2021 UNIVERSAL REGISTRATION DOCUMENT

including Annual Financial Report

TABLE OF CONTENTS

Verallia

Société anonyme (public limited company) with the capital of 413,337,438.54 euros

Registered office: 31 Place des Corolles, Tour Carpe Diem, Esplanade Nord, 92400 Courbevoie, France

RCS Nanterre 812 163 913

2021 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

The French version of the Universal Registration Document was filed with the French Financial Markets Authority (Autorité des marchés financiers - AMF) on 29 March 2022, as the competent authority under Regulation (EU) 2017/1129, with no prior approval in accordance with article 9 of such Regulation (EU) 2017/1129.

The Universal Registration Document may be used for the purpose of offering to the public financial securities or for the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, where appropriate, a summary and its amendment(s). In such event, the securities note, the summary and the amendment(s) made to the Universal Registration Document since its approval are approved separately, in accordance with article 10, paragraph 3, 2nd indent of Regulation (EU) 2017/1129.

It is valid until 29 March 2023 and, during that period and at the latest at the same time as the securities note, and under the conditions of Articles 10 and 23 of Regulation (EU) 2017/1129, must be completed by an amendment to the Universal Registration Document in the event of significant new developments or material errors or inaccuracies.

This is a translation into English of the Universal Registration Document issued in French and it is available on the website of the Company.

The Universal Registration Document has been prepared in both French and English. However, in all matters of interpretation of information, views or opinions expressed therein, the original French language version takes precedence over this English one.

Copies of this Universal Registration Document are available free of charge from Verallia, 31 place des Corolles, Carpe Diem Tower, Esplanade Nord, 92400 Courbevoie, France and on the websites of Verallia (www.verallia.com) and the French Financial Markets Authority (www.amf-france.org).

GENERAL COMMENTS

Verallia S.A., a French public limited company (société anonyme), with share capital of €413,337,438,54, registered at 31 Place des Corolles, Tour Carpe Diem, Esplanade Nord, 92400 Courbevoie, France, under the identification number 812 163 913 (Nanterre Trade and Companies Register) is referred to as the "Company" in this Universal Registration Document. The term "the Group" used herein, unless otherwise stated, refers to the Company, its subsidiaries and its direct and indirect equity interests.

This Universal Registration Document contains information on the outlook and growth vectors for the Group. This information is sometimes identified by the use of the future tense, the conditional tense and forward-looking terms, such as "consider", "plan", "think", "have the objective", "expect", "intend", "should", "aim", "estimate", "believe", "wish", "could" or, as applicable, the negative form of these terms or any other variant or similar terminology. This information is not historical data and must not be interpreted as guarantees that the facts and data set forth will occur. This information is based on data, assumptions and estimates that the Group believes are reasonable. They may change or be modified because of uncertainties related, for example, to the economic (in particular due to the consequences of the Covid-19 pandemic), financial, competitive or regulatory environment. Moreover, the occurrence of certain risks described in Chapter 4 "Risk Factors" of this Universal Registration Document could have an impact on the activities, financial position and the results of the Group and its ability to achieve its objectives.

Investors are invited to carefully consider the risk factors described in Chapter 4 "Risk Factors" of this Universal Registration Document. The realization of all or some of these risks could have a significant unfavorable impact on the Group, its activity, its financial position, its results or its outlook. Moreover, other risks not yet identified or not considered material by the Group could have the same adverse impact.

This Universal Registration Document contains information about the Group's markets and its competitive positions, including information on the size and growth outlook of these markets and the Group's market share. In addition to the estimates made by the Group, the items on which the Group's declarations are based come from studies and statistics of third-party organizations (see Section 9.1.3 "Information from third parties, expert's reports and declarations of interest" in this Universal Registration Document) and from professional organizations or even from data published by competitors, suppliers and customers of the Group. Some information contained in this Universal Registration Document is publicly available information that the Company believes is reliable, but that has not yet been verified by an independent expert. The Company cannot guarantee that a third party using different methods to collect, analyze or calculate the data on the business segments would obtain the same results. The Company makes no commitment and no guarantee as to the accuracy of this information. It is possible that this information is incorrect or is no longer up to date. The Group makes no commitment to publish updates of this information except in the context of any legal or regulatory obligation to which it is subject.

Certain calculated data (including data expressed in thousands or millions) and percentages presented in this Universal Registration Document have been rounded. In that case it is possible that the totals presented in this Universal Registration Document may present insignificant differences with the totals that would have been obtained by adding the exact values (not rounded) of these calculated data.

In this Universal Registration Document, except where otherwise indicated, a reference to the Southern and Western European market or the Latin American market, as applicable, should be understood as a reference to the corresponding operational segment, i.e., the operating segment of, respectively, (i) Southern and Western Europe, consisting of the production sites located in France, Italy, Spain and Portugal, and (ii) Latin America, composed of the production sites located in Brazil, Argentina and Chile. References to the Northern and Eastern Europe market include Germany, Russia and Ukraine, excluding Poland.

A glossary providing the definitions of the main technical terms and financial aggregates used herein appears at the end of this Universal Registration Document.

MESSAGE FROM MICHEL GIANNUZZI

Chairman and Chief Executive Officer

While 2020 was marked by profound uncertainties linked to the Covid-19 pandemic, 2021 allowed us to open up **fresh prospects for the Group**. On top of achieving good financial performance, we unveiled **our new strategy based on ambitious societal and environmental goals**. In light of the climate emergency and the most recent global report issued by climate experts (IPCC), *Verallia took an important step in its ESG strategy on 7 October 2021 by setting a new target of reducing our CO_2 emissions by 46% by 2030 (vs. 2019)****, in line with the objective of limiting global warming to 1.5°C.***

These commitments also push us to be constantly innovative. We were pioneers in the European glass packaging sector when we issued sustainability-linked bonds in May and November 2021. We showed the same spirit of innovation at the end of the year when we announced the project to replace furnace no. 2 in Cognac (France) with two 100% electric furnaces.

As glass experts since 1827, we are also committed to supporting our customers in all their growth projects. To do this, we are upgrading our production facilities with the construction of new furnaces in Brazil (Jacutinga and Campo Bom) and Italy (Pescia).

None of this would be possible without the commitment shown by all our teams throughout this period, so I would like express my sincerest gratitude to them.

It is for this reason that in 2021, we finalised our sixth employee share ownership programme. Our company is made up of 10,000 women and men who work every day to ensure our customers' satisfaction. It is therefore only right that we should invite them to share in the Group's results.

With these successes under its belt, Verallia looks to the future with optimism.

As a major player in the packaging sector, we have to support this market in its changes. But we know that we can provide only some of the answers on our own. I firmly believe that we will only make progress by defining clear goals and working for a common cause with our customers, suppliers, and other partners across the value chain to develop new, healthy and sustainable packaging solutions for all.

The change in the Group's governance that we announced at the end of the year – the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer – is also an expression of this desire to work collectively, and reflects our aim to comply with best governance practices.

Our purpose therefore demonstrates our will to strengthen our position as a responsible and engaged Group, as a pioneer of the circular economy. This is how we want to pursue this exciting adventure of re-imagining glass.

OUR PURPOSE

Re-imagining glass to build a sustainable future

Reinforcing Verallia's commitment to society

Addressing the environmental challenges that the planet is facing, as well as changes in consumer habits, **this approach reflects the Group's desire to play a leadership role in the transformation of the packaging sector, and to go above and beyond by strengthening the circular and green aspect of glass packaging**.

Through its purpose, the Group wants to redefine how glass is produced, reused and recycled, to make it one of the world's most sustainable packaging materials.

A material made by humans since time immemorial, glass is produced using a manufacturing process that has remained virtually unchanged over the centuries. The Group does therefore not intend to re-invent the definition of glass today; however, to make it one of the most sustainable materials, we need to overhaul its entire value chain. This transformative process demands that we be open to new ideas and models in relation to the production, reuse and recycling of glass packaging. Innovation and creation will play a particularly decisive role. This is how the Group, together with its partners, will **re-imagine glass to build a sustainable future**.

In terms of concrete measures to fulfil its purpose, Verallia intends:

To accelerate innovation in the value chain:

The Group is committed to integrating increasingly innovative solutions in order to reduce carbon emissions from the design to transport of products and, in so doing, to helping its customers reduce their environmental impact.

To make reuse a winning solution for the planet and glass packaging:

The Group wants to support and sustain initiatives aimed at reusing glass packaging in order to meet the increasing expectations of its customers and consumers.

To take action for more recycled glass:

The Group wants to cooperate with its partners to strengthen collection and recycling systems across all of its markets. These three pillars are explained in more detail on page 11 "Our strategy and sustainable development dashboard".

THE CONSTRUCTION OF OUR PURPOSE

In December 2019, Verallia's teams began to reflect on the Company's purpose. All of the Group's stakeholders were involved and consulted in this process. Customers from different countries, a large number of suppliers, local authorities, professional associations, NGOs and shareholders with whom Verallia works on a daily basis all took part. Simultaneously with the round tables held in each region, more than 1,500 Verallia stakeholders responded to the online invitation in February 2020 to arrive at a collective construction of the Group's purpose.

Our values

- Respect for people, laws and the environment
- Teamwork
- Customer care
- Empowerment and accountability

OUR KEY FIGURES

#1 in Europe

#2 in Latin America

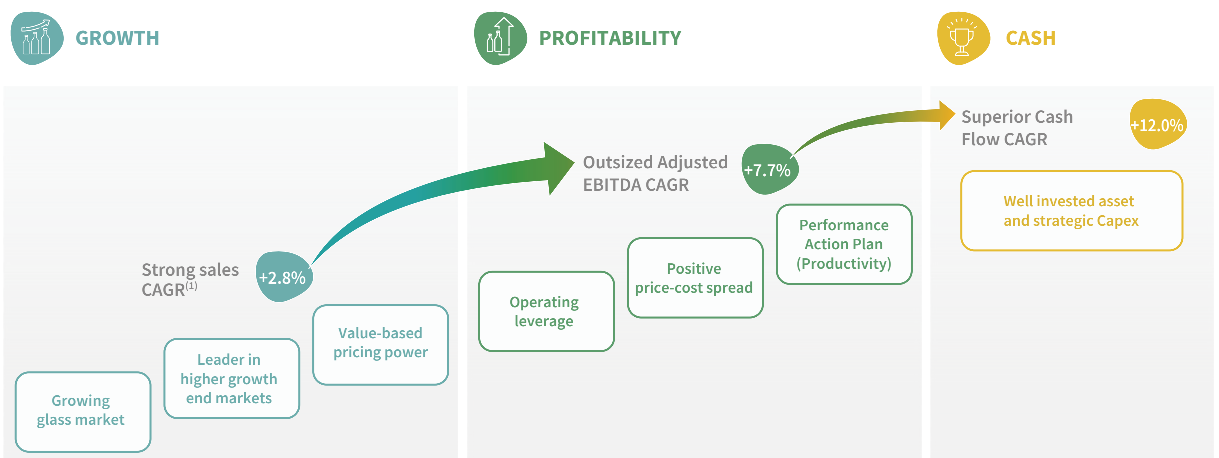
#3 worldwide

Strong resilience of the Group in the face of the pandemic

	Key 2021 financial figures	**2022-2024 financial objectives**
Revenue	**€2.674 billion** (+6.8% organic growth[(1)])	**+4–6%** CAGR of organic sales growth [(1)]
Adjusted EBITDA	**€678 million** (+8.4% vs. 2020)	
Adjusted EBITDA margin	**25.4%** (vs. 24.7% in 2020)	**28%-30%** in 2024
Free cash flow [(2)]	**€329 million** (vs. €316 million in 2020)	Approx. **€900 million** in total over 3 years
Earnings per share (excluding PPA [(3)])	**€2.37** (vs. €2.04 in 2020)	Approx. **€3** by 2024
Annual dividends distributed	**€114 million** (vs. €100 million in 2020)	Growth of dividends per share **> 10% p.a.** + Accretive share buybacks
Net debt leverage [(4)]	**1.9x** (vs. 2.0x at 31/12/2020)	Investment grade trajectory (net debt leverage **< 2.0x**)
Total capex	**€256 million** (vs. €251 million in 2020)	Recurring and strategic capex at approx. 10% of sales, including CO_2-related capex and 3 new furnaces by 2024

(1) At constant exchange rate and scope.
(2) Defined as Operating cash flow – Other operating impact – Financial interest paid and other financing costs – Taxes paid.
(3) Net income per share excluding an amortisation expense for customer relationships identified at the time of the acquisition of the Saint-Gobain packaging operations, of approximately €0.38 per share (net of tax).
(4) Net debt/adjusted EBITDA for the last 12 months
Note: The definition of adjusted EBITDA can be found in the glossary of this document.

Proven financial performance (2017–2021)

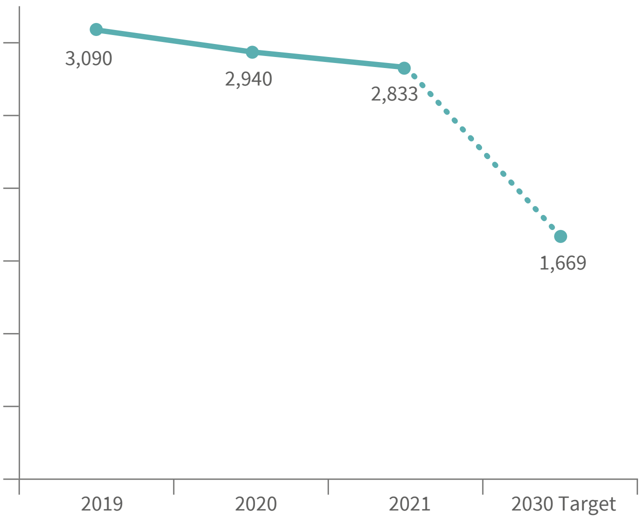


Growing and cash generative business, resilient during pandemic

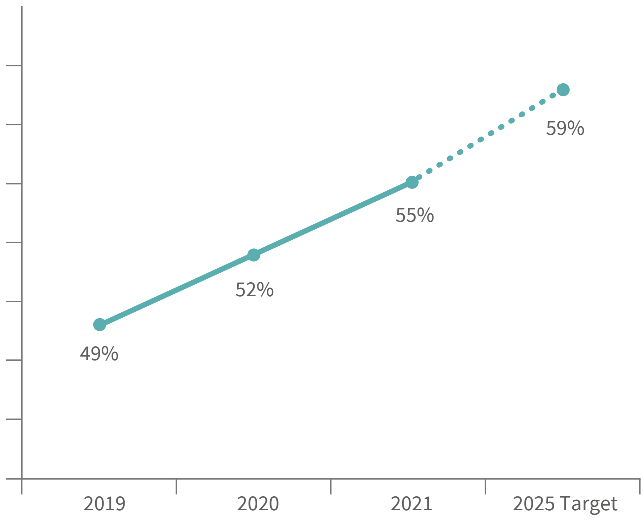
(1) 2017 revenue according to the 2016–2018 financial statements prepared for the initial public offering and applying IFRS 15 (Revenue from contracts with customers) to the period.

ESG commitments to build a sustainable future

Reduction of CO_2 emissions



External cullet usage rate



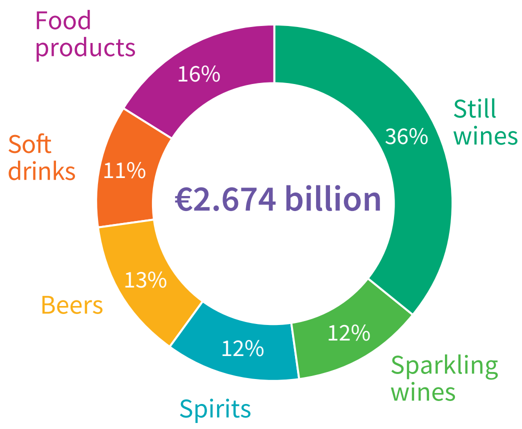
New goal: to limit global warming to 1.5°C

Our goal for 2025: 35% women managers and 5% employee share ownership

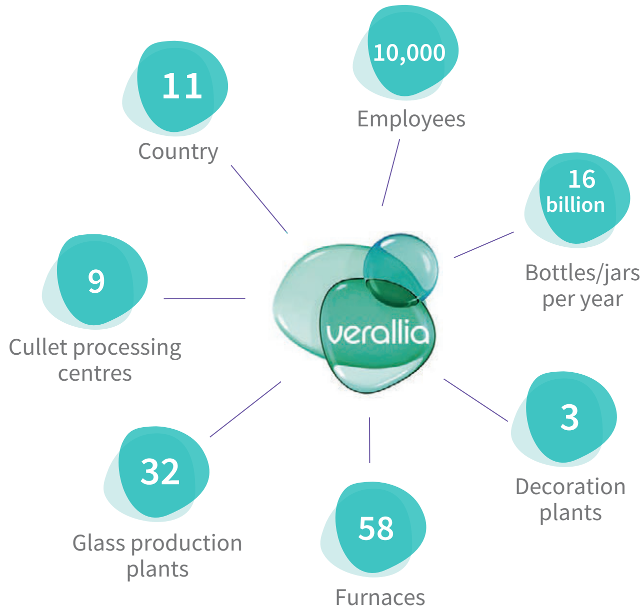
OUR OPERATIONS

As the **European leader** and the **world's third-largest producer** of glass packaging for beverages and food products, we want to redefine how glass is produced, reused and recycled, to make it the world's most sustainable packaging material.

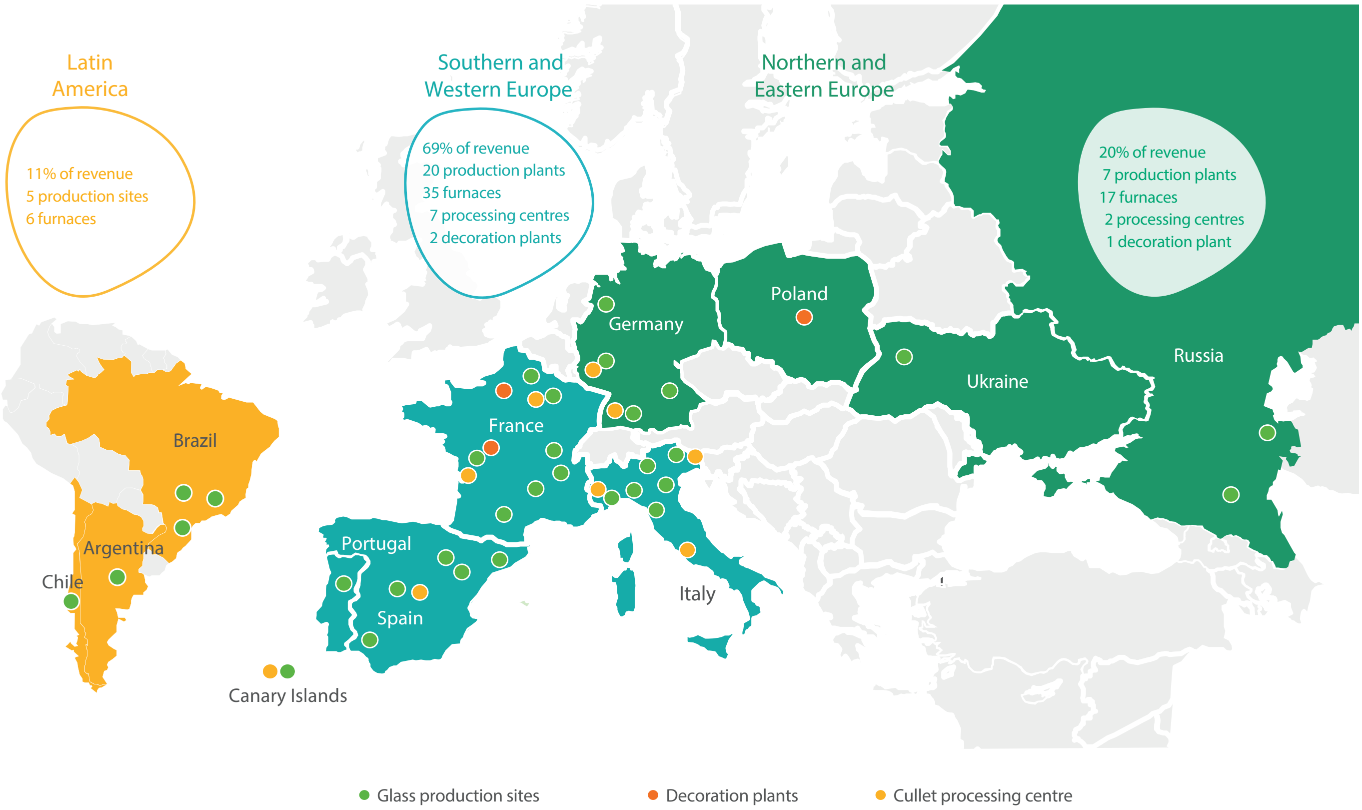
With **32 glass production plants**, **3 decoration plants** and **9 cullet (used glass) processing centres** in **11 countries**, we produce **16 billion glass bottles and jars** every year to supply **10,000 businesses**, from local family producers to major international brands.



As a % of 2021 revenue.



Global presence in 3 major geographic segments



OUR GOVERNANCE

Board of Directors as at 31 December 2021

Chairman of the Board of Directors
Michel Giannuzzi
Chairman and Chief Executive Officer

5 independent directors

José Arozamena

Marie-José Donsion

Virginie Hélias

Cécile Tandeau de Marsac

Pierre Vareille

Representative of BW Gestão de Investimentos Ltda. (BWGI)
João Salles

Representative of Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)
Marcia Freitas

Representative of Bpifrance Investissement
Sébastien Moynot

1 employee-representative director

Dieter Müller

Non-voting Board member
Guilherme Bottura

56% independent directors

50% reign nationaliti

55 Average age

44% Percentage of women

5 committees

AUDIT
Marie-José Donsion **W I**
José Arozamena **I**
BWSA, represented by
Marcia Freitas **W**

NOMINATION
Cécile Tandeau de Marsac **W I**
José Arozamena **I**
BWGI, represented by João Salles
Pierre Vareille **I**

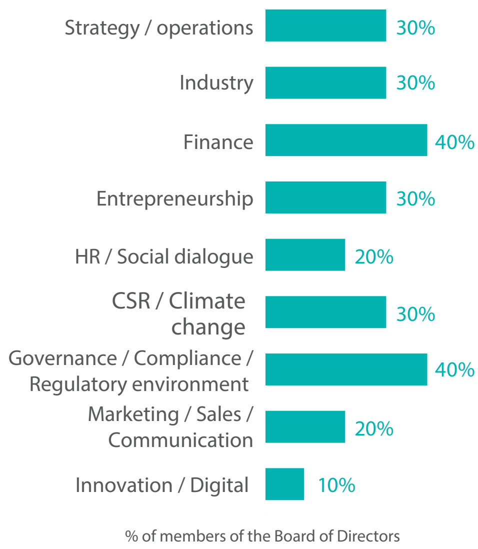
COMPENSATION
Cécile Tandeau de Marsac **W I**
José Arozamena **I**
Dieter Müller **E**
BWGI, represented by João Salles
Pierre Vareille **I**

SUSTAINABLE DEVELOPMENT
Virginie Hélias **W I**
Michel Giannuzzi
Bpifrance Investissement,
represented by Sébastien Moynot
Dieter Müller **E**

STRATEGY
Pierre Vareille **I**
BWGI, represented by João Salles
Michel Giannuzzi

W Woman
I Independent
E Employee-representative

Knowledge and expertise



Executive Committee as at 31 December 2021

Michel Giannuzzi
Chairman and Chief Executive Officer

Olivier Rousseau
General Manager,
Verallia France

Dirk Bissel
General Manager, Verallia
Northern and Eastern Europe

Marco Ravasi
General Manager,
Verallia Italy

Quintin Testa Dominguez
General Manager, Verallia Latin
America

Paulo Pinto
General Manager,
Verallia Iberia

Nathalie Delbreuve
Chief Financial
Officer

Wendy Kool-Foulon
Director
General Counsel -
Compliance - Insurance

Romain Barral
Director of
Operations,
Verallia Group

Mathilde Joannard
Director
HR - CSR -
Communications

50%
reign nationaliti

30%
Percentage of women

OUR STRATEGY AND OUR AMBITIONS

"The in-depth work carried out over the last few years has enabled the Group to accelerate its sustainable growth policy in 2021 and to draw up a new medium-term roadmap in this area. "

Michel Giannuzzi

CONTINUING DISCIPLINED GROWTH

Improving the customer experience to develop operations

The Group aims to improve its customer satisfaction rate and the efficiency of its logistics processes by investing in portfolio management and planning tools. The Group also wants to better identify the unaddressed needs of its customers by developing its continuous customer experience improvement programme with the NPS ("Net Promoter Score") as a monitoring indicator, which indicates customers' recommendation intentions.

Generating a positive inflation spread

The Group intends to continue its disciplined pricing policy in order to offset the impact of growing production costs – a crucial issue in the current inflationary context. The Group also aims to roll out a pricing policy based on the added value of its products. It intends to increase the margin generated on its products by relying on software with an AI-based price optimisation model, and will continue to optimise its product portfolio.

Proactively seeking value-creating acquisitions or new greenfield/brownfield organic growth projects

To generate additional growth in its revenue, the Group plans to make value-creating acquisitions. In addition, the Group has announced the opening of three new furnaces between 2022 and 2024 in the regions where demand is strongest. Two of these furnaces will be located in Brazil for commissioning in 2022 and 2023, and one in Italy for 2024. These investments represent a total amount of approximately €200 million.

INCREASING OPERATIONAL EXCELLENCE

Achieving "zero accidents" with increased attention to unsafe practices

The Group intends to focus on eliminating unsafe practices in order to reach "zero accidents" and on improving working conditions in order to position the Group's work environment as one of the safest in the sector.

Continuing to implement Performance Action Plans to reduce cash production costs by more than 2% a year

More than 500 projects involving around 250 managers are constantly being rolled out and are subject to monthly reviews, to allow Verallia to improve the efficiency of its production sites and increase the compliance rate of its products while ensuring strict management of its working capital requirements. These continuous industrial performance improvement projects aim to reduce cash production costs by 2% (more than €35 million) a year.

Rolling out the Verallia Industrial Management System (VIM 2.0)

As part of its industrial strategy, the Group has been implementing an operational excellence programme over the past few years. This has been significantly enhanced since the beginning of 2018 with the roll-out of the Verallia Industrial Management (VIM) 2.0 initiative, focused on safety, quality, industrial performance and reducing manufacturing costs, thanks in particular to an industrial performance and team management improvement plan. The Group aims to speed up the roll-out of this programme in order to continue improving its margins.

INVESTING WISELY FOR A SUSTAINABLE FUTURE

Improving working conditions (health and safety, including ergonomics)

The Group is constantly working to develop and operate safe industrial processes, promote a "zero accident" culture and protect the health and safety of its employees. It therefore implements Health, Safety and Hygiene procedures that take into account the main issues related to industrial processes, such as workstation ergonomics, the reduction of potential exposure to dust, exposure to noise and heat, and chemical risk management.

Reducing CO_2 emissions and energy consumption

To meet the environmental challenges facing the planet, Verallia is following its road map to strengthen the circular dimension of glass packaging by maximising the integration of cullet into its production processes. In addition, Verallia intends to significantly reduce its CO_2 emissions by 2030 through greater use of cullet, lower use of carbon-based materials, reduced energy consumption for glass melting, and more use of green energy. To reflect this ambition, in 2021 Verallia successfully placed two sustainability-linked bond issues for a total amount of €1 billion.

Intensifying the management of manufacturing processes through data analytics and artificial intelligence

The Group also intends to rely on the development of Industry 4.0, and in particular on data analytics and artificial intelligence. As part of its research and development activities, the Group is considering an IA-based software that will be ultimately applied to the entire production process and will specifically enable the optimisation of furnace combustion settings at the glass melting stage, the optimisation of IS machine settings when transitioning to the "hot end" sector, and the improvement of control processes, including through improved use of information supplied by the control machines that detect defects.

ESTABLISHING A STRONG AND INCLUSIVE ENTREPRENEURIAL CULTURE

Continuing to develop our purpose and our engagement with local communities

In 2021, the Group communicated its CSR road map externally and to our employees. A strong link is established in each entity between the CO_2 emissions reduction, cullet use targets and our desire to "re-imagine glass to build a sustainable future".
Each Group entity has implemented and developed projects that reflect its purpose. The Group's donations of €1.5 million per year are focused on three main themes: supporting our local communities, supporting local environmental projects and funding projects to promote inclusion and diversity.
At each of our sites, employees are committed to individually supporting the funded initiatives and projects. In doing so, they convey – on their own behalf – Verallia's values and commitment to the organisations supported.

Promoting diversity and inclusion

In 2021, the Group reaffirmed its commitment to respect for individuals, laws and the environment. Above all, engaging in an inclusive approach means accepting diversity and raising all our employees' awareness of the richness and complementarity offered by greater diversity within the Company. It also means giving access to and welcoming these diverse profiles, and sharing common goals and a level playing field within the Company.
The social objectives are ambitious in today's world for an industrial group such as Verallia, which is committed to achieving targets of 35% women managers and 4.5% disabled employees at Group level by 2025.
In the countries where it operates, Verallia is also committed to implementing diversity and inclusion approaches to promote innovation, creativity and productivity. Improving the Company's performance is at the heart of the development of these approaches over the coming years.

Anticipating and supporting the professional development of our skills

Across the Group, there are numerous initiatives aimed at providing individual skills support. Projects have been developed to facilitate the creation of new organisations to support managers, empower them through individual coaching and enhance their understanding of issues and their analysis of situations (through the use of continuous improvement methods, including root cause analysis), with the aim of encouraging the Company's various stakeholders to take responsibility and act autonomously.
This culture of agility, perseverance and resilience is also fostered through exchanges between the Group's multicultural teams. During the pandemic, Verallia's teams demonstrated that their ability to adapt was a valuable asset in an uncertain environment.

