<b>1 to 30 days</b>	<b>31 to 60 days</b>	<b>61 to 90 days</b>	<b>91 days and over</b>	<b>Total (1 day and over)</b>	<b>0 days (as ref- erence)</b>	<b>1 to 30 days</b>	<b>31 to 60 days</b>	<b>61 to 90 days</b>	<b>91 days and over</b>	<b>Total (1 day and over)</b>
<i>In thousands of euros</i>												
<b>(A) Portion past due</b>												
Number of invoices in question	-	-	-	-	-	55	-	-	-	-	-	44
Total amount of invoices in question including tax	-	344	172	46	35	597	-	0	0	0	1,508	1,508
Percentage of total purchases including tax in the period	-	0.9%	0.5%	0.1%	0.1%	1.6%						-
Percentage of year's revenue including tax							-	-	-	-	3.0%	3.0%
<b>(B) Invoices excluding (A) involving disputed or non-recognized liabilities and receivables</b>												
Number of invoices excluded						0						0
Total amount of invoices excluded						0.00						0,00
<b>(C) Reference payment periods used (contractual or legal period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)</b>												
Payment periods used in calculating late payments	30 days from invoice date – 30 days from the end of the month 45 days from invoice date – 45 days from the end of the month 60 days from invoice date										Upon receipt	



## 6.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### FOR THE YEAR ENDED DECEMBER 31, 2019

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To the Annual General Meeting of Compagnie Plastic Omnium,

#### OPINION

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In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Compagnie Plastic Omnium for the year ended December 31, 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Accounts Committee.

#### BASIS FOR OUR OPINION

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##### AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the financial statements" section of our report.

##### INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 paragraph 1, of Regulation (EU) no. 537/2014 or in the French Code of ethics for statutory auditors.

#### JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT MATTERS

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In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements for the year, as well as how we addressed those risks.

The matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we did not provide a separate opinion on specific items of the financial statements.

#### VALUATION OF EQUITY INVESTMENTS

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Note "Accounting principles and methods – Equity investments and related receivables", note "C – Investments" and note "L – Depreciation, amortization and impairment" of the notes to the financial statements.

The equity investments shown on the Compagnie Plastic Omnium balance sheet was €955 million as of December 31, 2019 (€954 million net value).

## KEY AUDIT MATTER

- A provision for impairment is made when the value in use or the likely realizable value is lower than Net book value.
- Value in use is determined by taking into account the share of net equity and profit outlook in view of current market conditions as set out in the subsidiaries' medium-term business plans.
- The valuation of equity investments is considered to be a key audit matter given the importance of equity investments in the balance sheet and because of the judgments to be made by management to estimate the profit outlook of the subsidiaries.

## OUR RESPONSE

Our work consisted in:

- Comparing the net book value of equity securities with the net equity of these companies;
- Assessing the existence of indication of impairment by:
  - interviewing the Group's Finance Department on the results and profit outlook of the different companies,
  - assessing the minutes of the meetings of the Board of Directors of Compagnie Plastic Omnium,
- Assessing, when applicable, the valuation methodology and the arithmetical accuracy of the calculation of the recoverable value and verifying the consistency of assumptions used with the economic environment at the reporting and closing dates.

## SPECIFIC VERIFICATIONS

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We also carried out, in accordance with the professional standards applicable in France, the specific verifications provided for in French law and regulations.

## INFORMATION GIVEN IN THE MANAGEMENT REPORT AND OTHER DOCUMENTS SENT TO SHAREHOLDERS ON THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

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We have no observations to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to the shareholders with respect to the financial position and the financial statements sent to shareholders.

We state that the information related to payment terms mentioned in article D. 441-4 of the French Commercial Code.

## REPORT ON CORPORATE GOVERNANCE

We confirm the existence, in the Board of Directors report on corporate governance, of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

With regard to the information provided pursuant to the provisions of Article L. 225-37-3 of the French Commercial Code on compensation and benefits paid to corporate officers and the commitments made in their favor, we verified their consistency with the financial statements or with the data used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it which are included in the consolidation scope. Based on this work, we certify the accuracy and truthfulness of the information.

Regarding the information related to items that your company believes likely to have an impact in the event of a public offering or exchange offer, provided in accordance with the provisions of article L. 255-37-5 of the French Commercial Code, we verified the consistency of this information in the documents which have been sent to us. Based on this work, we have no comment to make about the information.

## OTHER INFORMATION

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In accordance with the law, we have ensured that the various information relating to the acquisition of equity interests and control and the identity of the holders of the capital or voting rights have been communicated to you in the management report.



## **INFORMATION ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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### **APPOINTMENT OF THE STATUTORY AUDITORS**

We were appointed as statutory auditors of Compagnie Plastic Omnium by the Annual General Meeting held on December 28, 1977 for MAZARS and of April 29, 2010 for ERNST & YOUNG et Autres.

At December 31, 2019, MAZARS and ERNST & YOUNG et Autres were in the forty-third year and tenth year of total uninterrupted engagement respectively. Previously, ERNST & YOUNG Audit was the Statutory Auditor since 2001.

## **MANAGEMENT AND CORPORATE GOVERNANCE OFFICERS' RESPONSIBILITY REGARDING THE ANNUAL FINANCIAL STATEMENTS**

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Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the board of directors.

## **STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS**

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### **OBJECTIVES AND AUDIT APPROACH**

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit assignment does not include assurance on the viability of the Company or the quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout this audit. Furthermore it:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- It studies the overall presentation of the annual financial statements and assesses whether they represent the underlying transactions and events in a manner that achieves fair presentation.

## REPORT TO THE AUDIT COMMITTEE

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We deliver a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program undertaken, as well as the results of our work. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

*Paris-la-Défense, February 18, 2020*

The Statutory Auditors

ERNST & YOUNG et Autres  
Gilles PUISSOCHET

MAZARS  
Juliette DECOUX



## 6.8 SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED-PARTY AGREEMENTS

To the Annual General Meeting of Compagnie Plastic Omnium,

In our capacity as statutory auditors of your Company, we hereby present to you our report on regulated party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with article R. 225-31 of the French Commercial Code of the continued implementation, during the year ended, of the agreements previously approved by the Shareholders' Meeting.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

### AGREEMENTS SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS' MEETING

In accordance with article L. 255-40 of the French Commercial Code, we have been notified of the following agreements authorized during the year ended which have the prior approval of your Board of Directors.

**WITH THE COMPANY SOFIPARC, A WHOLLY-OWNED SUBSIDIARY OF BURELLE SA, WHICH DIRECTLY HOLDS 58.78% OF YOUR COMPANY'S CAPITAL**

#### PERSONS CONCERNED

Messrs. Laurent Burelle, President and CEO of Sofiparc, Jean Burelle, Paul Henry Lemarié and Mrs. Eliane Lemarié, directors of your company.

#### NATURE AND PURPOSE

##### REAL ESTATE TRANSFER AGREEMENT

The objective of this agreement, authorized by the Board of Directors meetings of July 18 and October 29, 2019 and concluded on December 4, 2019 between Sofiparc and your company, is the sale to Sofiparc of the office complexes located at 19-23, boulevard Jules Carteret in Lyon (69007).

#### CONDITIONS

Sale by your company to Sofiparc of all real estate assets located at 19-23, boulevard Jules Carteret in Lyon (69007), representing a total area of 01 hectare 72 ares 38 centiares, including 32,433 m<sup>2</sup> built including 29,239 m<sup>2</sup> of offices, for a sale price of €112,500,000 excluding tax (VAT amounts to €22,500,000).

#### REASONS JUSTIFYING THE INTEREST IN THE AGREEMENT FOR THE COMPANY

Your Board has justified this agreement as follows: your company has not changed its approach to industrial real estate but could have an interest in selling its non-industrial holdings, held for historical reasons unrelated to its business and reinvest the income from this sale for value creation in its international industrial operations.

**WITH THE COMPANY SOFIPARC, A WHOLLY-OWNED SUBSIDIARY OF BURELLE SA, WHICH DIRECTLY HOLDS 58.78% OF YOUR COMPANY'S CAPITAL, AND PLASTIC OMNIUM GESTION, A WHOLLY-OWNED SUBSIDIARY OF YOUR COMPANY**

#### PERSONS CONCERNED

Messrs. Laurent Burelle, President and CEO of Sofiparc, Jean Burelle, Paul Henry Lemarié and Mrs. Eliane Lemarié, directors of your company, Mr. Jean-Michel Szczerba, manager of Plastic Omnium Gestion, director until July 15, 2019 and Chief Operating Officer of your company until September 24, 2019.

## NATURE AND PURPOSE

### REAL ESTATE TRANSFER AGREEMENT

The objective of this agreement, authorized by the Boards of Directors of July 18 and October 29, 2019 and concluded on December 4, 2019 between Sofiparc, Plastic Omnium Gestion and your company, is the sale to Sofiparc of the office complex located at 59-63, rue Edouard Colonne in Nanterre (92000).

## CONDITIONS

Sale by your company and Plastic Omnium Gestion to Sofiparc of the real estate complex located at 59-63, rue Edouard Colonne in Nanterre (92000), representing a total area of 51 ares and 45 centiares, totaling 4,017 m<sup>2</sup> of offices, plus 100 indoor and 25 outdoor parking lots for a total sale price of €16,000,000 of which €14,600,000 excluding taxes (VAT amounts to €280,000) is for your company and €1,400,000 excluding taxes (VAT amounts to €280,000) is for Plastic Omnium Gestion.

## REASONS JUSTIFYING THE INTEREST IN THE AGREEMENT FOR THE COMPANY

Your Board has justified this agreement as follows: your company has not changed its approach to industrial real estate but could have an interest in selling its non-industrial holdings, held for historical reasons unrelated to its business and reinvest the income from this sale for value creation in its international industrial operations.

**WITH MR. JÉRÔME GALLOT, DIRECTOR OF YOUR COMPANY**

## NATURE AND PURPOSE

### EXCEPTIONAL COMPENSATION AGREEMENT FOR A DIRECTOR FOR A SPECIAL ASSIGNMENT

The purpose of this agreement, authorized by the Board of Directors on December 13, 2019, is to grant exceptional compensation, in accordance with article L. 225-46 of the French Commercial Code, to Mr. Jérôme Gallot.

## CONDITIONS

The amount of the exceptional compensation awarded to Mr. Jérôme Gallot is set at €10,000.

## REASONS JUSTIFYING THE INTEREST IN THE AGREEMENT FOR THE COMPANY

On February 13 2019, the Board of Directors of your company appointed Mr. Jérôme Gallot to carry out, independently and with the assistance of a real estate expert and legal counsel, an assessment of the market value of the real estate assets located in Lyon and Nanterre in order to determine their price as part of the planned sale of these assets to Sofiparc. This real estate sale took place on December 4, 2019. On December 13, 2019, the Board of Directors set the amount of the exceptional compensation, in accordance with article L. 225-46 of the Commercial Code, awarded to Mr. Jérôme Gallot at €10,000 for the mission he has carried out, independently and on behalf of the Board of Directors, to value the real estate thus sold to Sofiparc.

**WITH BURELLE SA, HOLDING DIRECTLY 58.78 % OF YOUR COMPANY'S SHARE CAPITAL**

## PERSONS CONCERNED

Messrs. Laurent Burelle, President and CEO of Burelle, Paul Henry Lemarié, Deputy CEO of Burelle, Jean Burelle and Mrs. Eliane Lemarié and Félicie Burelle, directors of Burelle SA.

## NATURE AND PURPOSE

### SERVICE PROVISION AGREEMENT

The agreement describes the facilitation and coordination services for all of Plastic Omnium's businesses provided by your Group's general management.

As such, Burelle SA invoices your company for general management services according to re-invoicing agreements. This agreement was reviewed during meetings of the Plastic Omnium Board of Directors on February 24, 2016, July 26, 2016 and October 26, 2016 during which it was decided to change the way in which the incentive paid by Burelle SA to Messrs. Laurent Burelle, Jean Burelle and Paul Henry Lemarié is determined and then re-invoiced to your company.



In its meeting of December 19, 2018, the Board of Directors of Burelle SA decided to amend the allocation and re-invoicing rules for the 2019 and 2020 fiscal years.

On December 13, 2019, the Board of Directors of your company acknowledged the effects of this new distribution under the terms of compensation for the executive directors.

## CONDITIONS

At December 31, 2019, your Company recorded an expense of €810,928 for Group executive services.

## REASONS JUSTIFYING THE INTEREST IN THE AGREEMENT FOR THE COMPANY

The reason for this agreement is to allow your company to benefit from shared managerial skills between the different companies in the group.

## AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

---

In accordance with article R. 225-30 of the French Commercial Code, we have been notified that implementation of the following agreements, which were approved by the Shareholders' Meeting in prior years, continued during the year past year.

### **WITH BURELLE SA, HOLDING DIRECTLY 58.78 % OF YOUR COMPANY'S SHARE CAPITAL**

#### PERSONS CONCERNED

Messrs. Laurent Burelle, President and CEO of Burelle, Jean Burelle, Paul Henry Lemarié, Deputy CEO of Burelle and Mrs. Eliane Lemarié and Félicie Burelle, directors of Burelle.

#### NATURE AND PURPOSE

##### SUPPLEMENTARY RETIREMENT PLAN AGREEMENT FOR THE GROUP'S SENIOR MANAGEMENT

This agreement was authorized by your Board of Directors on December 11, 2003 and approved by the Shareholder's Meeting of April 22, 2004. This agreement relates to a supplementary pension plan granted to corporate officers, who are employees of the Company, by which these latter are granted an additional pension of 10% of their current compensation. Part of the related cost paid by Burelle SA is theoretically allocated to your company on the basis of the same ratio as that used to calculate its share of management fees.

For 2019, your company recognized a charge of €50,220 for the share of the pension plan expense.

### **WITH YANFENG PLASTIC OMNIUM AUTOMOTIVE SYSTEMS CO. LTD, IN WHICH YOUR COMPANY INDIRECTLY HOLDS A 49.95% STAKE**

#### PERSON CONCERNED

Mr. Jean-Michel Szczerba, vice-president of your company until July 15, 2019, deputy CEO until September 24, 2019 and vice-president of Yanfeng Plastic Omnium Automotive Exterior Systems CO Ltd until October 14, 2019.

#### NATURE AND PURPOSE

##### ROYALTY AGREEMENT FOR THE COMPAGNIE PLASTIC OMNIUM TRADEMARKS CONCESSION

This agreement was authorized by your Board of Directors on February 26, 2013 and approved by the Shareholders' Meeting of April 25, 2013. Its purpose is the use of your Company's trademarks.

## CONDITIONS

Invoicing by your company of royalties up to 0.25% of the revenues of the company benefiting from the agreement.

The agreement has a term of thirty years.

As at December 31, 2019, your company recorded a revenue corresponding to billing fees to be invoiced to Yanfeng Plastic Omnium Automotive Systems Co. Ltd in the amount of €2,086,584.

### **WITH BPO-B.PLAS PLASTIC OMNIUM OTOMOTIV PLASTIK VE METAL YAN SANAYI AS, IN WHICH YOUR COMPANY HOLDS 50% OF THE VOTING RIGHTS**

## PERSON CONCERNED

Mr. Jean-Michel Szczerba, vice-president of your company until July 15, 2019, deputy CEO until September 24, 2019 and director of BPO-B.PLAS Plastic Omnium Otomotiv Plastik Ve Metal Yan Sanayi AS.

## NATURE AND PURPOSE

### LICENSE AND TECHNICAL SUPPORT ROYALTY AGREEMENT

This agreement was authorized by your Board of Directors on February 26, 2013 and approved by the Shareholders' Meeting of April 25, 2013. Its purpose is the use of designs, models, industrial processes, know-how and technical assistance services from your company. The agreement had a term of five years, and is automatically renewable.

## CONDITIONS

Invoicing by your company of royalties amounting to 1.5% of net sales by BPO-B.PLAS-Plastic Omnium Otomotiv Plastik A.S. of licensed products.

As at December 31, 2019, your company invoiced BPO.PLAS Plastic Omnium Otomotiv Plastik Ve Metal Yan Sanayi A.S. an amount of €402,565.

Paris-la Défense, February 18, 2020

The Statutory Auditors

ERNST & YOUNG et Autres  
Gilles PUISSOCHET

MAZARS  
Juliette DECOUX-GUILLEMOT



# 7 EQUITY CAPITAL and shareholders

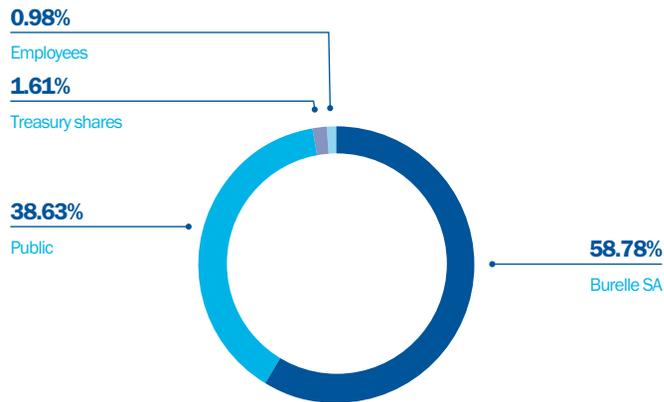
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## 7.1 INFORMATION REGARDING THE EQUITY CAPITAL

For information regarding the share capital of Compagnie Plastic Omnium SE see Chapter 3, 3.1.3 « Information regarding the share capital in this document.

## 7.2 INFORMATION CONCERNING SHAREHOLDERS

### SHAREHOLDING STRUCTURE OF COMPAGNIE PLASTIC OMNIUM SE



## 7.3 THE PLASTIC OMNIUM SHARE

### FACT SHEET

ISIN code: FR0000124570

Par value: €0.06

Eligible for the Deferred Settlement Service (SRD)

BNP Paribas Securities Services is the registrar for shares held in registered form. The issuers' service can be reached at +33 (0)826 109 119. There you may obtain all share performance data. For all other requests, Shareholders' Services can be contacted on the following toll-free number: +33 (0)800 777 889.

Kepler Cheuvreux was appointed to intervene in the purchase and sale of the shares on behalf of Compagnie Plastic Omnium SE on the Euronext Paris market. The terms and conditions were set out in a liquidity agreement valid from January 2, 2015, with regard to its ordinary shares (Paris - ISIN code FR0000124570). On January 28, 2019, Plastic Omnium made an additional contribution of €3 million to the liquidity agreement, increasing its overall budget to €6 million.