OUR BUSINESS MODEL

Our resources

EMPLOYEES WHO CREATE VERALLIA'S SUCCESS

- around **10,000 employees**
- **4 shared values**: customer care; respect for people , laws and the environment; empowerment and accountability; teamwork
- **177** job functions [(1)]
- **1,168** employees recruited in 2021, including **336** women (29%)
- **10%** managers and executives

WORKPLACE SAFETY

- Work accident frequency rate (AF2): **5.3** [(2)]

PARTNERS WHO SHARE OUR VALUES

- FEVE: European Container Glass Federation
- Ellen MacArthur Foundation
- ABIVIDRO: Brazilian Glass Industries Association (*ão Brasileira das Indústrias de Vidro*)
- Bpifrance

AN INTERNATIONAL INDUSTRIAL PRESENCE

- **32** glass production plants
- **58** furnaces
- **9** cullet processing centres
- **3** decoration plants
- **5** technical centres
- **13** development centres

A COMMUNITY PLAYER

- **More than 280 employees** in the sales teams [(3)]

OUR RESOURCES

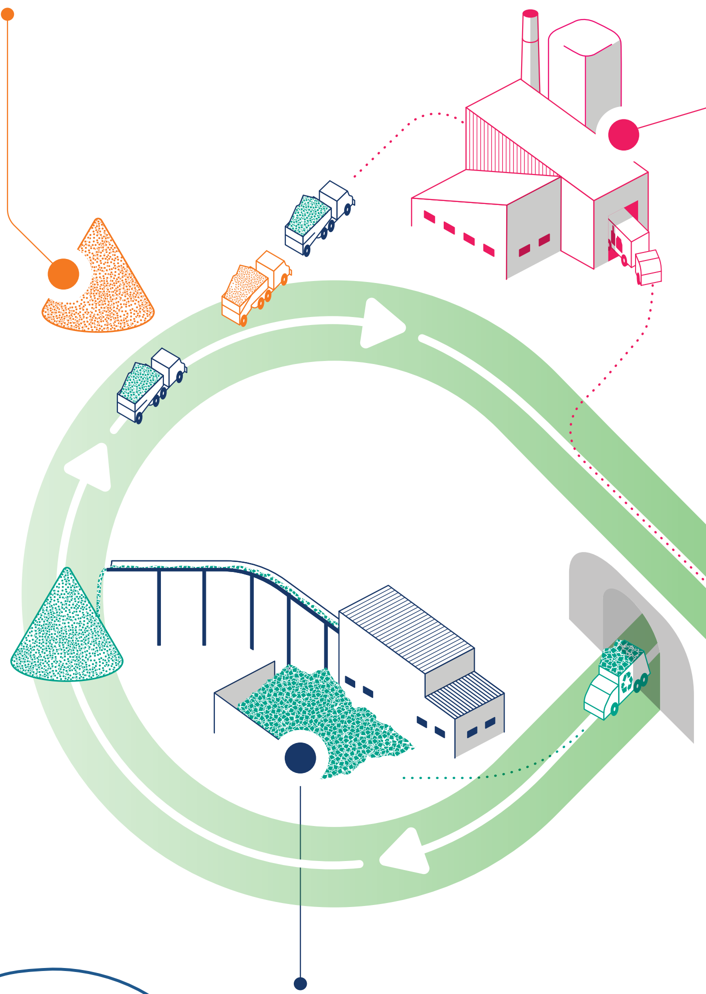
- **55%** cullet use

(1) Categories: technical/production, sales, R&D, purchasing, supply chain, HSE, audit and internal control, finance.
(2) AF2 represents the work accident frequency rate with or without lost days per million hours worked.
(3) Functions identified in the sales and marketing divisions.

Our sustainable business model:

Extraction and transformation

of raw materials (sand, limestone, soda ash)



55%

external cullet used in our production

Transformation of collected glass into cullet

through the recovery of domestic glass in the processing plants (owned by Verallia or partners)

at the heart of the circular economy

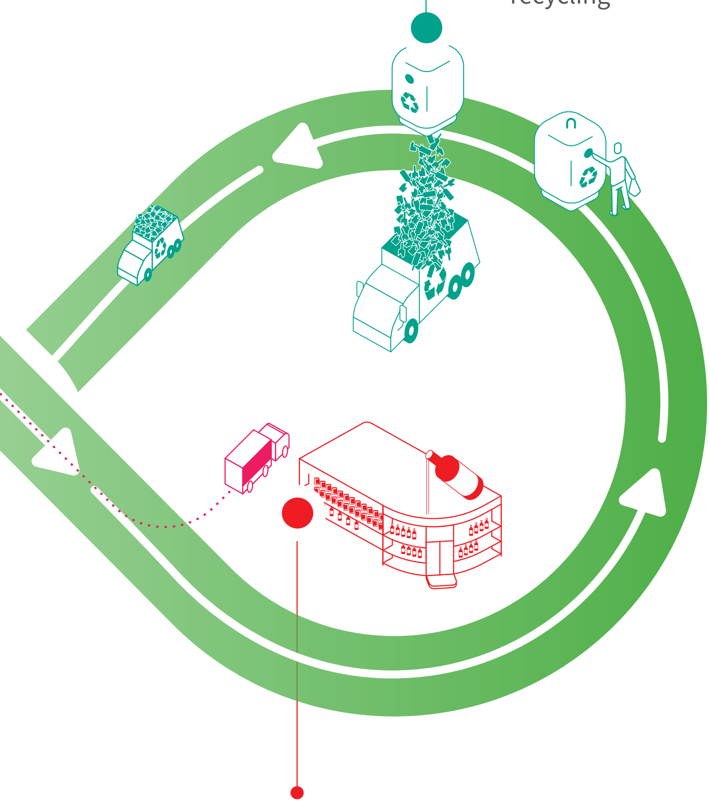
more than
16
billion
bottles
and jars
produced

Environmentally friendly design and production

of quality glass packaging

Collection and awareness-raising

for sorting and recycling



Packaging and marketing

Verallia adds value to customers' products and contributes to the well-being of the end consumers

Results to foster shared growth

A SOUND FINANCIAL POSITION

- **€249 million** in net income
- **€800 million** in equity
- **€495 million** in cash and cash equivalents
- **€522 million** in operational cash flow

CUSTOMERS

- **€2.6 billion** in revenue
- **€16.5 billion** in bottles and jars produced
- **16.7%** sales of the Ecova range (4)

EMPLOYEES

- **€511.5 million** in salaries paid (with social security contributions) (5)
- Employer's contributions: **approx. €128 million** or 25%

SUPPLIERS

- **€1.6 billion** in operating purchases
- **€256 million** in capital expenditure

INVESTORS

- **€114 million** in dividends (6)
- **€0.95** per share
- **€221 million** in share buybacks

SPECIAL ATTENTION TO THE ENVIRONMENT

- Water consumption: **0.53 m^3/tpg (-9% vs. 2020)** (7)
- Energy consumption: **1.8 MWh/tpg**
- Proportion of non-glass waste recycled in the glass production plants: **68%** (8)
- CO_2 emissions: **2,833 kt Scopes 1 and 2 (-3.7% vs. 2020)** (9)

(4) *Sales of the Ecova and EGO ranges as a proportion of total sales.*
(5) *€492 million including employee benefits (profit sharing), excluding temporary staff.*
(6) *Dividends paid in 2020 for fiscal year 2019. €101 million of dividends: €87,490,361.32 in newly issued shares and €13,144,489.38 in cash.*
(7) *tpg = tonne of packed glass or "tonne of good glass": One tonne of packed glass corresponds to one tonne of pulled glass measured right out of the furnace and taking into account production losses linked in particular to shutdowns of the furnace or other equipment for maintenance or due to quality issues.*
(8) *Including waste linked to furnace rebuilds.*
(9) *Scope 1 "Direct emissions" = CO_2 emissions at the physical perimeter of the plant = carbonated raw materials, heavy and domestic fuel oil, natural gas (melting and non-melting activities). Scope 2 "Indirect emissions" = emissions linked to electricity consumption required for the operation of the plant.*

OUR CONTRIBUTION TO A SUSTAINABLE FUTURE

1 Strengthening the circularity of glass packaging

We are convinced that glass is one of the most sustainable materials. The circular economy is at the heart of our strategy and leads us to work around three main areas: increasing glass collection, optimising cullet use and developing the reuse of our packaging.

We will pursue the following goals between now and 2025:

To contribute actively to the plan to **increase the glass packaging collection rate** in the European Union in order to reach the target of 90% in 2030.

To increase the use of external cullet in our worldwide production processes by 10 points compared with 2019, to reach 59% by 2025.

To trial at least one bottle **reuse pilot project** in France.

2 Significantly reducing the CO_2 emissions of our operations

In view of the climate emergency, we have decided to make reducing our carbon footprint a central pillar of our Sustainable Development strategy.

Our bottle and jar production process entails substantial energy consumption and CO_2 emissions. We have therefore committed all our teams to constantly innovating to reduce these impacts at every stage of our value chain, from using raw materials such as cullet to optimising the efficiency of our furnaces and recycling our waste.

We have also decided to commit to a carbon trajectory that involves limiting global warming to 1.5°C compared with pre-industrial levels.

Accordingly, by 2030 we have undertaken to **reduce our CO_2 emissions (Scopes 1 and 2) by 46%**, in absolute terms, using 2019 as the baseline year.

With regard to our products, we aim to **achieve a 3% reduction in the weight** of our non-returnable standard bottles and jars by 2025.

3 Offering an inclusive and safe work environment for all

Safety and inclusion for everyone are drivers of the Group's performance. Making safety a constant concern for all employees, so that they can protect themselves and their colleagues, is one of our priority goals. Fostering employee well-being, developing diversity in all its forms and promoting inclusion will also contribute to enhancing the Company's performance.

The commitments to increase the proportion of women in the company's management and to work on access for all to our jobs are ambitious and reflect our desire to improve our Company's image.

2025 goals in this area:

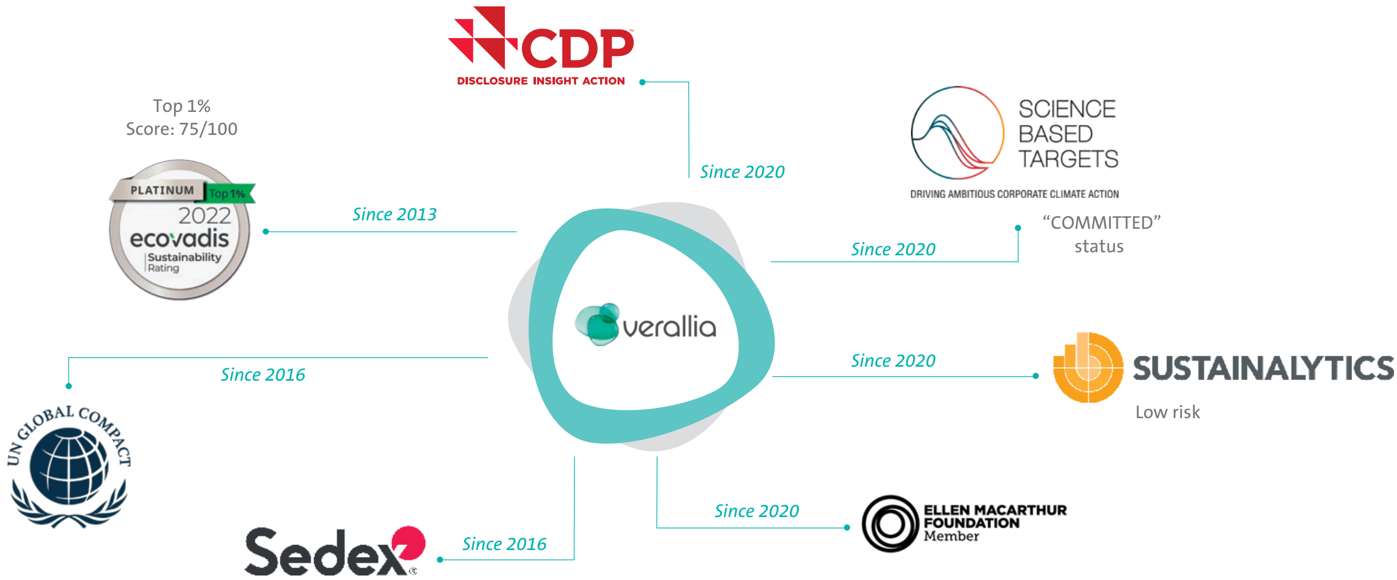
To aim for "zero accidents" and achieve an **AF2 rate of less than 1.5**.

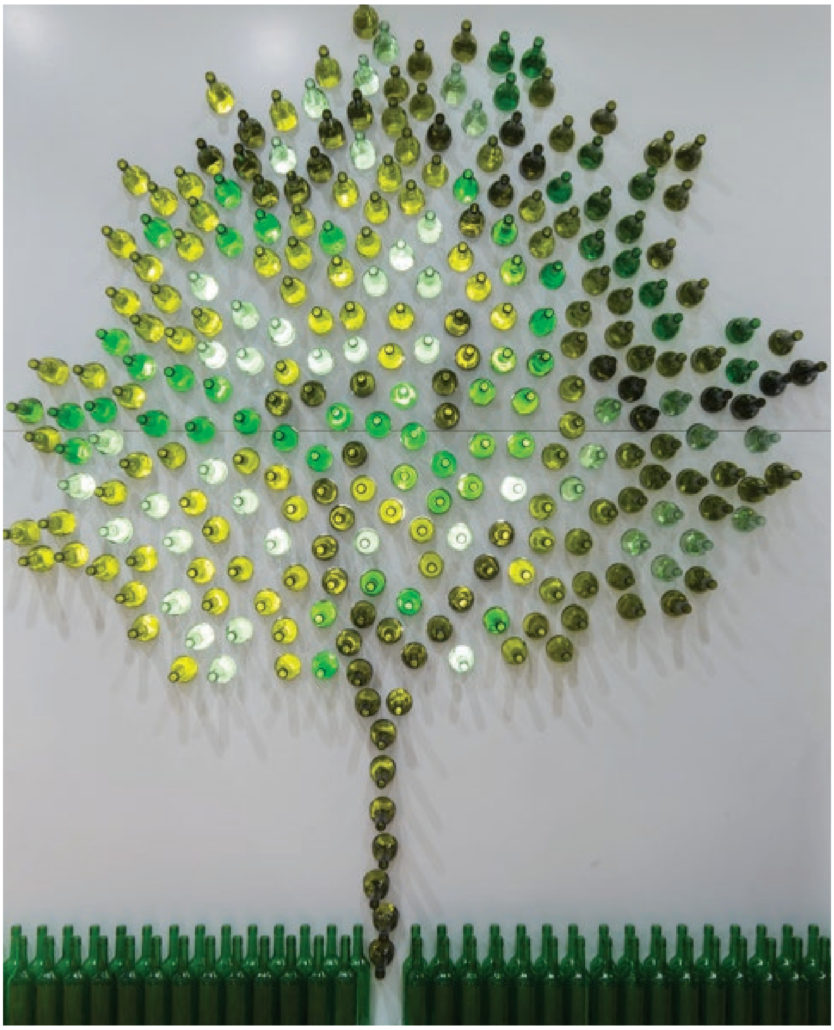
35% women managers within the Group.

To facilitate the integration of people with disabilities, with a target of 4.5% *(vs. 3% in 2019)*.

To double employee share ownership *(vs. 2.6% in 2019)*.

Most recent ratings and partnerships





OUR HISTORY

1827 Creation of the Vauxrot glass plant (France)

1918 Start of international operations

1972 Creation of the Packaging division of the Saint-Gobain group

2010 Adoption of the Verallia trademark

2015 Verallia becomes and independent group

2019 Verallia becomes a listed company

2020 Definition of Verallia's purpose

OUR HIGHLIGHTS

2021

21/01

GROUP
Presentation of the ESG road map and ambitions

ITALY/SPAIN
Commissioning of new furnaces at Villa Poma and Azuqueca

01/03

26/04

GERMANY
Creation of a joint venture with Remondis

GROUP
Issue of the Sustainability-Linked Bond

04/05

01/08

VERALLIA BRAZIL
launches a donation campaign to help the most disadvantaged

GROUP
Capital Markets Day

07/10

20/12

VERALLIA FRANCE
joins the IMAGINE movement and plants 13,000 trees with Reforest'Action near its production site in Cognac

1

THE GROUP AND ITS OPERATIONS

1.1. Glass packaging market

The Group operates in the food and beverage glass packaging market where it is, in terms of revenue, the third largest producer in the world and the leading producer in Europe[1]. In terms of volumes sold, it is the second largest producer in Latin America[2].

1.1.1. Trends in the glass packaging market

1.1.1.1. General Trends

The glass packaging market benefits from favourable trends, mainly fuelled by the increasing appreciation of glass by consumers[3]. It is thus fuelled by the shift away from alternative materials, in particular plastic, and the choice for glass, because of its environmental qualities, its ability to be fully recycled and its inert properties (no risk of migration of chemical products, such as Bisphenol-A, which is a health hazard), and its ability to protect flavours.

Glass is the preferred choice for upmarket products because of its inherent premium image, particularly for sparkling wines, spirits and still wines, products in which the Group has a strong presence. Speciality beers are also turning to glass to emphasise their premium positioning.

After several years of sustained growth, the European glass packaging market experienced a more challenging year in 2020, marked by the Covid-19 pandemic, closures of cafés, bars and restaurants in many countries and trade disputes between the United States and various European countries, which resulted in increased taxation of certain wines and spirits, notably French and Spanish, shipped to the United States.

After a difficult second quarter, the Group's operations resumed their growth in Summer 2020 thanks to the upturn in our customers' exports to certain markets such as China. This upturn continued across the Board in 2021 despite a health environment that remained uncertain. In the third quarter of 2021, volumes sold by the Group returned to their 2019 level and organic growth continued. Premium products (mainly wines and spirits) exposed to the hotel and catering sector and beer experienced steady growth, while jars and bottles for food products (more exposed to domestic consumption) and soft drinks reported a decline in their sales after a year of strong growth in 2020.

The Group confirmed the relevance of is positioning and its business model by recording organic growth of 6.8% (5.0% excluding Argentina) in 2021 thanks to the diversification of its end markets and geographic presence: the sharp rebound of premium segments and beer and the continued growth in Latin America despite the unfavourable exchange rates trend (mainly the Brazilian real).

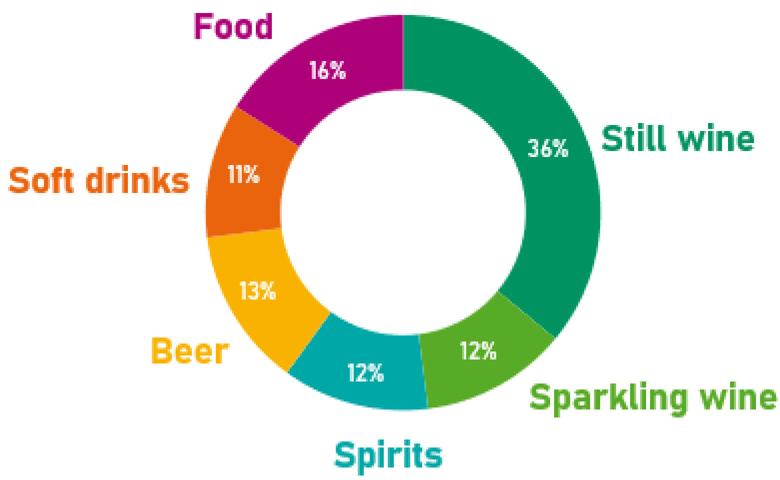
1.1.1.2. Trends by markets

The Group addresses a wide variety of end markets, ranging from bottles for still and sparkling wines to containers for spirits, bottles for beer, and jars and bottles for food and soft drinks. The Group's revenue[4]for the year ended 31 December 2021 was as follows:

[1] On the basis of the revenue earned in 2020 by market players in Europe (as defined by these players), as extracted from publicly available information (annual reports and press releases in particular) and on the basis of Company estimates.
[2] Based on volumes sold in 2020 in Argentina, Brazil and Chile.
[3] Source: Verallia (2021 Capital Markets Day), McKinsey Packaging Survey (December 2020), the European Container Glass Federation (FEVE) (InSites Consulting "Packaging & Recycling" independent consumer survey (2020)).
[4] Based on revenue generated solely from the sale of jars and bottles, accounting for 97% of the Group's consolidated revenue for the year ended 31 December 2021.

Distribution of revenue by end market

Financial year ended 31 December 2021



Still and sparkling wines

The still and sparkling wine bottle market is the Group's largest market, which represented 48% of its consolidated revenue for the year ended 31 December 2021. It is driven by consumer habits in traditional wine consuming countries, such as France, Spain and Italy, and by the consumption modes of new consumers, such as in the United States, the United Kingdom and emerging markets (mainly Brazil and China). These trends impact exports from historical producing countries such as France, Spain and Italy, the world's three largest producers, as well as from the producers of the "New Winemaking World", such as Argentina, Chile, Australia and South Africa.

The still and sparkling wine bottle market, impacted in 2020 by the first Covid wave, is mainly driven by exports.

The Group's operations in the still and sparkling wine market are more particularly exposed to the exports made by its winemaking customers. The three most significant countries for the Group in terms of revenue, namely France, Spain and Italy, are the main exporters of still and sparkling wines in the world. After a difficult environment in 2020, the Group's operations in these markets benefited in 2021 both from a recovery in the hotel and catering sector with the mitigation of the Covid-19 pandemic, but also from a suspension of trade barriers imposed by the United States on certain exporting countries of still and/or sparkling wines.

Glass is the preferred material for packaging still wines and even more so sparkling wines, because of the product's image, wine-making processes, requirements for pressure resistance and its exceptional organoleptic qualities. Substitution by other packaging materials is also limited due to consumers' preference for glass and the image of quality associated with this packaging, the existence of glass bottling infrastructure and the existence of pressure resistance requirements for sparkling wines. The Group nevertheless competes with alternative types of packaging, such as the "bag-in-box" format in still wines, mostly for down-market wines, and brick pack containers, especially in certain geographic areas such as Argentina, Spain and Portugal, and, to a lesser extent, bottles made from polyethylene terephthalate (PET). After developing sharply in 2020, in France in particular, the "bag-in-box" format for still wines decreased significantly in 2021.

Containers for spirits

Containers for spirits represented 12% of the Group's consolidated revenue for the year ended 31 December 2021.

Growth in the spirits market is mostly driven by exports intended primarily for the United States and Asia. Cognac, brandies and gin have found valuable export niches (in neat form and in cocktails). This market is characterised by a sharp increase in upscale packaging, similar to that seen in the perfume market. In terms of customers, the sector is highly consolidated, with the major global trademarks in spirits owned by a limited number of companies. In each region, however, a large number of local spirit trademarks remain independent and active in the market.

The global spirits market rebounded sharply in 2021, after 2020 was impacted by the Covid-19 pandemic and temporary closures in the hotel and catering sector. Demand significantly picked up in several countries and regions, especially in China, while the consumption of premium spirits appeared to experience structural growth in most parts of the world and in the United States.

The risk of substitution for packaging other than glass is very limited in the spirits segment, mostly because of producers' desire to use glass bottles (often customised) to maintain the image and recognition of their trademarks. However, certain containers (other than the litre, pocket flasks or miniatures) may be packaged in PET, marginally and in low-end segments, and mostly in the United States.

Beers

Beer bottles represented 13% of the Group's consolidated revenue for the year ended 31 December 2021.

The highly concentrated beer market, considered a "mass market", is growing, particularly in emerging markets. Glass packaging is particularly favoured by certain brewers to provide up-market appeal, especially in developed countries, to create value in a market that has historically had little differentiation.

However, certain customers may periodically or permanently substitute traditional glass packaging, which has a premium positioning, for other packaging in metal cans. This change may be brought about for sales and marketing reasons, to control costs in view of the economic context, or due to changes in strategy. In the beer packaging market, glass remains the preferred packaging for brewers in the premium beer growth segment seeking to make their products stand out from the competition with an up-market image designed to highlight the distinctive taste of their beers. This is especially true for local or craft brewers. This market faces competition from other modes of consumption, particularly the mini-barrel and draught beer. Plastic is more marginal, except for specific uses (during sports events, for example) and for large containers, particularly in the Russian and Ukrainian markets. In Latin America, the traditional returnable beer bottle is progressively being replaced with single-use aluminium or glass packaging. This trend is expected to continue in the future, particularly in Brazil, and to contribute strongly to fuelling demand for glass packaging as it did in 2020 and 2021.

Bottles for soft drinks

Bottles for soft drinks represented 11% of the Group's consolidated revenue for the year ended 31 December 2021.

In this market, packaging in materials other than glass have already largely replaced glass packaging. Substitution may still occur in the fruit juice segment, where glass is nevertheless well positioned in small containers, particularly for restaurants and cafés and upmarket products. High value-added niches have also developed in recent years, for which glass is particularly well positioned, such as table waters, energy drinks and certain sodas. In 2021, the Group's operations in this end market saw a sharp contrast with certain geographical disparities, after a 2020 marked by the decline in activity in the hotel and catering sector, traditionally significant for soft drinks. This partly offset the overall positive trend for glass in this segment.

Jars and bottles for food

Jars and bottles for food represented 16% of the Group's consolidated revenue for the year ended 31 December 2021.

The food jar and bottle market consists of a very large number of niche markets, including traditional jams and yoghurts, baby food, certain types of sauces and jarred food, and even soluble products that vary depending on the eating habits of each country. Overall, glass occupies relatively stable positions compared with other materials. The growth of this market primarily tracks the growth in household consumption. The intrinsic, technical qualities of glass – particularly the possibilities for sterilisation and high-temperature cooking, as well as the innovation potential it offers – allow for a diverse range of food products to be packaged in glass compared with products packaged in other materials.

In the food packaging market, substitution mainly occurs in jars and bottles for condiments, sauces and dairy products, where consumers are more indifferent to the use of PET. However, the favourable positioning of glass for small containers, the unsuitability of plastic for certain techniques in the food industry (such as sterilisation and high-temperature cooking), and the development of niche markets where the use of glass is associated with the perceived qualities of the product or when it is the preferred medium for innovation (such as packaging for spreads), allow glass to maintain, and even increase, its market share. In featured or premium segments, glass is often used as a substitute for other types of packaging. Consolidation of the customer base in this market is moderate.

The Group's operations in the segment of food jars and bottles, which were particularly high in 2020, shrank in 2021 with the return to normal of home meal consumption against a backdrop of eased lockdown measures. However, the Group believes that its operations in this segment continue to benefit from a trend that is generally favourable to glass compared to other forms of packaging.

1.1.2. Overview of the geographic markets

In terms of revenue, the Group is the third largest producer in the world and the leading producer in Europe of glass packaging. In addition, in terms of volumes sold, it is the second largest producer in Latin America.

The Group conducts its operations in the following geographic markets, which make up its three operating segments: (i) Southern and Western Europe, consisting of the production sites located in France, Italy, Spain and Portugal, which represented 69% of the Group's consolidated revenue for the year ended 31 December 2021; (ii) Northern and Eastern Europe, consisting of the production sites located in Germany, Russia, Ukraine and Poland, which represented 20% of the Group's consolidated revenue for the year ended 31 December 2021; and (iii) Latin America, consisting of the production sites located in Brazil, Argentina and Chile, which represented 11% of the Group's consolidated revenue for the year ended 31 December 2021.

Due to the local nature of the markets, companies in this sector establish their production sites near food and beverage production and packaging sites (such as in wine-making regions or near large breweries).

These geographic markets reflect the trends common to the entire glass packaging market described in Section 1.3.3 above, as well as their own specific trends.

1.1.2.1. Southern and Western Europe

Southern and Western Europe accounted for 69% of the Group's consolidated revenue for the year ended 31 December 2021.

In terms of volumes sold, the Group is the largest producer of glass packaging in Southern and Western Europe.

In 2021, the main end markets in Southern and Western Europe in terms of bottled volumes were still- and sparkling-wine bottles and containers for spirits.

In 2021, sales in the region increased compared to the previous year in all market segments with the exception of food jars, which were highly dynamic in 2020 due to the lockdowns in place for a large part of the year. More specifically, sales volumes for sparkling wines and spirits rallied sharply after the clear drop in 2020 linked to the Covid-19 pandemic and to closures of hotels, restaurants and cafés. Sales of spirits increased substantially, particularly fuelled by renewed exports to Asia and North America.

1.1.2.2. Northern and Eastern Europe

Northern and Eastern Europe accounted for 20% of the Group's consolidated revenue for the year ended 31 December 2021.

In terms of volumes sold, the Group is the second largest producer of glass packaging in Northern and Eastern Europe.

Bottles for beer and jars and bottles for food were the largest end markets in Northern and Eastern Europe in 2021.

In 2021, trends improved gradually, with an improvement in the second half of the year for volumes of food jars and beer bottles.

1.1.2.3. Latin America

Latin American accounted for 11% of the Group's consolidated revenue for the year ended 31 December 2021.

In terms of volumes sold, the Group is the second largest producer of glass packaging in Latin America.

Bottled beer is now the largest end market in Latin America, notably in Brazil. This end market is currently experiencing sustained growth that is set to intensify, driven in particular by craft and premium beers, as well as the development of single-use bottles in Brazil.

Bottles for still wines are the second largest end market in Latin America, particularly in Argentina and Chile, driven by exports, which continued their strong growth in 2021.

1.2. The Group's strategy and competitive advantages

1.2.1. The Group's strengths and competitive advantages

1.2.1.1. Glass packaging, a market supported by favourable global trends and benefiting from attractive dynamics in the Group's end markets

Global trends favouring the use of glass

The glass packaging market is driven by favourable trends, mainly fuelled by the growing use of glass by consumers. According to a study conducted for the FEVE in 2020 by the Friends of Glass organisation, more than half of European consumers indicated that they increased their consumption of glass packaging in the last three years (2016–19) and 91% of them recommended glass as the best packaging material to their family or friends (11% more than in 2016).

Glass is the preferred choice for upmarket products because of its inherent premium image, particularly for spirits (nearly 100% penetration[5] in 2020) and wine (around 90% penetration in 2020), product markets in which the Group has a strong presence. Glass is also used to package beer, but to a lesser extent (69% of penetration in 2020 for the "beer and cider" category).

A European market that has been significantly consolidated and benefits from a dynamic offer and favourable demand

The European glass packaging market has seen significant consolidation in the last 20 years. The top five market players, including the Group, represented around 70% of market shares in Europe in 2020[6].

Furthermore, the Group believes that the overall production capacity utilisation ratio in the glass packaging market during the year ended 31 December 2021 was particularly high in most geographic areas where it carries out its business operations, although slightly down in Northern and Eastern Europe. In Southern and Western Europe and Northern and Eastern Europe[7], the Group estimates that the internal demand for glass packaging has increased more than production capacities during the 2016–2021 period, despite a momentary drop in demand in 2020 due to the health crisis.

A market characterised by strong technical, logistical and capital constraints

Glass packaging production operations require a command of complex technologies and know-how, as well as the investment of significant amounts of capital.

The Group's operations require a command of industrial processes with a strong technical component, in order to guarantee the safety, quality and durability of products for consumers, as well as the use of qualified labour and a first-class procurement policy. Furthermore, the geographical proximity to customers is a key factor in glass production operations, due to the significant impact of transportation costs, the need to be responsive in terms of services, and the Group's and its customers' determination to reduce the carbon footprint of their activities.

In order to maintain a high level of technical expertise, the Group uses a qualified and experienced labour force (furnace operators, a highly technical profession, have on average 20 years of experience) and has put in place significant employee training plans, such as talent development programmes, online training and the creation of glass manufacturing schools. The Group also relies on the density of its industrial facility network, the local establishment of its production sites and its first-class logistics processes to maintain geographic proximity with its customers.

Glass production operations also require the investment of significant amounts of capital. In particular, the cost of building an entire plant with a single furnace (and its associated facilities, such as mixing equipment, a distribution channel, feeders, blowing machines, annealing lehrs and inspection and palletisation equipment) represents

[5] The penetration rates presented correspond to the portion represented by glass (in terms of volumes), over a scope of 23 European country members of FEVE in 2020; source: Vivid Economics 2020 "Food & beverage container glass market statistics 2020" study.
[6] Based on revenue generated in 2020 by market players in the EU 28 countries and in Switzerland, Ukraine, Turkey and Russia, as extracted from publicly available information (annual reports and press releases in particular).
[7] Excluding Poland.

approximately €100 million for one site with an annual production capacity of around 100,000 tons, according to Group estimates. Furthermore, the commissioning of a new production site takes a relatively long amount of time, in most cases two years for production to begin after the start of construction. Lastly, plants have to be operated around the clock and at high capacity to ensure the profitability of invested capital, requiring the precise planning of production capacities.

In addition, profitability is linked to achieving significant minimum production volumes, given the large fixed cost base and high level of initial investment inherent in the glass production sector. Achieving these minimum production volumes requires having an established customer base and a strong local presence.

The Group believes that these characteristics of the glass production sector give it a significant competitive advantage, due to its size, the density and strong local presence of its industrial facilities, combined with its cutting-edge technical expertise derived from its extensive sector-based experience.

Positioning at the heart of a circular economy

The Group's activities are part of a circular economy approach, in which glass, which can be recycled an infinite number of times, without alteration regardless of how many times it is recycled, fits in naturally, with recycled bottles and jars becoming new packaging. In this context, cullet (used glass from selective sorting) is a key link in the circular chain (see the Extra-Financial Performance Statement attached as Annex II to this Universal Registration Document).

1.2.1.2. A differentiated positioning with a strong value proposal for the Group's customers

A solid competitive positioning in the global glass packaging market's main geographic areas

The Group is the world's third-largest producer and Europe's largest producer[8] of glass packaging for food and beverages in terms of revenue for 2021. The Group considers itself in particular to be a co-leader in the European markets for still wines and sparkling wines and spirits – a market that is mainly driven by exports. The Group also enjoys strong positioning in all other markets (beers, soft drinks and food products).

Additionally, in terms of volumes sold, the Group is the second largest producer in Latin America (11% of the Group's consolidated revenue for the year ended 31 December 2021). In this region, it leads the still and sparkling wine market, historically the largest market in Argentina and Chile, where it is mainly driven by exports. The Brazilian beer bottle market is both significant and fast-growing, fuelled by the increase in demand for beer and by a shift towards the use of single-use bottles.

A mix of attractive end markets

The Group serves a large, diversified range of end markets, broken down into bottles for still wine (36% of the Group's revenue for the year ended 31 December 2021), bottles for sparkling wine (12% of the Group's revenue for the year ended 31 December 2021), containers for spirits (12% of the Group's revenue for the year ended 31 December 2021), bottles for beer (13% of the Group's revenue for the year ended 31 December 2021), jars and bottles for the food market (16% of the Group's revenue[9] for the year ended 31 December 2021) and bottles for soft drinks (11% of the Group's revenue for the year ended 31 December 2021).

The Group considers itself to be the world co-leader (in terms of revenue) in the still wine and sparkling wine markets, and also has a significant presence in the spirits market. These markets offer numerous competitive advantages due to the low concentration of customers and the structural trend for premium products, and also accounted for 60% of the Group's revenue in the year ended 31 December 2021.

[8] On the basis of the revenue earned in 2020 by market players in Europe (as defined by these players), as extracted from publicly available information (annual reports and press releases in particular) and on the basis of Company estimates.
[9] Based on revenue generated solely from the sale of jars and bottles, accounting for 97% of the Group's consolidated revenue for the year ended 31 December 2021.

The markets for still wines and sparkling wines are characterised by a fragmented customer base, composed of a large number of local and regional wine producers, thus reducing the Group's dependency on a single customer or a small number of significant customers. On the other hand, the beer market is much more concentrated, in particular in the United States, where the Group is not present. Sales of beer bottles, representing a significant portion of the revenue generated by certain major players in the glass packaging market, accounted for only 13% of the Group's revenue for the year ended 31 December 2021.

Strong presence on premium products

A significant portion of the Group's revenue (60% for the year ended 31 December 2021) comes from the sale of bottles for still wines, bottles for sparkling wines and containers for spirits.

The Group has a particularly strong presence in countries that produce premium wines and spirits, such as France, Italy, Spain and Portugal.

The Group has developed strong exposure to premium products: firstly by relying on its dense industrial network, which allows it to forge long-term relationships with locally established champagne and cognac producers; and secondly by offering a diverse range of products, including its Selective Line trademark, which allows it to provide customised packaging solutions for premium products in particular. The Group's customer base includes leading premium trademarks.

Premium products are characterised in particular by lower sensitivity to price fluctuations compared to other more standardised products. This is because the customisation and high quality of these products are strong factors in the purchasing decisions of this customer segment, for whom the cost of glass packaging, even for premium products, remains marginal compared to the total cost and sales margin of the final product.

A large range of products and flexible production facilities to address a significant and diversified customer base

Packaging is a major component of the marketing strategy of the Group's food and beverage producing customers, which it supports throughout the glass packaging creation process.

To meet the needs of its customers, the Group designs and manufactures a large range of products covering the entire spectrum of the food and beverage glass packaging end market, with the ability to propose each product in a range of colours, shapes, sizes and styles.

The Group also stands out for its proven capacity to improve its standard products, allowing for even more customisation. In 2021, 95% of the revenue earned by the Group in Southern and Western Europe and in Northern and Eastern Europe (excluding Ukraine and Russia) was generated by the sale of 58% of the items in its product range. The sale of the remaining 42% of items represented 5% of revenue for the same period. The margin earned on the sale of the 42% of items representing 5% of revenue is on average close to 10 percentage points higher than the margin earned on the sale of the remaining 58% of items.

In order to offer differentiated products, the Group mainly relies on its decoration operations, run by its Saga Décor and Société Charentaise de Décor subsidiaries in France and Verallia Polska in Poland. These subsidiaries specialise in bottle finishing, utilising glass decoration techniques such as satin-finishing, lacquering, screen-printing, decal transfers and hot marking.

Thanks to the Group's innovation capacities and technical know-how, in 2020, it won awards such as Emballages Magazine's Packaging Oscar for the Manon rosé bottle (designed for Ravoire et Fils in France), the international ARCA 2020 drink packaging design award in Spain for the bottle designed for Font Major (Grupo Damm), and the Good Design Award for the Prosecco Zonin 1861 bottle. In 2019, the Group was recognised at the A'Design Award and the Italian Institute of Packaging's Italian Packaging Oscar (Quality Design category) for the Estathé glass bottle (Ferrero's iced tea, which is one of the Group's flagship products in Italy).

In order to best respond to the marketing expectations and economic needs of its customers, as well as to the growing trend in the glass packaging market towards upmarket products and customisation, the Group also offers a range of high value-added services.

The Group thus offers a joint development service, in which it designs unique models (speciality products) with its customers at 13 product development centres located in each country where the Group operates. Thanks to their technical know-how, the teams at these centres rework the customer's projects to ensure the industrial feasibility of the bottle or jar.

Furthermore, in order to respond to the growing demand for upmarket glass bottles from its most demanding international customers in still and sparkling wines, spirits, beers and mineral water, the Group has developed the Selective Line, which became a registered trademark in 2008 and offers an upmarket catalogue of models.

In order to address the desire of some of its customers to offer products that are attractive to the consumer while guaranteeing reduced environmental impact over their entire life cycle, the Group offers a range of eco-designed products, ECOVA.

More recently, the Group launched a series of digital applications for its customers in order to support them in the context of joint development operations (see Section 1.3.2.2 "Services" - "Digital applications" of this Universal Registration Document).

Lastly, each year, the Group organises design competitions in several countries. Known as the "Verallia Design Awards", these competitions bring together hundreds of participants from the best design and packaging schools, invited to propose projects for bottles and jars, thus paving the way for future developments in glass packaging and making it possible to offer customers a portfolio of innovative designs that are ready to be developed (see Section 1.3.2.2 "Services - Joint development" of this Universal Registration Document).

Furthermore, the Group applies significant industrial resources to offer its customers products that meet the highest market standards for quality. In this way, the Group endeavours to constantly improve the quality of its products through cutting-edge quality control systems, a comprehensive employee training programme and a very rigorous control of production processes. The Group's historic presence in the glass packaging market and the quality and reliability of its products underpin its status as a glass packaging producer with recognised expertise.

The Group's strong historic presence in the glass packaging market has also enabled it to forge strong, long-term relationships with more than 10,000 customers[10], including both locally based small companies (such as regional wine producers or local breweries) and leading multinationals (such as Pernod Ricard, LVMH, Heineken, Andros and Nestlé). In order to develop long-term relationships and retain the loyalty of its customers, the Group relies on its strong local presence, and on the strength of its sales and marketing teams of close to 320 people.

The Group's customer base is not very concentrated, with its top ten customers representing less than 16% of consolidated revenue and the Group's most significant customer representing approximately 4% of consolidated revenue for the year ended 31 December 2021. The concentration of customers varies depending on the markets concerned.

[10] Customers who placed at least one order during the 2019–2021 period.

The customer base for still and sparkling wine bottles – the Group's largest end market in terms of revenue (48% of the Group's revenue for the year ended 31 December 2021[11]) – is highly fragmented and locally based. In order to forge long-term relationships with wine producers, the Group relies on its strong local presence in wine-growing regions and its capacity to offer products and services that are tailored to the needs of its customers.

The customer base for beer bottles, bottles for soft drinks and containers for spirits (respectively 13%, 11% and 12% of the Group's revenue for each of these market segments for the year ended 31 December 2021) is concentrated and represented mainly by a limited number of leading global players, although a number of local players exist in the spirits market. The concentration of customers for jars and bottles for the food market (16% of the Group's revenue[12] for the year ended 31 December 2021) is moderate, with a number of local players existing alongside a limited number of leading global players.

1.2.1.3. Operational excellence initiatives to support increased profitability

The implementation of a performance action plan (PAP) to support robust financial performance

The Group makes significant efforts to achieve a high level of operational excellence, relying in particular on cutting-edge industrial facilities and solid procurement organisation in each geographic area and country. The Group also benefits from the support of an integrated network of industrial experts, capable of assisting the Group's management and operational teams in all of its investments and projects.

The Group's industrial policy is based in particular on regular audits of production sites and the constant upgrading and adaptation of its industrial facilities, in order to meet the needs of the Group's customers and changing regulations in each of the countries where it operates.

The Group also continuously implements measures to improve the operational efficiency of its production sites. As part of its industrial strategy, the Group has implemented an operational excellence program over the past few years. This has been significantly enhanced since the beginning of the 2018 financial year with the roll-out of the Verallia Industrial Management (VIM) 2.0 initiative, focused on safety, quality, industrial performance and reducing manufacturing costs, thanks in particular to a performance action plan (PAP) and the management of teams.

For example, under the PAP, more than 500 projects managed by 250 managers at the production site level are constantly being rolled out by the Group, with the goal of systematically reducing cash production costs[13] by 2% per year, i.e. more than €35 million every year. This objective was reaffirmed during the Group's Capital Markets Day on 7 October 2021. The Group applies costs optimisation measures inspired by World Class Manufacturing to all its production sites, which are based mainly on cost deployment[14], and has more generally developed an in-depth industrial methodology based on root cause analysis[15] with its employees and within its sites, in order to optimise its costs while improving the quality of its products. The Group also implements measures to optimise inventory management and improve the flexibility of its production lines, with the introduction of new scheduling processes and tools (weekly production plans and monthly industrial and commercial plans). Furthermore, the Group continuously improves its logistics processes to ensure on-time delivery to its customers. Lastly, the Group conducts in-depth comparative analyses on its production sites in order to align its industrial processes with best practices.

[11] Based on revenue generated solely from the sale of jars and bottles, accounting for 97% of the Group's consolidated revenue for the year ended 31 December 2021.
[12] Based on revenue generated solely from the sale of jars and bottles, accounting for 97% of the Group's consolidated revenue for the year ended 31 December 2021.
[13] Production costs excluding commercial, general and administrative costs, transport costs, depreciation and amortisation and provisions for claims
[14] World Class Manufacturing is based on 10 pillars, one of the most fundamental of which is cost deployment. This consists of associating a cost with the various issues identified and taking specific action to reduce them.
[15] This method involves addressing the causes of a problem, rather than treating its immediate symptoms.

The PAP implemented by the Group has led to an increase in its production capacities and improved the effectiveness of its production sites, while improving product quality all for a relatively limited level of investment. This had a positive impact on the Group's net income over the 2017–2021 period, with a full impact on 2018, 2019 and 2020. As such, the Group has increased its production capacities[16] over the last three years while improving the yield of its production sites, and has significantly reduced the rate of customer claims. In 2021, the Group continued to implement these initiatives and reduced its cash production costs[17], with an impact, net of industrial gaps, of €40.4 million on the Group's adjusted EBITDA in 2021.

In addition to improving the Group's industrial and financial performance, the roll-out of the Group's operational excellence goal is also reflected through its sustainable development policy (see the Extra-Financial Performance Statement appended in Annex II to this Universal Registration Document).

Investments that have supported the development of a dense and flexible industrial base and leading technical expertise

The Group develops, produces and sells a large range of products, designed to address the specific needs of the local markets in which it operates. The performance of the Group's production sites and their ability to adapt to different markets are essential in light of the high investment costs required by glass packaging production. To achieve this objective, the Group has developed an operational model known as "Glo-Cal", based on the combination of the strength of its international network – illustrated by an industrial presence in 11 countries, with 32 glass production sites comprising, as at 31 December 2021, 58 operational furnaces, 3 decoration plants, 5 technical centres, 13 product development centres and 9 cullet processing centres (4 of which are part of a joint venture) – and the close relationship maintained with its customers by nearly 10,000 employees, including sales and marketing teams with nearly 320 employees.

The development of a flexible and standardised industrial base allows the Group to optimise its production and logistics costs and to temporarily transfer production from one site to another, within the same geographic area, in case furnaces or other equipment need to be repaired or a one-off increase in demand at the local level.

In order to maintain leading industrial facilities, the Group makes significant investments, based on strict commitment criteria. Thus, during the year ended 31 December 2021, the Group incurred capital expenditure[18] totalling €256.3 million.

Most of the Group's capital expenditure is made up of so-called recurring investments, the main ones being furnace rebuilding and IS machines heavy maintenance operations. The Group's recurring investments amounted to €218.2 million for the year ended 31 December 2021. The Group's investment strategy in recent years has been more particularly focused on standardising and streamlining its industrial facilities, as well as on research and development programmes mainly aimed at spurring the innovation of the production process and reducing the environmental impact (reduction of carbon dioxide emissions in particular) of the Group's operations.

The Group regularly repairs or rebuilds its furnaces in order to maintain efficient and fully operational industrial facilities, thus maximising the use of its production capacities. A complete reconstruction of a furnace is generally required after a production period of twelve years, for an amount generally around €10 to €15 million.

Repairing and rebuilding furnaces can also be the opportunity for the Group to make changes in its equipment, in order to improve productivity. For example, during the year ended 31 December 2021, the Company mainly invested €22 million to rebuild one of the two furnaces on the Lagnieu site (France), €20 million to rebuild one of the two furnaces on the Mondego site (Portugal), €18 million to rebuild one of the two furnaces on the Gazzo Veronese site (Italy), €16 million to rebuild one of the furnaces on the Cognac site (France) and €13 million to rebuild one of the three furnaces on the Bad Wurzach site (Germany). The Company also announced that in 2022, it would invest significant amounts in similar projects for furnace reconstruction and upgrading installations, in particular in Bad Wurzach (Germany) for €22 million, Dego (Italy) for €11 million and Kamyshin (Russia) for approximately €9 million.

[16] Measured by the ratio of saleable glass tonnage to ton of pulled glass. One packed glass tonnage corresponds to one tonne of pulled glass measured straight out of the furnace and taking into account production losses linked in particular to shutdowns of the furnace or other equipment for maintenance or quality issues.

[17] Production costs excluding commercial, general and administrative costs, transport costs, depreciation and amortisation and provisions for claims.

[18] The Group's capital expenditure (Capex) represents acquisitions of property, plant and equipment and intangible assets necessary to (i) maintain the value of an asset and/or adapt to market demands and to environmental, health and safety requirements (together, "Recurring Capex"), or (ii) increase the Group's capacities. The acquisition of securities is excluded from this category.

Apart from these recurring investments, the Group also made a number of strategic investments, which include, since 1 January 2021, the majority of those made in the context of its CO_2 emissions reduction plan. At the presentation of its CSR roadmap in January 2021, these investments were estimated at approximately €200 million and classified as strategic investments.

The Group's strategic investments totalled €38.1 million for the year ended 31 December 2021. €13.0 million of the aforementioned investments were in CO_2, €10.1 million in the last building stages of the two new Azuqueca (Spain) and Villa Poma (Italy) furnaces, which were commissioned in the first quarter of 2021 in order to raise the Group's production capacities to address the rise in demand in the corresponding local markets, and €15.0 million in the first tranche of the current investment in the Jacutinga site (start-up planned for the end of 2022).

For a more detailed presentation of the Group's investments, see Section 5.3 "Capital expenditure" of this Universal Registration Document.

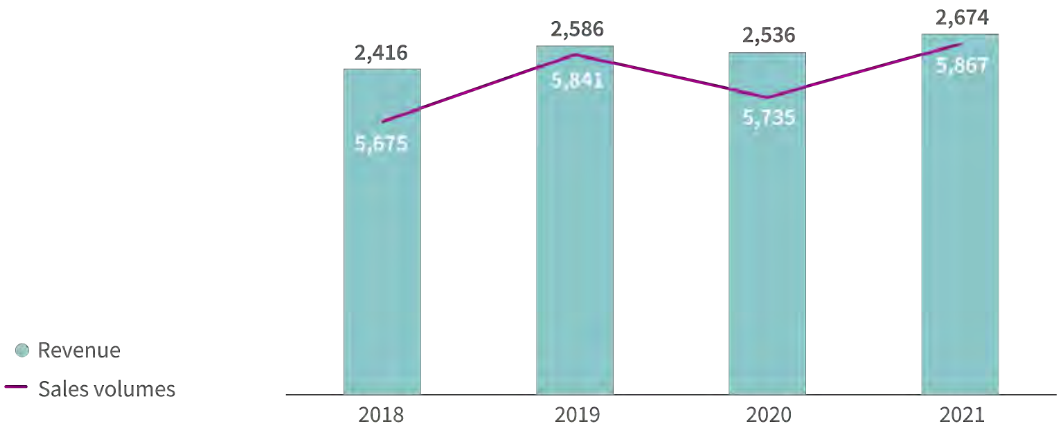
1.2.1.4. An attractive and resilient financial profile generating continuous growth of the Group's profitability and cash flow

The Group has demonstrated its capacity to grow its business consistently, while significantly improving its margins and profitability.

The 2016–2021 period was marked by a significant improvement in the Group's financial performance. This performance, which was particularly pronounced from 2017 onwards, was driven by: (i) the growth in sales volumes; (ii) a pricing policy that allowed it to absorb the increase in production costs and generate, from 2018 onwards, a positive spread[19] on its sales; (iii) the significant improvement in the Group's operational efficiency, chiefly as a result of the implementation of the PAP as part of the roll-out of the Verallia Industrial Management (VIM) 2.0 initiative. This improvement, which was particularly strong in 2018 and 2019, continued to a lesser degree in 2020 before picking up again in 2021, thanks to the gradual improvement in the health context and despite the continued deterioration of exchange rates.

[19] The spread represents the difference between (i) the increase in selling prices and the mix applied by the Group after passing on the increase in its production costs, and (ii) the increase in its production costs. The spread is positive when the increase in selling prices applied by the Group is greater than the increase in its production costs. The increase in production costs is recorded by the Group at constant production volumes and before production gap and taking into account the impact of the Performance Action Plan (PAP).

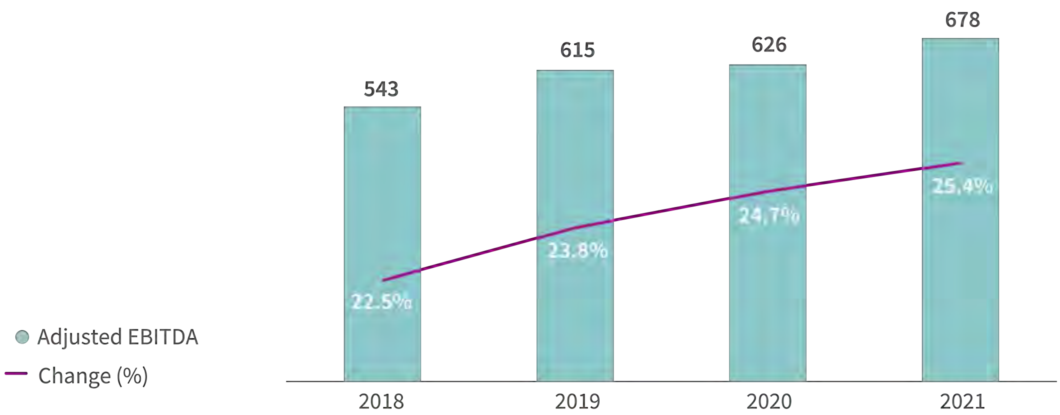
Change in 2018–2021 consolidated revenue (in EUR million) and sales volumes (in kT)



- Revenue CAGR at constant exchange rate (excluding the impact of hyperinflation in Argentina - IAS 29) (see Section 7.1.2.4 of this Universal Registration Document).

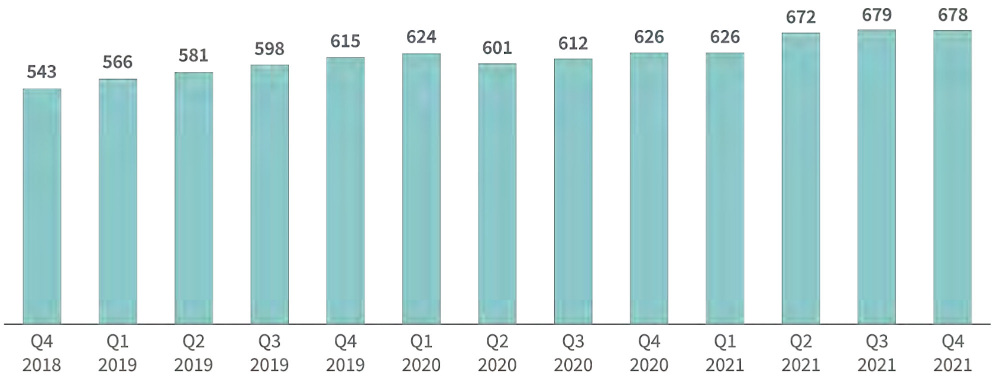
The Group's adjusted EBITDA also recorded steady growth, with a CAGR of 7.7% over the 2018–2021 period, representing a 287 basis point improvement in the adjusted EBITDA margin[20].

Change in 2018–2021 adjusted EBITDA (in EUR million)



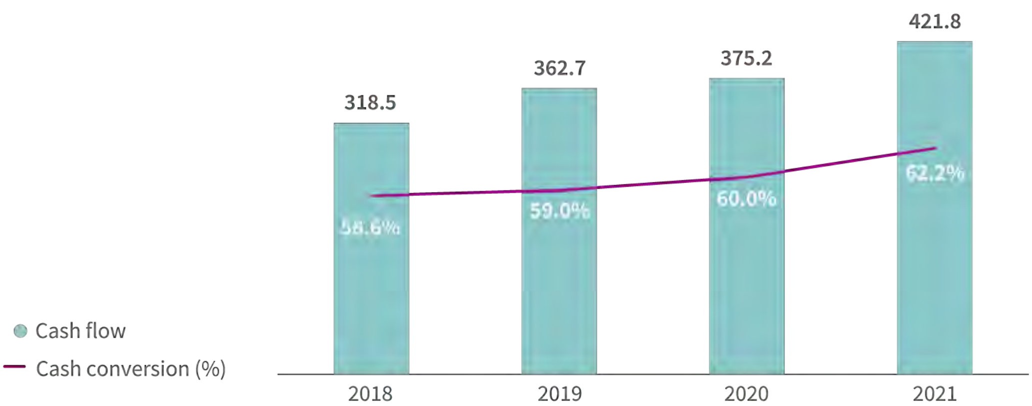
[20] The adjusted EBITDA margin corresponds to the amount of adjusted EBITDA relative to revenue.

Change in adjusted EBITDA for the last 12 months over the 2018–2021 period (in EUR million)[21]



In addition, the Group's level of capital expenditure, combined with financial and operational discipline focused on project profitability and a reduction in working capital requirements (see Section 5.2.6.1 of this Universal Registration Document), has enabled it to generate strong cash flows and significantly increase its cash flows and cash conversion[22] over the 2018–2021 period. This cash flow generation has enabled the Group to record a continuous reduction in its net financial debt and its net financial debt/adjusted EBITDA ratio.

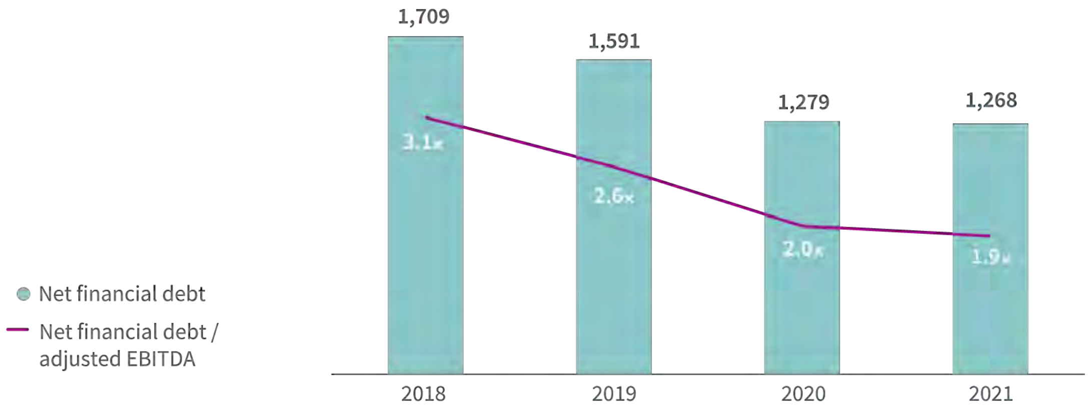
Cash flows and cash conversion (in EUR million and as a % of adjusted EBITDA)



[21] Including the positive impact of IFRS 16 on adjusted EBITDA as of 1 January 2019.

[22] Cash conversion is defined as the ratio between cash flows and adjusted EBITDA: cash flows correspond to adjusted EBITDA minus capex. A reconciliation of adjusted EBITDA and cash conversion to the Group's accounting aggregates is presented in Section 5.2.2 of this Universal Registration Document.

Ratio of net external financial debt to adjusted EBITDA (in EUR million)[23]



The Group's steady cash flow generation has permitted an active capital allocation strategy. The Group therefore intends to use its disposable cash as follows: (i) repayment of financial debt; (ii) strategic projects such as the construction of new production sites (greenfield projects), new furnaces for its existing sites (brownfield projects), projects related to its CO_2 emissions reduction plan or value-creating external growth transactions; and (iii) operations to return surplus cash to shareholders, notably through the payment of dividends as well as share buybacks such as those which took place in 2021, notably along with the sale of securities by Horizon Investment Holding.

1.2.1.5. An experienced management team with solid industrial experience

The Group's development is led by a management team organised around Michel Giannuzzi, Chairman and Chief Executive Officer of the Company, who has a solid industrial background gained from his previous position as Chairman of the Management Board of Tarkett from 2007 to 2017, where he successfully completed its IPO on the regulated market of Euronext Paris in 2013. He was previously in charge of various profit centres in the automotive market with parts makers Valeo and Michelin, in both France and abroad. Many of the members of the Group's management team also have extensive backgrounds in the glass packaging and automotive production sector.

It should be noted that Mr. Patrice Lucas, who will be appointed Chairman and CEO after the General Shareholders' Meeting of 11 May 2022 – following the Group's Board of Directors' decision to separate the functions of Chairman of the Board of Directors and Chief Executive Officer (change of the Group's governance described in Section 3.1.1.2 of this Universal Registration Document) – also has 30 years of experience in the automotive sector, having in particular held various managerial positions in the Valeo, PSA and, more recently, Stellantis groups (Europe and Latin America in particular).

The Group has a decentralised organisation, ideal for ensuring quick response times and close relationships with its customers. The CEOs of each of the geographic areas are independent and free to implement the Group's strategy as they see fit. Furthermore, a large number of the Group's key operations, such as marketing, sales and production, are carried out and managed locally, under the functional supervision of the Group's central divisions. The Group's international customer base is monitored by experienced country managers who work closely with the local Sales and Marketing Directors of the customer's other countries.

[23] Net financial debt contracted with third parties.

1.2.2. The Group's strategy

The Group strives to be the preferred glass packaging supplier to the food and beverage manufacturing sector, building on its leading industrial performance and strong financial performance, while developing the diversity and talent of its teams and actively contributing to preserving environmental and community development.

To back this ambition, the Group has built its strategy on the four main pillars below, which it reasserted and clarified at its Capital Markets Day on 7 October 2021, presenting its new roadmap:

1.2.2.1. Pursuing disciplined growth

This development pillar is built around three key principles: improve customer experience to develop the Group's operation; generate a positive inflation spread; and proactively seek value-creating acquisitions or new greenfield/ brownfield organic growth projects.

The Group thereby intends to continue growing its operations while improving its customer satisfaction rate, in order to enhance customer loyalty and generate recurring income, and continue to improve the efficiency of its logistics processes. Improving logistics, reliability and delivery lead times is a major objective for the Group, which has invested significantly in planning and product portfolio management tools. In addition, the Group wishes to better identify the needs of its customers that have not yet been addressed; in this context, the Group's ambition is to develop its continuous customer experience improvement programme, using the NPS (Net Promoter Score, indicating customer recommendation intentions) as a monitoring tool, which is currently being selectively rolled out within the Group.