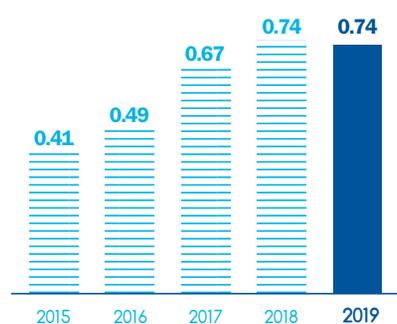
### 7.3.1 TRADING DATA

<b>Price as at December 31, 2019</b>	<b>€24.90</b>
Average closing price of the last 30 trading sessions in 2019	€24.86
Highest price in 2019	€28.97 on 04/18/2019
Lowest price in 2019	€19.21 on 01/03/2019
<b>Year on year increase as at December 31, 2019</b>	
Plastic Omnium	+23.5%
SBF 120	+25.2%
CAC Mid 60	+19.7%
<b>Market capitalization as at December 31, 2019</b>	<b>€3,699,296,064</b>

### 7.3.2 SHAREHOLDER DIVIDENDS

Dividend per share proposed to the Shareholders' Meeting of April 23, 2020: €0.74

#### CHANGE IN DIVIDENDS PER SHARE OVER FIVE YEARS (IN EUROS)



**Pay-out ratio: 42%**

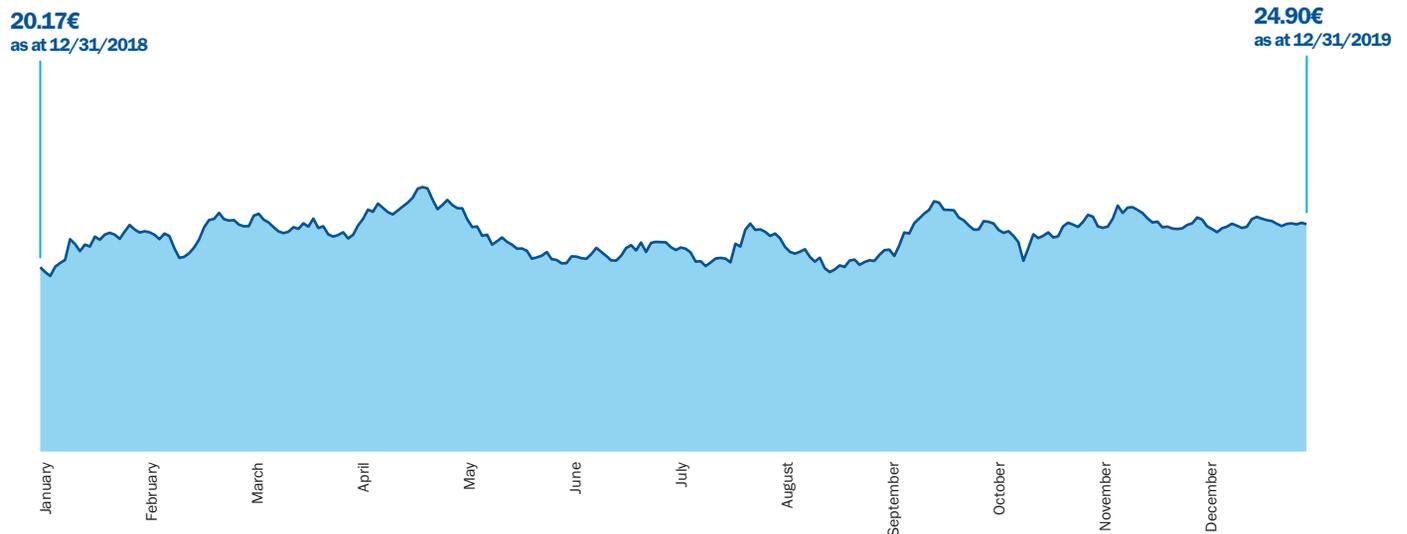
Dividends must be claimed within five years. Unclaimed dividends are paid back to the Caisse des Dépôts et Consignations.



### 7.3.3 COMPAGNIE PLASTIC OMNIUM SE SHARE PRICE AND TRANSACTION VOLUMES

	Highest price (in euros)			Lowest price (in euros)			Transaction volume (daily average)		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
January	32.69	41.41	24.81	29.90	37.73	19.21	203,065	156,769	245,626
February	33.35	41.66	26.14	31.60	37.71	21.20	195,292	222,521	259,396
March	34.14	39.56	26.04	32.60	37.13	23.34	222,702	209,048	189,676
April	35.91	41.59	28.97	33.31	38.32	24.76	234,786	224,990	241,107
May	36.49	41.82	26.65	33.07	39.33	20.60	226,307	142,882	198,529
June	33.66	41.24	22.96	31.93	36.21	20.63	207,801	214,701	301,266
July	33.42	38.08	24.96	31.65	34.87	20.30	241,599	249,185	287,559
August	32.87	35.90	23.34	31.54	34.10	19.64	120,205	185,035	173,597
September	36.19	34.70	27.41	32.37	31.57	21.41	179,667	243,427	235,788
October	36.58	32.01	25.92	35.44	22.40	20.88	148,505	372,417	261,529
November	36.72	26.35	26.94	33.73	23.44	24.37	154,735	259,376	159,182
December	38.08	23.63	25.70	35.54	18.71	24.02	156,433	404,854	135,930

#### CHANGES IN THE PLASTIC OMNIUM SHARE PRICE IN 2019



## 7.4 RELATIONSHIPS WITH THE FINANCIAL COMMUNITY

The Investor Relations Department acts as liaison between the Group and the financial community, composed of institutional investors including socially responsible investors (SRI) and bond-holders, financial analysts, and individual shareholders. The Investor Relations Department provides all these market participants with accurate, precise and fairly-presented information in real time to keep them informed of the Group's strategies, businesses, financial results, and medium-term objectives.

Plastic Omnium's Investor Relationships Department answers all requests and makes two areas dedicated to "Investors" and "Shareholders" available to the financial community on its website [www.plasticomnium.com](http://www.plasticomnium.com). The website contains the Group's regulatory information, particularly the Universal Registration Document, the 2020 book (activity report), the half-year financial report, all of the Group's press releases and its financial and investor presentations. On the "Shareholders' Meeting" page, a section entitled "Shareholders" contains all documents relating to the General Shareholders' Meeting. All of this information is also available on smartphones and tablets through a Plastic Omnium application. This application may be downloaded via the App Store for iPhones and iPads or Google Play for Androids.

### 7.4.1 INSTITUTIONAL INVESTORS

The Investor Relations Department communicates with the financial community, upon each release of revenues and results as well as during numerous meetings held throughout the year at the Group's headquarters for investors and financial analysts, and during roadshows, and conferences organized by brokers. This year, more than 20 roadshows were organized in 6 different countries and 10 cities attended by over 700 investors and financial analysts. In addition, the Group organized an Investor Day in its worldwide R&D center dedicated to new energies, Δ-Deltatech, in Brussels (Belgium) on January 7, 2020. The Group has

detailed its profitable and sustainable growth strategy over the period 2019-2022 as well as its innovation roadmap to respond to the acceleration in the technological transformation of the automotive industry.

### 7.4.2 INDIVIDUAL SHAREHOLDERS

At December 31, 2019, the Plastic Omnium Group had more than 20,500 individual shareholders. Since 2016, Plastic Omnium strengthened its individual investor communications strategy by holding site visits. This year, some twenty individual shareholders had the opportunity to visit the α-Alphatech international Research and Development center in Compiègne (France) and discover the Group's advances in storage and emissions control solutions that can be adapted to different types of engines.

In addition, in 2018 the Group resumed its attendance at individual Shareholder's Meetings. This was an opportunity for the Group to meet its shareholders and to present its businesses, its strategy, its areas of development and innovation and its CSR commitments.

The Investor Relations Department provides individual shareholders with two Shareholder's letters, published in March for the annual results and in September for the half-year results, as well as a Shareholder's Guide. All of these documents may be found in the "Shareholders" section of the Group's website. In the interests of environmental friendliness, the Group has decided that these documents will only be available digitally and therefore sent electronically only upon request.

At the end of 2019, Plastic Omnium received the Gold Award for best individual shareholder services of the SBF 120 companies, awarded by the financial magazine *Le Revenu*. This award recognized all the actions of the Plastic Omnium's Shareholder's Relations Department.



## 7.5 FINANCIAL COMMUNICATION AND SHAREHOLDERS' CALENDAR

### 7.5.1 FINANCIAL COMMUNICATION CALENDAR

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Publication of the 2019 annual results	February 19, 2020
Publication of first quarter 2020 revenue	April 21, 2020
Publication of the first half-year 2020 results	July 23, 2020
Publication of third quarter 2020 revenue	October 22, 2020

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### 7.5.2 SHAREHOLDERS' CALENDAR

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Shareholders' Meeting	April 23, 2020
Ex-dividend date	April 29, 2020
Dividend payment date	May 4, 2020

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## 7.6 CONTACTS

#### **COMPAGNIE PLASTIC OMNIUM SE**

1, allée Pierre-Burelle  
92593 Levallois Cedex – France  
Tel: (0)1 40 87 64 00

#### **Institutional investors and financial analysts**

Philippine de Schonen – VP Investor Relations  
For all meeting requests:  
E-mail: [investor.relations@plasticomnium.com](mailto:investor.relations@plasticomnium.com)

#### **Individual shareholders**

Tel: 0 800 777 889  
(Toll-free number – call free from a landline in France)  
E-mail: [investor.relations@plasticomnium.com](mailto:investor.relations@plasticomnium.com)

For all questions relative to registered shares:  
BNP Paribas Securities Services  
Tel.: +33 (0) 826 109 119

# 8

## SHAREHOLDERS' Meeting

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## 8.1 AGENDA

### 8.1.1 ORDINARY RESOLUTIONS

- First resolution: Approval of the financial statements for the year ended December 31, 2019
- Second resolution: Appropriation of net income for the year and determination of the dividend
- Third resolution: Related-party agreements and commitments agreed during the year - Approval of a new agreement with Sofiparc SAS - Report by the Statutory Auditors
- Fourth resolution: Related-party agreements and commitments concluded during the fiscal year - Approval of the exceptional compensation allocated to Mr. Jérôme Gallot, director - Report from the Statutory Auditors
- Fifth resolution: Related-party agreements and commitments concluded during the fiscal year - Approval of changes to an existing agreement with Burelle SA - Report from the Statutory Auditors
- Sixth resolution: Report from the Statutory Auditors on related-party agreements and commitments - Old agreements continued during the fiscal year
- Seventh resolution: Approval of the consolidated financial statements for the year ended December 31, 2019
- Eighth resolution: Authorization to be granted to the Board of Directors to buy back the Company's shares pursuant to the provisions of Article L. 225-209 of the French Commercial Code, duration of the authorization, purposes, terms, ceiling
- Ninth resolution: Ratification of the provisional appointment of Mr. Laurent Favre as a director
- Tenth resolution: Renewal of the term of office as director of Mrs. Félicie Burelle
- Eleventh resolution: Renewal of the term of office as director of Mrs. Anne Asensio
- Twelfth resolution: Renewal of the term of office as director of Mrs. Cécile Moutet
- Thirteenth resolution: Renewal of the term of office as director of Mr. Vincent Labruyère
- Fourteenth resolution: Approval of the compensation policy for executive directors in accordance with Article L. 225-37-2 of the French Commercial Code
- Fifteenth resolution: Approval of the compensation policy for non-executive directors in accordance with Article L. 225-37-2 of the French Commercial Code
- Sixteenth resolution: Approval of all the compensation paid or awarded to corporate officers for the year ended December 31, 2019 in accordance with Article L. 225-100 II of the French Commercial Code
- Seventeenth resolution: Approval of the compensation components paid or awarded in respect of the year ended December 31, 2019 to Mr. Laurent Burelle, Chairman and Chief Executive Officer
- Eighteenth resolution: Approval of the compensation components paid or awarded in respect of the year ended December 31, 2019 to Mr. Paul Henry Lemarié, Chief Operating Officer
- Nineteenth resolution: Approval of the compensation components paid or awarded in respect of the year ended December 31, 2018 to Mr. Jean-Michel Szczerba, Co-Chief Executive Officer and Chief Operating Officer until September 24, 2019.
- Twentieth resolution: Amount of compensation allocated to the members of the Board of Directors

### 8.1.2 EXTRAORDINARY RESOLUTIONS

- Twenty-first resolution: Authorization to be granted to the Board of Directors to cancel the shares bought back by the Company pursuant to Article L. 225-209 of the French Commercial Code, duration of the authorization, ceiling
- Twenty-second resolution: Delegation of authority granting the Board of Directors powers to issue ordinary shares, and/or equity securities with preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company, the duration of the delegation, the maximum nominal amount of the capital increase, ability to launch a public offer for unsubscribed shares
- Twenty-third resolution: Delegation of authority granting the Board of Directors powers to issue ordinary shares and/or equity securities without preferential subscription rights, giving access to other equity securities or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company by way of a public offer, excluding the offers referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code, and/or as consideration for securities as part of a public exchange offer, the duration of the delegation, the maximum nominal amount of the capital increase, the issue price, ability to limit the amount of subscriptions or distribute unsubscribed shares
- Twenty-fourth resolution: Delegation of authority granting the Board of Directors powers to issue ordinary shares and/or equity securities without preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company, by way of a public offering referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code, duration of the delegation, the maximum nominal amount of the capital increase, the issue price, ability to limit the amount of subscriptions or distribute unsubscribed shares
- Twenty-fifth resolution: Delegation of authority granting the Board of Directors the power to increase the number of shares to be issued, with or without preferential subscription rights, under the twenty-second through twenty-fourth resolutions, up to a maximum of 15% of the initial issue
- Twenty-sixth resolution: Delegation of authority granting the Board of Directors powers to increase the share capital by issuing ordinary shares and/or securities giving access to Company shares without preferential subscription rights reserved for members of a company savings plan pursuant to Articles L. 3332-18 *et seq.* of the French Labor Code, the duration of the delegation, the maximum nominal

amount of the capital increase, the issue price, option to grant free shares in application of Article L. 3332-21 of the French Labor Code

- Twenty-seventh resolution: Delegation granting the Board of Directors the power to reconcile the Company bylaws with legal and regulatory provisions
- Twenty-eighth resolution: Reconciliation of the Company bylaws with law 2019-486 of May 22, 2019 concerning the growth and transformation of business enterprises

- Twenty-ninth resolution: Reconciliation of Article 12 "Proceedings of The Board of Directors" of the Company bylaws with law 2019-744 of July 19, 2019 for the simplification, clarification and updating of corporate law, in order to enable the Board of Directors to make decisions by written consultation

- Thirtieth resolution: Reconciliation of Article 13 "Related-party agreements" with Ordinance 2019-1234 of November 27, 2019, which repealed Article L. 225-42-1 of the French Commercial Code

- Thirty-first resolution: Powers to carry out formalities

## 8.2 TEXT OF THE RESOLUTIONS SUBMITTED FOR APPROVAL BY THE COMBINED SHAREHOLDERS' MEETING ON APRIL 23, 2020

### 8.2.1 TEXT OF THE RESOLUTIONS SUBMITTED FOR APPROVAL BY THE ORDINARY SHAREHOLDERS' MEETING

#### FIRST RESOLUTION: APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

After having read the Company financial statements for the year ended December 31, 2019, the report of the Board of Directors and the Statutory Auditors' report on the annual financial statements for the year ended December 31, 2019, and voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting approves the annual financial statements for the year ended December 31, 2019 as presented, showing a net profit of €271,773,946 as well as the transactions reflected in said financial statements or described in said reports.

#### SECOND RESOLUTION: APPROPRIATION OF NET INCOME FOR THE YEAR AND DETERMINATION OF THE DIVIDEND

The Shareholders' Meeting, voting in accordance with the quorum and majority conditions for Ordinary Shareholders' Meetings and noting the results for the year ended December 31, 2019 show a net profit of €271,773,946 and that retained earnings totaled €1,096,593,224, decides to appropriate the net sum of €1,368,367,170; *i.e.*:

*In euros*

Total amount to be appropriated	1,368,367,170
Appropriation: Net dividend distributed for 2019	109,938,919
Carried forward	1,258,428,251
Total appropriated	1,368,367,170

Consequently, the Shareholders' Meeting set the net dividend for 2019 at €0.74 per share. As a reminder, for individual shareholders resident for tax purposes in France, who do not opt for withholding at the flat rate of 30%, this dividend is eligible for the 40% tax relief resulting from the provisions of Article 158-3-2° of the French General Tax Code. The dividends for individual shareholders are subject to withholding at 12.8%.

The ex-dividend date will be April 29, 2020.

The dividend will be paid on the date set by the Board of Directors, namely May 4, 2020.

Compagnie Plastic Omnium SE shares held in treasury on the dividend payment date will be stripped of dividend rights and the related dividends will be credited to retained earnings.

Breakdown after appropriation: After this appropriation shareholders' equity will stand at €1,295,434,304 and reserves at €1,269,131,268.

In accordance with the law, the Shareholders' Meeting notes that, after deducting dividends not paid on treasury stock, dividends for the last three years were as shown in the table below.

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, the following table summarizes the amount of dividends and other income distributed in respect of the three preceding fiscal years, as well as their eligibility for the 40% tax relief, provided for in Article 158-3-2° of the French General Tax Code, where applicable, for individual shareholders resident in France for tax purposes.



## SHAREHOLDERS' MEETING

Text of the resolutions submitted for approval by the Combined Shareholders' Meeting on April 23, 2020

Year	Number of shares with dividend rights	Dividend per share	Income eligible for the tax relief provided for in Article 158-3-2° of the French General Tax Code		Income not eligible for the tax relief provided for in Article 158-3-2° of the French General Tax Code	
			Dividends	Other income	Dividends	Other income
2016	147,494,915	0.49	72,272,508	-	-	-
2017	147,494,900	0.67	98,821,583	-	-	-
2018	146,173,826	0.74	108,168,631	-	-	-

### THIRD RESOLUTION: RELATED-PARTY AGREEMENTS AND COMMITMENTS AGREED DURING THE FISCAL YEAR – APPROVAL OF A NEW AGREEMENT WITH SOFIPARC SAS – REPORT OF THE STATUTORY AUDITORS

After having read the special report of the Statutory Auditors on related-party agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, the Shareholders' Meeting approves the agreement signed during the year ended December 31, 2019 with Sofiparc SAS and mentioned in the said report.

### FOURTH RESOLUTION: RELATED-PARTY AGREEMENTS AND COMMITMENTS AGREED DURING THE FISCAL YEAR – APPROVAL OF THE EXCEPTIONAL COMPENSATION GRANTED TO MR. JEROME GALLOT, DIRECTOR – REPORT OF THE STATUTORY AUDITORS

After having read the special report of the Statutory Auditors on related-party agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, the Shareholders' Meeting approves the exceptional compensation paid during the year ended December 31, 2019 to Mr. Jérôme Gallot, director, and mentioned in the said report.

### FIFTH RESOLUTION: RELATED-PARTY AGREEMENTS AND COMMITMENTS AGREED DURING THE FISCAL YEAR – APPROVAL OF CHANGES TO AN EXISTING AGREEMENT WITH BURELLE SA – REPORT OF THE STATUTORY AUDITORS

After having read the special report of the Statutory Auditors on related-party agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, the Shareholders' Meeting approves the changes to the existing service provider agreement signed during the year ended December 31, 2019 with Burelle SA and mentioned in the said report.

### SIXTH RESOLUTION: STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS – PREVIOUS AGREEMENTS CONTINUED DURING THE YEAR

After having read the special report of the Statutory Auditors on related-party agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, the Shareholder's Meeting notes the information mentioned therein regarding the continuation during the current year, of agreements signed in the course of previous years.

### SEVENTH RESOLUTION: APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

After having read the Board of Directors report and the Statutory Auditors' report on the consolidated financial statements, and voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting approves the consolidated financial statements for the year ended December 31, 2019 as presented, as well as the transactions reflected in these financial statements or summarized in these reports and which resulted in Group share net profit of €258,197 thousand.

### EIGHTH RESOLUTION: AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS TO BUY BACK THE COMPANY'S SHARES PURSUANT TO THE PROVISIONS OF ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE, DURATION OF THE AUTHORIZATION, PURPOSES, TERMS, CEILING

After having read the Board of Directors' report, and voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting authorizes the Board of Directors to purchase the Company's shares under the terms and conditions set forth in the provisions of Article L. 225-209 *et seq.* of the French Commercial Code in order:

- to use an investment service provider to maintain the secondary market or the liquidity of Plastic Omnium's shares, via a liquidity agreement complying with the AMAFI Code of Ethics accepted by the AMF;
- to cover stock option and/or bonus share (or similar) plans awarded to Group employees and/or corporate officers and all allocations of shares as part of a company or group savings (or similar) plan, or for purposes of Company profit-sharing and/or any other form of allocation of shares to Group employees and/or corporate officers;
- to retain the shares acquired and use them later on for exchange or in payment for any external growth transactions, with the understanding that shares purchased for this purpose may not exceed 5% of the Company's capital;
- to cancel the acquired shares, if appropriate, subject to the authorization to be granted by this Shareholders' Meeting pursuant to its twenty-first extraordinary resolution;
- to hedge securities carrying rights to the allocation of the Company's shares within the current regulations;
- to implement all market practices currently accepted or accepted in the future by the market authorities.

and as per the following terms:

- the maximum number of shares that may be purchased by the Company may not exceed 10% of share capital on the date of this decision, *i.e.* a maximum number of 14,856,610 shares as of this date;
- the maximum purchase price may not exceed €60 per share. In the event of a transaction affecting capital, in particular, stock splits or reverse stock splits or free share allocations, the aforementioned amount will be adjusted in the same proportion (coefficient of the ratio between the number of shares comprising the equity capital before the transaction and the number of shares after the transaction).

At December 31, 2019 the Company held 2,388,499 treasury shares. If these shares were to be canceled or used, the maximum amount that the Company would be allowed to spend would be €891,396,600 for the purchase of 14,856,610 shares.

Shares may be purchased, sold or transferred using any method, including by purchasing blocks of shares, on the stock market or over the counter. Transactions may be made at any time, except during a public offer period concerning the Company.

This authorization takes effect at the end of this Shareholders' Meeting and is valid for a period of eighteen months from today. It cancels and supersedes the authorization granted by the Combined Shareholders' Meeting of April 25, 2019 in its sixth resolution for the unused portion.

Unless it takes this action itself, the Shareholders' Meeting authorizes the Board of Directors to adjust the aforementioned maximum number of shares and maximum purchase price as necessary to take into account the impact on the share price of any change in the par value of the shares or any capital increase by incorporation of reserves and bonus share issues, any stock split or reverse stock split, any return of capital or any other capital transaction, within the aforementioned limits of 10% of share capital and €891,396,600.

The shareholders grant full powers to the Board of Directors to use this authorization, to conclude any agreements, carry out any filing and other formalities, notably with the Autorité des Marchés Financiers or any other authority that may replace it, and, more generally, take all necessary action.

#### **NINTH RESOLUTION: RATIFICATION OF THE PROVISIONAL APPOINTMENT OF MR. LAURENT FAVRE AS A DIRECTOR**

The Shareholders' Meeting ratifies the provisional appointment of Mr. Laurent Favre as a director by the Board of Directors at its meeting of September 24, 2019 with effect from January 1, 2020 as a replacement for Mr. Jean-Michel Szczerba, who resigned.

Consequently, Mr. Favre will perform his duties for the remaining term of his predecessor, *i.e.* until the end of the Shareholders' Meeting held in 2021 to approve the financial statements for the previous year.

#### **TENTH RESOLUTION: RENEWAL OF THE TERM OF OFFICE AS DIRECTOR OF MRS. FÉLICIE BURELLE**

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews Mrs. Félicie Burelle as a director for a three-year term. Her term of office will expire at the close of the Shareholders' Meeting to be held in 2023 to approve the 2022 financial statements.

#### **ELEVENTH RESOLUTION: RENEWAL OF THE TERM OF OFFICE AS DIRECTOR OF MRS. ANNE ASENSIO**

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews Mrs. Anne Asensio as a director for a three-year term. Her term of office will expire at the close of the Shareholders' Meeting to be held in 2023 to approve the 2022 financial statements.

#### **TWELFTH RESOLUTION: RENEWAL OF THE TERM OF OFFICE AS DIRECTOR OF MRS. CÉCILE MOUTET**

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews Mrs. Cécile Moutet as a director for a three-year term. Her term of office will expire at the close of the Shareholders' Meeting to be held in 2023 to approve the 2022 financial statements.

#### **THIRTEENTH RESOLUTION: RENEWAL OF THE TERM OF OFFICE AS DIRECTOR OF MR. VINCENT LABRUYÈRE**

After having read the Board of Directors' report, and voting in accordance with the quorum and majority rules applicable to Ordinary Shareholders' Meetings, the Shareholders' Meeting renews Mr. Vincent Labruyère as a director for a three-year term. His term of office will expire at the close of the Shareholders' Meeting to be held in 2023 to approve the 2022 financial statements.

#### **FOURTEENTH RESOLUTION: APPROVAL OF THE COMPENSATION POLICY FOR EXECUTIVE DIRECTORS IN ACCORDANCE WITH ARTICLE L. 225-37-2 OF THE FRENCH COMMERCIAL CODE**

The Shareholders' Meeting, after considering the report of the Board of Directors on corporate governance and in accordance with Articles L. 225-37-2 II and R. 225-29-1 of the French Commercial Code, approves the compensation policy for executive directors as described in that report and mentioned in section 3.1.2.4 of the Company's 2019 Universal Registration Document.

#### **FIFTEENTH RESOLUTION: APPROVAL OF THE COMPENSATION POLICY FOR NON-EXECUTIVE DIRECTORS IN ACCORDANCE WITH ARTICLE L. 225-37-2 OF THE FRENCH COMMERCIAL CODE**

The Shareholders' Meeting, after considering the report of the Board of Directors on corporate governance and in accordance with Articles L. 225-37-2 II and R. 225-29-1 of the French Commercial Code, approves the compensation policy for non-executive directors as described in that report and mentioned in section 3.1.2.4 of the Company's 2019 Universal Registration Document.

#### **SIXTEENTH RESOLUTION: APPROVAL OF ALL THE COMPENSATION PAID OR AWARDED TO CORPORATE OFFICERS FOR THE YEAR ENDED DECEMBER 31, 2019 IN ACCORDANCE WITH ARTICLE L. 225-100 II OF THE FRENCH COMMERCIAL CODE**

The Shareholders' Meeting, after considering the report of the Board of Directors on corporate governance and in accordance with Articles L. 225-100 II of the French Commercial Code, approves the compensation policy for non-executive directors as described in that report and mentioned in section 3.1.2.3 of the Company's 2019 Universal Registration Document.

#### **SEVENTEENTH RESOLUTION: APPROVAL OF THE COMPENSATION COMPONENTS PAID OR AWARDED IN RESPECT OF THE YEAR ENDED DECEMBER 31, 2019 TO MR. LAURENT BURELLE, CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The Shareholders' Meeting, after considering the report of the Board of Directors on corporate governance and in accordance with Articles L. 225-100 III of the French Commercial Code, approves the fixed, variable and extraordinary components of the total compensation and the benefits in kind paid or awarded to Mr. Laurent Burelle as Chairman and Chief Executive Officer for the year ended December 31, 2019, as described in section 3.1.2.2 of the Company's 2019 Universal Registration Document.

#### **EIGHTEENTH RESOLUTION: APPROVAL OF THE COMPENSATION COMPONENTS PAID OR AWARDED TO MR. PAUL HENRY LEMARIÉ, CHIEF OPERATING OFFICER, IN RESPECT OF THE YEAR ENDED DECEMBER 31, 2019**

The Shareholders' Meeting, after considering the report of the Board of Directors on corporate governance and in accordance with Articles L. 225-100 III of the French Commercial Code, approves the fixed, variable and extraordinary components of the total compensation and the benefits in kind paid or awarded to Mr. Paul Henry Lemarié as Chief Operating Officer for the year ended December 31, 2019, as described in section 3.1.2.2. of the Company's 2019 Universal Registration Document.



**NINETEENTH RESOLUTION: APPROVAL OF THE COMPENSATION COMPONENTS PAID OR AWARDED IN RESPECT OF THE YEAR ENDED DECEMBER 31, 2018 AND UNTIL SEPTEMBER 24, 2019 TO MR. JEAN-MICHEL SZCZERBA, CO-CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER**

The Shareholders' Meeting, after considering the report of the Board of Directors on corporate governance and in accordance with Articles L. 225-100 III of the French Commercial Code, approves the fixed, variable and extraordinary components of the total compensation and the benefits of any kind paid or awarded to Mr. Jean-Michel Szczerba as Co-Chief Operating Officer and Chief Operating Officer for the year ended

December 31, 2019, as described in section 3.1.2.2 of the 2019 Universal Registration Document.

**TWENTIETH RESOLUTION: AMOUNT OF COMPENSATION ALLOCATED TO THE MEMBERS OF THE BOARD OF DIRECTORS**

Voting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, the Shareholders' Meeting decides to change the total annual amount of compensation to be allocated to the Board of Directors from €690,000 to €790,000.

This decision applies from the current year until a new amount is set.

## 8.2.2 TEXT OF THE RESOLUTIONS SUBMITTED FOR APPROVAL AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

**TWENTY-FIRST RESOLUTION: AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS TO CANCEL THE SHARES BOUGHT BACK BY THE COMPANY PURSUANT TO ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE, TERM OF AUTHORIZATION, CEILING**

The Shareholders' Meeting, having read the report of the Board of Directors and the report of the Statutory Auditors:

1. grants the Board of Directors authorization to cancel at its own discretion, and on one or more occasions, the shares that the Company holds or may hold as a result of purchases made pursuant to Article L. 225-209 of the French Commercial Code, up to the limit of 10% of the share capital as measured on the date the cancellation is decided, after deducting any shares canceled during the previous 24 months, and to reduce the share capital accordingly pursuant to the applicable legal and regulatory provisions;
2. sets the validity period of this delegation at twenty-six months as of this Shareholders' Meeting;
3. fully empowers the Board of Directors, with the option to sub-delegate, to conduct the transactions necessary for such cancellations and the corresponding reductions of share capital, to amend the Company bylaws accordingly, and to carry out all necessary formalities.

**TWENTY-SECOND RESOLUTION: DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS POWERS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS, GIVING ACCESS TO OTHER EQUITY SECURITIES, OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY, THE DURATION OF THE DELEGATION, THE MAXIMUM NOMINAL AMOUNT OF THE CAPITAL INCREASE AND WHETHER TO LAUNCH A PUBLIC OFFER FOR UNSUBSCRIBED SHARES**

The Shareholders' Meeting, having read the report of the Board of Directors and the special report; of the Statutory Auditors and in compliance with the French Commercial Code, particularly Articles L. 225-129-2, L. 225-129-4, L. 228-91, L. 228-92 and L. 225-132 *et seq.*:

1. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to issue, on one or

more occasions and in the quantities and at the times it deems appropriate, either in euros, a foreign currency or any other account unit established on the basis of a series of currencies, ordinary shares and/or equity shares, with preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company;

2. sets the limits of issue amounts authorized in the event that the Board of Directors uses this delegation of authority, as follows:
  - the total amount of capital increases that may be realized, immediately or in the future, pursuant to this delegation is limited to a nominal amount of four million euros or the equivalent value of this amount on the date the issue is decided upon in the event of an issue in another currency or in an account unit established on the basis of a series of currencies, it being specified that this amount would be included in the nominal amount of the capital increases that could be carried out pursuant to the twenty-third, twenty-fourth and twenty-fifth resolutions, subject to their adoption by the Shareholders' Meeting,
  - to this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, in order to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital,
  - the total amount of debt securities of the Company that could result from this delegation will be limited to a nominal amount of one billion euros or the equivalent of this amount on the date the issue is decided upon for the foreign currency equivalent, it being specified that this amount would be included in the nominal amount of the debt securities that could be issued pursuant to the twenty-third, twenty-fourth and twenty-fifth resolutions of this Shareholders' Meeting, subject to their adoption by the Shareholders' Meeting;
3. sets the period of validity of this delegation at twenty-six months from the date of this meeting and notes that this delegation supersedes as of this date any previous delegation with the same purpose;

4. in the event that the Board of Directors uses this delegation:
- decides that shareholders could, in accordance with the law, exercise their preferential subscription rights. In addition, the Board of Directors may introduce a reducible subscription right for shareholders which they could exercise in proportion to their subscription rights and within the limit of their requests,
  - decides that, if irreducible and, where applicable, reducible subscriptions do not absorb the entire ordinary share or security issue as defined above, the Board of Directors may, use in the order it considers appropriate, each or some of the options provided for in Article L. 225-134 of the French Commercial Code,
  - notes that, when necessary, this delegation of authority automatically waives, in favor of holders of securities giving future access to Company shares that may be issued pursuant to this resolution, the shareholders preferential subscription rights to the shares to which these securities would give entitlement;
5. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to implement this delegation of authority and, in particular to determine the conditions concerning the conditions of the issue, its subscription and settlement, to report the completion of any resulting capital increases carried out and to amend the bylaws accordingly, and to:
- set, if necessary, the conditions applied to exercising the rights attached to ordinary shares or securities giving access to the share capital, or debt securities to be issued and determines the terms for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including delivery of Company assets such as securities already issued by the Company),
  - decide, in the event of an issue of debt securities, including securities giving entitlement to the allocation of debt securities pursuant to Article L. 228-91 of the French Commercial Code, whether these be subordinated or not (and, where relevant, their level of subordination in accordance with the provisions of Article L. 228-97 of the French Commercial Code) and determines their interest rate (fixed or variable rate of interest, zero coupon or indexed), and the terms and the conditions under which such securities could give access to the share capital,
  - on the Board's sole initiative, charge all capital increase costs to the corresponding issuance premiums, and deduct from these premiums the sums necessary to raise the legal reserve to one-tenth of the new capital after each capital increase,
  - set and make all adjustments destined to take account of the impact of transactions involving the capital of the Company, in particular in the event of a change in the par value of the share, an increase in the share capital by incorporation of reserves, the allocation of free shares, a stock split or a reverse stock split, the distribution of reserves or of any other assets, the redemption of capital or any other transaction affecting shareholders' equity, and to set the terms under which all rights of holders of securities giving access to share capital will be preserved and modifies the bylaws accordingly,
  - and, in general, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, takes all measures and decisions and carries out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto or resulting from the increases in share capital carried out.

**TWENTY-THIRD RESOLUTION: DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS POWERS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, GIVING ACCESS TO OTHER EQUITY SECURITIES, OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY, BY WAY OF A PUBLIC OFFERING EXCLUDING OFFERS REFERRED TO IN 1° OF ARTICLE L. 411-2 OF THE FRENCH MONETARY AND FINANCIAL CODE AND/OR AS CONSIDERATION FOR SECURITIES AS PART OF A PUBLIC EXCHANGE OFFER, DURATION OF THE DELEGATION, THE MAXIMUM NOMINAL AMOUNT OF THE CAPITAL INCREASE, THE ISSUE PRICE, ABILITY TO LIMIT THE AMOUNT OF SUBSCRIPTIONS OR DISTRIBUTE UNSUBSCRIBED SHARES**

The Shareholders' Meeting, having read the report of the Board of Directors and the special report; of the Statutory Auditors and in accordance with provisions of the French Commercial Code, particularly Articles L. 225-129-2, L. 225-129-4, L. 225-136, L. 225-148 and L. 228-92;

1. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to issue, on one or more occasions and in the quantities and at the times it deems appropriate, either in euros, or a foreign currency or any other account unit established on the basis of a series of currencies, by way of a public offer excluding offers referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code, ordinary shares and/or debt securities, without preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company; public offerings made pursuant to this resolution, may be associated, in the context of one issue or several issues carried out simultaneously, with the offerings mentioned in 1° of Article L. 411-2 of the French Monetary and Financial Code and decided in accordance with the twenty-fourth resolution submitted to this Shareholders' Meeting;
2. sets the limit of the amounts of the authorized issues in the event the Board of Directors uses this delegation of authority as follows:
  - the total amount of capital increases that may be realized, immediately or in the future, pursuant to this delegation is limited to a nominal amount of four million euros or the equivalent value of this amount on the date the issue is decided upon in the event of an issue in another currency or in an account unit established on the basis of a series of currencies, it being specified that this amount would be included in the nominal amount of the capital increases that could be carried out pursuant to the twenty-second, twenty-fourth and twenty-fifth resolutions, subject to their adoption by the Shareholders' Meeting,
  - to this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, in order to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital,
  - the total amount of debt securities of the Company that could result from this delegation will be limited to a nominal amount of one billion five hundred million euros or the equivalent of this amount on the date the issue is decided upon for the foreign currency equivalent, it being specified that this amount would be included in the nominal amount of the debt securities that could be issued pursuant to the twenty-second, twenty-fourth and twenty-fifth resolutions of this Shareholders' Meeting, subject to their adoption by the Shareholders' Meeting;