The Group also intends to continue its disciplined pricing policy in order to offset the impact of growing production costs, in particular the cost of energy, and thus maintain its margins – a particularly acute issue in the current inflationary context. The Group also aims to implement a pricing policy based on the added value of its products and reflecting the specificities of its different customer segments. The Group has also set a target of increasing the margin generated on its products by relying on software with an AI-based price optimisation model, and will continue to optimise its product portfolio.

To generate additional growth of its revenue, the Group also plans to make value-creating acquisitions. Furthermore, the Group announced the opening of three new furnaces between 2022 and 2024 in the regions where demand is strongest. Two of these furnaces will be located in Brazil for commissioning in 2022 and 2023, and one in Italy for the end of 2024. These investments represent a total amount of around €200 million.

1.2.2.2. Increasing operational excellence

This development pillar is built around three main principles: reach "zero accidents" at the workplace with a special focus on dangerous behaviours; pursue the implementation of performance action plans in all the Group's countries to achieve a more than 2% reduction in cash production costs; and roll out the Verallia Industrial Management (VIM 2.0) system.

First of all, the Group intends to accelerate the roll-out of the Verallia Industrial Management (VIM) 2.0 initiative, by focusing more particularly on the elimination of unsafe practices in order to reach "zero accidents", and by improving working conditions in order to position the Group's work environment as one of the safest in the sector. As part of VIM 2.0, the Group intends to further improve its industrial performance based on root cause analysis in order to increase the number of issues solved and by getting more managers and all employees involved. Lastly, the Group will continue to implement measures to improve the daily management of its production sites, standardising management processes at the plant level and implementing Shop Floor Management routines[24].

In addition, the Group continues its efforts to improve the quality of its products, improving the ratio of products that are compliant on the first attempt (through increased responsiveness of production teams in the decision-making process).

[24] Lean management method specific to production workshops, developing the management of the workshop as a whole, i.e. through inventory, equipment, operations, manufacturing or processing, and relying in particular on direct cooperation between employees and managers in order to solve problems directly on the spot and continuously improve the production process.

Furthermore, the Group intends to continue improving the overall equipment effectiveness (OEE) of its sites, by minimising capacity bottlenecks and optimising potentially under-utilised furnaces, and seeks to increase the output of its IS machines in order to improve its yields.

The Group also continues to implement selective action plans as part of its industrial performance action plan (PAP), in particular by intensifying its comparative analysis efforts for its 32 glass production sites and by systematically implementing a cost deployment method across all of its production sites, with the goal of systematically reducing cash production costs[25] by 2% (i.e. more than €35 million) a year. To this end, more than 500 projects involving approximately 250 managers are continually being rolled out and monthly reviews have been implemented to ensure that goals are achieved.

Furthermore, the Group continues to implement its projects initiated at the end of 2018 aimed at improving the performance of its logistics chain, in particular to improve the rate of on-time delivery to customers, and intends to strengthen its measures to reduce storage and transport costs.

The Group also continues to rigorously manage its working capital, having eliminated excess inventory prior to 2020, and is now focused on maintaining a level of inventory consistent with an optimal level of service to its customers, while keeping the value of finished goods, moulds and spare parts inventories under control.

1.2.2.3. Investing smartly for a sustainable future

This development pillar is built around three key principles: improving work conditions; reducing CO_2 emissions and energy consumption; and intensifying the control of manufacturing processes by relying on data analytics and artificial intelligence.

The Group intends to optimise the allocation of its capital expenditure, by pursuing a disciplined investment policy aimed at maintaining total annual investments (recurring and strategic) at around 10% of consolidated revenue (excluding capitalisation of the right to use an asset as required by the application of IFRS 16), in order to maintain the operational excellence of its production facilities and a solid return on invested capital.

The Group continues its research and development programmes focused on innovation in industrial processes and on its sustainable development strategy. The Group thus intends to build on its strong industrial expertise and innovation capacity in order to reduce carbon dioxide emissions and energy consumption (see the Extra-Financial Performance Statement appended in Annex II to this Universal Registration Document).

The Group also intends to rely on the development of Industry 4.0, and in particular on data analytics and artificial intelligence. As part of its research and development activities, the Group is considering an IA-based software that will be ultimately applied to the entire production process and will specifically enable the optimisation of furnace combustion settings at the glass melting stage, the optimisation of IS machine settings when transitioning to the "hot end" sector, and the improvement of control processes, including through improved use of information supplied by the control machines that detect defects. In September 2020, the Group won the Trophée Intelligence Artificielle et Entreprise awarded by the RH&M Group, intended to highlight the transformative role of artificial intelligence in organisations.

1.2.2.4. Developing a strong entrepreneurial culture

This development pillar is built around five key principles: anchoring a strong entrepreneurial culture; consolidating the Group's purpose and values; increasing sense of responsibility, speed and agility; improving learning capacities and strengthening talents; and promoting diversity.

The glass production sector requires permanent commitment and advanced technical skills. That is why the Group's human resources are essential for its development and the pursuit of profitable growth. The Group considers the safety of its employees as a key priority, and is committed to supporting them in their professional development in order to develop a strong entrepreneurial culture.

[25] Production costs excluding commercial, general and administrative costs, transport costs, depreciation and amortisation and provisions for claims.

To back this ambition, the Group intends to further strengthen the application of its values within the Group, including (i) customer care, (ii) respect for individuals, laws and the environment, (iii) empowerment and accountability and (iv) teamwork.

The Group also strives to encourage its teams to take responsibility, take quick action and be responsive, including by helping production site managers to become genuine business leaders, and by developing communication within the teams through cross-functional workshops, established to reflect specific goals and based on advanced comparative analyses.

The Group also wishes to continue its training efforts, relying in particular on sharing the know-how of its most experienced technicians, in order to improve the learning capacity of its teams and train them more specifically in project management. Lastly, the Group may use external talent in order to further enhance its know-how and the diversity of its teams, and has set ambitious goals in terms of gender equality. Indeed, Verallia aims to increase the gender equality index by 15 points by 2025 in all countries where the Group is present, so as to reach 75 points.

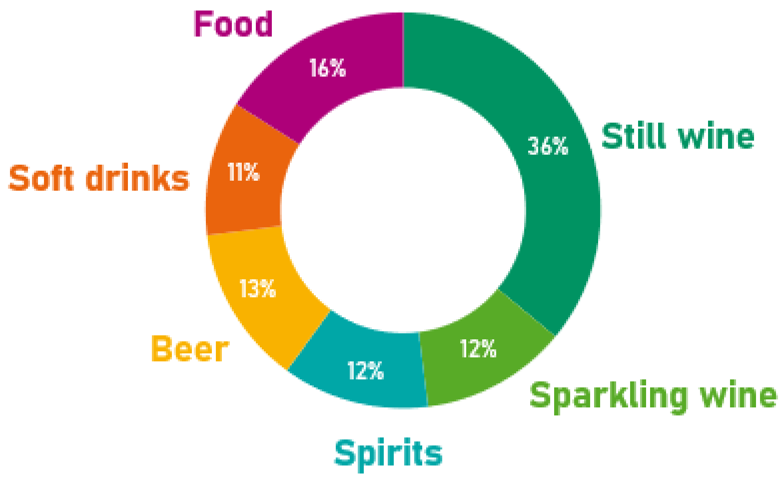
A dynamic employee share ownership policy is a strategic initiative to share the Group's profitable growth, by involving all employees in the Company's development. In this respect, as a result of plans launched by the Group between 2016 and 2021, more than 3,200 employees have become shareholders of the Company through FCPE Verallia (see Section 7.2.5.2.3 "Employee savings plans, similar plans and employee share ownership" in this Universal Registration Document) and, as such, hold 3.5% of Verallia's capital. In addition, the Group should launch a share capital increase in the next few months for employees who are members of a Group corporate savings plan. The Company thus plans to actively continue its employee share-ownership development policy, with the goal of increasing the equity stake of the Group's employees in its share capital by around 5% by 2025.

1.3. The Group's main operations

The Group is the third largest producer in the world and the leading European producer[26] (based on revenue) of glass packaging for food and beverages. In terms of volumes sold, it is the second largest producer in Latin America[27]. The Group offers innovative, customised and environmentally friendly solutions to more than 10,000[28] customers worldwide.

In the year ended 31 December 2021, the Group produced more than 16 billion glass bottles and jars to meet the needs of a diversified customer base in the still wines, sparkling wines, spirits, food, beers and soft drinks markets, including both locally based small-sized companies, such as regional wine producers or local breweries, and leading multinationals such as Pernod Ricard, LVMH, Heineken, Andros and Nestlé.

Breakdown of revenue[29] by end market (year ended 31 December 2021)



Still wines and spirits

Packaging is a major component of the marketing strategy of the Group's food and beverage producing customers, which it supports throughout the glass packaging creation process.

To meet the needs of its customers, the Group designs and manufactures a broad range of standard products tailored to both local and international markets. The Group stands out from its competition both by the scope of its offering, which encompasses a large variety of shades, finishing and containers, and through its capacity to upgrade its standard products for enhanced customisation.

In addition to its glass packaging production operations, the Group also offers its customers a range of extended services tailored to their marketing and economic needs.

Lastly, the Group's desire to propose diversified, customised and high-end products has led to the creation of a global upmarket trademark known as the Selective Line with a dedicated marketing team. This line is designed to address the growing demand for upmarket glass bottles from Verallia's most demanding international customers in still and sparkling wines, spirits, beers and mineral water.

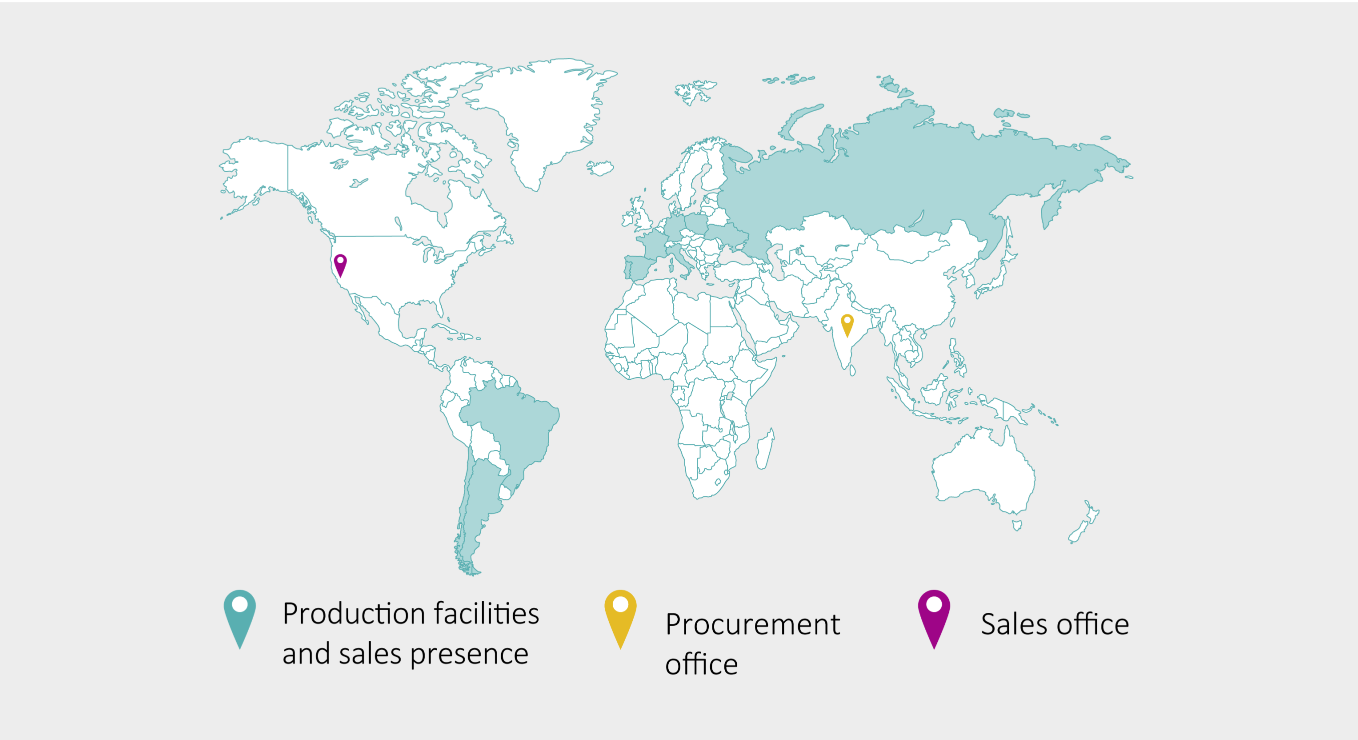
[26] On the basis of the revenue earned in 2020 by market players in Europe (as defined by these players), as extracted from publicly available information (annual reports and press releases in particular) and on the basis of Company estimates.
[27] Based on volumes sold in 2021 in Argentina, Brazil and Chile.
[28] Customers who placed at least one order during the 2019–2021 period.
[29] Based on revenue generated solely from the sale of jars and bottles, accounting for 97% of the Group's consolidated revenue for the year ended 31 December 2021.

The Group's "Glo-Cal" business model is built on the strength of its international network – illustrated by an industrial presence in 11 countries, with 32 glass production sites comprising, as at 31 December 2021, 58 operational furnaces, 3 decoration plants, 5 technical centres, 13 product development centres and 9 cullet processing centres (4 of which are part of a joint venture) – combined with the close relationship maintained with its customers by nearly 10,000 employees, including sales and marketing teams of nearly 320 employees.

The Group's strong global presence enables it to meet the needs of its international customers, such as leading multinational companies, by implementing a global commercial approach, while ensuring that all countries in which it operates can benefit from its innovation capacities and leading technical expertise. Furthermore, the Group's international organisation allows it to establish the best industrial and commercial practices at Group level, which it then strives to share consistently across its different sites, and also provides the means to develop a global purchasing policy and obtain the best conditions for its procurement operations.

On the other hand, the local establishment of the Group's production sites, based on a decentralised organisation relying on local entities with a broad capacity for action, allows it to benefit from commercial and industrial flexibility, enabling it to adapt to the needs of its customers according to local specificities. Furthermore, in order to establish long term relationships with its customers, the Group relies on strong sales and marketing teams of close to 320 employees, based locally, and is able to propose co-development offerings to its customers while implementing flexible production facilities, adapted to the needs of its customers. Moreover, the Group tailors its offering to the specific features of each regional or local market by proposing a large portfolio of differentiated products according to the geographic area or country. Lastly, this densely woven geographic presence allows the Group to offer its customers premium-quality service while reducing delivery deadlines, transport costs, customs duties, working capital requirements and CO2 emissions.

The Group's production facilities and sales presence



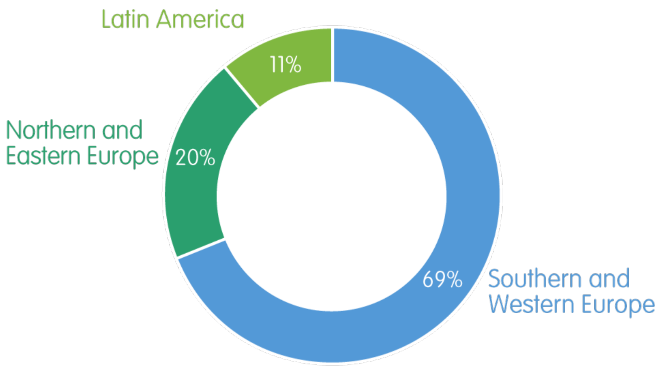
The Group's operations are organised into three segments:

- Southern and Western Europe, comprising production sites located in France, Italy, Spain and Portugal. Southern and Western Europe accounted for 69% of consolidated revenue and 67% of the Group's adjusted EBITDA for the year ended 31 December 2021. The Group's operations in Southern and Western Europe mainly involve bottles for still and sparkling wines and containers for spirits, which are export-driven market segments;

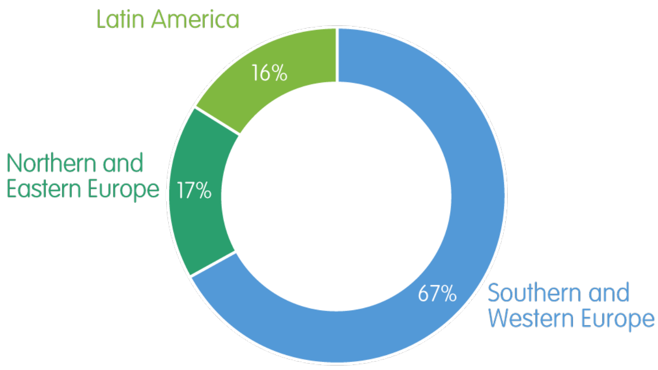
- Northern and Eastern Europe, comprising production sites located in Germany, Poland, Ukraine and Russia. Northern and Eastern Europe accounted for 20% of consolidated revenue and 17% of the Group's adjusted EBITDA for the year ended 31 December 2021. The Group's operations in Northern and Eastern Europe mainly involve bottles for beer, particularly in Germany, and food jars and bottles, mostly for local markets;
- Latin America, comprising production sites located in Brazil, Argentina and Chile. Latin America accounted for 11% of consolidated revenue and 16% of the Group's adjusted EBITDA for the year ended 31 December 2021. The Group's operations in Latin America mainly involve bottles for still wines, an export-driven market segment, as well as bottles for beer in Brazil.

The Group's exposure to the end markets is thus differentiated according to geographical area. It adapts its offer to the local and regional specificities of the various markets in order to best meet its customers' needs. Its flexible industrial facilities, adapted to these specificities, also allow production to be temporarily transferred from one site to another in the event of repairs to furnaces or other equipment or the occasional spike in local demand.

Breakdown of revenue across the three operating segments (year ended 31 December 2021)



Breakdown of adjusted EBITDA across the three operating segments (year ended 31 December 2021)



1.3.1. Key factors impacting results

The main factors with an impact on the Group's operations are (i) changes in supply and demand for glass packaging; (ii) changes in raw materials and energy prices; (iii) changes in production costs and improved operational efficiency; (iv) optimal use of production capacity; and (v) investments.

1.3.1.1. Changes in the supply of and demand for glass packaging

The Group's results are mainly impacted by the volumes of products sold and their sale prices. These vary according to changes in the supply of and demand for glass packaging, which are themselves dependent on various factors.

The demand for glass packaging is affected by factors such as changes in consumer trends, which in turn are driven by changing lifestyles and food preferences, legislative and sociological developments, and public health and safety considerations. In recent years, the demand for glass packaging has been driven by favourable structural market trends. These include the growing demand for European wines and spirits in Asia and the United States, economic growth and its positive impact on consumption in general in Latin American countries, and the growing trend for replacing plastic with glass, largely due to the brand image of glass and the associated health and environmental benefits (see Section 1.1 of this Universal Registration Document). These trends have had a positive impact on the Group's revenue over the year.

Demand for glass packaging may also change due to the seasonal nature of some of the Group's products, or to weather and climate conditions.

In some cases, the glass packaging market may also experience a surge in demand for certain types of packaging, which cannot be fully met by suppliers due to insufficient production capacity. In the event of a structural increase in demand, the Group must create extra production capacity by expanding its production sites or commissioning new furnaces. These generally take 18 to 24 months to build, during which time the imbalance between supply and demand may continue.

The 2021 financial year was impacted by strong tensions on available capacities in most Group markets, particularly in Southern and Western Europe and in Latin America due to high demand. In order to address changes in demand, the Group has commissioned two new furnaces, one on the Azuqueca (Spain) site and the other on the Villa Poma (Italy) site, in the first quarter of 2021. Furthermore, it plans to commission three new furnaces over the 2022–2024 period, two of which will be in Brazil (on the Jacutinga and Campo Bom sites) and one of which will be in Italy (on the Pescia site). The Group also strives to maintain flexible, efficient production facilities, which allow it to rapidly adjust its production capacity whenever there is a change in demand.

Generally, the increase in demand for glass packaging, in particular when the demand exceeds supply, tends to promote the Group's operations and its capacity to pass on possible increases in costs to its customers through price increases. Conversely, a reduction in demand and/or an oversupply of glass packaging – particularly in the event of excessive new production capacity in a regional market, particularly by the Group's competitors – could force the Group to lower its prices in order to maintain production volumes or cause it to stockpile unsold products, which could have a negative impact on its results.

However, the Group's flexible and standardised industrial facilities mean that if there is a surge in demand, it can temporarily transfer production between plants in the same region or, in the event of a drop in demand, to temporarily shut down lines.

1.3.1.2. Changes in raw material and energy prices

The Group's manufacturing operations use large amounts of raw materials for the production of glass. These raw materials include glass sand, limestone, natural and synthetic soda ash, and cullet (recycled glass), in variable proportions depending on the type of product that is being manufactured. The expenses associated with the purchase of raw materials are entirely variable. Raw material purchases made up 20% of the Group's cost of sales for the year ended 31 December 2021.

The purchase price of raw materials depends on market conditions, the location of the raw materials and the type of associated transport, relations with suppliers, purchasing volumes and purchasing terms negotiated with suppliers. The purchase price may vary significantly both over time and depending on the region concerned.

For example, the price of cullet, a raw material that accounted for over half of raw material purchases for the year ended 31 December 2021, varies widely from one region to the next, mainly because of regulatory and financial disparities concerning the collection and recycling of used glass, as well as the distance of cullet supply centres from production sites. As of 31 December 2021, the Group had no raw materials hedging instruments in place. To mitigate the impact of differences in the prices of raw materials, the Group seeks, wherever possible and by relying on its Purchasing Department, to negotiate with its suppliers the best price structure in view of expected changes in raw material costs (see Section 4.1.1.4 "Risks related to changes in the cost of raw materials and cullet shortages" of this Universal Registration Document). The Group also endeavours to pass on the increase in raw material costs to its selling prices, whether directly or indirectly. It does this in particular through price revision clauses included in some of its multi-year contracts with key customers or, in the majority of cases, through commercial negotiations with customers placing orders or renewing annual contracts.

The Group's manufacturing operations are also energy-intensive, particularly in natural gas, electricity and fuel oil, since the furnaces used for glass production must operate continuously at very high temperatures. For the year ended 31 December 2021, energy costs represented approximately 18% of the Group's cost of sales.

The purchase price of energy depends on market prices. Expenses relating to energy costs are partly fixed, because of the need to keep furnaces at a certain temperature so as not to damage them. The purchase price for energy also varies significantly both over time and depending on the region concerned, mainly due to regulatory differences and market structures between countries. In Germany and Italy, for example, energy costs are subsidised annually by the government, mainly in the form of lower energy taxes in those countries (see Section 1.5.3 "Regulatory environment" of this Universal Registration Document). Lastly, the Group's energy costs depend on the age of its furnaces (at comparable technology, an old furnace will need more energy to operate at an adequate level). In this respect, the Group carries out specific actions in its plants to reduce furnace consumption, such as improving seals and insulation, optimising the glass temperature and combustion settings, and adjusting the volumes of combustion air. In addition, other circular economy-based initiatives allow the energy consumed to be recovered by extracting the heat from furnaces and using it to heat buildings, as seen at the different sites. Finally, the Group seeks to use all the cullet at its disposal to optimise production costs, especially energy costs, since the lower melting point of cullet reduces energy consumption (on average, a 10 point increase in the use of cullet leads to a 2.5% reduction in energy consumption).

In the year ended 31 December 2021, the increase in energy costs thus adversely affected the Group's cost of sales. This trend will increase in 2022 due to the ongoing strong increase in energy prices, the net impact of which will however be mitigated by the Group's energy cost hedging policy.

Most of the Group's sales contracts are entered into for one year and may be renewed with the agreement of both parties. These contracts do not include price adjustment clauses allowing a percentage of the increase or decrease in energy costs to be reflected automatically in selling prices. Passing on increases in the Group's production costs is therefore negotiated with customers when placing orders or renewing annual contracts, on the basis of recent and expected changes in these costs. However, there may be a time lag and the price increases may only be passed on partially. A minority of the Group's sales also pertain to contracts containing price revision clauses (generally multi-year and entered into with the Group's key customers). These take into account fluctuations in energy costs and inflation and provide the Group with a contractual basis for the annual renegotiation of its selling prices. Lastly, the Group hedges some of the risks relating to energy costs if contractual adjustment mechanisms are not in place (see Section 4.1.1.3 "Risks related to changes in the cost of energy" of this Universal Registration Document).

The Group was able to pass on changes in its production costs to its selling prices during the 2019 to 2021 financial years. This is due to its dynamic pricing policy, which enables it to generate a positive spread[30] on its sales, yielding an improvement in its profitability during the aforementioned financial years.

The positive spread generated since 2018 is mainly due to the introduction of a new pricing policy starting in 2018. Under this policy, the Group negotiates higher selling prices with its customers when they place orders or renew annual contracts at year-end, depending on production cost estimates. These estimates are based on prices negotiated with its suppliers for the coming year, or on the parameters of any derivative instrument put in place (in case of energy purchases, for example), thus giving it visibility over the impact of production costs for that year and allowing it to pass this on to its selling prices as much as possible (see Sections 4.1.1.3 "Risks related to changes in the cost of energy" and 4.1.1.4 "Risks related to changes in the cost of raw materials and cullet shortages" of this Universal Registration Document).

Lastly, as a manufacturer of glass packaging, the Group is subject to the provisions of the EU Emissions Trading Scheme Directive (see Section 1.5.3 "Regulatory environment" of this Universal Registration Document).

[30] The spread represents the difference between (i) the increase in selling prices and the mix applied by the Group after passing on the increase in its production costs, and (ii) the increase in its production costs. The spread is positive when the increase in selling prices applied by the Group is greater than the increase in its production costs. The increase in production costs is recorded by the Group at constant production volumes and before production gap and taking into account the impact of the Performance Action Plan (PAP).

Under Phase IV (2021-2030), as defined by the Emissions Trading Scheme Directive, emission projections were calculated based on the detailed estimates made periodically by the Group's industrial management. These calculations assess the use of the production facilities according to the markets and the improvements made to the production facilities. Under Phase IV, the Group already anticipates that the number allocated to it free of charge to be lower than under Phase III and that in any case, it believes it will probably not be allocated enough to meet its allowance return obligations in respect of its carbon dioxide emissions, which means it will have to continue purchasing large amounts of allowances on the market (see Section 4.1.4.1 "Risks related to environmental regulation, compliance and taxation" of this Universal Registration Document).

In order to secure the prices at which it will have to buy the allowances, the Group has already made forward purchases of carbon dioxide allowances on the market for a total amount at 31 December 2021 of €12.9 million corresponding to a large part of the expected deficits.

1.3.1.3. Change in production costs and improved operational efficiency

The Group's production costs include fixed costs and variable expenses, including: (1) raw material costs (20% of cost of sales for the year ended 31 December 2021), which are entirely variable; (2) energy costs (18% of cost of sales for the year ended 31 December 2021), partly fixed (due to the need to maintain furnaces at melting temperature) and partly variable (linked to production itself); (3) costs of purchasing carbon dioxide emissions allowances, which are mainly variable; (4) personnel expenses (21% of cost of sales for the year ended 31 December 2021), which are mainly fixed; (5) packaging materials (cardboard, pallets, plastic film) and freight costs (13% of cost of sales for the year ended 31 December 2021), which are mainly variable; and (6) plant depreciation and maintenance costs, which are mainly fixed. The most significant costs for the Group are raw material costs, energy costs and personnel expenses. Personnel expenses can vary considerably depending on the production region. This is particularly apparent between developed and emerging countries, where personnel expenses are lower, although the gap is closing. The cost of packaging materials, which is mainly variable, primarily includes the cost of pallets, dividers and plastic film. The Group's transport costs make up a significant portion of the cost of sales. Therefore, the Group's glass packaging production operations take place at the regional or local level so as to be as close as possible to its customers' production sites and thus reduce transport distances and the associated costs. As a rule, it is difficult to adjust fixed costs, for example in response to a drop in demand, and even if an adjustment is possible, it might involve a time lag. The Group's adjusted EBITDA margin therefore depends on the Group's ability to absorb fixed costs through its production volumes and to reduce the share of fixed costs in its overall cost of production for a given production level.

The Group also continuously implements measures to improve the operational efficiency of its production sites. As part of its industrial strategy, the Group has implemented an operational excellence programme for the past few years. In early 2018, this was ramped up with the launch of the Verallia Industrial Management (VIM) 2.0 initiative, which focuses on safety, quality, industrial performance, lower manufacturing costs – mainly through the implementation of the Performance Action Plan (PAP) – and team management (see Section 1.2.2 of this Universal Registration Document).

Under this programme, 837 projects at the production site level were rolled out by the Group in 2021. The Group also applies costs optimisation measures inspired by World Class Manufacturing to all its production sites, which are based mainly on cost deployment[31], and has more generally developed an in-depth industrial methodology based on root cause analysis[32] with its employees and within its sites, in order to optimise its costs while improving the quality of its products. The Group also implements measures to optimise inventory management and improve the flexibility of its production lines, with the introduction of weekly production plans and monthly industrial and commercial plans. In addition, the Group actively pursues the roll-out of continuous improvement initiatives in its logistics processes in order to ensure on-time delivery to its customers and reduce storage and transportation costs. Lastly, the Group conducts in-depth comparative analyses on its production sites in order to align its industrial processes with best practices. This plan has reduced production costs in various areas, such as raw materials, packaging, energy, wages and maintenance costs.

[31] World Class Manufacturing is based on 10 pillars, one of the most fundamental of which is cost deployment. This consists of associating a cost with the various issues identified and taking specific action to reduce them.
[32] This method involves addressing the causes of a problem, rather than treating its immediate symptoms.

In return for a relatively small investment, this performance action plan has increased production capacity and boosted the efficiency of the Group's production sites while improving product quality (see Section 5.3.1 of this Universal Registration Document), positively impacting the Group's results between 2019 and 2021.

1.3.1.4. Optimal use of production capacity

The Group's results largely depend on optimal use of its production capacity, especially its furnaces, to maximise the performance of its industrial facilities.

Factors affecting the optimal use of furnaces are scheduled or unscheduled furnace repairs, the number of changes in glass colour and optimisation of the packaging mix on all lines, so as to make maximum use of the furnace draft. In addition, to minimise the time taken to change the glass colour or type of packaging on its production line, the Group develops production facilities offering the flexibility to quickly change the necessary tools.

Unscheduled furnace repairs or furnace incidents, such as the fire on the Mendoza site in Argentina in late 2021, could therefore affect the Group's results, reduce the production capacity utilisation rate, result in lower absorption of fixed costs such as wage costs, and increase other costs such as transport costs due to the additional imports required to make up for the production shortfall.

To optimise production capacity utilisation, the Group makes targeted investments (see Section 5.3 "Capital expenditure" of this Universal Registration Document) to ensure that its furnaces are operational and efficient (particularly in terms of energy consumption). It also seeks to adjust the size of its production facilities in line with expected changes in market supply and demand.