3. sets the period of validity of this delegation at twenty-six months from the date of this meeting and notes that this delegation supersedes as of this date any previous delegation with the same purpose;
4. decides to waive shareholders' preferential subscription rights to the securities covered by this resolution, while allowing the Board of Directors', under the terms of Article L. 225-135, paragraph 5 of the French Commercial Code, to use the option to grant to the shareholders, for a certain period of time and on terms to be determined by the Board of Directors in compliance with the applicable law and regulations and, for some or all of the issue carried out, a priority subscription period which does not constitute a negotiable right. It must be exercised in proportion to the quantity of shares owned by each shareholder and may be supplemented by a reducible subscription right;
5. decides that, if irreducible and, where applicable, reducible subscriptions do not absorb the entire issue of shares or securities as defined above, the Board of Directors may use, in the order it considers appropriate, each or some of the options provided for in Article L. 225-134 of the French Commercial Code;
6. notes that, when necessary, this delegation of authority automatically waives in favor of holders of securities giving future access to Company shares that may be issued pursuant to this resolution, the shareholders preferential subscription rights related to shares to which these securities would give entitlement;
7. decides that, in accordance with Article L. 225-136 of the French Commercial Code:
  - the issue price of shares shall be at least equal to the minimum authorized price as defined by law in force at the time this delegation is used,
  - the issue price of the securities giving access to the capital shall be such that the sum received immediately by the Company, plus, where applicable, the amount likely to be received subsequently by the Company for each share issued as a result of the issuance of these securities, shall be at least equal to the subscription price minimum defined in the preceding paragraph,
  - the conversion, redemption and more generally the transformation into shares of each security giving access to the capital shall take into account the nominal value of said securities which shall be such as to ensure that the amount of shares issued would enable the Company to receive a per-share value at least equal to the minimum subscription price as defined for the issue of shares in the same resolution;
8. decides, in the event that securities are issued as consideration for securities tendered as part of a public exchange offer, that the Board of Directors shall have the necessary powers, in accordance with the terms and conditions set forth in Article L. 225-148 of the French Commercial Code, and within the limits defined above, to approve the list of securities tendered, to set the terms and conditions of the issue, the exchange ratio, as well as the amount of the cash adjustment to be paid, where appropriate, and establish the procedures for the issue;
9. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to implement this delegation of authority and, in particular to determine the terms and conditions of the issue, its subscription and settlement, to report the completion of any resulting capital increases carried out and to amend the bylaws accordingly, and to:
  - set, if necessary, the conditions applied to exercising the rights attached to ordinary shares or securities giving access to the share capital, or debt securities to be issued and determines the terms for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including delivery of Company assets such as securities already issued by the Company),
  - decide, in the event of an issue of debt securities, including securities giving entitlement to the allocation of debt securities referred to in Article L. 228-91 of the French Commercial Code, whether these be subordinated or not (and, where relevant, their level of subordination in accordance with the provisions of Article L. 228-97 of the French Commercial Code) and determine their interest rate (fixed or variable rate of interest, zero coupon or indexed as the case maybe), their term and the conditions under which such securities could give access to the capital of the Company or companies in which it directly or indirectly owns more than half of the capital,
  - on the Board's sole initiative, charge all capital increase costs to the corresponding issuance premiums, and deduct from these premiums the sums necessary to raise the legal reserve to one-tenth of the new capital after each capital increase,
  - set and make all adjustments destined to take account of the impact of transactions involving the capital of the Company, in particular in the event of a change in the par value of the share, an increase in the share capital by incorporation of reserves, the allocation of free shares, a stock split or a reverse stock split, the distribution of reserves or of any other assets, the redemption of capital or any other transaction affecting shareholders' equity, and to set the terms under which all rights of holders of securities giving access to share capital will be preserved and modifies the bylaws accordingly,
  - and, in general, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, takes all measures and decisions and carries out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto or resulting from the increases in share capital carried out.

**TWENTY-FOURTH RESOLUTION: DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS POWERS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, GIVING ACCESS TO OTHER EQUITY SECURITIES, OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY, BY WAY OF A PUBLIC OFFERING REFERRED TO IN 1° OF ARTICLE L. 411-2 OF THE FRENCH MONETARY AND FINANCIAL CODE, DURATION OF THE DELEGATION, THE MAXIMUM NOMINAL AMOUNT OF THE CAPITAL INCREASE, THE ISSUE PRICE, ABILITY TO LIMIT THE AMOUNT OF SUBSCRIPTIONS OR DISTRIBUTE UNSUBSCRIBED SHARES**

The Shareholders' Meeting, having read the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the French Commercial Code, particularly Articles L. 225-129-2, L. 225-136 and L. 228-92:

1. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to issue, on one or more occasions and in the quantities and at the times it deems appropriate, by way of an offering as referred to in Section I of Article L. 411-2 of the French Monetary and Financial Code, either in euros, a foreign currency or any other account-unit established on the basis of a series of currencies, ordinary shares and/or equity shares, without preferential subscription rights, giving access to other equity securities, or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company. Offers covered by 1° Article L.411-2 of the French Monetary and Financial Code and decided pursuant to this resolution may be associated, in the context of one issue or several issues carried out simultaneously, with the public offerings decided pursuant to the twenty-third resolution submitted to this Shareholders' Meeting.

The Board of Directors may, under the conditions fixed by law, delegate powers to decide to proceed with, or postpone, a share issue;

2. sets the limit of the amounts of the authorized issues in the event the Board of Directors uses this delegation of authority as follows:
  - the total nominal amount of capital increases that may be realized pursuant to this delegation is limited to the amount of one million seven hundred thousand euros or the equivalent value of this amount on the date the issue is decided upon in the event of an issue in another currency or in an account unit established on the basis of a series of currencies, it being specified that this amount would be included in the nominal amount of the capital increases that could be carried out pursuant to the twenty-second, twenty-third and twenty-fifth resolutions,
  - to this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, in order to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital,
  - the total amount of debt securities of the Company that could result from this delegation would be limited to a nominal amount of one billion five hundred million euros or the equivalent of this amount on the date the issue is decided upon for the foreign currency equivalent, it being specified that this amount would be included in the nominal amount of the debt securities that could be issued pursuant to twenty-second, twenty-third and twenty-fifth resolutions of this Shareholders' Meeting, subject to their adoption by the Shareholders' Meeting.

Moreover, in accordance with the provisions set forth in Article L. 225-136 of the French Commercial Code, all issues of equity securities will be capped at 20% of equity capital and assessed at the date of issue;

3. sets the period of validity of this delegation at twenty-six months from the date of this meeting and notes that this delegation supersedes as of this date any previous delegation with the same purpose;
4. decides to waive preferential subscription rights of shareholders within the context of this resolution;
5. notes that, when necessary, this delegation of authority automatically waives in favor of holders of securities giving future access to Company shares that may be issued pursuant to this resolution, the shareholders' preferential subscription right to shares to which these securities would give entitlement;
6. decides that, in accordance with Article L. 225-136 of the French Commercial Code:
  - the issue price of shares shall be at least equal to the minimum authorized price as defined by law in force at the time this delegation is used, the Shareholders' Meeting authorizing the Board of Directors

to use the ability offered by the second paragraph of Article L.225-136-1 of the French Commercial Code in this context,

- the issue price of the securities giving access to the capital shall be such that the sum received immediately by the Company, plus, where applicable, the amount likely to be received subsequently by the Company for each share issued as a result of the issuance of these securities, shall be at least equal to the subscription price minimum defined in the preceding paragraph,
  - the conversion, redemption and more generally the transformation into shares of each security giving access to the capital shall take into account the nominal value of said securities which shall be such as to ensure that the amount of shares issued would enable the Company to receive a per-share value at least equal to the minimum subscription price as defined for the issue of shares in the same resolution;
7. decides that, if subscriptions do not absorb the entire issue of securities, the Board of Directors may use, in the order it considers appropriate, one or both of the following options:
    - limit the issue to the amount of the subscriptions on the condition that, in the case of ordinary share or security issues where the main security is a share, such amount is equal to at least three-quarters of the initial amount of the issue,
    - freely allocate all or some of the unsubscribed shares;
  8. confers all powers to the Board of Directors, including that of sub-delegation under the conditions fixed by law, to implement this delegation of authority and, in particular to determine the terms and conditions of the issue, its subscription and settlement, to report the completion of any resulting capital increases carried out and to amend the bylaws accordingly, and to:
    - set, if necessary, the conditions applied to exercising the rights attached to ordinary shares or securities giving access to the share capital, or debt securities to be issued and determines the terms for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including delivery of Company assets such as securities already issued by the Company),
    - decide, in the event of an issue of debt securities, including securities giving entitlement to the allocation of debt securities pursuant to Article L. 228-91 of the French Commercial Code, whether these be subordinated or not (and, where relevant, their level of subordination in accordance with the provisions of Article L. 228-97 of the French Commercial Code) and determines their interest rate (fixed or variable rate of interest, zero coupon or indexed), and the terms and the conditions under which such securities could give access to the share capital,
    - on the Board's sole initiative, charge all capital increase costs to the corresponding issuance premiums, and deduct from these premiums the sums necessary to raise the legal reserve to one-tenth of the new capital after each capital increase,



- set and make all adjustments destined to take account of the impact of transactions involving the capital of the Company, in particular in the event of a change in the par value of the share, an increase in the share capital by incorporation of reserves, the allocation of free shares, a stock split or a reverse stock split, the distribution of reserves or of any other assets, the redemption of capital or any other transaction affecting shareholders' equity, and to set the terms under which all rights of holders of securities giving access to share capital will be preserved and modifies the bylaws accordingly,
- and, in general, enter into any agreement, in particular, to successfully complete the proposed issues of shares or securities, takes all measures and decisions and carries out all formalities appropriate for the issue, listing and financial servicing of the shares or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto or resulting from the increases in share capital carried out.

**TWENTY-FIFTH RESOLUTION: DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS THE POWER TO INCREASE THE NUMBER OF SHARES TO BE ISSUED, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, UNDER THE TWENTY-SECOND THROUGH TWENTY-FOURTH RESOLUTIONS, UP TO A MAXIMUM OF 15% OF THE INITIAL ISSUE**

Having considered the Board of Directors' report and the Statutory Auditors' report, voting in accordance with the quorum and majority rules applicable to Extraordinary Shareholders' Meetings, and pursuant to the provisions of Article L. 225-135-1 of the French Commercial Code, the Shareholders' Meeting:

1. decides, if the Board of Directors finds there is excess demand, that for each issue of ordinary shares or of securities giving access to share capital that was authorized pursuant to the twenty-second, twenty-third and twenty-fourth resolutions, the number of shares to be issued may be increased at the same price as that of the initial issue as provided in Articles L. 225-135-1 et R. 225-118 of the French Commercial Code, within the same time-frame and subject to the same limitations provided for by applicable regulations at the date of the issuance (currently, within thirty days of the subscription closure date and for up to 15% of the initial issue) and pursuant to the resolution upon which the issue was decided;
2. sets the period of validity of this delegation at twenty-six months from the date of this meeting and notes that this delegation supersedes as of this date any previous delegation with the same purpose.

**TWENTY-SIXTH RESOLUTION: DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS POWERS TO INCREASE THE SHARE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO COMPANY SHARES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN PURSUANT TO ARTICLES L. 3332-18 ET SEQ. OF THE FRENCH LABOR CODE, THE DURATION OF THE DELEGATION, THE MAXIMUM NOMINAL AMOUNT OF THE CAPITAL INCREASE, THE ISSUE PRICE, OPTION TO GRANT FREE SHARES IN APPLICATION OF ARTICLE L. 3332-21 OF THE FRENCH LABOR CODE**

After having read the Board of Directors' report and the Statutory Auditors' report on the application of Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code, the Shareholders' Meeting:

- authorizes the Board of Directors, if it deems it appropriate and on its sole decision, to increase the share capital on one or several occasions

by issuing ordinary shares or securities reserved for employees and managers who are members of one or more savings plans of the Company and/or any French or foreign companies affiliated to it under the terms of Articles L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code;

- waives, in favor of these persons, shareholders' preferential subscription rights to shares that could be issued pursuant this delegation;
- sets the validity period of this delegation at twenty-six months as of this Shareholders' Meeting;
- caps the nominal amount of the capital increase(s) that may be carried out under this authorization at 3% of the share capital on the date the Board of Directors decides to carry out this capital increase, this ceiling being independent and separate from the ceilings set by any other authorizations to increase the share capital. To this amount shall be added, if necessary, the additional amount of ordinary shares that may be issued in order to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of securities giving access to the Company's share capital;
- decides that the price of shares to be issued under this delegation, may not be less than 30%, or 40% when the lock-up period provided for in Articles L. 3332-25 and L. 3332-26 of the French Labor Code is equal to or more than ten years, the average opening share price over the last twenty trading sessions preceding the Board of Director's decision to increase the capital and issue the corresponding number of shares; or exceed this 20-day average;
- decides that, pursuant to Article L. 3332-21 of the French Commercial Code, the Board of Directors may freely allocate to beneficiaries defined in the first paragraph above, existing or to be issued shares, or other existing or to be issued securities giving access to the share capital of the Company in respect of the contribution that may be paid pursuant to the regulations of the employee savings plan of the Company or of the Group and/or if applicable, the discount;
- acknowledges that this delegation cancels any prior delegation with the same purpose.

The Board of Directors may decide whether or not to implement this authorization, and take all steps and carry out all formalities as necessary.

**TWENTY-SEVENTH RESOLUTION: DELEGATION GRANTING THE BOARD OF DIRECTORS THE POWER TO RECONCILE THE COMPANY BYLAWS WITH LEGAL AND REGULATORY PROVISIONS**

The Shareholders' Meeting, having reviewed the report of the Board of Directors, gives the Board full powers to bring the Company's bylaws into compliance with the laws and regulations, subject to the ratification of these changes by the next Extraordinary Shareholders' Meeting.

**TWENTY-EIGHTH RESOLUTION: RECONCILIATION OF THE COMPANY BYLAWS WITH LAW 2019-486 OF MAY 22, 2019 CONCERNING THE GROWTH AND TRANSFORMATION OF BUSINESS ENTERPRISES**

The Shareholders' Meeting, having reviewed the report of the Board of Directors, decides to reconcile:

- Article 7-2, par. 1 "Form of shares" of the Company's bylaws with the Article L. 228-2 of the French Commercial Code so that it complies with the provisions concerning the identification of shareholders and to amend it as follows, with the rest of the Article remaining unchanged:

"2) The Company is authorized at any time to request either the central depository administering its securities or, directly, one or more of the intermediaries mentioned in Article L. 211-3 of the French Monetary and Financial Code, the information pursuant to the law regarding the identification of owners of bearer securities that grant, immediately or at a future date, voting rights at Shareholder Meetings as well as the number of securities held by each and, where applicable, the restrictions on said securities."

- par. 1 of Article 11, "Administration" of the Company bylaws with the Article L. 225-35 of the French Commercial Code in order to extend the powers of the Board of Directors and to amend the bylaw as follows, with the rest of the Article remaining unchanged:

*"The Company is administered by a Board of Directors which sets the strategies for the Company's business and ensures their implementation in accordance with its corporate interest, taking into account the social and environmental issues of its business activities."*

- par. 1 of Article 11 bis "Directors Representing Employees" of the Company bylaws with the Article L. 225-27-1 of the French Commercial Code so that it complies with the provisions relating to the director representing the employees and to amend it as follows, with the rest of the Article remaining unchanged:

*"Pursuant to Article L. 225-27-1 of the French Commercial Code, the Board of Directors includes two directors representing employees of the Group. In the event that the number of directors appointed by the Shareholders' Meeting, other than those representing employees appointed in accordance with Article L. 225-23 of the French Commercial Code, falls below eight, the number of directors representing employees will be reduced to one upon expiry of the term of office of said directors".*

- Article 15 "Compensation of directors" of the Company bylaws with Article L. 225-45 of the French Commercial Code in order to eliminate the term "attendance fees" and amend it therefore as follows:

*"The Board of Directors freely distributes among its members the compensation that may be allocated to it by the Shareholders' Meeting. A larger share may be allocated to those directors who are members of committees, provided for in Article 12. The Board of Directors may allocate exceptional compensation to directors in certain cases and under conditions provided by the law".*

- the last paragraph of Article 17 "Censors" of the company bylaws with Article L.225-45 of the French Commercial Code in order to delete the term "Directors' fees" and in turn to amend it accordingly as follows, the rest of the article remains unchanged:

*"The Board of Directors may allocate compensation to censors relating to their activity. Their respective share is determined by the Board and divided among them by the Board. It is paid from the total amount of compensation such as it was set by the Ordinary Shareholders' Meeting."*

**TWENTY-NINTH RESOLUTION: RECONCILIATION OF ARTICLE 12 "PROCEEDINGS OF THE BOARD OF DIRECTORS" OF THE COMPANY BYLAWS WITH LAW 2019-744 OF JULY 19, 2019 FOR THE SIMPLIFICATION, CLARIFICATION AND UPDATING OF CORPORATE LAW, IN ORDER TO ENABLE THE BOARD OF DIRECTORS TO MAKE DECISIONS BY WRITTEN CONSULTATION**

The Shareholders' Meeting, having considered the report of the Board of Directors, decides to reconcile par. 1 of Article 12 "Proceedings of the Board of Directors" of the Company bylaws with Article L. 225-37 of the French Commercial Code and accordingly adds a new paragraph to paragraph 1 as follows, with the rest of the Article remaining unchanged:

*"However, the Board may adopt by written vote the decisions provided for by current regulations."*

**THIRTIETH RESOLUTION: RECONCILIATION OF ARTICLE 13 "RELATED-PARTY AGREEMENTS" WITH ORDINANCE 2019-1234 OF NOVEMBER 27, 2019, WHICH REPEALED ARTICLE L. 225-42-1 OF THE FRENCH COMMERCIAL CODE**

The Shareholders' Meeting, having considered the report of the Board of Directors, decides to reconcile Article 13 "Related-party agreements" of the Company bylaws with Ordinance 2019-1234 of November 27, 2019, which replaced Article L. 225-42-1 of the French Commercial Code and to amend it as follows:

*"Pursuant to Article L. 229-7-6 of the French Commercial Code, the provisions of Articles L. 225-35 to L. 225-42 of the French Commercial Code are applicable to the Company's agreements".*

**THIRTY-FIRST RESOLUTION: POWERS TO CARRY OUT FORMALITIES**

The Shareholders' Meeting grants full powers to the bearer of an original, a copy or an extract of the minutes of the meeting to carry out any and all legal filings and formalities.

## 8.3 BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS PRESENTED TO THE COMBINED SHAREHOLDERS' MEETING ON APRIL 23, 2020

### 8.3.1 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS PRESENTED TO THE ORDINARY SHAREHOLDERS' MEETING

#### APPROVAL OF THE 2019 FINANCIAL STATEMENTS (FIRST RESOLUTION)

The first resolution submits for your approval the parent company financial statements for the year ended December 31, 2019 which resulted in a profit of €271,773,946 compared with €231,797,048 in 2018.

#### APPROPRIATION OF NET INCOME AND DETERMINATION OF THE DIVIDEND FOR 2019 (SECOND RESOLUTION)

The second resolution concerns the appropriation of net income and determination of the dividend for the year ended December 31, 2019.

*In euros*

Retained earnings at December 31, 2019 of	1,096,593,224
And net income for the year ended December 31, 2019 was	271,773,946
Total amount to be appropriated	1,368,367,170

The Board of Directors proposes to the Shareholders' Meeting a net dividend for the financial year ended December 31, 2019 of €0.74 per share, identical to the previous year's dividend.

Upon payment, the dividend attributable to treasury shares held by the Company will be transferred to "Retained earnings".

If the Shareholders' Meeting approves this proposal, shares will trade ex-dividend as of April 29, 2020 at midnight (Paris time) and the dividend will be paid on May 4, 2020.