1.3.1.5. Seasonality

The Group's revenue may be affected by the seasonal nature of the products sold to its customers. For example, demand for glass packaging is typically higher in the first six months of the year, particularly in Europe. In practice, customers in this geographical region generally place their orders during this period in order to anticipate the increase in demand for their products, such as beer and rosé wine, experienced in summer. Higher temperatures can therefore have a positive effect on the Group's operations, as an increase in demand for products sold by its customers will result in them buying more glass packaging. Conversely, abnormally low temperatures during the summer may result in a drop in demand for certain beverages contained in packaging sold by the Group, resulting in a reduction in orders from its customers.

In addition, changes in the Group's working capital requirement during the year reflect the seasonality of its operations. The high working capital requirement, particularly from April to August, is due to the build-up of inventories and the increase in trade receivables ahead of significant deliveries that take place during the summer, as mentioned earlier. The working capital requirement gradually decreases in the second half of the year, generally reaching its lowest point in December.

In financial year 2021, sustained activity did not allow the Group to fully replenish its inventories following a significant de-stocking in the second half of 2020. Group sales growth in the third quarter of 2020 was well above expectations. In addition, activity proved to be very dynamic in the second half of 2021.

1.3.2. Overview of the Group's products and services

1.3.2.1. Bottles and jars

The Group offers a wide variety of products including both standard and speciality ranges, designed in collaboration with the Group's customers and meeting their specific needs (joint development).

Bottles for still wines

In order to meet market demands, the Group offers a wide range of bottles in various shapes and sizes adapted to the different regional markets, in order to address two powerful market trends: the growing appeal of premium products and the development of rosé wine, for which differentiation is mainly based on the packaging used.

The Group proposes a broad range of shades that allows its customers to customise their products. In addition to the "green" bottles, generally considered as a traditional shade, the Group has developed other colours adapted to its markets, such as the "tradiver" colour, a luxury dark green with a filter that protects the organoleptic properties of wine. More recently, the Group developed a new ebony shade in Chile, France and Spain: almost black and with a high density, it protects the contents against the effects of light and gives products a touch of class and refinement, ideal for meeting upmarket demands.

In addition to its wide range of colours, the Group also offers a large selection of bottle sizes that differ according to the market, including 18.5 cl ("aviation" sized), 37.5 cl, 50 cl and 75 cl, each with varying finishes. Following market trends, the Group gives its customers the ability to provide consumers with packaging that keeps up to date with changes in consumption and lifestyle. For example, the Group increasingly offers standard bottles equipped with screw-on tops to its customers, particularly for exports, considering the growing demand from consumers worldwide for this type of finishing.

In France, Verallia continues its partnership with the Ravoire & Fils family business, producing the new version of the Manon wine bottle: a modernised, simple and clean line, highlighted by a belt and a very marked punt, the whole of which is enhanced by engraving. In 2020, the bottle won a packaging Oscar in the Glass section of the Transformation category, highlighting the technicality and know-how of transformers or trademarks as well as their innovation capacity.

Proud of its 150 years of history and know-how, the Ferrer family has developed, in collaboration with Italy, a modern Bordeaux-shaped bottle for its Pinot Grigio Garda Doc and Rosato Italiano wines. Particularly recognisable through its unique chequerboard pattern, this bottle is ideal for enhancing your prestige and reputation.

Bottles for sparkling wines

The Group offers a wide range of standard products to bottle champagne, crémant, mousseux, cider and their foreign equivalents such as sekt (Germany), spumante (Italy), prosecco (Italy) and cava (Spain).
The Group produces packaging in various sizes according to each market, ranging from very small bottles (18.7 cl) to large capacity bottles such as the Magnum (1.5 litres), Jeroboam (3 litres), Methuselah (6 litres) and even the Nebuchadnezzar (15 litres). The majority of the Group's production, however, focuses on the 75 cl bottle which, in the majority of markets in which the Group is present, is the standard size for these beverages.

Depending on models and markets, the Group offers a broad range of standard products in different shapes and shades, allowing its customers to differentiate their products.

In addition to its standard products, the Group offers specialised packaging designed in collaboration with the customer, using embossing and/or decorating techniques to better meet their marketing needs.

Lastly, certain bottles for upmarket sparkling wines are developed by the Group as part of its "Selective Line" trademark (see Section 1.3.2.3 "Selective Line" of this Universal Registration Document).

Prosecco DOC Cuvée 1821 was developed in Italy on behalf of Zonin. Designed by Pininfarina, the famous Italian design agency, this engraved bottle with its delicately voluble lines bears witness to the richness of Zonin and shapes an identity that is honours past and embraces the future. This Bottle won the Good Design Award in 2020.

Containers for spirits

In this market, the Group offers a wide range of standard products to its customers. However, the majority of sales are high value-added customised products, particularly in terms of specific shapes and engravings.

The container sizes vary according to the market (between 3 cl and 4.5 litres), giving customers access to a wide range of products.

In addition to this diversified offer of different sized containers, the Group provides its customers, depending on the market, with several choices of shades (such as green, extra-white, cinnamon or ebony) and a large number of original shapes, drawing on its industrial expertise in light colouring, decoration and the creation of new shapes. This allows customers to adapt the image of their products.

A large volume of containers for upmarket spirits are developed by the Group under its Selective Line trademark (see Section 1.3.2.3 "Selective Line" of this Universal Registration Document).

In Ukraine, the AWW group's Czysta vodka bottle has been revamped: the shoulders have been readjusted and the general shape redesigned to highlight the powerful character of this Polish vodka.

Beer bottles

The Group produces a standard range of beer bottles in different sizes and shades.

In order to better meet the expectations of its customers, the Group offers a wide choice of finishes and closure systems, adapted to the different ways in which beer is consumed in different markets.

Moreover, as with its other products and to complement its standard range of bottles, the Group shares its innovative and creative skills with its customers in its joint-development of specific products, including highly personalised designs for the increasingly popular micro-breweries all over the world.

For the famous brewery Paulaner, Verallia Germany offers the family of Neuro individual bottles – available in 33 cl and 50 cl with an engraving on the neck. The shape has evolved by combining the German NRW and Euro standard bottles, and allows for an optimised filling process.

Bottles for soft drinks

The Group proposes a large standard range of bottles for soft drinks, such as syrups, fruit juice, lemonades, oils and mineral water.

The Group offers a range of colours, depending on the model and market, and several types of finishes, in order to meet the specific needs of its customers.

In partnership with Verallia France, Gobilab launched the "Gobi Indoor", the first glass water bottle 100% made in France. This eco-designed object is meant to replace disposable bottles and cups used in offices, sports and elsewhere.

In association with Verallia, SodaStream launched the DUO bottle for its new machine being beta tested in Switzerland.
With this extra-white bottle, manufactured at the Verallia site in Cognac, they managed to successfully pull off the feat of producing a reusable carbonation-compatible bottle.

SodaStream Design Registration No. 006364246

In Spain, the Group manufactures for Font Major (a Damm group trademark) a customised returnable water bottle with engraving on the body and on the bottom, featuring a screw-on top that facilitates consumption. The bottle received the Arca 2020 international bottle design prize.

For special occasions such as the holidays, anniversary editions and other events, the Group creates personalised ranges in collaboration with certain customers.

The Group also offers a standard range of glass packaging for oils, including round and square shapes in different sizes and colours. Some of its products, in particular bottles for mineral water, are also designed under the Group's Selective Line trademark (see Section 1.3.2.3 "Selective Line" of this Universal Registration Document).

Jars and bottles for the food market

The Group offers a wide range of standard jars and bottles for food, tailored to each market.

This range is highly diversified, especially in terms of shape, capacity and closing systems.

The Group is mainly present in the following markets:

- baby food;
- dairy products;
- solid food products;
- jam, honey and spreads;
- condiments, sauces and vinegars; and
- vegetables, meat, seafood and soup ("preserves").

For example, in order to support its customers in the snack market, which continues to grow every year, the Group offers a range of heat-sealable jars, such as heat-sealable, sterilisable and pasteurisable glass jars or trays for ready meals, infant nutrition or sauces, or heat-sealable glass jars with transparent lids for yoghurts, cream desserts and other solubles, which were previously sealed with aluminium lids.

In this sector in particular, the Group complies with strict regulations in terms of food safety. Verallia therefore ensures that all of its teams comply with strict quality standards, such as Hazard Analysis Critical Control Point (HACCP - see Section 1.5.3.1) and/or ISO 22000. The Group also controls the quality of its products using visual, mechanical, video and light beam technology to check the corking, dimensions and glass thickness and appearance. Any container that does not comply with the Group's quality standards is automatically rejected and recycled.

For its special 100th anniversary organic cuvée, the Emile Noël oil mill has struck the perfect balance between celebrating the past and looking to the future in this design. The signature engraved on the body of the bottle gives a special warmth to this colourful anniversary.

1.3.2.2. Services

In addition to its core glass packaging production operations, Verallia offers customers a range of high value-added services tailored to their marketing and economic needs.

Joint-development

In addition to its standard offer, the Group co-develops unique speciality models with its customers. The Group has at least one product development centre in each country where it operates, with the expertise to ensure that a creative idea becomes an industrial reality. Thanks to their technical expertise, these 13 product development centres improve on customer proposals to ensure the industrial feasibility of the bottle or jar. Adjustments to the model are required to guarantee the best breakdown of the glass, its mechanical strength, its fitness for labelling, its stability on filling lines and the optimisation of palletisation. These centres also design the drawings for the moulds that will be used to manufacture the bottle.

To successfully complete these glass projects, the development centres provide the Group's customers with advanced tools such as computer-aided design (CAD), 3D printers, physical-realistic computer-generated images and methods for calculating mechanical strength by finite element. In this way, the Group allows its customers to participate interactively, directly or remotely, in the development of their model, using 3D visualisation, computer generated images or scale models, while ensuring the product's weight and mechanical performance are optimised.

More recently, the Group launched an "Ideas by Verallia" service in Spain, which consists of offering customers turnkey concepts through the integration of a designer into the marketing team.

Finally, each year, the Group organises design competitions in several countries, the "Verallia Design Awards", which bring together hundreds of participants from the best design and packaging schools. They are invited to propose bottle and jar designs, paving the way for future developments in glass packaging and providing customers with a portfolio of innovative, ready-to-be-developed designs.

A number of these projects have been industrially produced for the Group's customers. For example, the Flute Gothic bottle, winner of the 2020 French edition in the "Wines" category, designed by two young graduates in design, packaging and fine arts, was chosen by the Paul Mas estates for the marketing of white wines in France and abroad.

Glass packaging decoration

The Group's glass decoration operations are mainly carried out by its subsidiary Saga Décor and Société Charentaise de Décor, which are major players in glass bottle decoration in Southern and Western Europe, and through Verallia's Polish subsidiary Verallia Polska, which operates in the Northern and Eastern European spirits market.

Saga Décor, Société Charentaise de Décor and Verallia Polska are specialised in bottle finishing. They use glass decoration techniques such as satin-finishing, lacquering, screen-printing, decal transfer and hot marking. The Group continuously improves its finishing techniques and production processes through its research and development operations, in order to maintain its competitive advantage in the glass bottle and jar decoration sector. The Group adopts structural measures to minimise the impact of its decoration operations on the environment, such as by using lead-free enamels.

The ECOVA products range

The Group offers a range of eco-designed products, ECOVA, enabling the Group's customers to design products that are attractive to their consumers while guaranteeing a reduced environmental impact over the product's entire lifetime, essentially through a significant reduction in weight: from raw materials, to the end consumer (including selective sorting of packaging after use), and finally to recycling (see the Extra-Financial Performance Statement appended to this Universal Registration Document). The products in this range are aimed at the still and sparkling wine markets and the food market, and are adapted in each country by the Group's local sales and marketing teams to meet the needs of the local market.

In Chile, Verallia developed an eco-designed speciality bottle for the premium line of Casillero del Diablo wines of the Concha y Toro wine grower, modelled on a Verallia bottle from the EGO line. Compared to the old bottle used by Concha y Toro, the weight has been reduced by 9% (675 g compared to 745 g). This saves 210 tons of glass per year and a reduction of the total lorry weight by 2.7 tonnes. However, the bottle maintains all the premium characteristics of its design, notably a very deep punt with an engraving of the devil.

Mobile bottling

The Group has 16 mobile bottling units in France, run by its subsidiary Thierry Bergeon Embouteillage, allowing the wines to be bottled on the wine estate. Although this activity is not significant in relation to the Group's overall operations, it is part of the Group's strategy of proximity and service, particularly to the Bordeaux wine industry, among others.

Daily support for its customers

The Group strives to stay close to its customers and thus offers an extensive range of services to support them in their daily operations and in their development projects, such as digital apps, training programmes and studies on specific topics.

Digital apps

Virtual Glass

Initially developed in 2014 and proposed in 2019 in an enhanced version with hyper-realistic results, the "Virtual Glass" app seeks to allow the Group's customers to reduce the development time needed for new products by visualising different models of bottles and jars, labelled and capped, full or empty.

Virtual tours

This app, used at trade shows, training courses and shop floor events, offers virtual tours of plants and cullet sorting centres. It also offers a series of images showing the different stages in the glass production process and in household glass sorting.

MyVerallia

This portal, rolled out in France, Spain, Germany, Italy, Brazil and Argentina, and also available on computers and tablets, offers the Group's customers access to catalogues where they can place and track their orders or use the Virtual Glass application. The Group's customers also have access to Verallia's news.

Glass School

Each year, the Group proposes several training cycles to its customers to increase their knowledge of the production process, to present the marketing trends and introduce them to the circular economy. In view of the Covid-19 global health crisis, this training has been provided electronically, particularly in Ukraine, in order to maintain the training link with the clients of the Group who chose this option.

Studies and Conferences

In France, the Group helps its wine-growing clients and traders better understand the challenges of the wine markets by commissioning in-depth studies to analyse and understand consumer perceptions of the wine and spirits markets. The results are shared at the "Vin & Sens" workshops. For example, in 2019 the Group presented two studies, one on the promotion of responsible wine practices among distributors and consumers, and the other on the impact of neuroscience in packaging. In Italy, the Group presented a study on Italian sparkling wines.

In 2020, the Group focused on the spirits market to better understand the attitudes and expectations of the French in terms of craft spirits, in order to help the new players in the French craft spirits market to position themselves well with their target audience.

An initial study, carried out on a representative sample of young French people (20-35 years old), highlighted the development potential of French whisky. The second study, performed in a laboratory setting using advanced neuroscience methods, demonstrated favourable thoughts and emotions triggered by whisky contained in the Arsène bottle – the new bottle with a rooster as a branding element, created this year by Verallia in partnership with micro-distillers.

1.3.2.3. Selective Line

To meet the growing demand for premium glass bottles from its most demanding international customers in still and sparkling wines, spirits, beers and mineral water, the Group developed a trademark known as Selective Line. Selective Line relies on a dedicated marketing team at the Group level and on a network of local marketing teams and leading technical experts located in several glass production sites around the world, as well as two decoration units in France (Saga Décor and Société Charentaise de Décor) and Verallia Polska in Poland (see Section 1.3.2.2 "Services" - "Glass packaging decoration" of this Universal Registration Document). Selective Line promotes the brand image of the Group.

Selective Line is available worldwide, in all the countries where the Group operates, and offers a range of complementary products and services to the Group's customers, such as the "Collection", a standard range of customisable bottles, or the "Carnet des Tendances" (Book of Trends) developed each year to help the Group's customers understand and anticipate premium packaging trends.

1.3.2.4. Procurement and assembly of components and spare parts for industrial equipment

The Group's operations include the procurement, assembly, quality control and sale (mostly to Group companies but also to third parties) of components and spare parts for industrial equipment used in the composition of glass packaging, through a site located in Pune, India, run by Accuramech. This activity represented a very limited share of the Group's operations for the year ended 31 December 2021.

1.3.3. Operations by geographic area

1.3.3.1. The Group's operations in Southern and Western Europe

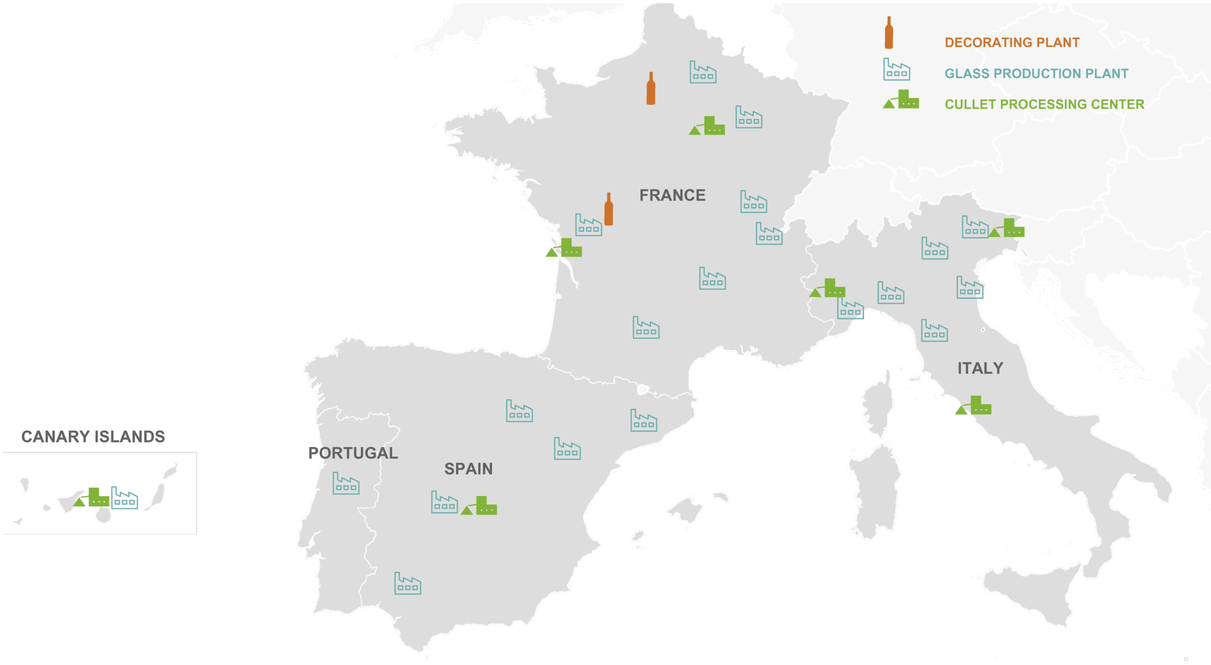
For the year ended 31 December 2021, the Group's operations in Southern and Western Europe generated revenue of €1,832.2 million[33] (69% of the Group's consolidated revenue) and adjusted EBITDA of €452.8 million (67% of the Group's consolidated adjusted EBITDA). The Group's total capital expenditure in Southern and Western Europe for the year ended 31 December 2021 amounted to €165.3 million (9.0% of revenue in this segment).

As at 31 December 2021, the Group had 5,286 employees in Southern and Western Europe and operated 20 production sites and 35 furnaces, as well as 7 cullet processing centres (including two in joint venture) and 2 decoration plants. In the year ended 31 December 2021, the volume of jars and bottles sold by the Group in Southern and Western Europe totalled 3,822 kt.

[33] Excluding inter-segment revenue.

Production facilities in Southern and Western Europe as of 31 December 2021

In Southern and Western Europe the Group is present in France, Spain, Portugal and Italy.



The Group's operations in Southern and Western Europe are primarily focused on bottles for still and sparkling wines and containers for spirits, products with relatively high margins for which the Group is a market leader.

The Group offers a broad range of products to the Southern and Western European markets tailored to the local needs of each country. Bottles for still and sparkling wines account for a significant portion of the Group's operations in France, Italy and Spain.

The Group's customer base in Southern and Western Europe in bottles for still wines is highly fragmented, mainly local and regional winegrowers, as well as leading wine merchants. Furthermore, the Group has a large number customers for sparkling wine bottles, including local or regional producers as well as a number of leading world-class players such as LVMH and Pernod Ricard, with certain prestigious brands, such as Dom Perignon and Ruinart for champagne.

In the food, spirits and beer market, the Group serves both international customers and local customers.

Lastly, the Group provides glass packaging to customers specialised in empty bottle retailing, which represents a limited portion of its revenue.

1.3.3.2. The Group's operations in Northern and Eastern Europe

For the year ended 31 December 2021, the Group's operations in Northern and Eastern Europe generated revenue of €537.6 million[34](20% of the Group's consolidated revenue) and adjusted EBITDA of €117.0 million (17% of the Group's consolidated adjusted EBITDA). The Group's total capital expenditure in Northern and Eastern Europe for the year ended 31 December 2021 amounted to €51.0 million (9.5% of revenue in this segment).

As at 31 December 2021, the Group had 3,153 employees in Northern and Eastern Europe and operated seven production sites, 17 furnaces, two cullet processing centres (in joint venture) and one decoration plant. In the year ended 31 December 2021, the volume of jars and bottles sold by the Group in Northern and Eastern Europe totalled 1,364 kt.

[34] Excluding inter-segment revenue.

Production facilities in Northern and Eastern Europe as of 31 December 2021

In Northern and Eastern Europe the Group is present in Germany, Poland, Ukraine and Russia. The largest geographical market for the Group in terms of revenue is Germany, where the Group operates through its subsidiary Verallia Deutschland AG, listed on the Frankfurt, Stuttgart and Munich stock exchanges and which represented 76% of revenue earned by the Group in Northern and Eastern Europe in the year ended 31 December 2021.

The most significant products in terms of revenue for the Group in Northern and Eastern Europe are bottles for beer, especially in Germany, and jars and bottles for the food market.

In the beer, food and spirits market, the Group serves both international customers and local customers.

The Group's customers for still and sparkling wines, mainly in Germany, include local or regional wine producers and leading merchants for still wines.

1.3.3.3. The Group's operations in Latin America

For the year ended 31 December 2021, the Group's operations in Latin America generated revenue of €304.2 million[35] (11% of the Group's consolidated revenue) and adjusted EBITDA of €108.2 million (16% of the Group's consolidated adjusted EBITDA). The Group's total capital expenditure in Latin America for the year ended 31 December 2021 amounted to €39.9 million (13.1% of revenue in this segment).

As of 31 December 2021, the Group had 1,291 employees in Latin America and operated five production sites and six furnaces. In the year ended 31 December 2021, the volume of jars and bottles sold by the Group in Latin America totalled 680 kT. Considering the topographical and geographic constraints in this area, and in order to facilitate the logistics process, in particular the transportation of goods, the Group has optimised its industrial location by setting up its production sites close to those of its customers, especially in wine-growing areas.

Production facilities in Latin America as of 31 December 2021

The Group has been present in Latin America since 1960s, when it began operations in Brazil through its subsidiary Verallia Brazil. In Latin America, the Group is present in Brazil, Argentina and Chile. The largest geographical market for the Group in terms of revenue is Brazil. In terms of volumes, the Group is the second largest producer on the glass packaging market in Latin America, with a strong competitive positioning for bottles for still wines and bottles for sparkling wines.

The Group's operations in Latin America are mainly oriented towards bottles for still wines, an export-driven market segment, as well as bottles for beer, in Brazil. The Group prioritises a strong industrial presence in wine-growing areas and a positioning tailored to local specific needs outside these areas, depending on the specific features of each country.

In the still wines, sparkling wines and food market, the Group serves both international customers and local customers.

[35] Excluding inter-segment revenue.

1.4. Research and innovation

1.4.1. Innovation

Innovation is an ongoing challenge for all the Group's companies as part of its broader strategy to position its products at the top end of the market and to sell products and services using efficient and environmentally friendly production facilities with high added value.

Innovation within the Group takes place at three levels: product and service innovation, material innovation and process innovation, which are all areas of research and development.

The Group's innovation policy is based on:

- a multidisciplinary team of in-house researchers and engineers;
- varied means of mathematical modelling of processes, an adapted design server, a laboratory for tests and expert appraisals; and
- collaborations with external research laboratories.

The Group's research and development expenses for the year ended 31 December 2021 amounted to €3.6 million.

1.4.1.1. Innovation in products and services

The Group has 13 product development centres operating as a network, covering all of the regions in which it operates, based at the following sites: Albi (France), Chalon (France), Pont Sainte Maxence (Saga Décor – France), Bad Wurzach (Germany), Dego (Italy), Gazzo Veronese (Italy), Kavminsteklo (Russia), Gniezno (Verallia Polska – Poland), Azuqueca (Spain), Figueira da Foz (Portugal), Zorya (Ukraine), São Paulo (Brazil) and Mendoza (Argentina).

These teams come up with new designs at the request of their customers and/or marketing teams.

This work involves the transformation of innovative ideas into glass products that can be manufactured and marketed at a competitive price. This work is frequently based on a joint development approach with the Group's customers.

The Group is therefore able to offer its customers new product ranges on a fairly regular basis.

Exemplifying this product and service innovation policy is the "Selective Line" trademark, an up-market range of products targeted primarily at the spirits, wines, beers and mineral water markets.

For instance, in 2019, the Estathé glass bottle (Ferrero's iced tea, which is one of the Group's emblematic products in Italy) won awards at the A'Design Award and the Packaging Oscars of the Italian Packaging Institute (Quality Design category).

More recently, in 2020, the Manon wine (Ravoire & Fils family business) bottle won a packaging Oscar in the Glass section of the Transformation category for its new presentation, highlighting the technicality and the know-how of transformers or trademarks as well as their innovation capacity.

In Spain, the Group also manufactures for Font Major (a Damm group trademark) a customised returnable water bottle with engraving on the body and on the bottom, featuring a screw-on top that facilitates consumption. The bottle received the Arca 2020 international bottle design prize.

Lastly, in Italy, the "Good Design Award" was given to the Prosecco Zonin 1861 bottle, a 'work of art' designed by Pininfarina.

The second major concern is designing products that are environmentally friendly.

The Group has launched the ECOVA range of “eco-compatible” bottles, which are lighter and therefore more energy efficient to produce than regular bottles, while offering an elegant shape (see Section 1.3.2.2). With this range, the Group seeks to offer more environmentally friendly products while maintaining a high level of quality.

In addition, the range of standard products and the significant number of specialised products developed by the Group are indicative of its capacity for flexibility and technical innovation.

Initially developed in 2014 and proposed in 2019 in an enhanced version with hyper-realistic results, the “Virtual Glass” app seeks to allow the Group’s customers to reduce the development time needed for new products by visualising different models of bottles and jars, labelled and capped, full or empty.

Furthermore, certain additional designs requiring specific technical innovations are developed at the customer’s request.

The Group also offers its customers new glass packaging possibilities through its pasteurisable and sterilisable heat-sealing innovation: this new feature allows them both to redesign their product ranges and to consider a change of packaging material to glass packaging.

1.4.1.2. Innovation in materials

The Group works to develop the technical and economic performance and properties of glass as a packaging material for food and beverages. It relies on experienced chemical engineers who specialise in the study and analysis of glass composition.

1.4.1.3. Innovation in glass melting and forming processes

In addition to glass composition, the Group carries out research and development on strategic industrial processes such as melting and forming.

Using modelling tools, the Group seeks to optimise its “hot” and “cold” processes.

Research and development related to forming are aimed in particular at improving the operation of certain forming machines by optimising the heat exchanges that take place during forming operations; but also at reducing the lubrication of moulds or automating them, with the dual objective of protecting occupational health and the environment.

Research and development relating to glass melting operations aim to improve furnace performance, with the main goal of reducing greenhouse gas emissions and pollutants by optimising firing and reducing consumption.

One of the areas of focus is the use of renewable energy, which not only reduces the plants’ carbon dioxide fossil fuel emissions, but also helps reduce the environmental impact in the geographic area in which they are located through waste recovery.

1.4.2. Trademarks, patents and licences

1.4.2.1. Patents

The Group has an industrial protection policy that protects its inventions and ideas using one of three possible solutions:

- applying for a patent, which presents advantages in terms of the legal protection afforded but exposes the Group to high costs, particularly when applying for international patent protection;
- applying for a “Soleau envelope”, which presents the advantages of low cost and a high level of confidentiality, but does not allow the Group to oppose the development of the same application by a rival; and
- the sale of the invention or transfer of rights of use by a partner, in the case of equipment not expected to be subject to absolute exclusivity.

As at the date of this Universal Registration Document, and after cost-optimising and rationalising the management of the portfolio of patents held, which led to the abandonment of four patent families, the Group has approximately 36 patent families in force or pending, the majority of which are granted or have been filed in several countries, representing a total of more than 308 patents.

1.4.2.2. Trademarks

With the exception of the Verallia trademark, a central trademark for the Group's communication, and its punt marks, trademark protection does not represent a fundamental challenge for the Group because of the characteristics of the industry in which it operates: an expertise-based industry with business-to-business products targeted at industrial customers.

Trademarks are registered and used in countries where the Group has production facilities and in which it sells its products.

1.4.2.3. Models

The Group's policy for protecting intellectual property rights associated with the models it uses depends on the type of model used:

- when the Group was the original creator of the model and believes that it is sufficiently original, an application can be made to protect the model. This is the case, for example, for standard models that can be offered to all customers and developed by the Group for its own marketing needs;
- when the Group is limited to using models designed by the customer, the intellectual property rights related to these models are generally owned by the customer.

1.4.2.4. Domain names

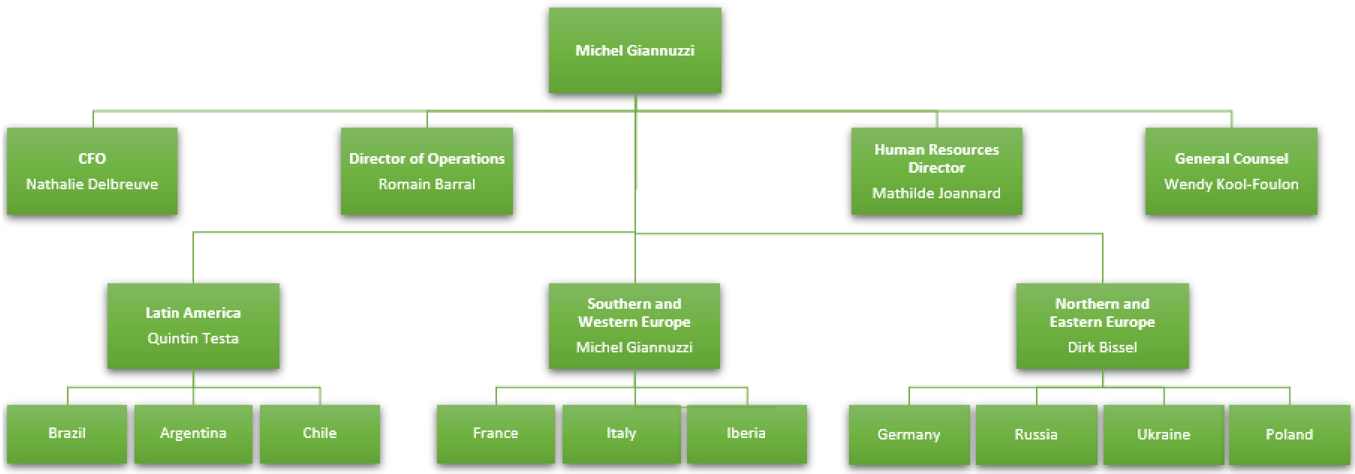
The Group has a policy of registering and obtaining licences to use and manage the domain names needed to conduct its operations. At the date of this Universal Registration Document, the Group owned or had a licence allowing it to use a broad portfolio of domain names, both active and inactive, enabling it to list its products and services and share its communications with a wide audience.