For individual shareholders resident for tax purposes in France, who do not opt for withholding at the flat rate of 30%, this dividend is eligible for the 40% tax relief resulting from the provisions of Article 158-3-2° of the French General Tax Code. The dividends for individual shareholders are subject to withholding at 12.8%.

As a reminder, the following dividends have been distributed over the past three years.

Year	Number of shares with dividend rights	Dividend per share	Income eligible for the tax relief provided for in Article 158-3-2° of the French General Tax Code		Income not eligible for the tax relief provided for in Article 158-3-2° of the French General Tax Code	
			Dividends	Other income	Dividends	Other income
2016	147,494,915	0.49	72,272,508	-	-	-
2017	147,494,900	0.67	98,821,583	-	-	-
2018	146,173,826	0.74	108,168,631	-	-	-

The Board of Directors recommends that this amount be appropriated as follows:

*In euros*

Total amount to be appropriated	1,368,367,170
Appropriation: Net dividend distributed for 2019	109,938,919
Carried forward	1,258,428,251
Total appropriated	1,368,367,170

## REPORT OF THE STATUTORY AUDITORS CONCERNING RELATED-PARTY AGREEMENTS ENTERED INTO OR CONTINUING DURING THE YEAR (THIRD TO SIXTH RESOLUTIONS)

The purpose of the third, fourth and fifth resolutions, in accordance with Article L. 225-38 of the French Commercial Code, is to acknowledge the agreements mentioned in the special report of the Statutory Auditors on related-party agreements concluded by Compagnie Plastic Omnium during 2019.

In this regard, the following related-party agreements were concluded during 2019:

- agreement related to the sale to Sofiparc SAS of two building complexes, one located in Nanterre and the other in Lyon (3rd resolution)
- the allocation to Mr. Jérôme Gallot, director, of exceptional compensation, following the mission assigned to him to carry out a valuation to determine the market value of the real estate assets sold, the purpose of the 3rd resolution; this compensation was detailed in section 3.1.2.3.2 of the Universal Registration Document (4th resolution)
- modification to the existing service provision agreement with Burelle SA (5th resolution)

We propose that you approve them.

In addition, please note that agreements concluded in previous years were continued in 2019 (6th resolution).

## APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2019 (SEVENTH RESOLUTION)

The seventh resolution submits for your approval the consolidated financial statements for the year ended December 31, 2019, which show a Group share of consolidated net profit of €258,197 thousand.

## AUTHORIZATION TO THE BOARD OF DIRECTORS TO BUY BACK THE COMPANY'S SHARES (EIGHTH RESOLUTION)

At the Shareholders' Meeting of April 25, 2019, the shareholders authorized the Company to buy back its own shares under the following terms and conditions:

Maximum purchase price	€60 per share
Maximum shares that may be held	10% of share capital
Maximum investment in the buyback program	€905,860,320

Between April 25, 2019 and January 31, 2020, the Company:

- purchased 1,195,469 shares for a total amount of €27,771,435 i.e. €23.23 per share; 1,139,769 of these shares were purchased under the liquidity agreement, and 55,700 were purchased outside of this agreement;
- sold 1,074,153 shares as part of the liquidity agreement for a total disposal value of €25,543,698, i.e. €23.78 per share.

Details of these transactions and a description of the authorization submitted to your vote can be found in the section 3.1.3 of the Company's 2019 Universal Registration Document.

The authorization to buy back the shares of the Company granted by the Shareholders' Meeting on April 25, 2019 expires on October 24, 2020.

You are being asked to grant the Board of Directors a new authorization to buy back the shares of the Company for a further period of 18 months.

Share buybacks allow an investment service provider to make a market in the Company's shares under a liquidity contract complying with the Code of Ethics issued by the *Association Française des Marchés Financiers* (AMAFI), while the subsequent cancellation of shares improves our return on equity and earnings per share.

Shares can also be repurchased to support external growth transactions, to implement stock option and free share plans for employees or executive directors, to hedge securities granting rights to the allocation of the Company's shares within current regulations, or any market practice permitted by the market authorities.

The Board at Directors may not use this authorization during the course of a takeover bid for the Company's shares.

We are seeking to renew this authorization on the following terms:

Maximum purchase price	€60 per share
Maximum shares that may be held	10% of share capital
Maximum investment in the buyback program	€891,396,600

## RATIFICATION OF THE PROVISIONAL APPOINTMENT OF A DIRECTOR: MR. LAURENT FAVRE (NINTH RESOLUTION)

The Shareholders' Meeting is asked to ratify the co-option of Mr. Laurent Favre as director, decided by the Board of Directors Meeting held on September 24, 2019, replacing Mr. Jean-Michel Szczerba, as of January 1, 2020 for the remaining term of his predecessor, i.e. until the end of the Ordinary Shareholders' Meeting to be held in 2021 to approve the 2020 financial statements.

With an engineering degree from ESTACA (École Supérieure des Techniques Aéronautiques et de Construction Automobile) Laurent Favre developed his career in the automotive sector in Germany. Over a period of 23 years he has held various positions of responsibility with leading German automotive equipment manufacturers: ThyssenKrupp (steering systems), ZF (gearboxes and steering columns) and Benteler (structural components), where he was Chief Executive Officer of the Automotive Division.

## RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR: MRS. FÉLICIE BURELLE (TENTH RESOLUTION)

The proposal that Mrs. Félicie Burelle's term of office as director, which expires in 2020, be renewed for a period of three years is submitted to the Shareholders' Meeting.

Félicie Burelle graduated from the ESCE Business School and holds a graduate degree in Business-Finance from South Bank University of London and an MBA from the Instituto de Empresa (IE) Business School of Madrid.

After beginning her career in Compagnie Plastic Omnium Group in 2001 as Accounting Manager of a subsidiary of the Auto Exterior Division in Spain (Madrid), Félicie Burelle moved on to the Merger & Acquisitions Department of Ernst & Young Transaction Services in 2005. In 2010, she joined Compagnie Plastic Omnium once again and took over the Department of Strategic Planning and Commercial Coordination of the



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Auto Exterior Division. She also became member of the Executive Committee of this Division.

Félicie Burelle has been a member of the Burelle SA Board of Directors since 2013.

In 2015, she became Strategy and Development Director of Compagnie Plastic Omnium SE and is member of the Executive Committee since then.

Appointed Deputy Chief Executive Officer of Compagnie Plastic Omnium SE on January 1, 2018, Félicie Burelle became Managing Director on January 1, 2020.

During her three year term on the Board of Directors, Mrs. Félicie Burelle's attendance record at Board meetings was 91.66%.

If the Shareholders' Meeting votes to approve the proposed renewal, Mrs. Félicie Burelle's term of office will expire at the end of the Shareholders' Meeting called in 2023 to approve the 2022 financial statements.

### RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR: MRS. ANNE ASENSIO (ELEVENTH RESOLUTION)

The proposal that Mrs. Anne Asensio's term of office as director, which expires in 2020, be renewed for a period of three years is submitted to the Shareholders' Meeting.

Holder of a master's degree in transport design from the Center for Creative Studies in Detroit, as well as a degree in industrial design from École Nationale Supérieure des Arts Appliqués in Paris, Anne Asensio began her career with Renault in 1987, where she was notably charged with the design of the Twingo, Clio and Mégane (Scenic) ranges. She then held several management positions with General Motors, leading the development of a number of concept cars.

She joined Dassault Systèmes in November 2007 as Vice-President for Design, in charge of design, innovation and corporate identity.

Anne Asensio is a *Chevalier de la Légion d'honneur* and a *Chevalier de l'Ordre National du Mérite*.

During her nine year term on the Board of Directors, Mrs. Anne Asensio's attendance record at Board and Committee meetings was 89.2%.

If the Shareholders' Meeting votes to approve the proposed renewal, Mrs. Anne Asensio's term of office will expire at the end of the Shareholders' Meeting called in 2023 to approve the 2022 financial statements.

Upon the recommendations of the Appointments Committee, the Board of Directors considers that Mrs. Anne Asensio qualifies as an independent director in accordance with the recommendations of the AFEP-MEDEF Code.

### RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR: MRS. CÉCILE MOUTET (TWELFTH RESOLUTION)

The proposal that Mrs. Cécile Moutet's term of office as director, which expires in 2020, be renewed for a period of three years is submitted to the Shareholders' Meeting.

Cécile Moutet has a Specialized Master's degree in Market Research and Marketing Management from NEOMA Business School and is also a graduate of the *Institut Européen des Affaires*.

She started her career as a communication consultant in the IRMA Communication agency, where she assumed the responsibility of the Client Division, designed press relations campaigns of various groups and organized public relations events.

Between 2006 and 2008, Cécile Moutet was self-employed in Spain as a communication consultant.

In 2009 and 2010, Cécile Moutet worked at IRMA Communication (which became Cap & Cime PR in 2010) and coordinated various consulting assignments.

During her three year term on the Board of Directors, Ms. Moutet's attendance record at Board meetings was 100%.

If the Shareholders' Meeting votes to approve the proposed renewal, Mrs. Cécile Moutet's term of office will expire at the end of the Shareholders' Meeting called in 2023 to approve the 2022 financial statements.

### RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR: MR. VINCENT LABRUYÈRE (THIRTEENTH RESOLUTION)

The proposal that Mr. Vincent Labruyère's term of office as director, which expires in 2020, be renewed for a period of three years is submitted to the Shareholders' Meeting.

A graduate of the Federal Institute of Technology (ETH) in Zurich, Vincent Labruyère began his career in 1976 at Établissements Bergeaud Mâcon, a subsidiary of Rexnord Inc. USA, manufacturer of materials preparation equipment.

In 1981, he became head of Imprimerie Perroux, a printer of checkbooks and bank forms, which he diversified in 1985 by creating DCP Technologies, a subsidiary specializing in credit card manufacture and encoding.

In 1989, he founded the SPEOS Group, specialized in desktop publishing and electronic archiving of management documents and the manufacture of means of payment, which he sold to the Belgian Post Office in 2001.

He joined the Labruyère Group as Chief Executive Officer, later becoming Chairman of the Management Board and then Chairman of the Supervisory Board. Labruyère-Eberlé is a family-owned company operating vineyards in France and the United States, which also operates commercial real estate premises and invests growth capital in France and abroad.

During his eighteen years on the Board of Directors, Mr. Vincent Labruyère's attendance record at Board and Committee meetings was 98.6%.

If the Shareholders' Meeting votes to approve the proposed renewal, Mr. Vincent Labruyère's term of office will expire at the end of the Shareholders' Meeting called in 2023 to approve the 2022 financial statements.

### APPROVAL OF THE COMPENSATION POLICY FOR EXECUTIVE DIRECTORS (FOURTEENTH RESOLUTION)

The fourteenth resolution asks the Shareholders' Meeting to vote on the principles and criteria for fixing, distributing and awarding the compensation awarded to executive directors pursuant to Article L. 225-37-2 of the French Commercial Code, the details of which can be found in chapter 3 of the Company's 2019 Universal Registration Document.

### **APPROVAL OF THE COMPENSATION POLICY FOR NON-EXECUTIVE DIRECTORS (FIFTEENTH RESOLUTION)**

The fifteenth resolution asks the Shareholders' Meeting to vote on the principles and criteria for fixing, distributing and awarding the compensation awarded to non-executive directors pursuant to Article L. 225-37-2 of the French Commercial Code, the details of which can be found in chapter 3 of the Company's 2019 Universal Registration Document.

### **APPROVAL OF TOTAL COMPENSATION PAID FOR THE YEAR ENDED DECEMBER 31, 2019 OR AWARDED IN RESPECT OF THE YEAR ENDED DECEMBER 31, 2019 TO CORPORATE OFFICERS FOR THE 2019 FINANCIAL YEAR (SIXTEENTH RESOLUTION)**

The sixteenth resolution asks the Shareholders' Meeting to vote on components of the compensation paid or awarded to each corporate officer pursuant to Article L. 225-100 II of the French Commercial Code, the details of which can be found in section 2 of the Universal Registration Document.

### **APPROVAL OF THE COMPONENTS OF COMPENSATION PAID OR ALLOCATED IN RESPECT OF 2019 TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER, AND THE CHIEF OPERATING OFFICERS (SEVENTEENTH TO NINETEENTH RESOLUTIONS)**

The seventeenth, eighteenth and nineteenth resolutions ask the Shareholders' Meeting to vote on the components of compensation paid or allocated in respect of 2019 to Mr. Laurent Buelle, Chairman and Chief Executive Officer, to Mr. Paul Henry Lemarié, Chief Operating Officer and Mr. Jean-Michel Szczerba, Co-Chief Executive Officer and Chief Operating Officer until September 24, 2019. Details of the proposed compensation can be found as presented in chapter 3 of the Company's 2019 Universal Registration Document.

### **AMOUNT OF COMPENSATION ALLOCATED TO THE MEMBERS OF THE BOARD OF DIRECTORS (TWENTIETH RESOLUTION)**

The twentieth resolution proposes that the Shareholders' Meeting increase the amount of compensation allocated to members of the Board of Directors to €790,000 as of the 2020 financial year.

## **8.3.2 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS PRESENTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING**

### **AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS TO CANCEL THE SHARES BOUGHT BACK BY THE COMPANY PURSUANT TO ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE (TWENTY-FIRST RESOLUTION)**

The twenty-first resolution proposes the Shareholders' Meeting authorizes the Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, to reduce the share capital, on one or more occasions, in the proportions and at the times it shall decide, by canceling all or some of the shares purchased or which may be purchased by virtue of an authorization granted by the Ordinary Shareholders' Meeting, by the Company itself, up to the limit of 10% of the share capital per 24-month period, it being reiterated that this limit applies to a share capital amount which may be adjusted, where required, to take into account share capital transactions subsequent to the next Shareholders' Meeting.

This authorization shall be valid for a period of 26 months from the date of the next Shareholders' Meeting.

### **DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES PROVIDING ACCESS TO OTHER EQUITY SECURITIES, OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY, WITH PREFERENTIAL SUBSCRIPTION RIGHTS (TWENTY-SECOND RESOLUTION)**

Because of a change in the reference to an Article of the French Monetary and Financial Code cited in the financial resolutions voted at the Shareholders' Meeting of April 25, 2019, the Board of Directors is re-submitting to a vote by the Shareholders' Meeting of April 23, 2020 in its twenty-second resolution, a renewal of the delegation of authority conferred on the Board of Directors to issue securities with preferential subscription rights. This delegation of authority to the Board of Directors enables it to have the flexibility, if needed, to carry out share issues that are best adapted to the market.

This delegation of authority concerns issues, with preferential subscription rights, of ordinary shares and/or equity securities giving access to other equity or other debt securities and/or securities giving access to the equity shares to be issued by the Company for a consideration or free of charge, pursuant to Article L. 228-91 and seq. of the French Commercial Code.

It would be renewed for another twenty-six month period as of this Shareholders' Meeting and, as such, cancels and replaces all previous delegations of authority with the same purpose.



In the event of an issue of securities giving future access to new shares, the decision of the Shareholders' Meeting would waive shareholders' rights to subscribe to any shares that might be obtained from the securities initially issued.

This authorization would be renewed for a maximum nominal amount of the capital increases that may be carried out immediately or in the future under this delegation of four million euros, it being specified that this amount would be included in the nominal amount of capital increases that could be carried out under the twenty-third, twenty-fourth and twenty-fifth resolutions.

To this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital.

This delegation of authority would also cover the authorization to issue, under the conditions specified above, securities giving access to debt securities for a maximum total amount of one billion euros, it being specified that this amount would be included in the nominal amount of debt securities that could be issued pursuant to the twenty-third, twenty-fourth and twenty-fifth resolutions.

On these bases, the Board of Directors would be authorized to proceed with these issues, on one or more occasions, in the best interests of the Company and its shareholders, and could, in accordance with the law, establish a subscription right for shareholders on a reducible basis.

The Board of Directors would be authorized to issue warrants of Company shares by subscription offer as well as the free allocation of new shares to owners of old ones.

In addition, the Board of Directors would have the power to charge all share issue costs incurred pursuant to this resolution to the amounts of the corresponding capital increase premiums, and to deduct from these premiums the sums necessary to constitute the legal reserve.

**DELEGATION OF AUTHORITY GIVING POWERS TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, AND GIVING ACCESS TO OTHER EQUITY SECURITIES OR ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES GIVING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, BY WAY OF A PUBLIC OFFERING AND/OR AS CONSIDERATION FOR SECURITIES AS PART OF A PUBLIC EXCHANGE OFFER (TWENTY-THIRD RESOLUTION)**

The twenty-third resolution would confer powers on the Board of Directors to issue, without preferential subscription rights, on one or more occasions, ordinary shares and/or equity securities giving access to other equity securities or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the

Company by way of a public offering, excluding offers referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code, for a maximum nominal amount of four million euros, it being specified that this amount would be included in the nominal amount of capital increases that could be carried out under the twenty-second, twenty-fourth and twenty-fifth resolutions.

To this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital.

This resolution would also enable the Board of Directors to issue, under the conditions specified above, securities giving access to debt securities for a maximum nominal amount of one billion five hundred million euros, it being specified that this amount would be included in the nominal amount of debt securities that may be issued pursuant to the twenty-second, twenty-fourth and twenty-fifth resolutions.

In accordance with the same conditions as those provided for under the twenty-fourth resolution and subject to the following:

- the issue price of the shares issued directly will be at least equal to the minimum provided for by applicable regulatory provisions on the day of the issue, i.e. the weighted average of the last three trading days on the Euronext Paris market prior to the date the price is determined, minus the 5% discount permitted by law, after adjusting the average, if applicable, to take account of the difference between the vesting dates, it being specified that in the case of share warrant issues, the amount received by the Company upon subscription will be taken into account in the calculation;
- the issue price of the securities giving access to the capital shall be such that the sum received immediately by the Company, plus, where applicable, the amount likely to be received subsequently by the Company for each share issued as a result of the issuance of these securities, be at least equal to the subscription price minimum defined above;
- in addition, the conversion, redemption and more generally the transformation of convertible bonds, reimbursable or otherwise transformable into shares, will take into account the par value of said bond in the form of a number of shares such that the amount received by the Company for each share is at least equal to the minimum subscription price for each share issued.

On the basis of these elements, the Board of Directors would have the power to determine the issue price of securities and, where applicable, the terms of payment of the debt securities, in the best interests of the Company and the shareholders and taking account of all the parameters involved.

The Board of Directors would have the power to charge all share issue costs incurred pursuant to this resolution to the amounts of the corresponding capital increase premiums, and to deduct from these premiums the sums necessary to constitute the legal reserve.

Pursuant to Article L. 225-135-5 of the French Commercial Code, the Board of Directors may grant shareholders, for a specific period of time and subject to conditions determined by the Board in compliance with applicable legal and regulatory provisions, and for all or part of any issue, a priority subscription right which does not constitute a negotiable right and must be exercised in proportion to the quantity of shares owned by each shareholder.

The decision of the Shareholders' Meeting would automatically waive shareholders' rights to subscribe to any shares that might be obtained from the securities giving access to the Company's share capital.

In the event of an issue of securities carried out for the purpose of remunerating shares tendered in the context of a public exchange offer, the Board of Directors would have, within the limits set out above, the necessary powers to draw up the list of securities to be tendered for the exchange and determine the issue conditions, the exchange parity and, if applicable, the amount of the cash payment to be paid, and the terms of the issue.

This delegation would be valid for a period of twenty-six months as of this Shareholders' Meeting and, as such, cancel and replace all previous delegations of authority with the same purpose.

### **DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND/OR EQUITY SECURITIES GIVING ACCESS TO OTHER EQUITY SECURITIES, OR GRANTING ENTITLEMENT TO THE ALLOCATION OF DEBT SECURITIES AND/OR SECURITIES PROVIDING ACCESS TO EQUITY SECURITIES TO BE ISSUED BY THE COMPANY, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, BY WAY OF AN OFFER REFERRED TO IN 1° OF ARTICLE L. 411-2 OF THE FRENCH MONETARY AND FINANCIAL CODE (TWENTY-FOURTH RESOLUTION)**

The twenty-fourth resolution would confer powers on the Board of Directors to issue, without preferential subscription rights, on one or more occasions, ordinary shares and/or equity securities giving access to other equity securities or granting entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company by way of a public offering referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code, for a maximum nominal amount of one million seven hundred thousand euros, it being specified that this amount would be included in the nominal amount of capital increases that could be carried out under the twenty-second, twenty-third and twenty-fifth resolutions.

To this ceiling shall be added, if necessary, the nominal amount of additional shares that may be issued in the event of any new financial transactions, to preserve, as required by law, any contractual stipulations providing for other adjustments in order to protect the rights of holders of stock options and/or securities giving access to the share capital.

This resolution would also enable the Board of Directors to issue, under the conditions specified above, securities giving access to debt securities for a maximum nominal amount of one billion five hundred million euros, it being specified that this amount would be included in the nominal amount of debt securities that could be issued pursuant to the twenty-second, twenty-third and twenty-fifth resolutions and under the same terms applied to security issues that may be carried out pursuant to the twenty-second resolution, subject to the following:

- the issue price of the shares issued directly will be at least equal to the minimum provided for by applicable regulatory provisions on the day of the issue, *i.e.* the weighted average of the last three trading days on the Euronext Paris market prior to the date the price is determined, minus the 10% discount permitted by law, after adjusting the average, if applicable, to take account of the difference between the vesting dates, it being specified that in the case of share warrant issues, the amount

received by the Company upon subscription will be taken into account in the calculation;

- the issue price of the securities giving access to the capital shall be such that the sum received immediately by the Company, plus, where applicable, the amount likely to be received subsequently by the Company for each share issued as a result of the issuance of these securities, be at least equal to the subscription price minimum defined above;
- in addition, the conversion, redemption and more generally the transformation of convertible bonds, reimbursable or otherwise transformable into shares, will take into account the par value of said bond in the form of a number of shares such that the amount received by the Company for each share is at least equal to the minimum subscription price for each share issued.

On the basis of these elements, the Board of Directors would have the power to determine the issue price of securities and, where applicable, the terms of payment of the debt securities, in the best interests of the Company and the shareholders and taking account of all the parameters involved.

If subscriptions, including those of shareholders if applicable, do not absorb the entire issue, the Board of Directors would be authorized, in the order it determines, (i) to limit the issue to the amount of the subscriptions on the condition that, in the case of ordinary share or security issues where the main security is a share, such amount is equal to at least three-quarters of the initial amount of the issue, and (ii) to freely distribute all or part of the unsubscribed securities.

The Board of Directors would have the power to charge all share issue costs incurred pursuant to this resolution to the amounts of the corresponding capital increase premiums, and to deduct from these premiums the sums necessary to constitute the legal reserve.

The decision of the Shareholders' Meeting would automatically waive shareholders' rights to subscribe to any shares that might be obtained from the securities giving access to the Company's share capital.

This delegation would be valid for a period of twenty-six months as of this Shareholders' Meeting and, as such, cancels and replaces all previous delegations of authority with the same purpose.

### **DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS THE POWER TO INCREASE THE NUMBER OF SHARES TO BE ISSUED, WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, UNDER THE TWENTY-SECOND THROUGH TWENTY-FOURTH RESOLUTIONS, UP TO A MAXIMUM OF 15% OF THE INITIAL ISSUE (TWENTY-FIFTH RESOLUTION)**

As permitted by law, the twenty-fifth resolution would enable the Board of Directors to meet excess demand or deal with market volatility, as well as to decide in the context of capital increases with or without preferential subscription rights carried out under the twenty-second, twenty-third and twenty-fourth resolutions, to increase the number of securities to be issued at the same price as in the initial issue, within the time and limits provided for by the applicable regulations.

This over-allotment option would enable the Board of Directors to issue, within thirty days of the closing of the subscription period, an additional amount of securities capped at 15% of the initial issue, at the same price and within the same limits of the nominal amount provided for in the twenty-second, twenty-third and twenty-fourth resolutions.



This new authorization would be valid for a period of twenty-six months as of this Shareholders' Meeting and cancels and replaces all previous delegations of authority with the same purpose.

### **DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL BY ISSUING ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO CAPITAL WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS TO MEMBERS OF A COMPANY SAVINGS SCHEME TO THE CAPITAL WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, UNDER ARTICLES L. 3332-18 ET SEQ. OF THE FRENCH LABOR CODE (TWENTY-SIXTH RESOLUTION)**

The Company is required to vote every three years on a resolution, to carry out a capital increase reserved for members of a company savings plan.

In accordance with Article L. 3332-19 of the French Labor Code, the issue price may not exceed the average share price over last twenty trading sessions preceding the decision to set the opening date of the subscription period. It can also not be more than 30% lower than this average, unless the lock-up period for subscribed shares is at least ten years, in which case the issue price cannot be lower than 40% of this average.

The Shareholders' Meeting is therefore requested to delegate to the Board of Directors, within the limit of 3% of the share capital, the power to decide to carry out this capital increase.

This delegation is valid for a period of twenty-six months as of this Shareholders' Meeting and, as such, cancels and replaces all previous delegations of authority with the same purpose.

### **DELEGATION OF AUTHORITY GRANTING THE BOARD OF DIRECTORS THE POWER TO RECONCILE THE COMPANY BYLAWS WITH LEGAL AND REGULATORY PROVISIONS (TWENTY-SEVENTH RESOLUTION)**

The twenty-seventh resolution proposes, for the sake of flexibility and speed, to grant the Board of Directors the power to amend the bylaws in order to reconcile them with legal and regulatory provisions. This delegation of authority would bring the bylaws into compliance with new legal or regulatory provisions without waiting for a Shareholders' Meeting to be called.

The amendments to the bylaws so decided would nonetheless be subject to ratification by the next Shareholders' Meeting.

### **RECONCILIATION OF THE BYLAWS WITH THE SO-CALLED PACTE LAW, THE SO-CALLED SOILIHI LAW AND ORDINANCE 2019-1234 (TWENTY-SIXTH TO TWENTY-EIGHTH TO THIRTIETH RESOLUTIONS)**

The twenty-eighth resolution proposes reconciling the Company's bylaws with law 2019-486 of May 22, 2019 concerning the growth and transformation of business enterprises, known as the Pacte law, to amend:

- Article 7 of the bylaws to put it in compliance with the provisions as to the identification of shareholders;
- Article 11 of the bylaws to specify the duties of the Board of Directors;
- Article 11 *bis* of the bylaws to reduce the number of directors beyond which the appointment of a second employee director becomes mandatory;
- Articles 15 and 17 of the bylaws with the Pacte law where it eliminates the term "attendance fees" to replace it with that of "compensation."

The twenty-ninth resolution proposes amending Article 12 of the bylaws to enable the Board of Directors to make decisions through written votes, as is now permitted by law 2019-744 of July 19, 2019 for the simplification, clarification and updating of corporate law.

The thirtieth resolution proposes amending Article 13 of the bylaws to reconcile it with Ordinance 2019-1234 of November 27, 2019, which replaces Article L. 225-42-1 of the French Commercial Code and referred to it.

### **POWERS OF ATTORNEY TO CARRY OUT FORMALITIES (THIRTY-FIRST RESOLUTION)**

The purpose of the thirty-first resolution is to authorize the bearer of an original, a copy or an extract of the minutes of the Shareholders' Meeting to carry out any and all legal filings and formalities in relation to the execution of the decisions of this Shareholders' Meeting.

## 8.4 STATUTORY AUDITORS' REPORT ON THE REDUCTION IN CAPITAL

### ANNUAL GENERAL MEETING OF APRIL 23<sup>TH</sup>, 2020

#### Twenty-first resolutions

*This is a translation into English of a report issued in French 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.*

To the Shareholders

In our capacity as statutory auditors of your Company and in compliance with article L. 225-209 of the French Commercial Code (Code de commerce) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Board of Directors requests that it be authorised, for a period of 26 months starting on the date of the present shareholders' meeting, to proceed with the cancellation of shares the Company was authorised to repurchase, representing an amount not exceeding 10% of its total share capital, by periods of 24 months in compliance with the article mentioned above.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report as to the terms and conditions of the proposed reduction in capital.

Paris-La Défense, March 9, 2020

The Statutory Auditors

MAZARS  
Juliette DECOUX

ERNST & YOUNG et Autres  
Gilles PUISSOCHET



## 8.5 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR VARIOUS SECURITIES WITH AND/OR WITHOUT CANCELLATION OF THE PREFERENTIAL SUBSCRIPTION RIGHTS

*This is a translation into English of a report issued in French 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.*

### ANNUAL GENERAL MEETING OF APRIL 23<sup>TH</sup>, 2020

#### Twenty-second, twenty-third, twenty-fourth and twenty-fifth resolutions

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with Articles L. 228-92 and L. 225-135 and seq. of the French Commercial Code (Code de commerce), we hereby report on the proposed issue of shares and/or securities, an operation upon which you are called to vote.

Your Board of Directors proposes that, on the basis of its report, it be authorized, for a period of twenty-six months, on the following operations, to determine the conditions of these issues and proposes, where relevant, to cancel or maintain your preferential subscription rights:

- issue – with preferential subscription rights (twenty-second resolution)– of ordinary shares and/or equity securities providing access to other equity securities or granting entitlement to the allocation of debt securities, and/or securities giving access to equity securities to be issued by the company for a consideration or free of charge, pursuant to Articles L.228-91 and seq. of the French Commercial Code (Code de commerce);
- issue – without preferential subscription rights (Twenty-third resolution) – of ordinary shares and/or equity securities giving access to other equity securities or entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued by the Company, by way of a public offering excluding offers referred to 1° in Article L. 411-2 of the Monetary and Financial Code (Code monétaire et financier) and/or as consideration for securities as part of a public exchange offer;
- issue – without preferential subscription rights (twenty-fourth resolution)– of ordinary shares and/or equity securities giving access to other equity securities or granting entitlement to the allocation of debt securities and/or securities providing access to equity securities to be issued by the Company, by way of an offer referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (Code monétaire et financier);

The nominal amount of the capital increases that may be carried out immediately or in the future may not exceed:

- under the twenty-second resolution € 4 000 000, it being specified that this amount would be included in the nominal amount of capital increases that could be carried out under the twenty-third, twenty-fourth and twenty-fifth resolutions, subject to their adoption by this Assembly;
- under the twenty-third resolution € 4 000 000, it being specified that this amount would be included in the nominal amount of capital increases that could be carried out under the twenty-second, twenty-fourth and twenty-fifth resolutions, subject to their adoption by this Assembly;
- under the twenty-fourth resolution € 1 700 000, it being specified that this amount would be included in the nominal amount of capital increases that could be carried out under the twenty-second, twenty-third and twenty-fifth resolutions, subject to their adoption by this Assembly.

The total nominal amount of debt securities that may be carried out may not exceed:

- under the twenty-second resolution € 1 000 000 000, it being specified that this amount would be included in the nominal amount of debt securities that could be issued pursuant to the twenty-third, twenty-fourth and twenty-fifth resolutions, subject to their adoption by this Assembly;
- under the twenty-third resolution € 1 500 000 000, it being specified that this amount would be included in the nominal amount of debt securities that could be issued pursuant to the twenty-second, twenty-fourth and twenty-fifth resolutions, subject to their adoption by this Assembly;
- under the twenty-fourth resolution € 1 500 000 000, it being specified that this amount would be included in the nominal amount of debt securities that could be issued pursuant to the twenty-second, twenty-third and twenty-fifth resolutions, subject to their adoption by this Assembly.

These ceilings take into account the additional number of securities to be created within the framework of the implementation of the delegations referred to in the twenty-second, twenty-third and twenty-fourth resolutions, in accordance with Article L. 225-135-1 of the French Commercial Code, if you adopt the twenty-fifth resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 and seq. of the French Commercial Code (Code de commerce). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the issue provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to these operations and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the proposed issue, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the Board of Directors' report by virtue of the twenty-third, twenty-fourth and twenty-fifth resolutions.

Furthermore, since this report does not specify the method of determining the issue price of the equity securities to be issued as part of the implementation of the twenty-second resolution, we are not able to give our opinion on the choice of computational elements of this issue price.

As the final conditions for the issues have not yet been determined, we cannot report on these conditions, and, consequently, on the proposed cancellation of preferential subscription rights made under the twenty-third and twenty-fourth resolutions.

In accordance with Article R. 225-116 of the French Commercial Code (Code de commerce), we will issue a supplementary report, if necessary, on the use of these delegations by the Board of Directors in the case of issues of equity securities giving access to other equity securities or debt securities, in the case of issues of securities giving access to equity securities to be issued and in the case of issues of shares without preferential subscription rights.

Paris La-Défense, March 9, 2020

The Statutory Auditors

MAZARS  
Juliette DECOUX

ERNST & YOUNG et Autres  
Gilles PUISSOCHET



## SHAREHOLDERS' MEETING

Statutory Auditors' report on the issue of shares and/or securities reserved for members of a company savings scheme

# 8.6 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR SECURITIES RESERVED FOR MEMBERS OF A COMPANY SAVINGS SCHEME

*This is a translation into English of a report issued in French 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.*

## ANNUAL GENERAL MEETING, APRIL 23<sup>TH</sup>, 2020

### Twenty-sixth resolution

To shareholders,

In our capacity as statutory auditors of your company and in compliance with L. 228-92 and L. 225-135 and seq. of the French Commercial Code (Code de commerce), we hereby report on the proposal to authorize your Board of Directors to decide whether to proceed an issue of ordinary shares and /or securities giving access to the capital with cancellation of preferential subscription rights of maximum 3% of the share capital, reserved for members of a company savings scheme, an operation upon which you are called to vote.

This operation is submitted to your approval in accordance with articles L. 225-129-6 of the French Commercial Code and L. 3332-18 and seq. of the French Labour Code (Code du travail).

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of twenty-six months to decide on whether to proceed with an issue and proposes to cancel your preferential subscription rights to the ordinary shares and/or securities to be issued. If applicable, it he shall determine the final conditions of this operation.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-113 and R. 225-114 of the French Commercial Code (Code de commerce). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the share issue provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price of the shares.

Subject to a subsequent examination of the conditions for the issue that would be decided, we have no matters to report as to the methods used to determine the issue price for the ordinary shares to be issued provided in the Board of Directors' report.

As the final conditions for the increase in capital have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial (Code de commerce), we will issue a supplementary report, if any, when your Board of Directors has exercised this authorization in the event of the issue of ordinary shares and/or securities which are equity securities giving access to other equity securities and in the event of the issue of securities giving access to equity securities to be issued.

Paris-La Défense, March 9, 2020

The Statutory Auditors

MAZARS  
Juliette DECOUX

ERNST & YOUNG et Autres  
Gilles PUISSOCHET

## 8.7 COMPAGNIE PLASTIC OMNIUM SE DRAFT BYLAWS AT APRIL 23, 2020

### ARTICLE 1 – FORM

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The Company, initially incorporated as a French public limited company (*société anonyme*), has been transformed into a SE (*Societas Europaea* or "SE") by the decision of the Extraordinary Shareholders' Meeting of April 25, 2019.

It is governed by the Community and national provisions in force (hereafter together, the "Law"), as well as by these bylaws.

### ARTICLE 2 – COMPANY NAME

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The name of the Company is:

**COMPAGNIE PLASTIC OMNIUM SE**

In all acts and other documents issued by the Company, the company's name will be preceded or followed by the legibly written words "SE" or the abbreviation "SE" and the amount of its share capital.

### ARTICLE 3 – PURPOSE

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The Company's purpose is:

- process all forms of plastic, metal and other raw materials in order to manufacture all types of products and Articles for all uses, particularly industrial;
- manage its property and capital assets;
- acquire, build, lease, develop, improve and exploit any land or buildings;
- acquire any equity or other interest in any company, enterprise or other entity, in France or abroad, irrespective of its corporate purpose in whatsoever form and in particular by acquiring or subscribing for any form of security, equity interest or other right in such entities;
- manage its investment portfolio of equity interests and securities;
- carry out all works and services relating to general administration and building maintenance (other than acting as a building manager);
- and in general, make any transaction (commercial, industrial, financial or related to property and capital assets) directly or indirectly linked to the Company's purpose, or that could be relevant to it or could make the purpose easier to achieve.

The Company may, both in France and abroad, create, acquire, use or grant licenses to use all trademarks, brands, commercial names, designs, models, patents and manufacturing processes related to the above purpose.

It may act directly or indirectly, on its own behalf or for a third party, in any country. It may do so either alone or with any other persons or companies in a partnership, joint venture, consortium or company, and may make any transaction within the scope of its corporate purpose.

### ARTICLE 4 – REGISTERED OFFICE

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The registered office is at 19, boulevard Jules Carteret, Lyon (69007).

It may be transferred to any other location in France, by the decision of the Board of Directors, subject to the ratification of this decision by the next Ordinary Shareholders' Meeting. It may be transferred to any other Member State of the European Union by the decision of the Extraordinary Shareholders' Meeting and, if necessary, the General Meetings of bondholders, subject to the provisions of the Law.



## **ARTICLE 5 – TERM OF THE COMPANY**

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The term of the Company, initially set at 99 years, starting from its registration in the Trade and Companies Register, has been extended by 99 years by the decision of the Combined Shareholders' Meeting of April 25, 2013. Consequently, the term of the Company will expire on April 24, 2112, unless dissolved early or extended.

## **ARTICLE 6 – SHARE CAPITAL**

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The share capital is set at €8,913,966.42. It is divided into 148,566,107 shares, each in the same category and with a par value of €0.06.