1.4.3. Dependency factors

Information on the Group's dependency factors is provided in Chapter 4 "Risk Factors" of this Universal Registration Document.

1.5. The industrial process

Simplified organisation chart of the Group as of 31 December 2021



The Group's organisation is decentralised and divided into three separate operating segments: Southern and Western Europe, Northern and Eastern Europe, and Latin America.

Certain functions, such as technology, industry, research and development, financing, purchasing and procurement, human resources, legal, marketing and communication are also managed at the Group level.

Other functions, particularly those linked to customer relationships and production activities, are only managed locally. The Group's local CEOs are independent and free to implement their local strategy. In addition to the local CEOs, the Group has sales and marketing teams in each of its operating segments. The local management teams work in close collaboration with local managers, thus allowing the Group to develop products tailored to the specific needs of its customers. Furthermore, thanks to the decentralisation of the Group's industrial processes, it is able to optimise the use of its local production capacities to quickly respond to the needs of its operations and optimise its production costs.

1.5.1. The manufacturing process

1.5.1.1. Purchases and supplies

The Group's main purchases and supplies are as follows:

- energy (gas, fuel oil, electricity);
- raw materials (mainly, soda ash, glass sand and cullet);
- transport of finished goods (mainly by road);
- packaging (cardboard, plastic film, pallets, spacers);
- industrial equipment; and
- moulds.

The Group's purchases and supplies are under the responsibility of the Group's Purchasing Department, comprising a Director who coordinates the Group's entire purchasing function and assisted by buyers in charge of strategic families of purchasing, including purchases of investments. The Group's purchasing department is more generally in charge of carrying out or coordinating the purchases of the most strategic products.

The Group also has Purchasing Departments within its subsidiaries or in countries where the Group operates, which are generally responsible for operational purchases (such as transport or packaging). Some purchases are pooled regionally between different Group companies, generally under the responsibility of the Group's Purchasing Department (in particular energy and raw materials purchases, as well as investments).

Raw materials

Raw materials costs account for a significant portion of the Group's production costs. During the year ended 31 December 2021, the cost of raw materials remained stable compared to 2020.

Glass for packaging is composed (by volume), excluding cullet, of glass sand (between 60% and 70%), soda ash (between 10% and 20%), limestone (between 15% and 20%) and other substances, such as colourants (between 0.5% and 5%). This composition varies significantly depending on the colours. Cullet, either from waste from the glassmaking process or from cullet processing centres, accounted for more than half of the Group's raw material purchases for the year ended 31 December 2021. Cullet is used to optimise production costs, particularly as it reduces energy consumption due to its lower melting temperature (an increase in the use of cullet by 10 points reduces energy consumption by an average of 2.5%). The use of cullet significantly varies depending on the type of glass produced, and its utilisation rate can reach 95% for certain types of glass. The Group's goal is to use all the cullet at its disposal in order to reduce its energy consumption and its carbon dioxide emissions and thus improve the carbon footprint of the glass packaging that it produces. To this end, the Group has developed a wide range of initiatives, such as improving the collection of domestic glass, improving the quality of cullet during its treatment or increasing the use of cullet in glass production. Furthermore, to improve the cullet processing process and increase recycling, the Group has made long-term investments in its nine cullet processing centres: two in France, operated through Everglass; three in Italy, two of which are operated through Ecoglass and one in partnership with Vetreco; two in Germany, operated through a joint venture known as Verre Recycling GmbH; and two in Spain, including a site operated in partnership with Calcin Iberico, allowing it to directly power its glass production sites located close by (see the Extra-Financial Performance Statement appended in Annex II to this Universal Registration Document). In the case of furnaces with intensive use of cullet, partial repairs at a cost of around €5 to €10 million must be planned after six to eight years of operation.

Most of the Group's soda ash and glass sand procurement contracts are signed for terms at least equal to one year. The limestone market is a local market; consequently, the Group signs a contract for each production site, generally for one year.

Although the Group inserts price adjustment clauses in its commercial contracts, which directly or indirectly reflect the changes in raw materials costs, most of its commercial contracts (signed for a period of one year and which can be renewed upon the agreement of parties) do not have such clauses.

Energy

The Group's main sources of energy are natural gas and, to a lesser extent, electricity and less and less fuel oil. During the year ended 31 December 2021, the cost of energy rose by 7.9%. As energy is mainly consumed during glass melting, each new furnace construction is an opportunity to improve the Group's performance in these areas. Throughout the service life of furnaces (from 10 to 12 years, sometimes 14 years), the Group makes improvements to them in order to reduce their consumption, particularly in terms of sealing and thermal insulation, optimising the temperature of the glass, adjusting combustion settings and adjusting combustion air volumes. Furthermore, to significantly reduce carbon dioxide emissions emitted when supplying power to its furnaces, the Group has decided to prioritise natural gas over fuel oil. Other initiatives modelled on the principles of the circular economy include using the heat recovered from furnace walls or smoke as a heating source for the Group's buildings or neighbouring towns. The Group has also invested in Industry 4.0 by introducing artificial intelligence into its plants (see the Extra-Financial Performance Statement appended in Annex II to this Universal Registration Document). Finally, as part of its policy to reduce CO_2 emissions, the Group intends to significantly increase the share of renewable energy in its consumption, in particular through increased purchases of green energy but also through the use of installations (such as photovoltaic panels) enabling it to produce its own green energy directly at certain Group sites.

Most of the Group's sales contracts are entered into for one year and may be renewed with the agreement of both parties, and do not include price adjustment clauses allowing a percentage of the increase or decrease in energy costs to be reflected automatically in selling prices. The passing on of increases in the Group's production costs is then negotiated with customers when orders are placed or at the annual renewal of contracts. Apart from purchases of energy at a fixed price that may be negotiated directly with suppliers by the Purchasing Department, the Group has set up transactions to hedge part of the risks linked to energy costs in situations where contractual adjustment mechanisms could not be provided. This applies to most of the sales contracts concluded by the Group (see Section 4.1.2.7 "Risks related to relations with certain suppliers and subcontractors" of this Universal Registration Document).

1.5.1.2. Production

The manufacture of glass packaging requires the mastery of technically complex industrial processes requiring the use of heavy equipment. Hollow glass production essentially involves melting the various glass materials at extremely high temperatures into a liquid glass mixture, which can then be shaped by means of forming techniques (blown-blown/pressed-blown).

Thanks to its expertise in these fundamental skills of the glass production cycle and efficient industrial facilities, the Group was able to produce more than 16 billion bottles and jars in the year ended 31 December 2021.

The glass production cycle of bottles and jars

The glass production cycle includes three essential phases:

– The melting of raw materials and cullet:

Once mixed, the raw materials and cullet are melted in furnaces at a temperature of approximately 1 550°C. The time between the introduction of the composition and the removal of the molten glass from the furnace is approximately 24 hours. The extremely high temperatures reached involve continuous production. Consequently, these furnaces operate round the clock, 24/7. In addition to safety issues, the extremely high temperatures are an environmental concern, given that the mass of molten glass releases large quantities of carbon dioxide and smoke. The carbon dioxide is evacuated through chimneys fitted with filters.

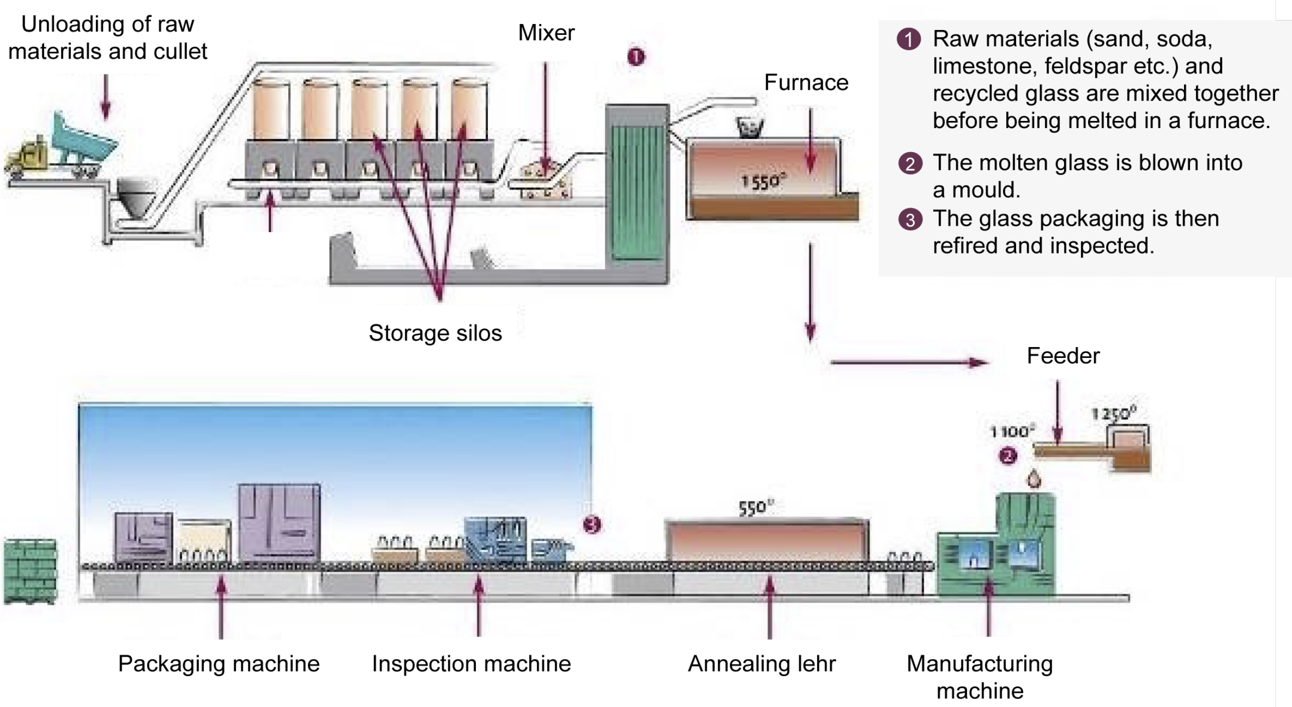
– Transfer to the "hot end sector": forming and treatment of the glass:

The molten glass is then sent to the forming machine through distribution channels at a temperature ranging between 1,100°C and 1,550°C. Forming consists of shaping a compact mass of hollow glass through pressing (using a metal plunger) then blowing (with blown air). The mass of glass enters the forming machine in the form of a drop, known as "gob", the weight, shape and temperature of which are precisely controlled. This gob is then blown in two stages (blown-blown process), in a "blank mould" first of all, where the material is transformed into an interim shaped hollow pocket, then in a "finishing mould", which gives the product its final shape. This process only lasts a few seconds, at the end of which the temperature of the bottles and jars reach nearly 600°C. To guarantee the strength of glass packaging, the latter are then "refired", through gradual reheating and cooling in "annealing lehrs" for 50 minutes to two hours. The surfaces are also treated to protect the glass packaging against scratches: first, the surfaces receive a hot treatment, which consists of applying a thin layer of tin oxide to the surface of the glass; afterwards, the surfaces are sprayed with cold wax. The products used in the treatment are safe for use on glass designed for use as food packaging.

Finishing mould

– Transfer to the “cold end sector”: inspection and packaging of the glass:

The Group uses various processes to inspect the quality of its products depending on the markets and products. These include visual, mechanical, video or light beam inspections to check the capping, size and thickness of the glass and the design of the packaging. Any container that does not comply with the Group’s quality standards is removed from the production line and used as cullet. The products are packaged in pallets when they leave the manufacturing line.



Production facilities and industrial processes for the manufacture of bottles and jars

The Group’s industrial facilities include 32 glass production sites mainly located close to packaging areas and its main customers, equipped with 58 glass furnaces that operate continuously. The efficiency of the facilities is based on the optimal use of equipment, meeting the highest standards in the markets in which it operates.

The strong performance of these production facilities and their ability to adapt to different markets is essential considering the high investment costs for equipment used in the industry.

The efficiency of the equipment used is measured with respect to its productivity, flexibility and its capability in terms of production requirements. Heavy machinery has been standardised, which gives the Group the freedom to shift the production of a range of products from one production line to another and even from one site to another. On certain production lines, known as “flex lines”, the use of versatile machinery means that between two and four different types of items can be produced on the same production line. The Group takes advantage of the flexibility of its production facilities to optimise its responsiveness and accordingly reduce the storage of finished goods. Standardising equipment by product family fosters the development of technical synergies (such as the transfer of best practices and know-how from one site to another).

The efficiency of the Group’s industrial processes also lies in its capacity to maintain a high utilisation rate of its equipment, in particular its furnaces. Factors affecting the utilisation rate of furnaces mainly include the number of changes to the colour of the glass and the optimisation of the packaging mix on all lines, in order to maximise utilisation of the furnace draught. The possibility of producing a high number of bottles of the same colour at the same time and the flexibility of production lines provide opportunities for the Group to obtain maximum advantage from the utilisation capacity of a furnace.

Furthermore, the Group strives to have powerful and effective furnaces, in terms of energy consumption and life span. The Group's industrial and commercial location can allow it to temporarily transfer production from one site to another in order to meet a specific demand or limit the impact of certain industrial constraints, such as a furnace under repair. Finally, in order to respond to the evolution of demand, the Group started the construction of a new furnace in Azuqueca, Spain and another in Villa Poma, Italy, which started in the first quarter of 2021 (see Sections 4.1.1.1 "Risks related to the evolution of demand for glass packaging" and 5.3 "Capital expenditure" of this Universal Registration Document). Moreover, the Group plans to open three new furnaces between 2022 and 2024, with two in Brazil (Jacutinga and Campo Bom) and one in Italy (Pescia).

The Group's quality, environment, health and safety certification policy

In all the territories where it operates, the Group sets standards in terms of quality, logistics, customer satisfaction management and environmental performance.

The Group has long been committed to ensuring that all of its teams are involved in a quality approach, which specifically includes the existence of common written procedures that can be shared, as well as the traceability of their modification if necessary. As such, the Group performs different audits every year to ensure that the quality and standards with respect to the environment, hygiene and safety are complied with.

The main standards and methods in force in the Group refer to the following standards:

- ISO 14001: This standard specifies the requirements for an environmental management system (EMS) to formulate a policy and objectives that take into account legislative requirements and disclosures of significant environmental impacts;
- ISO 9001: This standard specifies the organisational requirements for a quality management system that consistently delivers a product that complies with customer and applicable regulatory requirements and implements continuous improvement processes;
- ISO 22000: This standard guarantees that food risk for consumers is taken into account during the entire production process. In concrete terms, this standard specifies the requirements for a food safety management system (FSMS), which is a coherent set of processes designed to enable the Company's management to ensure the efficient and effective application of its policy for controlling food safety hazards and the constant improvement of its objectives, in order to provide safe products that will meet customer and regulatory requirements;
- HACCP (Hazard Analysis Critical Control Point): This system identifies, assesses and controls significant dangers with respect to food safety. There is no "HACCP certification" properly speaking, because it is a process that is part of the ISO 22000 standard;
- OHSAS 18001 (Occupational Health and Safety Assessment Systems): This occupational health and safety management system model aims to reduce risks in terms of health and safety in the work environment.

At the date of this Universal Registration Document, all of the Group's glass production sites had obtained ISO 9001 and ISO 14001 certification. Thirty of the Group's 32 glass production sites are certified ISO 22000. The Group's plants in France were the first glass packaging production sites for the food industry to obtain ISO 22000 certification in Europe.

1.5.2. Main industrial facilities and plants

Information about the main glass production industrial facilities and plants run by the Group as of 31 December 2021 is provided in the table below.

Country	City/Region/State	Operations	Furnaces	Occupancy status
France	Albi	Bottle production	2	Owner
	Chalon-sur-Saône	Bottle production	3	Owner
	Cognac	Bottle production	2	Owner
	Lagnieu	Jar production	2	Owner
	Oiry	Bottle production	1	Owner
	Saint-Romain	Bottle production	2	Owner
	Vauxrot	Bottle production	1	Owner
	Total France		13	
Spain	Azuqueca	Bottle and jar production	2	Owner
	Burgos	Bottle production	2	Owner
	Montblanc	Bottle production	1	Owner
	Seville	Bottle and jar production	1	Owner
	Zaragoza	Bottle production	2	Owner
	Telde (Canaries)	Bottle production	1	Owner
	Total Spain		9	
Portugal	Figueira da Foz	Bottle and jar production	2	Owner
	Total Portugal		2	
Italy	Carcare	Bottle production	1	Owner
	Dego	Bottle and jar production	3	Owner
	Gazzo Veronese	Bottle and jar production	2	Owner
	Lonigo	Bottle production	2	Owner
	Pescia	Bottle and jar production	1	Owner
	Villa Poma	Bottle production	2	Owner
	Total Italy		11	
Germany	Bad Wurzach	Bottle and jar production	3	Owner
	Essen	Bottle and jar production	3	Owner
	Neuburg	Bottle and jar production	2	Owner
	Wirges	Bottle production	2	Owner
	Total Germany		10	
Russia	Mineral'Nie Vody (KMS)	Bottle and jar production	2	- Land: partly owner and partly holder of a perpetual right of use – buildings: owner*
	Kamyshin	Bottle and jar production	3	Owner
	Total Russia		5	
Ukraine	Rivne	Bottle and jar production	2	Perpetual right to use the land and owner of the buildings
	Total Ukraine		2	
Brazil	Jacutinga	Bottle production	1	Owner
	Campo Bom	Bottle production	1	Owner
	Porto Ferreira	Bottle and jar production	1	Owner
	Total Brazil		3	
Argentina	Mendoza	Bottle production	2	Owner
	Total Argentina		2	
Chile	Rosario	Bottle production	1	Owner
	Total Chile		1	
Group Total	–	–	**58**	–

During the Soviet era, this right was equivalent to a right of ownership as regards use of the land. These rights of use are still recognised at the date of this Universal Registration Document.

In 2019, the Group closed and left the site of the Agua Branca plant, located in the São Paulo metropolitan area (Brazil).

In 2020, the Group decided not to rebuild one of the three furnaces at its French site in Cognac. In addition, in 2020 the Group completed the construction of a new furnace in Azuqueca (Spain) and a new furnace in Villa Poma (Italy), which entered into service in the first quarter of 2021. Initially scheduled for 2020, these start-ups were postponed due to the Covid-19 pandemic. Thus, as at 31 December 2021, there were 58 furnaces in service.

The Group also operates three bottle decoration centres and nine cullet processing centres, four of which are in partnership through the companies Vetreco, Calcin Iberico and Verre Recycling GmbH.

1.5.3. Regulatory environment

1.5.3.1. Legislation and regulations in European Union Member States

1.5.3.1.1. Regulations for packaging products

Health regulations

The Group, as a manufacturer of packaging for food and beverages, is subject to European regulations aimed at protecting consumer health.

Contact with food

EC Regulation No. 1935/2004 dated 27 October 2004 governing the materials and items that come into contact with liquid and solid foodstuffs is intended to ensure a high level of protection of human health and consumer interests.

This regulation covers materials and items destined to come into contact with food or which are already in contact with food. This regulation is therefore particularly aimed at packaging and containers like those produced by the Group.

This regulation states that packaging must be sufficiently inert. Thus materials and items must be manufactured in line with good manufacturing practices so that, under normal or foreseeable conditions of use, they are not transferred to food in quantities large enough to endanger human health, to bring about an unacceptable change in the composition of the food, or cause a deterioration in its organoleptic properties. In terms of migration limits, glass in certain countries is subject to the directive on ceramic articles, in particular Directive 84/500/EEC, which was modified by Directive 2005/31/EC, which sets forth migration limits for lead and cadmium.

The commercialisation of packaging destined to come into contact with food that does not abide with these regulations is prohibited.

For glass packaging producers, the traceability of labelled packaging is ensured when products are stored on pallets. This makes the inspection of products and the removal of defective items easier.

Packaging hygiene

The Group is also subject to European regulations regarding packaging hygiene. EC Regulation No. 852/2004 dated 29 April 2004 stipulates general hygiene rules that apply to all food, and requires that packaging and container materials must not be a source of chemical, bacterial or physical contamination of food.

The regulation also stresses that every food business operator along the food chain should ensure that food safety is not compromised. This includes the storage of packaging and the process of packaging food.

So that each of the Group’s companies complies with these requirements, a Hazard Analysis Critical Control Point (HACCP) methodology has been implemented, which includes documentation that identifies and evaluates significant food risk factors. Some of these companies have voluntarily had their internal procedures certified to ISO 22000, FSSC 22000 or BRC standards covering food safety requirements. Twenty-nine of the Group’s production facilities are now certified.

Environmental regulations

In its role as a producer of packaging, the Group is subject to regulations governing packaging and packaging waste enacted with the aim of protecting the environment.

Directive 94/62/EC of 20 December 1994 on packaging and packaging waste (the “Packaging and Packaging Waste Directive”), transposed in France in Articles R. 543-42 to R. 543-52 of the Environmental Code, and in all the European countries in which the Group has industrial facilities, aims to harmonise national legislation governing packaging and packaging waste in order to decrease their impact on the environment.

To do so, the Packaging and Packaging Waste Directive sets out guidelines for the prevention of packaging waste, its reuse, recycling and recoverability. These requirements apply to the production and composition of the packaging as well as its reusable or recoverable features.

The Group must notably keep the mass and volume of its packaging to the minimum possible within safety and hygiene standards, while maintaining the needed functionality and respecting customers’ expectations in terms of quality. The Group must also produce packaging in such a way that it can be reused or recovered, including recycled.

This recovery and recycling of packaging is carried out through glass packaging collection schemes that vary from one country to another. The main collection and recycling schemes in force in the Member States of the European Union where the Group has production facilities are described below.

France

The Packaging and Packaging Waste Directive, and its application orders codified in the Environmental Code, favour recycling and packaging recoverability.

The schemes in place distinguish between household and non-household waste.

In cases where the end users are households, the scheme is the one that had been established, even before the Packaging and Packaging Waste Directive, by Act No. 75-633 of 15 July 1975, as amended, on waste disposal and materials recovery and its implementing decree No. 92-377 of 1 April 1992 (incorporated into the Environmental Code in Articles R. 543-53 et seq.). This law requires all producers that package their products (either directly or through a third party) for sale on the national market to provide waste-disposal schemes to households for this packaging. The producer can delegate the provision of this scheme to a company authorised by the public authorities in exchange for financial payment. In return, the two authorised companies in France (Citeo and Adelphe) provide financial assistance to local authorities for the implementation of selective household packaging waste collection.

The authorised companies coordinate between the companies marketing packaged products, the local authorities that are in charge of establishing waste collection and treatment schemes, and the recycling professionals.

The Chambre syndicale des verreries mécaniques de France (CSVMF), the French glass industry federation, undertakes to take charge of all the glass packaging waste collected by local authorities pursuant to a framework agreement with the authorised companies. The CSVMF designates glass producers to recover the glass according to on their collection zones.

The glass makers execute the commitment made by the CSVMF by signing a recovery guarantee contract with local authorities. They recover the glass packaging collected by the local authorities, transport it and transform it into cullet via cullet treatment centres.

The collection and recycling scheme for non-household waste is outlined in Directive No. 94-609 of 13 July 1994 (included in the Environmental Code under Articles R. 543-66 et seq.). Under this scheme, the Group has three options for recovering its waste: recover the waste itself at an authorised facility; transfer the waste to an operator of an authorised facility; or transfer the waste to an authorised third party.

Germany

Since 1 January 2019, the packaging law (Verpackungsgesetz) has replaced the regulations that entered into force in 1991 (Verpackungsverordnung). In particular, this law requires glass producers to participate in a German eco-organisation for the collection and recycling of packaging waste. One of the largest collective recycling companies in Germany is DSD (Duales System Deutschland GmbH). Glass producers obtain cullet from these recycling companies.

Spain

Spain's recycling system is governed by law No. 11/1997 of 24 April 1997 on packaging and packaging waste. It includes an integrated glass bottle collection system. The entity in charge of glass collection and recycling is the non-profit organisation Ecovidrio.

Portugal

Portugal has also enforced a glass collection and recycling scheme. Under the terms of Legislative Decree No. 152-D/2017 of 11 December 2017, food and beverage producers are responsible for recycling. Glass packaging producers must, therefore, in cooperation with food and beverage producers and packaged product importers, work to incorporate secondary raw materials from the recycling of packaging waste in their production process.

Glass packaging producers are required to recycle at least 60% of the glass packaging used within the country. The objective is to reach a recycling rate of 70% by 2025 and 75% by 2030.

In order to comply with these obligations, food and beverage producers and importers may subcontract the management of their packaging and waste.

Italy

In Italy, Legislative Decree No. 22/97 dictates obligations in terms of glass collection and recycling. Based on this decree, "Co.Re.Ve" (the glass recovery consortium) was created in October 1997 and is tasked with collecting and recycling used glass.

1.5.3.1.2. Regulations for the glass making industry

The Group is also subject to regulations aimed at managing the emissions of pollutants, which have increased in recent years.

Under European Council Directive 96/61 EC of 24 September 1996 on integrated pollution prevention and control (the "IPPC Directive"), in order for an operating permit to be granted, the Group's facilities had to be operated in such a way that all "best available techniques" were applied. Directive 2010/75/EU, the Industrial Emissions Directive (IED), replaced and reinforced the IPPC Directive. Thus, for an operating permit to be granted, the emissions from the Group's facilities must not exceed certain limits, the value of which is established based on the "best available techniques" as defined in the European Commission's enforcement decision establishing conclusions on the best available techniques for the production of glass under the IED of 28 February 2012. The IED was adapted in France within the framework of the Regulation on Classified Facilities, in Articles L.515-28 et seq. of the French Environmental Code.

In addition, Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community, known as the "ETS Directive", introduced a system of greenhouse gas emission allowances for carbon dioxide only in the European Union.

The ETS Directive is designed to reduce emissions of gas pollutants into the air by creating an EU-wide greenhouse gas emissions trading scheme. The European glass industry to which the Group belongs is covered in Annex I of this Directive.

The ETS Directive requires the development of a national allocation plan (NAP), setting out the total quantity of allowances allocated for a given period (first period: 2005–2007; second period: 2008–2012; third period: 2013–2020) and the breakdown of this allowance by site.

The ETS Directive thus allows Member States to impose a cap on the greenhouse gas emissions of the facilities concerned, and then to freely allocate them the allowances corresponding to this cap. The companies covered by the directive also have the option to trade allowances on the ETS. Thus, a facility that emits more than its allocation must purchase the missing allowances, i.e. the "polluter pays" principle, and conversely, a facility that emits less than its allocation can sell its unused allowances and thus benefit from income.

The ETS Directive was transposed to French law by Decree No. 2004-832 of 19 August 2004, as amended by Decree No. 2019-190 of 14 March 2019, now codified in Articles R. 229-5 et seq. of the Environmental Code; the distribution of allowances by operator was set for the 2013–2020 period by an order of 24 January 2014, as amended.

For the period between 2013 and 2020 (Phase III), the ETS was amended by Directive 29/2009/EC, which provides for a gradual reduction in the number of allowances placed on the market and revises the free allowance allocation system by introducing a European system based on product benchmarks. It also stipulates special provisions for industrial sectors that are considered to be exposed to "carbon leakages"[36]. The hollow glass sector, in which the Group operates, meets the criteria set out by the European Commission to be considered as an exposed sector, and is therefore eligible for free carbon credits, the total volume of which may not exceed the benchmark calculated on the basis of the average performance of the most efficient installations in the European Union. European Commission Regulation 1031/2010 of 12 November 2010 on the auctioning of greenhouse gas emission allowances for the 2013–2020 period completes this Regulation.

For the period from 2021 to 2030 (Phase IV), Directive 2018/410/EU of 14 March 2018 on enhancing cost-effective emission reductions and low-carbon investments, particularly provides for an acceleration of the annual decrease in the total number of allowances in circulation, in order to increase the pace of emission reductions. The Group's policy in this area and the expected impact on its business is described in more detail in Section 1.3.1.2 "Changes in raw material and energy prices".

The Group's operations are also subject to the requirements of air quality directives, such as Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe, as amended, which merged most of the existing air quality directives and which imposes, among other things, emission limits for certain substances such as sulphur dioxide. Furthermore, operations must comply with the requirements of the Water Framework Directive of the European Parliament and of the Council 2000/60/EC adopted on 23 October 2000, aimed in particular at preventing and reducing water pollution. The Group must also comply with the national regulations that transpose Directive 2002/49/EC of the European Parliament and Council of 25 June 2002 on the assessment and management of environmental noise.

The Group is also subject to Directive 2004/35/EC of the European Parliament and Council dated 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage, based on the "polluter pays" principle. In addition, national regulations generally impose decontamination obligations on present and past owners, operators or users of contaminated sites, as applicable.

Finally, some countries in which the Group is present (notably Germany and Italy) have established subsidies tied to the cost of energy. In Germany, the Group, as a high energy-consumption company, thus benefits from an exemption or reductions in some taxes applied to electricity prices. In Italy, a scheme introduced in 2005, from which the Group benefits, provides for the allocation of energy saving certificates (Certificati Bianchi), in the event of the implementation of energy efficiency improvement measures; these certificates can be traded on a regulated market and sold to electricity distributors. In addition, since the second half of 2013, the Group has benefited in Italy from subsidies on certain items included in the prices of its electricity consumption. Until 31 December 2017, these subsidies were in the form of reimbursements; as of 1 January 2018, they result in a reduction in the cost of its power consumption.

[36] A "carbon leakage" is a situation in which a company, in order to avoid the costs of climate policies, moves its production to another country with less stringent emission limitation rules.