## **ARTICLE 7 – FORM OF SHARES**

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- 1) The shares are in registered or bearer form, as the holder may choose.
- 2) The Company is authorized at any time to ask either the central depository administering its securities or, directly, one or more of the intermediaries mentioned in Article L. 211-3 of the French Monetary and Financial Code for information pursuant to the Law regarding the identification of owners of bearer securities that grant, immediately or at a future date, voting rights at Shareholder Meetings as well as the number of securities held by each of them and, where applicable, the restrictions on said securities.

Furthermore, the Company may legally request, under conditions set by the Law, the identity of its shareholders and the number of securities held by each when it believes that some holders, whose identity has been revealed, are holders on behalf of third parties.

The Company may ask any legal entity which holds more than 2.5% of the Company's equity capital or voting rights to disclose the identity of the persons holding directly or indirectly more than a third of the share capital of this legal entity or voting rights at its General Meetings.

## **ARTICLE 8 – RIGHTS ATTACHED TO EACH SHARE**

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- 1) The rights and obligations attached to the share shall be transferred to any owner thereof.
- 2) Each share gives the right to a proportional amount, in number and nominal value of the existing shares, of the Company's assets, profits and liquidation dividend.
- 3) Any time it is required to own a certain number of shares to exercise a right, it is the responsibility of owners who do not hold this number to group together to form the required number of shares.
- 4) Voting rights attached to the share shall belong to the beneficiary of the bare legal title of the shares both at Ordinary Shareholders' Meetings and at Extraordinary Shareholders' Meetings.
- 5) All shares that comprise or will comprise the share capital will be treated equally for taxation purposes. Consequently, all taxes and duties which, for whatever reason, may become due in the event of a reimbursement of capital carried out during the Company's life or on its liquidation, will be divided equally among all shares comprising the share capital, in such a way that the amount attributed to each of these shares shall be the same for all, by taking into account the par value of each share.

## **ARTICLE 9 – SALES OF SHARES**

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Shares may be freely sold.

## **ARTICLE 10 – PAYMENT FOR SHARES**

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- 1) The amount of shares issued in a capital increase shall be payable in cash under the terms and conditions approved by the Board of Directors.

- 2) Capital calls are announced to subscribers and shareholders fifteen days before the payment date by registered letter addressed to each shareholder or by a notice in a legal announcements newspaper published in the location of the registered office.
- 3) Any delay in the payment of amounts due on the unpaid amount of shares will automatically result in the payment of interest 5% *per annum* for each day of delay, from the due date, without the need for any formalities whatsoever, and without prejudice to any personal action the Company may take against the defaulting shareholder and measures for compulsory enforcement provided for by the Law.

## ARTICLE 11 – ADMINISTRATION

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The Company is administered by a Board of Directors which sets the strategies for the Company's business and ensures their implementation in accordance with its corporate interest, taking into account the social and environmental issues of its business activities.

Subject to the powers expressly granted to Shareholder Meetings and within the limits of the corporate purpose, it deals with all issues affecting the running of the Company and, as a result of its deliberations, regulates matters concerning the Company.

Prior authorization of the Board of Directors is required for the following transactions:

- deposits, sureties and guarantees given by the Company, under conditions set by Article L. 225-35 of the French Commercial Code;
- related-party agreements, under conditions set by Article 13 of these bylaws.

The Board of Directors carries out the controls and verifications that it deems necessary.

The Board of Directors, appointed in accordance with the Law, is composed of three to eighteen members, natural persons or legal entities. This may be increased under conditions provided by the Law.

During their term of office, all directors must hold at least 900 shares.

Directors are appointed for three years and may be re-appointed.

The duties of a director end after the Ordinary Shareholders' Meeting called to approve the financial statements of the prior financial year and held in the year during which the director's term of office expires.

The number of directors who are natural persons and acting as permanent representatives of a legal entity, who are older than 75 years, may not exceed half (rounded up to the next whole number) of the current directors.

Members of the Board of Directors must not disclose, even after the end of their duties, information in their possession regarding the Company which, if disclosed, would be likely to harm the Company, except where such disclosure is required or accepted by the legal or regulatory provisions in force or is in the public interest.

## ARTICLE 11 BIS – DIRECTOR REPRESENTING EMPLOYEES

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Pursuant to Article L. 225-27-1 of the French Commercial Code, the Board of Directors includes two directors representing employees of the Group. In the event that the number of directors appointed by the Shareholders' Meeting, other than those representing employees appointed in accordance with Article L. 225-23 of the French Commercial Code, falls below eight, the number of directors representing employees will be reduced to one upon expiry of the term of office of said directors.

The term of office of directors representing employees is three years.

In the event a director representing employees vacates his/her seat on the Board, the vacancy shall be filled in accordance with the terms set forth in Article L. 225-34 of the French Commercial Code.

As an exception to the rule provided for under Article 11 "Administration" of these bylaws concerning directors appointed by the Shareholders' Meeting, directors representing employees are not required to hold a minimum number of shares.

Appointment procedures:

The appointment procedures for directors representing employees are as follows:

- 1) one is appointed by the Group Works Council France;
- 2) the other is appointed by the European Company employee representation body.

Directors representing employees must fulfill the appointment conditions according to the relevant legal and regulatory provisions.



## ARTICLE 12 – PROCEEDINGS OF THE BOARD OF DIRECTORS

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The directors may convene meetings of the Board of Directors by any means, including verbally. Board meetings may be held in any location chosen by the person convening the meeting. However, the Board may adopt by written vote the decisions provided for by current regulations.

The Board of Directors meets as often as the Company's interests require and at least once every three months.

A director may represent another director at a meeting of the Board of Directors. However, any single director may not represent more than one other director in any one meeting. Except where the French Commercial Code requires the actual presence or representation of directors, they may participate in Board meetings by any videoconference or telecommunications means, under conditions in compliance with the regulations.

The Board of Directors may only validly deliberate if at least half of its members are present or represented. Decisions are taken by the majority of members present or represented. In the event of a tied vote, the Chairman has a casting vote.

Minutes of meetings will be prepared and copies or excerpts of the proceedings will be certified in accordance with the Law.

The Board may appoint committees and will determine their composition and purpose. The members of these committees are responsible for examining the questions that the Chairman or the Board submits to them for their opinion after review.

## ARTICLE 13 – RELATED-PARTY AGREEMENTS

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Pursuant to Article L. 229-7-6 of the French Commercial Code, the provisions of Articles L. 225-35 to L. 225-42 of the French Commercial Code are applicable to the Company's agreements.

## ARTICLE 14 – CHAIRMAN AND EXECUTIVE DIRECTORS

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The Board of Directors shall elect one of its members as Chairman.

The Chairman organizes and directs the work of the Board of Directors and reports on said work to the Shareholders' Meeting. The Chairman oversees the proper running of the Company's decision-making bodies and, in particular, ensures that directors are able to carry out their duties.

Either the Chairman of the Board of Directors or another natural person appointed by the Board of Directors as Chief Executive Officer is responsible for running the Company.

The Board of Directors chooses in a free and majority vote one of the two modes of supervision and can at any moment by a majority vote modify its choice.

The Board of Directors may, in accordance with the law, appoint one or more natural persons as Chief Operating Officer to assist either the Chairman, if he assumes the office of Chief Executive Officer, or the Chief Executive Officer. There can be no more than five Chief Operating Officers.

The powers of the Chairman of the Board of Directors, if he is responsible for running the Company, and those of the Chief Executive Officer are set out by law.

His powers may be limited by the Board of Directors in accordance with the Company's decision-making structures.

The Board of Directors determines, in accordance with the law, the extent and duration of the powers conferred on the Chief Operating Officers. Chief Operating Officers have the same powers as the Chief Executive Officer with regard to third parties.

The age limit for the position of Chairman of the Board of Directors shall be eighty years.

The age limit for the positions of Chief Executive Officer and Chief Operating Officer shall be seventy-five years.

## ARTICLE 15 – COMPENSATION OF DIRECTORS

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The Board of Directors freely distributes among its members the compensation that may be allocated to them by the Shareholders' Meeting. A larger share may be allocated to those directors who are members of committees, provided for in Article 12. The Board of Directors may allocate exceptional compensation to directors in certain cases and under conditions provided by the Law.

## **ARTICLE 16 – STATUTORY AUDITORS**

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The Ordinary Shareholders' Meeting appoints one or more Principal Statutory Auditors to the duties determined by the Law. They are appointed for six financial years in compliance with the eligibility requirements provided by the Law. They may be re-appointed.

The appointed Statutory Auditors may be natural persons or legal entities. They must be registered with an association of certified accountants.

The Ordinary Shareholders' Meeting may appoint, under the same conditions and for the same term, one or more Alternate Auditors. The Alternate Auditor will replace the Statutory Auditor in the event of refusal, unavailability, resignation or death. This appointment is required if the principal Statutory Auditor is a natural person or a single-owner company in accordance with the Law.

## **ARTICLE 17 – CENSORS**

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The Board of Directors may appoint one or more censors of the Board, either natural persons or legal entities, who may or may not be chosen from among the shareholders and whose number shall in no event exceed three.

They shall be appointed for a term of three years, ending with the close of the Ordinary Shareholders Meeting called to approve the financial statements for the preceding year and held in the year in which their duties terminate.

The censors shall be called to the meetings of the Board of Directors and take part in its deliberations on a consultative basis, and their absence shall not affect the validity of the deliberations.

The Board of Directors may allocate compensation to the censors for their participation. The Board shall determine their share and distribute it among them. It shall be deducted from the total amount of compensation set by the Ordinary Shareholders Meeting.

## **ARTICLE 18 – SHAREHOLDERS' MEETINGS**

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- 1) Shareholders' Meeting are convened and deliberate under the conditions provided by Law, it being recalled that for the calculation of the majority, the votes cast do not include those attached to shares for which the shareholder has not voted, has abstained or the vote is blank or void.
- 2) The meetings take place at the registered office or in any other place stated on the notice convening the meeting.
- 3) Any owner of shares may participate, in person or by proxy, in the meetings, on proof of identity and registration of the shares in its name or in the name of an intermediary registered for its account in accordance with Article L. 228-1 of the French Commercial Code, at the end of the second business day, Paris time, prior to the meeting, either in the registered security accounts kept by the Company, or in the bearer security accounts kept by the usual intermediary. This registration in the bearer accounts must be proved by the filing of a participation statement within the same deadline and at the place stipulated in the meeting notice.
- 4) Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in the absence of the Chairman, by a director specially delegated by the Board. Otherwise, the Shareholders' Meeting shall itself elect its Chairman.
- 5) Minutes of the Shareholders' Meeting are taken and copies are certified and prepared in accordance with the Law.

### **POSTAL VOTING (INCLUDING ELECTRONIC) AND BY PROXY:**

- 6) Any shareholder may use a postal vote under the conditions set by the Law. The postal voting form, to be valid, must be received by the Company at least two days before the Shareholders' Meeting, along with proof of share registration or a participation statement as indicated above.

Furthermore, the shareholder may use the electronic voting form offered on the website of the Company appointed for this, if received by the Company the day before the meeting no later than 3:00 p.m. Paris time. This electronic form includes an electronic signature under the conditions provided in this article.

- 7) Shareholders may be represented by another shareholder, their spouse or by the partner with whom they have signed a civil partnership. They may also be represented by any other natural person or legal entity of their choosing. The notification of the appointment and revocation of a proxy may be made electronically.
- 8) The postal voting form and proxy given by a shareholder are signed by the shareholder, where applicable, by a secure electronic signature within the meaning of article 1367 of the French Civil Code, or by an electronic signature approved by the Board of Directors consisting of the use of a reliable identification method guaranteeing the link between the electronic signature and the document to which it is attached.



## PARTICIPATION IN SHAREHOLDERS' MEETINGS BY TELEVISUAL MEANS

- 9) If the Board of Directors allows it at the time the Shareholder Meeting is convened, shareholders may participate in the Shareholders' Meeting by video conference or by any other telecommunication means, including by internet, which enables identification under the conditions and in accordance with the terms set by the regulations in force.
- 10) Shareholders using these means are deemed to be present for the purposes of calculating the quorum and majority.
- 11) Each member of the meeting is entitled to exercise one vote for every share held or represented. Furthermore, a double voting right, regarding the portion of capital they represent, is granted to all paid-up shares, for which proof is provided of registration in the name of the same shareholder for at least two years. This right is granted, in the event of capital increases through incorporation of reserves, profits or issuance premiums, to the bonus shares allotted in respect of registered shares carrying double voting rights which will also carry double voting rights as from the date of issue. Any share whose ownership is transferred loses this double voting right; nevertheless, the transfer through succession, liquidation of the joint property held between spouses or the *inter vivos* donation to a spouse or relative entitled to inherit, does not lose the acquired right and does not interrupt the two-year period. The merger of the Company has no effect on the double voting rights which may be exercised at the acquiring company if allowed by this company's bylaws.

## ARTICLE 19 – STATUTORY ACCOUNTS

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- 1) Each financial year begins on January 1 and ends on December 31 of the same year.
- 2) The profits or loss from the financial year derive from the difference between the income and expenses of the year, after deduction of amortization and provisions, as calculated in the income statement.
- 3) The profits or loss for the financial year are reduced, where applicable, by prior losses, and after first deducting at least five per cent to form a reserve fund called the "legal reserve". This deduction is no longer mandatory once the legal reserve reaches one-tenth of the share capital.
- 4) If there is balance remaining, the Shareholders' Meeting decides either to distribute it, carry it forward, or add it to one or more reserve items to which it governs the purpose and use.
- 5) After acknowledging the existence of available reserves, the Shareholders' Meeting may decide to distribute amounts drawn from these reserves. In this case, the decision expressly indicates the reserve items from which the withdrawals are to be made.
- 6) The Shareholders' Meeting is able to grant to shareholders, for all or part of the dividend or interim dividends distributed, an option between payment of the dividend or interim dividend in cash or in shares.

## ARTICLE 20 – DISSOLUTION

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- 1) Upon dissolution of the Company decided by the Extraordinary Shareholders' Meeting, one or more liquidators shall be appointed by the Shareholders' Meeting under the quorum and majority conditions provided for the Ordinary Shareholders' Meetings. These appointments terminate the terms of office of the directors and the Statutory Auditors.
- 2) The liquidator represents the Company. The liquidator shall be invested with the widest powers in order to sell the assets, even by private agreement. The liquidator is responsible for paying creditors and distributing the available balance.
- 3) Net assets remaining after reimbursement of shares at their par value shall be distributed among shareholders in proportion to their stake in the share capital.

## ARTICLE 21 – DISPUTES

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Any disputes that arise during the existence of the Company or during its liquidation, either between the Company and the shareholders, or between the shareholders themselves relating to the Company's business shall be under the jurisdiction of the competent courts.

# 9

## ADDITIONAL information

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## 9.1 GENERAL INFORMATION ABOUT THE COMPANY

### GENERAL INFORMATION ABOUT THE COMPANY

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#### COMPANY NAME AND REGISTERED OFFICE

The full company name is Compagnie Plastic Omnium SE. Its registered office is located at 19, boulevard Jules Carteret, 69007 Lyon, France, and its administrative headquarters is at 1, allée Pierre Burelle, 92300 Levallois-Perret, France.

#### TRADE AND COMPANIES REGISTER – WORLDWIDE DIRECTORY OF LEIS

The Company is registered in the Lyon Trade and Companies Registry under number 955 512 611 and registered in the worldwide directory of LEIs (Legal Entity Identifier) under code 9695001VLC2KYXXODW73.

#### LEGAL FORM AND GOVERNING LAW

Compagnie Plastic Omnium SE, founded in 1875, is a European company governed by the applicable European Community and national provisions.

#### TERM

The Company's term will run until April 24, 2112.

#### FISCAL YEAR

The Company's accounting period runs for twelve months, from January 1 to December 31.

#### CORPORATE PURPOSE (ARTICLE 3 OF THE BYLAWS)

"The Company's corporate purpose is to:

- process all forms of plastic, metal and other raw materials in order to manufacture all types of products and Articles for all uses, particularly industrial;
- manage its property and capital assets;
  - acquire, build, lease, develop, improve and exploit any land or buildings;
  - acquire any equity or other interest in any company, enterprise or other entity, in France or abroad, irrespective of its corporate purpose in whatsoever form and in particular by acquiring or subscribing for any form of security, equity interest or other right in such entities;
  - manage its investment portfolio of equity interests and securities;
  - carry out all works and services relating to general administration and building maintenance (other than acting as a building manager);
  - and in general, make any transaction (commercial, industrial, financial or related to property and capital assets) that is linked, directly or indirectly, to the Company's purpose; or that could be relevant to it; or that could make the purpose easier to achieve.

The Company may, both in France and abroad, create, acquire, use or grant licenses to use all trademarks, brands, commercial names, designs, models, patents and manufacturing processes related to the above purpose.

It may act directly or indirectly, on its own behalf or for a third party, in any country. It may do so either alone or with any other persons or companies in a partnership, joint venture, consortium or company, and may make any transaction within the scope of its corporate purpose.

## **GENERAL MANAGEMENT (ARTICLE 14 OF THE BYLAWS)**

The Board of Directors shall elect one of its members as Chairman.

The Chairman organizes and directs the work of the Board of Directors and reports on said work to the Shareholders' Meeting. He oversees the proper running of the Company's decision-making bodies and, in particular, ensures that directors are able to carry out their duties.

Either the Chairman of the Board of Directors or another natural person appointed by the Board of Directors as Chief Executive Officer is responsible for running the Company.

The Board of Directors chooses in a free and majority vote one of the two modes of supervision and can at any moment by a majority vote modify its choice.

The Board of Directors may, in accordance with the law, appoint one or more natural persons as Chief Operating Officer to assist either the Chairman, if he assumes the office of Chief Executive Officer, or the Chief Executive Officer. There can be no more than five Chief Operating Officers.

The powers of the Chairman of the Board of Directors, if he is responsible for running the Company, and those of the Chief Executive Officer are set out by law.

His powers may be limited by the Board of Directors in accordance with the Company's decision-making structures.

The Board of Directors determines, in accordance with the law, the extent and duration of the powers conferred on the Chief Operating Officers. Chief Operating Officers have the same powers as the Chief Executive Officer with regard to third parties.

The age limit for the position of Chairman of the Board of Directors shall be eighty years.

The age limit for the positions of Chief Executive Officer and Chief Operating Officer shall be seventy-five years.

## **CONSULTATION OF DOCUMENTS RELATING TO THE COMPANY**

Documents that must be made available to the public (Company's bylaws, reports from the Statutory Auditors, reports from the Board of Directors and past financial information relating to Compagnie Plastic Omnium SE and its subsidiaries, including that included in this Universal Registration Document) may be consulted, while they remain valid, at the registered office of Compagnie Plastic Omnium SE and also at its administrative headquarters (1, allée Pierre-Burelle, 92300 Levallois-Perret, France). Some of these documents may also be available in electronic format on [www.plasticomnium.com](http://www.plasticomnium.com).

This Universal Registration Document and the Compagnie Plastic Omnium SE 2019 book (activity report) are both available in English.

## **THE ROLE OF COMPAGNIE PLASTIC OMNIUM SE IN RELATION TO ITS SUBSIDIARIES**

Compagnie Plastic Omnium SE is a holding company with the following role:

- to hold shares in the holding companies for each business line. These holding companies own, directly or indirectly, shares in the operating subsidiaries;
- to finance Group subsidiaries to provide them with optimal market conditions, either directly or via Plastic Omnium Finance (the Group's central corporate treasury);
- to grant Group subsidiaries the right to use the brands it owns. This is subject to a license fee paid by the licensees (see *the Statutory Auditors' report on related-party agreements*).



## STATUTORY AUDITORS

### Statutory Auditors

The financial statements of Compagnie Plastic Omnium are audited by two sets of Principal Statutory Auditors, in compliance with Article L. 225-228 of the French Commercial Code.

	Current appointment			End of current term	
	Date of 1 <sup>st</sup> appointment	Last renewal date	Term of office		
<b>Principal Statutory Auditors</b>					
Mazars Statutory Auditor, member of the Compagnie Régionale de Versailles, represented by Juliette Decoux 135 boulevard Haussmann 75008 Paris	November 28, 1977	April 28, 2016	6 fiscal years		
Ernst & Young et Autres Statutory Auditor, member of the Compagnie Régionale de Versailles, represented by Gilles Puissochet 41 rue Ybry 92200 Neuilly-sur-Seine	April 29, 2010	April 28, 2016	6 fiscal years	<b>Ordinary Shareholders' Meeting approving the financial statements of 2021 which will be held in 2022.</b>	
<b>Alternate Auditor</b>					
Gilles Rainaut 60, avenue du Général-Leclerc 92100 Boulogne-Billancourt	April 29, 2010	April 28, 2016	6 fiscal years		
AUDITEX Tour Ernst & Young 11, allée de l'Arche 92400 Courbevoie	April 29, 2010	April 28, 2016	6 fiscal years		

### Remuneration of Statutory Auditors and members of their network paid by the Group

See Note 7.4 to the consolidated financial statements given in chapter 5 of this Universal Registration Document

### AGREEMENTS ENTERED INTO BY THE COMPANY WHICH WOULD CHANGE OR END IF CONTROL OF THE COMPANY CHANGED

The bonds issued in October 2012, May 2013 and June 2017 include a clause allowing the investor to demand redemption or repurchase of his bond(s) if control over the Company changes. There is a similar clause in most other Group financing contracts.

### AGREEMENTS WHICH, IF IMPLEMENTED, COULD EITHER PROVOKE A CHANGE OF CONTROL OF THE COMPANY, OR COULD DELAY, POSTPONE OR PREVENT SUCH A CHANGE

There is currently no bylaw, charter, regulation or provision that could delay, postpone or prevent a change of control.

### MATERIAL CONTRACTS

There are no other material contracts apart from those agreed in the normal course of business.

The Company's material financial contracts are described in Note 5.2.6.2 to the consolidated financial statements.

### DEPENDENCE

Compagnie Plastic Omnium SE is not currently dependent on any patents or manufacturing processes owned by third parties or on any special supplying contracts.

In the sector of the automotive industry in which Compagnie Plastic Omnium operates, sub-contractors do not generally define the specifications for sub-contracted parts. When, exceptionally, sub-contractors are able to do so, the Group's policy is to define contractually the arrangements for the sub-contractor to transfer the design work, in order to be able to be used with other services.

## 9.2 LIST OF REGULATED INFORMATION PUBLISHED DURING THE LAST 12 MONTHS

Nature of the information	References for the publications or releases
<b>Business and results</b>	
1 <sup>st</sup> quarter revenue, 2019	April 23, 2019
First half 2019 results	July 19, 2019
3 <sup>rd</sup> quarter revenue, 2019	October 24, 2019
Full-year results, 2019	February 19, 2020
<b>Share performance</b>	
Half-year balance sheet 2019 from the liquidity agreement	July 4, 2019
Full-year balance sheet 2019 from the liquidity agreement	January 8, 2020
Declaration of transactions involving treasury stock	February 25, October 14 2019 March 2, March 9, 2020
Declaration of voting rights	April 3, May 6, June 4, July 3, August 21, September 5, October 2, November 6, December 4, 2019 and January 8, February 4, March 4, 2020
<b>Shareholders' Meeting: legal documents</b>	
Description of the share buyback program	April 2, 2020
Professional fees of the Statutory Auditors – 2019	April 2, 2020
Report on Corporate Governance and Internal Control – 2019	April 2, 2020
Public availability of documents prior to the Annual Shareholders' Meeting of April 23, 2020	April 2, 2020
Draft update of corporate bylaws	April 2, 2020
Public availability of the 2020 Shareholders' Meeting Notice in the French Official Bulletin of Legal Notices (BALO)	April 2, 2020
<b>Regulated and permanent information</b>	
2019 interim results report in French	July 19, 2019
2019 interim results report in English	July 19, 2019
2019 Universal Registration Document in French	March 10, 2020
2019 Universal Registration Document in English	March 10, 2020
Plastic Omnium strengthens its R&D activity by opening two new centers in Brussels, Belgium and Wuhan, China.	July 4, 2019
Proposed sale of tertiary real estate assets for €128.5 million	July 25, 2019
Plastic Omnium invests in AP Ventures, a venture capital fund dedicated to hydrogen	September 4, 2019
Compagnie Plastic Omnium changes its governance	September 24, 2019
Despite strong business and a buoyant order book, operational difficulties affecting the start-up of the new Greer plant (South Carolina) have led the Group to review its financial forecasts for 2019	October 8, 2019
A significant contract and the first certification of a pressurized tank confirm the positioning of Plastic Omnium in hydrogen	November 21, 2019
Investor Day rescheduled for January 7, 2020	November 28, 2019
Plastic Omnium completes the sale of its non-industrial real estate for €128.5 million	December 4, 2019
Two new Chief Executive Officers for Plastic Omnium's manufacturing businesses	January 2, 2020
Plastic Omnium Investor Day "Always Ahead"	January 07, 2020
First contract for water injection, an innovative emissions control system for gasoline engines	February 13, 2020

The press releases have been posted on the website of the French Financial Market Authority (Autorité des Marchés Financiers) and can be viewed on the Compagnie Plastic Omnium SE website, [www.plasticomnium.com](http://www.plasticomnium.com).



## ADDITIONAL INFORMATION

Person responsible for the Universal Registration Document

### 9.3 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

AFR

#### APPOINTMENT OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT CONTAINING THE ANNUAL FINANCIAL REPORT

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Laurent Favre, Chief Executive Officer of Compagnie Plastic Omnium SE.

#### DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

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I state, after having taken all reasonable measures in this regard, that the information contained in this Universal Registration Document is, to my knowledge, factual and does not contain any material omission that would alter its content.

I state that, to my knowledge, the financial statements are prepared in accordance with the applicable accounting standards and give a true picture of the assets, the financial situation and the results of the Company and its consolidated entities, and that the management report included in this document presents an accurate picture of the business development, results and financial situation of the Company and its consolidated entities and that it describes the main risks and uncertainties that they face.

Levallois, March 9, 2020

Laurent FAVRE  
*Chief Executive Officer*

## CROSS-REFERENCE TABLES

### UNIVERSAL REGISTRATION DOCUMENT CROSS-REFERENCE TABLE

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## GLOSSARY

### FINANCIAL GLOSSARY

#### A

AMF (French Financial Markets Authority)	Financial institution and French independent administrative authority whose role is to set the operating and ethics rules of the markets, monitor the markets and protect investors and shareholders.
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#### B

Broker	Intermediary between a buyer and a seller, the broker facilitates trades between different traders or asset managers.
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#### C

Capital expenditures and projects	Corresponds to acquisitions of property, plant and equipment and intangible assets, net of disposals, the net change in advances to suppliers of fixed assets and investment subsidies received (see <i>Cash-flow Statement in Section 4.7, line E of Part II to the consolidated financial statements: "Net cash used in operations"</i> ).
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Consolidated revenue	Does not include the share of joint ventures, consolidated by using the equity method, in accordance with IFRS 10- 11-12, or the revenue of Plastic Omnium Environment, pursuant to IFRS 5 as of January 1, 2018.
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#### E

EBITDA	Corresponds to the operating margin which includes the share of profit of associates and joint ventures before allowances for depreciation and operating provisions.
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Economic revenue	Corresponds to consolidated revenue, plus revenue from the Groups joint ventures, consolidated at their percentage of ownership: BPO (50%), YFPO and HBPO (33.33%) for Plastic Omnium Industries and SHB Automotive modules (Samlip (33%) for Plastic Omnium Modules.
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Equities	Negotiable security representing a fraction of a company's share capital. Equities grant certain rights to its shareholders. The share may be held in registered or bearer form.
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Euronext Paris	Market operator which organizes, manages and develops the Paris securities markets. It performs a market regulatory function (financial transactions, monitoring of brokers) through delegation of the AMF.
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Ex-dividend date	The date on which the share's dividend is paid. The dividend amount is deducted from the closing price on the day preceding the ex-dividend date. The dividend will then be received by the shareholder on the payment date. On the ex-dividend date, the opening price theoretically loses the equivalent value of the dividend from its closing price of the day before.
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#### F

Float	Portion of the equity capital available to the public and used in stock market trading. Plastic Omnium's float was 38.98% at December 31, 2018.
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Free cash-flow	Corresponds to the operating cash-flow, less tangible and intangible investments net of disposals, taxes and net interest paid +/- the change in working capital requirements (cash surplus from operations).
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#### G

Gearing	The net debt rate (net debt/shareholders' equity) is the ratio which measures a company's level of indebtedness in relation to its shareholders' equity.
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#### I

IFRIC (International Financial Reporting Interpretations Committee)	The International Financial Reporting Interpretations Committee (IFRIC) formulates interpretations of IFRS international accounting standards to ensure homogeneous application of these standards, clarify details that apply to them and find practical solutions.
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IFRS (International Financial Reporting Standards)	International accounting standards established by the IASB (International Accounting Standards Board). Since January 1, 2005, the preparation of consolidated financial statements is mandatory for all listed companies in Europe to facilitate the comparison of their financial positions.
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#### M

Market capitalization	Value of all the shares of a company on the market at a given time. It is equal to the stock market price multiplied by the number of shares comprising the equity capital of the Company.
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## N

Net debt	Includes all long-term borrowings, short-term borrowings and bank overdrafts less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.
Net dividend per share	Share of the net income of a company distributed to shareholders. Its amount is voted on by shareholders at the Shareholders' Meeting, after approval of the annual financial statements and on the recommendation of the Board of Directors.
Net profit – Group share	The profit or loss of the Company is obtained by adding the operating margin, other income and expenses, net financing expenses, other financial income and expenses, net income after tax of discontinued, or being discontinued, operations and by deducting net income tax and earnings payable to minority shareholders.

## O

Operating margin	Includes the operating income including the share of profit of entities accounted for by the equity method and the amortization of acquired intangible assets, before other operating income and expenses.
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## Q

Quorum	Minimum percentage of shares present or represented and having the right to vote, necessary for the Shareholders' Meeting to legally deliberate.
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## R

Roadshow	Institutional investor meetings during which the Company's senior managers and/or the "Investor relations" team communicates their net income, their markets and their strategy.
ROCE (Return on capital employed)	Return on capital employed: is the ratio of the operating margin compared to the sum of shareholders' equity and net financial debt.

## S

Share buyback	Transaction where a company buys its own shares on the market, up to a threshold of 10% of its share capital and after authorization by the shareholders given at the Shareholders' Meeting. Shares bought back are not included in the calculation of earnings per share and do not receive dividends.
Shareholder of an administered registered share	Equities held in administered registered form are registered with the listed company, but their management remains with the financial intermediary who remains the preferred contact for all transactions.
Shareholder of pure registered share	Equities held in pure registered form are held with the listed company, who has delegated the management of them to its financial intermediary.
Shareholder of bearer shares	Shares are held in an account opened with a financial intermediary (bank, broker).
Shareholders' equity	The shareholders' equity is the financial resources of the Company (excluding debt) and is comprised of share capital, reserves, net income for the year and operating subsidies.
SRD (Deferred Settlement Service)	Paid service enabling, for the most liquid shares, to defer the payment for orders and delivery of shares until the last stock market day of the month.
SRI (Socially responsible investor)	Socially responsible investment includes, in addition to the usual financial criteria, environmental, social and governance (ESG) criteria in the analysis and investment process.
Stock option	See <i>Subscription Option</i> .
Subscription option (Stock option)	It gives the right to subscribe for, at a price fixed in advance and during a pre-determined period, shares of a company.

## T

Treasury stock	Treasury shares represent the portion of the share capital held by the Company which issued them. They do not have voting rights and do not receive dividends.
Treasury shares	A portion of the Treasury shares held by a company, regulated and capped at 10%.

## V

Par value	Initial value of a share set in the bylaws of a company. The share capital of a company is the product of the par value of the share multiplied by the total number of shares.
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## TECHNICAL AND SUSTAINABLE DEVELOPMENT GLOSSARY

### A

ACT FOR ALL™	Plastic Omnium SE CSR policy. This worldwide policy aims to engage the Groups stakeholders around three pillars: a responsible business, care for people, and sustainable production.
ACV	Life cycle analysis
ARPEJEH	The ARPEJEH Association (Supporting the Implementation of Study Projects for Young Pupils and Students with Disabilities) is a general interest association, governed by the law of July 1, 1901, bringing together private and public professional organizations (businesses, public institutions, public offices, local communities) in all sectors, and committed to an active policy in favor of disabled persons, equal opportunity and diversity.

### C

CASE	Connected/Autonomous/Shared/Electrified:
Circular Economy	The circular economy is an economic concept that is notably inspired by the ideas of the green economy, the economy of use or the economy of functionality, the performance economy and industrial ecology. It aims to produce goods and services whilst significantly limiting the consumption and waste of raw materials, and the use of non-renewable energy sources.
CMR	Carcinogenic, Mutagenic and Reprotoxic substance. Compressed natural gas
Composite	A composite material is an assembly of at least two immiscible components (but with a high penetration ability) with properties that complement each other. This process enhances the material's performance for certain uses (lightness, rigidity, etc.).
CSR (Corporate Social Responsibility)	CSR for Plastic Omnium is structured around three focus areas with the aim of becoming the leading partner for sustainable mobility: sustainable production; attention to employees; responsible entrepreneurs.
CO <sub>2</sub>	Carbon dioxide, or carbon gas, mainly from the combustion of hydrocarbons and coal (industry, energy generation, transport, etc.).

### E

Ecovadis	A CSR (Corporate Social Responsibility) assessment aimed at observing the inclusion of sustainable development principles in a company's business.
EDEW	European Disability Employment Week.

### F

Fuel cell	This is an electrochemical device that produces electricity by reverse electrolysis of water.
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### G

GDPR	European Data Protection Regulation. The goal of the DPR is to strengthen supervisory practices regarding the collection and use of personal data.
GHG (Greenhouse gases)	Greenhouse gases (GHG) are gas components that absorb the infrared radiation emitted by the Earth's surface, and contribute to the greenhouse effect. Their increased concentration in the Earth's atmosphere is one of the factors causing global warming.
GRI (Global Reporting Initiative)	A not-for-profit organization that aims to develop directives applicable worldwide with respect to corporate sustainable development policies and reporting. <a href="http://www.globalreporting.org">www.globalreporting.org</a>

### H

HSE (Health, Safety and Environment)	A function that deals with workplace Health, Safety and Environment issues.
Hybrid	This is a general operating principle which consists of combining an electrical engine (often reversible as a generator) with a combustion engine to propel a vehicle.
Hydro-soluble paint	Paint that uses water and not solvents as thinners.
Hydrogen	"Hydrogen vehicle" refers to any type of transport that uses the chemical transformation of hydrogen as a propulsion energy source.

### I

ILO	International Labor Organization, founded in 1919, is an institution on a worldwide level of charged with articulating and supervising international labor standards.
ISO 14001	International environmental management system standard.
ISO 50001	International energy management system standard.

### N

NOx	Comprising nitrogen and oxygen and including nitric acid and nitrogen dioxide gases. NOx are mainly produced by the combustion of hydrocarbons.
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## O

OHSAS 18001/ISO 45001	International workplace health and safety management system standard.
Open Innovation	Plastic Omnium has chosen an “open innovation” approach. Its three main focuses are environmental sustainability, or how to move towards clean propulsion systems; the autonomous car and the shared vehicle, or how to integrate the new IT, data capture and processing technologies; and industrial performance (4.0 plant) or how to use data to create the most efficient production and logistics technologies while developing employees’ skills.

## R

RobecoSAM	RobecoSAM (Sustainable Asset Management): an asset manager specializing in sustainable investments and the analysis of non-financial corporate performance (environmental, social, governance, etc.). The quality of the analysis produced has led it to create and manage jointly with Standard and Poors the “Dow Jones Sustainability Indexes, a family of indexes that assess the sustainable performance of the 2,500 largest companies ranked in the Dow Jones Global Total Stock Market Index. <a href="http://www.sustainability-index.com">www.sustainability-index.com</a>
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## S

SCR (Selective Catalytic Reduction)	Through the injection of the additive AdBlue®, this technology reduces NOx emissions (nitrogen oxides which have adverse health effects) by 95%.
SVHS (Substance of Very High Concern)	SVHS are chemical substances that fall into one of the following categories: carcinogens, mutagens, or reproductive toxins, persistent, bio accumulative and toxic substances, very persistent and very bio accumulative substances, substances that can disrupt the endocrine system.

## T

Tf1	Workplace accident frequency rate with lost time: number of workplace accidents with lost time multiplied by 1 million, divided by the number of hours worked (including temporary staff).
Tf2	Workplace accident frequency rate with and without lost time: number of workplace accidents with and without lost time multiplied by 1 million, divided by the number of hours worked (including temporary staff).
Tg (severity rate)	Severity rate of workplace accidents: number of days lost as a result of accidents multiplied by one thousand, divided by the number of hours worked (including temporary staff).
Thermosetting	Polymer that hardens under heat. The constituting molecules connect to each other, making the polymer more rigid. Plastic Omnium uses this material in automotive parts for its lightness and resistance properties.
Thermoplastic	A thermoplastic material is one that softens (we sometimes observe fusion) repeatedly when heated above a certain temperature, but which becomes hard again below that temperature.
TOP Planet	Energy management system applicable to all subsidiaries and joint ventures controlled by Plastic Omnium.
Top Safety	System to manage the security of people and property applicable to all subsidiaries and joint ventures controlled by Plastic Omnium.

## V

VOCS	Volatile Organic Compounds: VOCs comprising carbon, oxygen and hydrogen are easily found in gas form in the atmosphere. They are mainly the result of solvent evaporation.
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## W

WoMen@PO	This is an internal network to promote and facilitate diversity in companies.
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