1.5.3.1.3. Regulations regarding chemical substances

Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals (“REACH Regulation”) imposes a series of obligations on all industrial sectors, including the glass industry, regarding the registration, use and restriction of chemical substances used in production processes. As such, the Group is subject to an obligation to provide information on the risks of the substances used: for example, it must provide information to users directly down the supply chain, such as the declaration that the substance is not subject to authorisation or the imposition of a possible restriction. Moreover, although glass is exempt from the registration obligation as a downstream user of substances, the Group must communicate its uses of substances to suppliers so that they are covered in their registration files.

The Group keeps a close eye on changes to the list of substances that are subject to authorisation or restrictions in order to fulfil, where necessary, its obligation to communicate with its customers.

1.5.3.2. Legislative and regulatory environment in Latin America

In Latin America, the Group is also subject, particularly in Brazil and Argentina, to a legislative and regulatory environment similar to the one described above, particularly for the protection of consumer health and protection of the environment.

Brazil

Federal law No. 6. 938/1981 stipulates that industrial operations that use environmental resources and are considered to be potentially polluting, or that can cause environmental damage, are subject to environmental authorisation. Industrial operations, like those of the Group’s Brazilian subsidiary, must comply with the parameters for atmospheric emissions defined by the national air quality monitoring programme established by Resolution No. 05/89. In addition, in accordance with the national policy on solid waste (Federal Law No. 12.305/2010), the producer is responsible for the elimination of the hazardous and non-hazardous waste that it produces. Moreover, packaging materials that are in contact with liquid and solid food must comply with the rules stipulated by the Brazilian National Health Monitoring Agency. Finally, since 2018, Brazil has been studying the introduction of a regulation to control the use of chemical substances, inspired by European Directives (like REACH). The draft of the regulation is being prepared by the authorities.

Argentina

Law No. 24.051, the “Hazardous Waste Law”, promulgated in 1992 (the “HWL”), and Decree No. 831/93 govern the production, transport, treatment and elimination of hazardous waste. The HWL defines hazardous waste as waste that could harm humans, flora or fauna, or pollute the soil, water, or the environment in general. All companies involved in the production, transport, treatment and elimination of hazardous waste, like the Group’s Argentine subsidiary, must be registered in the register of producers and users of hazardous waste, which is kept by the Office of Natural Resources and the Environment, the governmental organisation responsible for applying the law. This organisation issues environmental certificates authorising the production, transport, treatment and elimination of hazardous waste, subject to compliance with certain requirements of the HWL. In addition, the National Food Code stipulates that packaging products that come in contact with liquid and solid food must first be authorised by the competent government authority. This obligation applies to packaging products manufactured in Argentina and to products imported from a third country.

1.5.4. Sales and marketing policy

The Group's main operations are centred on the development, production and sale of glass packaging for the food and beverage industries.

In terms of marketing, and in general, all of the Group's companies must be able to offer customers services tailored to their local market. This requires efficient tools that are compliant with local standards.

These policies are aligned as closely as possible with the history, trends and sensitivity of each of the regional markets. The marketing and product development organisation of each of the Group's companies has been developed accordingly. The Group also relies on its sales and marketing teams comprising almost 320 locally based employees, who work in close collaboration with customers.

The Group believes that its understanding of local markets, customer expectations and competition allow it to better adapt its pricing, product and service policy to obtain the best performance. This policy is mainly reflected in an extended and scalable offering in terms of products and services (see Section 1.3.2 "Overview of the Group's products and services" in this Universal Registration Document).

2

OUR APPROACH FOR A SUSTAINABLE FUTURE

Our CSR strategy: re-imagine glass for a sustainable future

"As glass experts, we are proud to produce a safe and recyclable material. However, we are aware of the great challenges that must be addressed by our industry: decarbonising glass production and ensuring the circularity of our material.

In light of the climate emergency and the latest report by climate experts (Intergovernmental Panel on Climate Change) published in August, in October 2021 we revised our CO_2 emission reduction targets to follow the most demanding trajectory, limiting global warming to +1.5°C. Verallia is the first glassmaker to align itself with this level of ambition, representing a 46% reduction in CO_2 emissions over the 2019-2030 period.

To make the circular glass economy a reality, reuse may be part of the answer. Accordingly, we have adopted a twofold approach: constantly searching for ways to reduce our emissions, while working on the most effective ways to reuse and recycle our glass bottles and jars.

The future requires new forms of flexibility from us and our industry. The transition to even more sustainable glass packaging will be a gradual process. We will not get everything right the first time, but it is through collaborative thinking and cumulative trial and error that we can accelerate change."

Michel Giannuzzi

"Re-imagine glass to build a sustainable future" is our purpose, which we announced in 2020. It defines our ambition and our strategy (as described in Section 1 of the Universal Registration Document), which are structured around three pillars:

1. **Enhancing the circularity of glass packaging**
2. **Decarbonising our activities**
3. **Ensuring a safe and inclusive work environment for all**

In this Extra-Financial Performance Statement, we will discuss a fourth pillar: "**Complying with our ethical principles in dealings with our clients, suppliers, employees and communities**", which represents a core value of the Group on which we have based the three areas of our sustainable development strategy.

4. **Complying with our ethical principles in dealings with our clients, suppliers, employees and communities**

The long-term future of our Group is dependent on us having immaculate ethics. In compliance with the regulatory requirements regarding the Extra-Financial Performance Statement, the Chapter entitled "Ensuring regulatory compliance in our activities and value chain" (Section 2.4 of the Universal Registration Document) sets out our primary risks and opportunities pertaining to the fight against corruption, the fight against tax evasion and respect for human rights. Our measures to combat corruption and tax evasion are also covered in more detail in Section 4.1.4 of the Universal Registration Document: "Risks related to environmental regulations, compliance and taxation".

The main risks identified for the Group are shown in the Annexes to this Chapter 2.

STRATEGIC PILLARS

"OUR CIRCULAR MODEL FOR THE FIGHT AGAINST CLIMATE CHANGE"

1 Enhancing the circularity of glass packaging

Glass is central to the challenges of the circular economy. Three action levers are activated to make glass the most durable material:

- make Verallia a major circular economy player thanks to the increased use of cullet, the development of reuse activities and the roll-out of glass recycling in its markets;
- develop eco-design by making lighter products and ensuring the integration of alternative raw materials;
- optimise water through the circularity of its use and the limitation of discharges and reduce waste.

➜ **Key objective: Reach an external cullet utilisation rate of 66% in our global productions by 2030**

➜ **Intermediate objective = 59% by 2025 (+10 points compared to 2019)**

2 Decarbonising our activities

Beyond our inherently beneficial circular model in the fight against climate change, we are taking action to reduce the carbon footprint of our activities through two action levers:

- decarbonise Scopes 1 and 2 through plant energy efficiency, investment in low-carbon furnaces, and the development of renewable energy;
- decarbonise Scope 3, particularly by focusing on optimising the supply chain and packaging.

➜ **Key objective: Reduce our CO_2 emissions by 46% (Scopes 1 and 2) in absolute terms by 2030 (taking 2019 as the baseline year) from 3.09 million tons in 2019 to 1.67 million tons in 2030.**

➜ **Intermediate objective = 2.62 million tons by 2025**

3 Ensuring a safe and inclusive work environment for all

The Group's performance is driven by safety and inclusion for all. We have rolled out three levers to achieve this objective:

- ensure the health and safety of everyone with targeted action plans, better working conditions and well-being;
- promote diversity and inclusion, particularly of women and individuals with disabilities through healthy social dialogue;
- support our employees in their professional development, skills and career plan and encourage their engagement by ensuring equitable sharing of the value created.

➜ **Key objective: Achieve a TF2 below 1.5 by 2025**

4

Our ethical values, the foundation of our CSR strategy

Complying with our ethical principles in dealings with our clients, suppliers, employees and communities

Sustainable development governance

Board of Directors	**Role in sustainable development:** • Approves and monitors the progress of the sustainable development strategy. **Topics reviewed and approved by the Board in 2021:** • ESG Roadmap in January, Extra-Financial Performance Statement, Sustainability-Linked Bonds, new CO_2 reduction targets for 2030 aligned with the 1.5°C trajectory (not exhaustive).	Number of meetings: 7 Participation rate 94%
Sustainable Development Committee	• Composition: as at 31 December 2021, the Sustainable Development Committee had four members, including one Independent Director: Virginie Helias, Chairwoman of the Committee and Independent Director; Michel Giannuzzi, Chairman of the Board of Directors; Bpifrance Investissement (represented by Sébastien Moynot) and Dieter Müller, employee-representative Director. • Missions: the Sustainable Development Committee is a specialised Board committee whose main duties include ensuring that issues relating to social and environmental responsibility are taken into account in the Group's strategy and in its implementation, reviewing the Group's Extra-Financial Performance Statement as required under Article L. 225-102-1 of the French Commercial Code, examining the Group's commitments to sustainable development, verifying progress in light of the objectives, and re-assessing these objectives in light of the Group's activities and the development of these challenges in society. • 2021 activities and work: reviewing the Extra-Financial Performance Statement and associated objectives, reviewing Sustainability Linked bonds and related KPIs and objectives, reviewing the reuse Forum and associated White Paper, reviewing the sustainable development section of the website, Ambition for Climate, donations, reviewing the new CO_2 reduction objective aligned with the 1.5°C trajectory.	Number of meetings: 4
Executive Committee	**Role in sustainable development:** • Defines and is responsible for the Group's performance with respect to the approved sustainable development strategy and objectives. • Topics examined during the year and discussed by the Executive Committee in 2021: compliance, risks, ESG roadmap in January, new CO_2 reduction targets in October, Sustainability Linked Bonds, revision of the CO_2 emission reduction target, intensification of the cullet action plan, decision on a reuse Forum and publication of a White Paper on reuse (not exhaustive).	Number of meetings: 11
The Sustainable Development Department and its network	The Group Chief Sustainability Officer works daily in coordination with the network of eight country or geographic area **sustainable development** correspondents to roll out the Group strategy globally, raise awareness among internal teams and respond to specific customer, investor and other demands. The diversity of the positions and skills of these correspondents (HR, EHS, Marketing) makes it possible to address all sustainable development issues. Contacts are weekly and a telephone meeting is held every three months to share Group guidelines and local specificities, validate the smooth roll-out of the Group strategy locally and discuss "good CSR practices" that are at the initiative of the countries.	

It should be noted that sustainable development topics are systematically addressed in all committees.

Sustainable development as a variable compensation criterion

In 2021, for the Chairman and Chief Executive Officer, Executive Committee members and all employees receiving a variable share, this share includes CSR criteria, These criteria are linked to safety and environmental objectives:

The variable part of the compensation linked to these criteria represents 20 percent for the Chairman and Chief Executive Officer and the Executive Committee members. For the other employees it represents from a minimum of 10 percent to as much as 40 percent according to the different categories of employees (salespeople, executives in the support functions, executives in plants):

- Fifty percent of the criteria is related to safety, linked to the improvement of the frequency rate of work-related accidents with or without lost time (known as TF2) to a level less than or equal to 2.3 for the Group (it being specified that in the event of a fatal accident, the rate of attainment of the objective linked to the safety criterion will be deemed to be zero);
- Fifty percent of the criteria is linked to increasing the cullet utilisation rate to at least 56.6% for the Group.

Sustainable development dashboard

Sustainable development strategy pillars	Commitments	Key objectives	Performance indicators	2021	2020	2019
Enhancing the circularity of glass packaging	Be a major player in the circular economy	Increase the rate of use of external cullet in our global productions by 10 points by 2025 compared to 2019, to reach 59%	External cullet utilisation rate in production (at our 32 glassmaking sites)	55%	51.6%	49%
	Develop eco-design for responsible products	Reduce the weight of our standard and non-returnable bottles and jars by 3% by 2025 compared to 2019.	Alpha index (= weight/ volume^0.8 according to NF-H35077)	16	16	16
	Optimise the use of water, packaging and reduce our waste	Reduce water consumption in glass plants by 5% between 2020 and 2025	m3 of water consumed per ton of packed glass (tpg)	0.53	0.58	0.63
		Increase our waste recycling rate by one percentage point per year between 2020 and 2025	Quantity of recycled waste/total waste (percentage)	68%	65.5%	62%
Decarbonising our activities	Reduce emissions from our sites (Scopes 1+2)	Reduce our CO_2 emissions (Scopes 1 and 2) by 46% by 2030 compared to 2019	Scopes 1 and 2 CO_2 emissions (tons)	2,833 k	2,941 k	3,090 k
	Reduce Scope 3 emissions (transportation, materials and packaging)	Maintain our CO_2 Scope 3 emissions below 40% of the Group's total emissions	Scope 3 CO_2 emissions (tons)	Not available	37%	37%
Ensuring a safe and inclusive work environment for all	Ensure the health and safety of everyone	Aim for zero accidents and achieve TF2 < 1.5 by 2025	TF2	5.3	4.6	5.5
	Promote and increase the share of women within the Company	Objective: 35% women executives at Group level by 2025	Share of female managers*	30.4%	29.8%	29%
	Make diversity a precious asset	Objective: reach 4.5% disabled workers by 2025	% of people with disabilities	3.4%	3.3%	3%
	Support our employees in their professional development and value their involvement	Double employee share ownership by 2025 compared to 2019	Capital held by employees	3.5%	3.2%	2.6%
Complying with our ethical principles in dealings with our suppliers, clients, employees and communities	Comply with key regulations	0 convictions and fines	Number of convictions and fines	0	0	0
	Build engaging and respectful relationships with our suppliers	Reach 80% of purchases covered by the Supplier Charter by 2021	% of purchases covered by the Supplier Charter	82%	73%	N/A
	Ensure product quality and safety for customer satisfaction	Reduce quality claims by 35% between 2020 and 2025	% decrease in customer complaint rate (number of complaints per 100 million containers sold)	-13% versus 2020	-11% vs. 2019	-18% vs. 2018
	Support our communities	Finance the planting of 700,000 trees between 2019 and 2025	Number of trees planted since 2019	313,000	200,000	100,000

* *The share of female managers corresponds to the number of female executives reported to the total number of executives, according to the definition of the category used in each country.*

Application of the European green Taxonomy to Verallia's activities

Introduction

The entry of the European "Taxonomy" Regulation aimed at establishing a benchmark of environmentally sustainable economic activities, particularly in terms of climate change, demonstrates the scale of the challenges we face and the need to direct investments and financing towards green activities, aligned with the trajectory of the Paris Agreement. Although the glass industry is not currently part of the eligibility benchmark, the intrinsically sustainable nature of this material, which is healthy and recyclable, makes the Verallia Group a major player in sustainable development and the fight against climate change.

Indeed, the Group is making an essential contribution to the European objectives set by the Green Deal, namely to reduce GHG emissions by 55% by 2030 and to achieve carbon neutrality by 2050. Verallia has aligned itself with this level of ambition, placing these objectives at the heart of its environmental strategy and action plan. For many years, the Verallia Group has made substantial and growing investments to decarbonize glass manufacturing and ensure its circularity.

Verallia is the first company in the sector in Europe to have issued two Sustainability Linked Bonds, thus confirming its leadership on sustainable development issues. These €1 billion bond issues are directly linked to the Group's ESG strategy, published in January 2021, and are indexed on the achievement of the following two objectives: the annual reduction of CO_2 emissions (Scopes 1 and 2) to 2,625 kt by 2025 (a reduction of 15% compared to 2019), and the achievement of an external cullet utilisation rate of 59% by 2025%, i.e., an increase of 10 points compared to 2019. These ambitious and binding objectives are fully in line with the Group's strategy to reduce CO_2 emissions (Scopes 1 and 2) by 2030 and to increase the external cullet

Verallia considers the arrival of the new Taxonomy Regulation, European Regulation 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment in the European Union (EU) Taxonomy (1) as an opportunity to showcase the sustainability of its activities and, in particular, the investments made in recent years. This will be done by publishing the share of its turnover, capital expenses (CapEx) and operating eligible then aligned expenses (OpEx) resulting from products and/or services associated with economic activities considered sustainable.

To meet this regulatory obligation, the Group has set up a dedicated internal task force, composed of members from the Finance, Strategic and M&A, CSR, and Technical Departments. This committee worked to analyse the eligibility of the Group's activities on the basis of:

- the Delegated Climate Regulation of 4 June 2021 and its Appendices (2) supplementing Regulation (EU) 2020/852 specifying the technical criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation;
- the Delegated Act of 6 July 2021 and its appendices supplementing Regulation (EU) 2020/852 specifying how to calculate KPIs and the presentation of information to be disclosed;
- financial information extracted from the Group's information systems (investment monitoring, consolidation) at the end of the annual closing of accounts, which has been jointly analysed and checked by local and central teams to ensure consistency with consolidated revenue, OpEx and CapEx in 2021.

In view of the evolving nature of the European regulatory framework and the information available to date, Verallia has decided to publish its eligibility level and to communicate on the activities the Group estimates eligible in the future when the four new objectives are published or when the existing appendices are updated.

Eligibility of the Group's activities

Within the framework of the first two climate objectives applicable from financial year 2021 onwards, the European Commission has prioritised the sectors of activity with a major contribution to greenhouse gas emissions at the European Union level. To date, Verallia's glass production activity is not covered in the priority sectors of the Taxonomy. As such, the Group has not identified any eligible revenue for financial year 2021.

As a result, the OpEx and CapEx associated with the activities contributing to revenue could not be qualified as eligible. The analysis of eligibility for these indicators therefore focused on identifying "individually sustainable" measures that would allow Verallia to reduce the Group's CO_2 emissions.

On the one hand, the Group's OpEx analysis results in the identification of an amount of operating expenditure considered insignificant under the Taxonomy in relation to the Group's total expenditure over the year, as it is equal to 5.1%. Indeed, the identified operating expenditures concern servicing and maintenance costs and individual measures contributing to objectives 1 & 2 or R&D costs, for small amounts compared to the Group's operating expenditure base in 2021.

On the other hand, the detailed analysis of CapEx for the financial year identified 9.5% of capital expenditure eligible under the Taxonomy for financial year 2021 (i.e. 1.2% excluding the rights of use). These mainly relate to "individually sustainable" investments to reduce the Group's emissions, for example related to the roll-out of advanced control software systems to reduce energy consumption and of energy efficiency equipment for buildings or else the modernisation of its production assets.

At the same time, taking into account the regulatory information available to date and based on its commitments, in particular with regard to the circularity of glass packaging, the Group analyses its activities as potentially eligible, in the long term, for the objective of transition to a circular economy, in particular in the "Waste Management" category, on the basis of the activities listed in the preliminary report of the European Platform on Sustainable Finance for objectives 3 to 6 (3). In particular, the Group could potentially add value to its revenue and expenses in meeting its objectives of increasing the use of external cullet in its glass production process, a material that is inherently sustainable and 100% recyclable over time.

Finally, as part of its energy and climate management strategy, the Group is investing heavily in the renewal of its furnaces, as well as in the construction of new equipment that are more energy efficient and therefore contributes to the reduction of greenhouse gas emissions. These investments, amounting to 98.7 million euros over the 2021 financial year, have not been included in the CapEx eligible under the taxonomy as a precautionary measure and pending clarification of the accounting rules by the regulator. Where appropriate, they will be included for the 2022 financial year.

The Group will revise its methodology and analysis of eligibility and admissibility as the Taxonomy is implemented and in line with changes to the listed activities and associated technical screening criteria.

Our certifications, ratings and partnerships

UN Global Compact	CDP	Science Based Targets	ecovadis	Sedex	Ellen MacArthur Foundation Member	Sustainalytics
	Rating: B*	CO_2 reduction target in the process of being approved for 1.5°C trajectory	Rating: 75 platinum medal			
			Partner since			
2016	2020	2020	2013	2016	2020	2020

* *To our knowledge, this change in rating versus 2020 is attributable to a change in CDP's evaluation criteria.*

Table of 2021 site certifications

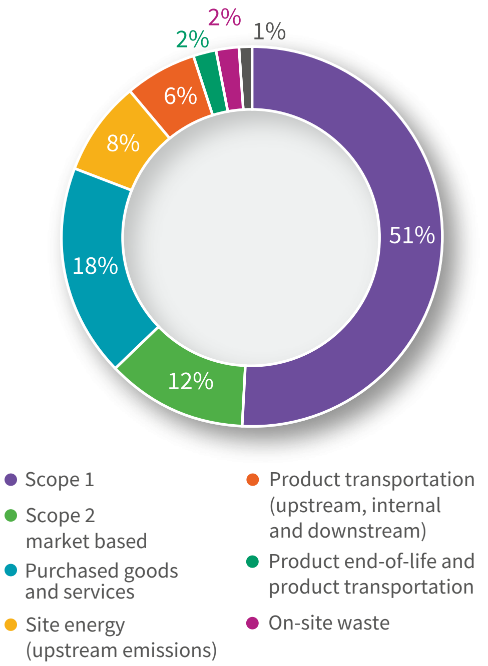
	Environment	Health and safety	Energy	Quality	Food safety
	ISO 14001	OHSAS 18001 ISO 45001	ISO 50001	ISO 9001	ISO 22000 FSSC 22000
	100% of sites certified	100% of sites certified	19% of sites certified	100% of sites certified	94% of sites certified
GERMANY					
Essen	x	x	x	x	x
Neuburg	x	x	x	x	x
Wirges	x	x	x	x	x
Bad Wurzach	x	x	x	x	x
ARGENTINA					
Mendoza	x	x		x	x
BRAZIL					
Campo Bom	x	x		x	
Porto Ferreira	x	x		x	x
Jacutinga	x	x		x	
CHILE					
Rosario	x	x		x	X
SPAIN					
Seville	x	x		x	x
Azuqueca de Henares	x	x		x	x
Burgos	x	x		x	x
Las Palmas Gran Canaria	x	x		x	x
Montblanc	x	x	x	x	x
Zaragoza	x	x	x	x	x
FRANCE					
Albi	x	X		x	x
Chalon-sur-Saône	x	X		x	x
Cognac	x	X		x	x
Lagnieu	x	X		x	x
Oiry	x	X		x	x
Saint Romain Le Puy	x	X		x	x
Vauxrot	x	X		x	x
ITALY					
Carcare	x	x		x	x
Dego	x	x		x	x
Gazzo Veronese	x	x		x	x
Lonigo	x	x		x	x
Pescia	x	x		x	x
Villa Poma	x	x		x	x
PORTUGAL					
Figueira da Foz	x	x	x	x	x
RUSSIA					
Kamyshin	x	x		x	x
KMS-Stravopol	x	x		x	x
UKRAINE					
Zorya	x	x		x	x

Our circular model for the fight against climate change

Verallia's GHG emissions amounted to nearly 4.7 million tons of CO_2 equivalent in 2020. Sixty-three percent of the Group's carbon footprint is related to Scopes 1 and 2 (direct and indirect energy emissions), demonstrating the need to focus on our operations.

The remaining 37% of emissions are related to Scope 3 (other indirect emissions) and 87% of the emissions are concentrated on three sources:

- the goods and services used by the Group (raw materials, packaging, etc.) = 49% of Scope 3;
- indirect emissions related to the energy used at our sites = 21% of Scope 3;
- the movement of goods and products between our suppliers, Verallia and our customers = 17% of Scope 3.



From this understanding of our footprint, we have identified two core pillars for our climate change strategy:

- Pillars 1: enhancing the circularity of our products by:
  - increasing the share of recycled materials in our products that allow for a reduction in energy-related emissions and also in emissions from raw materials[1],
  - actively contributing to glass recycling in general to secure the sourcing of recycled material and reduce emissions from the end-of-life of our products,
  - the eco-design of our products (reduce inputs and production emissions per ton);
- Pillars 2: decarbonizing our operations by:
  - working on the production system (reduce emissions relating to energy and industrial processes),
  - optimising our logistics organisation, and that of our transport suppliers (reduction of transport-related emissions).

In this sense, the circular economy is a major pillar of Verallia's contribution to climate change mitigation with the decarbonisation of our industrial sites. Thanks to these two strategic pillars (Pillar I & Pillar II), we can confidently address the ambitious commitments to reduce our environmental footprint as a Group: limit global warming to 1.5°C.

1

2.1. Enhancing the circularity of glass packaging

The circular economy is a major focus for Verallia in the fight against climate change.

For example, an 11% increase in the volume of cullet integrated into the Group's processes between 2020 and 2021 has made it possible to avoid the emission of nearly 81,000 tons of CO_2e across all Scopes (reduction in energy consumption and reduction in the emissivity of input materials).

Beyond this contribution to decarbonisation, thanks to the circular economy the Group can reduce its environmental footprint by limiting impacts on resources and ecosystems in general. This strategy is fully in line with a vision promoted at the European level and translated concretely in France by the AGEC (Anti-Waste for a Circular Economy) law.

Being a major player in the circular economy

Governance

The Group Executive Committee defines the "cullet" strategy with the Purchasing and Industrial Departments which then roll it out locally. The Industrial Department is in charge of investments concerning the cullet treatment centers. The Director of Raw Materials Purchases coordinates cullet purchases from different countries. The objective is to set up and coordinate all local actions to help maximise the integration of external cullet at the global level. Achieving this objective represents 10% of the individual variable compensation of all executives with variable compensation.

Recognising the strategic importance of cullet, Verallia created a cullet purchase category at the Group level in June 2021, in the same way as other raw materials. In line with this, the Director of Raw Materials Purchases was also appointed Director and Coordinator of cullet purchases.

From January 2021, Steering Committees, "Cullet Committees", with each division, were set up on a quarterly basis, in order to:

- ensure a continuous exchange with the central teams (Operations Director; Technical, Quality, EHS, Purchasing Departments) and local teams (Chief Executive Officer; Industrial, Quality, Purchasing Departments; and the Verallia cullet treatment centers);
- monitor the progress of strategies with suppliers, cullet collection projects and promotional activities with national glass sector organisations in each country;
- monitor and evaluate the achievement of the cullet integration objectives by identifying possible constraints and adjust the action plans accordingly;
- act as a link between the country's Cullet Committees and the Group's CO_2 Steering Committee.

Each semester, a "Collection Committee" is organised in countries that do not yet have mature collection systems (LATAM, Eastern Europe), with the priority objective of targeting concrete actions regarding the availability of cullet.

Lastly, the external cullet integration rate in each furnace was included in monthly reports and in the monthly industrial performance reviews of each division in order to closely monitor the operational implementation of the different action plans.

Policies & performance

The Verallia EHS policy incorporates a Chapter dedicated to the circular economy with the objective of reducing the Group's environmental footprint. This policy is structured around four pillars:

- produce 100% glass packaging that is infinitely recyclable;
- promote the recycling of glass at every opportunity, both internally and externally;
- protect natural resources;
- improve our energy consumption and reduce emissions at all our production sites.

Be a major player in the circular economy				
Quality commitments and key objectives	**Monitoring indicators**	**2021**	**2020**	**2019**
Maximise the use of cullet in our products **Objective:** increase the rate of use of external cullet in our global productions by 10 points by 2025 compared to 2019, to reach 59%.	External cullet utilisation rate	55%	51.6%	49%
Develop our glass reuse and deposit capacity **Objective:** test at least one pilot reuse project in France by 2025 to confirm the business model.	Number of pilot projects	N/A	N/A	
Contribute to sector approaches to support the development of recycling **Objective:** to contribute actively to the plan to increase the glass packaging collection rate in the European Union in order to reach the target of 90% in 2030.	Collection rate of household glass in Europe	N/A	N/A	78% latest available data

In 2021, Verallia achieved 55% external cullet in its productions, about 4 points higher than in 2020.

It should be noted that Verallia entities in Western Europe reached 61.3% in 2021, due to increased search for cullet availability.

This extremely positive result marks a very important first step demonstrating the efforts of all Verallia teams in order to make the 2025 target of 59% integration realistic.

Action #1: Maximise the use of cullet in our products

Cullet to reduce our carbon footprint

Cullet reduces the consumption of natural raw materials such as sand and synthetic materials like sodium carbonate. In fact, it has a direct impact on the conservation of natural resources, but also on the reduction of carbon dioxide emissions at two levels. On the one hand, it reduces the energy consumption necessary for melting and therefore the carbon dioxide linked to energy consumption; on the other hand, it reduces the use of raw materials that also emit carbon dioxide when melted. As a result, increasing the share of cullet in raw materials saves energy and raw materials, which are mostly natural. The use of cullet results in a 2.5% reduction in furnace energy consumption and a 5% reduction in carbon dioxide emissions for every 10 additional cullet points.

+10 points of cullet

=

-5% of CO_2 emissions

-2.5% of energy consumption*

** Press release from the European Container Glass Federation (FEVE) on 29/10/2019.*

The Group has therefore structured general and entity-specific action plans, aimed at increasing the integration of cullet into its processes. For this momentum to be possible, two mechanisms have been set up to ensure the achievement of these objectives:

- structured monitoring of these action plans by the Cullet Committees and regular contacts between the central team and the local teams.
- the integration of the cullet rate into the major industrial objectives and variable compensation criteria.

Invest in cullet treatment centers

Verallia is recognised for its expertise in the recycling of cullet. The Group currently operates nine household glass treatment centers located in Europe (two in France, three in Italy, two in Germany and two in Spain) in which the collected glass is converted into cullet. Verallia invests in the long term in its treatment centers in order to improve the treatment process of cullet (better quality, better yield, minimum waste) and thus increase its integration into production.

In 2021, the ninth cullet treatment centers in Germany[37] was the result of the joint venture with Remondis, one of the major players in the European market.

This joint venture, consistent with Verallia's strategy, which aims to maximise and secure the availability of cullet for its furnaces over the long term, has made it possible to align itself with the highest quality standards. In particular, it has helped to optimise the exploitation of the collection deposits close to Verallia plants in southern Germany and to generate better synergies between the two partners.

Share best practices across sites

Verallia relies on the expertise of its sites around the world to share the best practices and knowledge and to optimise the sorting, processing and integration of cullet into its productions. In 2021, the Verallia Quality Department, in coordination with all entities, established quality control parameters for cullet as well as identical sampling criteria for all Verallia plants. As a result, each entity now has official objectives for each cullet typology (mixed, white).

To identify local differences, country-specific action plans have been implemented to target deviations from the technical standard, identify possible blocking points and implement solutions accordingly.

In a continuous improvement approach, these criteria are revised annually to reflect the increasing quality expected and the new integration rates achieved by the plants.

➜ Outlook

The Group is committed to continuous improvement and has identified several areas for improvement in the coming years:

- in order to focus more intensively on cullet, the role of a global-level Cullet Purchasing Coordinator will be separated from the role of Purchasing Manager for other raw materials (sand, limestone, oxides) as from January 2022;
- in 2022, direct investments in cullet collection will be defined in countries with high potential for progress in collection (mainly Brazil and Russia);
- further investments are planned in all existing cullet treatment centers to maximise the available volumes of treated cullet and to reach increasingly high quality levels of cullet through new processing technologies available.

ADEME grant in France

The French Government has decided to frame industrial decarbonisation as a real stimulus plan with an allocated budget of €1.2 billion over the 2020/2022 period. As a result, support measures have been implemented to back the French industry in a process of sustainable and ecological transformation.

In this context, a "Decarbonisation of industry processes and utilities" call for projects was launched in March 2021. After a review process conducted by ADEME (the French Environment and Energy Management Agency), the "cullet sorting" project on the Everglass site in Rozet Saint-Albin was selected by the French government in November 2021 as the winner. A grant was awarded for 40% of the investment made by Everglass.

This investment will allow Verallia France to benefit from a better processing capacity in 2022 for the cullet collected at the Rozet site, to extract more white cullet and achieve higher cullet integration rates in plain glass production.

(37) This center already existed but was integrated through the joint venture.

Action #2: Develop our glass reuse and deposit capacity

reuse has been taking root for many years in the cafés, hotels and restaurants (CHR) sector, where glass bottles are often returned. It is being further developed with end consumers in some of the Group's geographic markets, notably Germany and Brazil.

The Group has historically had product lines dedicated to these uses in the most favourable markets. For example, 19% of Germany's revenue is dedicated to reusable bottles.

The Group is committed to developing reuse and deposits and in all countries. The teams'awareness is particularly raised regarding the reuse of packaging and its positive impact compared to single-use packaging.

In France, Verallia is actively involved in developing reuse as a viable business model. Our objective of a pilot reuse project in France for 2025 was supported in 2021 by the hiring of a dedicated individual. This person works on various strategic avenues reviewed and validated each quarter by the Chief Executive Officer and the Sales and Marketing Director for France, and by the Sustainable Development Director at the Group level. The investments needed to complete this pilot project were also estimated and validated.

➜ Outlook

From a progress perspective and convinced of the importance of its role as a major reuse player, the Group's outlook on this broad theme is extensive:

- the Group will organise a forum for reuse, the "Re-use Lab", in Paris in March 2022. This event is being organised to bring together different reuse key players: first customers but also interprofessions, washers, collectors and reuse players. The aim is to compare different visions, expertise and experiences, to position the Group as a major player in the field of reuse and to highlight its desire to be the benchmark glassmaker for the ecological transition. The Verallia White Paper on reuse will then be unveiled with the testimonials, visions and forecasts of various key players in the reuse value chain;
- different reuse projects are under way in different countries.

Sudhaus beers in Germany

The 33 cl. Sudhaus lightweight retro-design bottles represent tradition and durability. They are also available with colourless glass to meet the demands of German breweries as well as the market for soft drinks such as lemonade.

Raising awareness of reuse: the Nomadic bottle

The Nomadic bottle is the symbol of a successful, fun and aesthetic reuse.

It is used as an ambassador of our know-how to our employees as well as to our customers, guests and local communities (schools, municipalities, associations, etc.).

Action #3: Raise awareness of our customers about recycling

In 2020, more than half of consumers buy more products in glass packaging than in 2016, and nine out of ten recommend glass as the best packaging, this represents an increase of 11 points in ten years. This is the result of an independent survey (6) carried out in January 2020 with more than 10,000 consumers in 13 European countries, at the request of Friends of Glass and FEVE[38].

FEVE source: InSites independent survey which was carried out late 2019 and was finalized in 2020 by the InSites Consulting consuming research company targeting consumers aged 25 to 35 in 13 European countries

In addition, European consumers are increasingly sensitive to recyclability and environmental considerations in their purchases:

- 42% buy glass for its recyclability qualities compared to other packaging materials;
- 33% buy glass for guaranteed conservation and absence of contamination of food products;
- 31% choose glass for their health but also for the planet.

In order to strengthen this trend, the Group contributes to this by raising the awareness of its customers to the advantages of glass. These actions are concentrated during:

- bilateral meetings dedicated to the presentation of the CSR strategy;
- in-person or digital events dedicated to CSR/ environment;
- trade shows worldwide.

➜ Outlook

The Group aims to continue its efforts to raise awareness among its customers of the importance of recycling and collection.

Action #4: Contribute to sector approaches to support the development of recycling

Contribute to the collection of household glass in Europe

Worldwide, Group teams are getting involved to help increase collection.

In Spain, Verallia is an active member of Friends of Glass, the community created by FEVE that brings together players in the glass value chain who advocate a lifestyle that includes glass for three main reasons: health, taste and sustainability. Verallia, in this Friends of Glass context, uses social media to promote glass to end consumers, especially the younger generation. With the help of influencers or musical groups, two to three campaigns are launched each year to promote the benefits of glass over other packaging materials. In 2021, Verallia's campaigns reached more than 26 million impacts and 10 million individuals.

In Brazil, Verallia signed an agreement with the municipality of Rengo to encourage recycling. The Group has committed itself to setting up 10 collection points in the city of Rengo, which will be mostly located near

schools, in an approach to raise awareness and educate young people about the environment.

Partnership with the glass associations

Verallia takes advantage of all events (trade fairs, launches, customer events and training, presentations in schools, student designers, etc.) to encourage sorting and recruit new recycling ambassadors. Verallia works in partnership with glass associations (FEVE in Europe, ABIVIDRO in

(38) https://www.friendsofglass.com/fr/ecology-fr/soucieux-de-lenvironnement-les-consommateurs-europeens-achetent-de-plus-en-plus-demballages-en-verre

Brazil), local authorities, glass eco-organisations (CITEO in France, ECOVIDRIO in Spain, COREVE in Italy, etc.) and cullet treatment companies.

In 2021, several actions were carried out within FEVE to monitor the “Close the glass loop” project and actively contribute to the targets of increased collection in the European countries concerned. As a reminder, “Close the glass loop” is a European project that brings together all the players in the glass value chain and aims to achieve the rate of 90% glass collection for recycling by 2030. According to the latest figures published by FEVE, the collection of glass for recycling was 78% in 2019, two points higher than in 2018, which was 76%.

In Latin America, in the absence of a household glass collection system, Verallia acts on its own behalf by launching collection campaigns in partnership with cities close to the plants.

Partnership with the Ellen MacArthur Foundation

On 16 October 2020, Verallia began its collaboration with the @EllenMacArthurFoundation. The Foundation’s inspiring leadership and expertise in circular economics help the Group accelerate progress in its three areas of work: accelerating innovation in the circular glass economy, encouraging reuse and mobilising for more recycled glass. This collaboration is an excellent opportunity for Verallia to work with leading thinkers, and even more closely with all our value chain partners, to strengthen the transition to the circular glass economy. Joining the @EllenMacArthurFoundation symbolises the turning point for an exciting new step to make glass the most sustainable material.

➜ Outlook

Verallia remains committed to continuous improvement and two areas of progress will continue to be developed in the coming years:

- each country will continue to work with its local players to secure the supply of cullet and ensure glass recycling;
- Verallia will collaborate with the @EllenMacArthurFoundation on the topic of reuse, during its reuse forum “Re-use Lab” and in the White Paper on reuse. Both events will take place in March 2022, as a first step in a collaboration that Verallia wishes to intensify in the years to come.

Verallia launches an ambitious project in Brazil to develop glass recycling

In Brazil, 25% of glass is recycled while the rate is around 78% in Europe. In order to increase the share of recycled glass in Brazil, Verallia is launching, in partnership with the cullet producer Massfix, the Vidro Vira Vidro project. The pilot phase launched in January 2022 will consist of the installation of more than 200 glass bottle bins in the city of São Paulo to encourage residents to recycle by making it easier for them to access collection points. We hope, following this test phase, to rapidly expand the installation of new collection points in the regions close to our Verallia plants. The ultimate goal is to collect up to 25,000 tons of glass per year (in addition to the volume already collected to date) and to significantly increase the use of cullet in our production process to meet the Group’s target of increasing the share of external cullet from 49% in 2019 to 59% by 2025.

Smart bins installed

As part of the Vidro Vira Vidro project, the glass collection bins will be equipped with a technology that will allow us to know the fill rate in real time. Our partner Massfix will thus be able to optimise its management of the various collection points and its movements during glass collection.

Developing eco-design for responsible products

Glass packaging, which is safe and inert, is intrinsically a model of the circular economy because it can be recycled 100% and ad infinitum. However, the implementation of a rigorous eco-design approach makes it possible to reduce its environmental footprint and particularly its carbon impact. Verallia launched this approach in 2009 with its ECOVA range.G.

Governance

In 2021, the Group's Executive Committee structured a project organisation and governance to ensure that the objective of reducing the weight of its standard bottles and jars by 2025 is achieved, via the implementation of a roadmap.

The implementation of this roadmap and the promotion of the eco-design approach are decentralised and integrated within each region. Each Regional Director has his or her own resources and organisation to roll out this roadmap. It is often supported by a local product development office.

The Group's R&D Department supports the design offices and provides design tools adapted to eco-design issues, such as strength simulation tools.

The sustainable development team raises awareness among local representatives about the importance of the product in reducing the carbon footprint. Marketing is involved for standard products and salespeople for customer specialties in order to support countries in developing action plans and thus enable them to achieve their eco-design objectives.

Policies & performance

In 2020, the Group set a goal of reducing the average weight of its non-returnable standard products by 2025. A new indicator, the alpha index, used by the glass industry, was selected to monitor Verallia's eco-design performance. This indicator, which is monitored at the global level, makes it possible to evaluate the weight/capacity ratio of glass packaging. It was used as the basis for defining our Group's objective of reducing the weight of standard and non-returnable bottles and jars by 3% by 2025. To achieve this objective, the Group's roadmap consists of defining, year by year, the number of products to be lightened, the associated target weight reduction percentage and the target alpha coefficient at the end of each year, until 2025.

In 2021, the Group Marketing Department proposed a methodology and a schedule for the development of regional roadmaps, which were approved at the Executive Committee meeting in May 2021.

Each region then set up a multidisciplinary project team, in charge of implementing the roadmap, with a dedicated project manager. Training sessions were organised by Group Marketing to enable the regions to appropriate the methodology for building their roadmap until 2025. They were also provided with a tool for simulating and projecting the alpha.

In October 2021, each region presented its roadmap and its commitment in terms of alpha reduction for 2025 to the Chairman and Chief Executive Officer and the Group Marketing Director. The associated action plan (percentage of products to be lightened, average weight reduction percentage, number of products per year, etc.) was also revised.

All the regional roadmaps have been consolidated to form a Group roadmap to achieve a 3% reduction in the Alpha index by 2025.

Develop eco-design for responsible products

Key commitments & objectives	KPIs	2021	2020	2019
Roll out an eco-design approach to our products **Objective:** reduce the weight of our standard and non-returnable bottles and jars by 3% by 2025 (reference year 2019) and thus achieve an Alpha index of 15.5.	Alpha Index(1)	16	16	16

(1) The Alpha index, as defined in the French standard H35-077 on the geometry of glass bottles, makes it possible to express the degree of lightness of a product by relating its weight to its capacity. It is calculated in the following way: weight/volume ^0.8. The application of the 0.8 power allows the calculation to be standardised regardless of the capacity of the glass bottles

The alpha coefficient remained stable in 2021. This stability is the result of a combination of two factors that have neutralized each other: On the one hand, the lightening of part of the range to meet growing market demand for eco-responsible products and, on the other hand, the launch of new products that are heavier than average to meet market demand, particularly in the sparkling wine segment.

The positive impact of the implementation of the roadmap will be visible from 2022.

Action #1: Roll out an eco-design approach to our products

Development of our eco-designed ranges: ECOVA

The launch as early as 2009 of an eco-design approach makes Verallia a pioneer in its sector, through the marketing of eco-designed product ranges under the name ECOVA: "Eco" for eco-design and "VA" for product valuation. The "ECOVA" range has been optimised and developed to reduce the weight of the items and maximise their number per pallet. These eco-designed products reduce CO_2 emissions due to production and transportation by an average of 15%.

In 2021, Verallia sold 2.6 billion bottles of the ECOVA range, an increase of about 7% compared to 2020.

The roll-out of the alpha project, launched in 2021, will enable the number of eco-designed products to be increased thanks to reduction roadmaps by country that will enable the Group's objective to be achieved.

In addition, several projects to develop new standard products with a significant weight reduction (over 20%) compared to existing similar alternatives have been launched by the Group's R&D teams in collaboration with the various regions.

In Chile, Verallia developed a range of bottles in 2015 under the name EGO (Enhanced Geometric Objects) to meet the demand for high-end wines, while remaining consistent and aligned with its environmental commitment. The EGO range is characterised by:

- bottles with very deep punts (61 mm), which create an optical effect that keeps the impression of weight and preciousness of high-end bottles;
- bottles that are on average 20% lighter than similar-looking bottles.

This is a premium eco-designed range with sales growing from 100,000 units in 2015 to over 25 million bottles by 2021.

The Cru de France bottle is available in an ECOVA version

The iconic "Cru de France" champagne bottle has been revamped, shedding 65 grams to reach a final weight of 835 grams. It retains its statuesque shape and elegantly rounded shoulders for less environmental impact. This 7% reduction in weight is not noticeable on a full bottle to the end consumer, but it does reduce CO_2 emissions during the manufacture and transport of the bottles to the end customer.

Continue to co-design sustainable products with our customers

Verallia has less room for manoeuvre when it comes to "specific" glass packaging, also known as "customer specialties", which are developed at the request of a customer, based on their precise specifications. The development of eco-designed "customer specialties" is therefore directly dependent on the choice of customers. However, Verallia has an advisory role in the development of these "specialties" and recommends the integration of eco-design features whenever relevant. In addition, customers are increasingly including environmental performance criteria in their specifications.

Finally, Verallia is committed to involving its customers in the co-development of eco-designed products. These collaborations result in products that meet the strict requirements of Verallia's customers while having a reduced environmental impact.

➜ Outlook

This eco-design approach is being rolled out over time and includes the following next stages:

- the introduction from 2022 of a half-yearly review by region with the Chairman and Chief Executive Officer and the Group Marketing Director. This review will be maintained until 2025 to monitor progress against the roadmap commitments;
- the launch of one or more products among the projects managed by R&D.

Verallia Portugal and Soalheiro launch an eco-responsible bottle

In order to consolidate its sustainable development strategy, the famous producer from Melgaço (a city in northern Portugal) found in Verallia the ideal partner to develop a new bottle with an innovative format, allowing it to reduce CO_2 emissions.

It is an ambitious and tailor-made project for which Verallia has imagined and designed a new bottle for the iconic brand Soalheiro, reducing the carbon footprint of transport and production. The new bottle, which is 19% lighter, reduces the impact of transporting the bottles from the plant (formerly in Central Europe) to the final destination by almost 8.5 times. According to Luís Cerdeira, the adoption of this type of bottle for the entire Soalheiro range "will result in an estimated annual saving of 56 tons of glass".

The packaging has also been redesigned to reduce the consumption of cardboard, which is sourced from responsibly managed forests (FSC certified), by 39%. Customer testimonial: https://www.youtube.com/watch?v=q7M0KYy6KUk

Optimising water use and reducing waste

The Group's activities generate waste and require the use of resources such as water, which is essential to the glassmaking process because it is used as a source of cooling for molten glass and equipment. In light of this observation and in line with its strategy, Verallia is committed to producing in the most sustainable way possible by limiting the consumption and waste of resources and the production of waste from its activities.

Governance

Water and waste issues are managed by the Group's EHS (Environment, Health and Safety) managers. Senior management has decision-making authority for investments (see the simplified organisation chart of the EHS function in the Chapter entitled "Ensuring the health and safety of everyone").

Policies & performance

Verallia's strategy for preserving water resources and managing waste is part of a common EHS policy.

The water policy aims to act on both quantitative and qualitative aspects. Redefined in 2018, it has enabled to align the action plans of all Verallia sites around common objectives. It seeks to:

- reduce consumption;
- avoid nuisances caused by spills;
- comply with emission limits.

The water management system is based on the "Water Standard", which contains 17 golden rules for the preservation of water resources. These rules describe the way in which sites must reduce their consumption, in particular through:

- maintaining the condition of their network through accurate monitoring of monthly consumption, periodic inspections for leaks and connection problems, and annual checks of equipment such as plant water networks;
- reducing losses and consumption by recovering rainwater from roofs and reducing losses in water cooling circuits and by optimising production processes (the cooling of the blades that cut the molten glass to create the glass drops that will become bottles has been optimised to reduce water consumption by 80%);
- reuse, in particular of deconcentration water from cooling towers which is used for cooling production scraps.

The Group's waste management policy is rolled out in annual action plans with the aim of improving control (selective sorting) and reducing waste quantities. Verallia has implemented a waste sorting system for several years and is seeking to improve the management system. The objective is to meet environmental challenges while reducing the associated costs. The aim is to share best practices and to measure and understand the differences observed between sites. The analyses carried out will make it possible to build a joint action plan to reduce waste. Since 2018, the Group's objective has been to increase the amount of waste recycled by 1 point per year in the 32 glass plants.

In addition, the Group now monitors any potential deviations by asking its plants to draft "environmental alerts". These alerts are shared by e-mail with all Verallia plants using a specific form. This sharing of information forces each site to consider whether the problem could recur, and prompts the implementation of preventive action if necessary. This year there were no alerts related to the overconsumption of water.

Optimise the use of water and packaging, and reduce our waste				
Commitments	**Monitoring indicators**	**2021**	**2020**	**2019**
Optimise our water use through circularity **Objective:** reduce water consumption/tpg* in glass plants by 5% between 2020 and 2025.	Water consumption in m^3 per ton of packed glass (tpg)	0.53 -9% compared to 2020	0.58	0.63
Reduce waste generation and optimise waste management **Objective:** increase our waste recycling rate by one percentage point per year.	Waste recycling rate	68%(1)	65.5%	62%

(1) Change in reporting period: in order to continue to use real data and to adapt to the operational realities of data reporting in an advanced calendar compared to the previous financial year, it has been decided, from 2021 onwards and for subsequent financial years, to publish the waste recycling rate indicator for the period October N-1 – September N.

**tpg: tons of packed glass.*

Note: These indicators take into account all Verallia entities except Verallia India, Verallia USA and Verallia Packaging.

Thanks to the roll-out of the method implemented by Verallia, water consumption at the Group's sites has decreased since 2019, from 0.63 m^3/tpg to 0.53 m^3/tpg.

All of the actions related to the optimisation of waste management implemented during the year also led to an improvement in the indicator monitored, increasing the Group's waste recycling rate by 5 points compared to 2019.

Action #1: Optimise our water use through circularity

To cool cullet or equipment and save water resources, Verallia's water circuits operate in semi-closed loops. In all of its plants, water is treated and then recycled for many cooling purposes. Part of the water used is evaporated, thus concentrating impurities. In order to guarantee a satisfactory level of quality for the glass produced, external water is then required.

The primary reason for water consumption is to cool unformed glass at the production machines (scraps). The cooling water is rid of oil residue and particles and then reused to cool new production scrap. This reuse process can be carried out several times, by controlling the concentrations. External water is regularly introduced to limit the concentration.

Cooling water for equipment (e.g. compressors) is the second largest reason for consumption. These circuits operate in closed loops thanks to cooling towers. Other occasional water uses are for the reconstruction of furnaces.

In order to control water consumption and prioritise action plans, the Group carries out internal benchmarks twice a year to assess their performance. The highest-consumption plants are and will be subject to an analysis defined in 6 steps:

- analysis of initial conditions;
- measurement of consumption in the plant;
- comparison of theoretical and measured values and analysis of problems;
- determination of the optimal level of water consumption by establishing an action plan;
- implementation of the action plan and measurement of the gains;
- implementation of periodic verification of resolution plans (sustainability of the management system).

➜ Outlook

In the same way as for safety and quality issues, the "Water Standard" and the methodology defined for 2022 will be rolled out site by site. They will be reinforced by coaching of local teams by experts in each region or by those of the Group, in a joint monitoring of all Environment, Health and Safety issues. Any major incident will be the subject of a root cause analysis, which will then make it possible to adjust the implementation of the standards, or even the standards themselves if necessary, in accordance with Verallia's continuous improvement approach.

Action #2: Limit our discharges into water

The Group has set out its requirements for the protection of the natural environment in the "Water Standard". To avoid accidental pollution, the sites must ensure:

- all product storage is properly labelled;
- the installation of retention tanks and verification of their condition;
- the quality of run-off water.

The quality of the discharges is ensured through the measurement of effluent quality by independent laboratories. The sites ensure that their wastewater discharges comply with the regulatory limits defined by the prefectural decrees. No incidents related to discharges were noted in the 2021 financial year.

Action #3: Reduce waste generation and optimise waste management

Glass plants generate waste at various stages of the production process, which the Group works to limit and recycle. Verallia's business generates two main types of waste: "normal" waste (metal production molds, pallets, plastics, etc.) and waste related to "plant furnace repairs".

In 2021, Verallia initiated a major project to reduce the volume of its waste by maximising its efforts on "usual" waste:

- collection of data to build a benchmark on the volume of waste per site and per category of waste;
- estimate of economic losses over the year 2020: approximately €2 million of financial balance (gains – losses). These estimates only take into account EU countries with similar legislation;
- prioritisation of sites according to the volume of waste generated;
- roll-out of action plans by plant;
- standardisation of recycling definitions.

Depending on the type of waste generated, action plans related to waste recycling are adapted and vary between plants and regions. For example:

- French plants are primarily looking for a way to recycle electrofilter dust as an alternative to landfill;
- German plants are generalizing the use of centrifuges to recover used oil.

All these actions have enabled the Group to achieve a waste recycling rate of 68%. It should be noted that this percentage includes reconstruction waste. Each site, under the impetus of the Group, has set up indicators, monitoring this recycling rate and is working on local solutions to recover its waste.

➜ Outlook

In 2022, Verallia will continue the actions initiated with the objective of rolling out a management system based on three pillars: "Reduce – sort – raise awareness". In 2022, the Group will set up working groups to train and raise awareness among employees about selective sorting, in particular to:

report discrepancies in selective sorting practices in the plant and resolve them immediately;

- roll out a guide to good waste management practices;
- run workshops during Environment Days.

2

2.2. Decarbonising our activities

As outlined in Pillar I, the circular economy is at the heart of our business, allowing us to make the most of the infinite recyclability of glass. However, this recycled glass still has to be melted down to be made into bottles or jars again, and this is still the major source of CO_2 emissions in our business. In order to drastically reduce these emissions, Verallia has embarked on an ambitious investment policy to transform the technologies, resources and industrial equipment used on our sites. These activities are at the heart of our ambition to reduce our CO_2 emissions by 46% in 2030 (Scopes 1 and 2). In 2021, Verallia also decided to commit to a Scope 3 CO_2 emissions reduction target for the first time, to be achieved in collaboration with our suppliers. Finally, these medium-term objectives should enable us to achieve Net Zero by 2050. These new targets are currently being validated with SBTi.

-46%

reduction in 2030
for Scope 1 & 2 emission
en valeur absolue
(année de reference 2019)

+

<40%

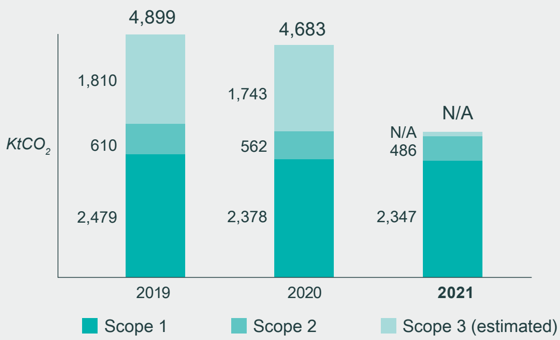
emissions Scope 3
below 40% of total
emissions in 2030

+

Net Zero

in 2050
for Scope 1 & 2
emissions

Our carbon footprint since 2019 (our reference year)



Reduce emissions from our sites (Scopes 1 and 2)

Governance

Chairman and Chief Executive Officer	• Determines the overall environmental approach.
Board of Directors	• Validates the environmental strategy, policies, action plans and objectives proposed by the Sustainable Development Committee, and their alignment with the Group's overall strategy.
Sustainable Development Committee	• Evaluates the environmental strategy and reports quarterly to the Board of Directors on key environmental issues and objectives.
CO_2 Steering Committee Members: • Chairman and Chief Executive Officer • Operations Director • Technical Director • Purchasing Director • Director of Planning • Director of Human Resources, Communications and CSR • Chief Sustainability Officer • Six project managers in charge of the different action plans	• Ensures the operational monitoring of the roll-out of CO_2 projects. • Meeting frequency: at least once per quarter • Leads monthly reviews of the various action plans, and ensures the transversalisation of best practices and innovations tested locally so that they can be rolled out across the Group.
Geographic area managers	• Monitor team objectives.
Plant coordinators	• Ensure the implementation of action plans and the achievement of objectives.

Policies & Performance

Based on its full 2019 carbon footprint, in 2020 the Group strengthened its commitment to fighting climate change by adopting a 2°C carbon trajectory, consistent with the Paris Agreement target, which aims to contain the rise in the average global temperature to well below 2°C compared to pre-industrial levels. This commitment was reflected in Verallia's accession to the Science Based Targets initiative.

In October 2021, Verallia raised its ambition to align with the trajectory limiting global warming to 1.5°C, for the four following reasons:

- the sixth IPCC report published in August 2021 established the need to accelerate efforts to reduce CO_2 emissions;
- the publication of the European Union's "Fit for 55" plan aligned with this objective;
- the very encouraging initial results of the CO_2 program launched by Verallia in 2020 provide a very solid basis for this higher ambition;
- the Chairman and Chief Executive Officer wants to strengthen the Group's ESG and climate commitments to gain a leadership position in the glass industry.

This reduction target of -46% between 2019 and 2030 for Scopes 1 and 2 is complemented by two other strong commitments:

- keep the Group's Scope 3 emissions below 40% of the total by 2030;
- achieve carbon neutrality by 2050.

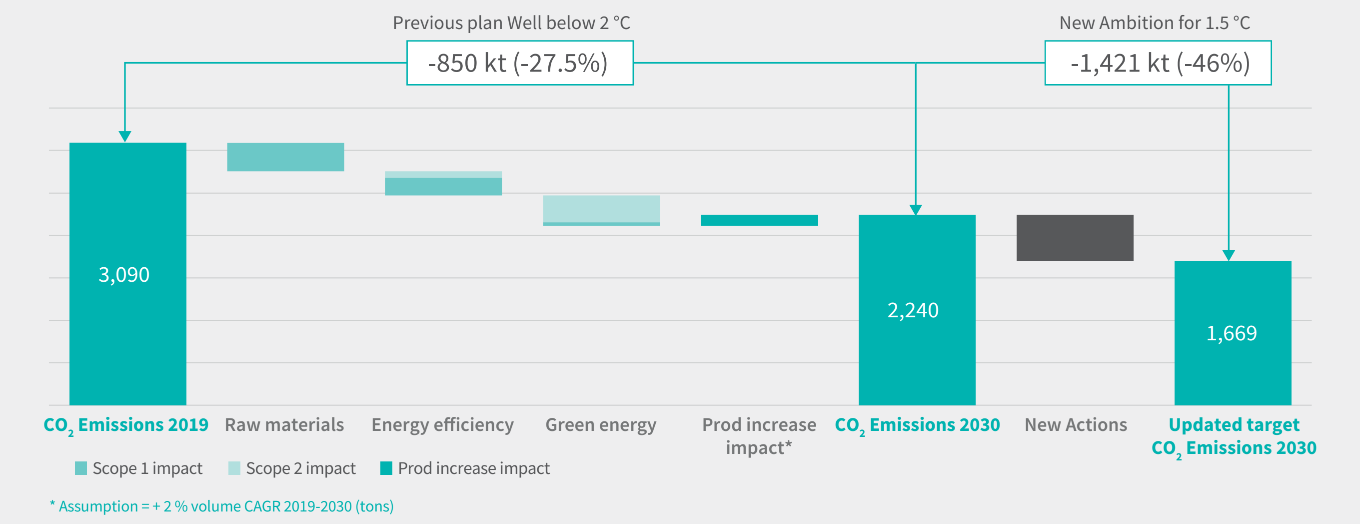
Verallia's plan to reduce CO_2 emissions is based on three main areas:

- **Area 1, raw materials**: reduction of emissions related to the raw materials used to make glass (see the actions developed in Pillar I of this report);
- **Area 2, energy efficiency**: the improvement of energy efficiency in industrial sites and the development of new furnace technologies to reduce CO_2 emissions;
- **Area 3, renewable energies**: the use of renewable or low CO_2 emission energies.

Reduce emissions from our sites (Scopes 1+2)				
Key commitments and objectives	**Monitoring indicators**	**2021**	**2020**	**2019**
Invest to decarbonise our sites **Objective:** reduce our CO_2 emissions (Scopes 1 and 2) by 46% by 2030 (reference year: 2019).	Scopes 1 and 2 CO_2 emissions (kt) and reduction % from 2019	2,833 -8.3%	2,940 -4.8%	3,090.00
Changes to Scope 1 emissions	Scope 1 CO_2 emissions	2,347	2,378	2,479
Changes to Scope 2 emissions	Scope 2 CO_2 emissions	486[1]	562	610
Change in Scope 1 & 2 CO2 emissions intensity per ton of packed glass (tpg)	tCO_2 Scopes 1 & 2/tons of packed glass (tpg)	0.482[1]	0.523	0.531
Develop renewable energies **Objective:** reach 60% renewable or low-carbon energy by 2025.	Renewable or low-carbon energy rate	46%	34%	N/A

* *tpg: tons of packed glass.*

In 2021, Verallia continued the strong reduction of its Scopes 1 and 2 CO_2 emissions, accumulating emissions of 2,833 kt across the Group, thus achieving an 8.3% reduction compared to its 2019 emissions. The two main elements that explain this excellent result are the increase in the external cullet rate (55% in 2021 compared to 51.6% in 2020 and 49% in 2019) and the reduction in Scope 2 emissions, particularly in Spain, Portugal and Brazil. Finally, it should be noted that this reduction was achieved while production levels in 2021 were equivalent to those in 2019, so these are indeed structural improvements in our CO_2 emissions, as demonstrated by the improvement in intensity (8.3% reduction between 2019 and 2021).



Action #1: Increase the share of decarbonised raw materials

Calcium carbonate and sodium carbonate, two of the main raw materials used in glass manufacture, release CO_2 when they are melted. These emissions accounted for around 20% of the Group's Scope 1 and 2 emissions in 2019. In order to reduce these emissions, it is necessary to substitute these raw materials with alternative materials that release no or less CO_2. The easiest solution is obviously the use of cullet, which does not emit CO_2 because the CO_2 contained in the glass has already been emitted during the initial melting of the raw materials that make it up.

Increased use of external cullet

As explained in Pillar I, the Group first focused its efforts on increasing the rate of external cullet used in its furnaces. The increase in the cullet rate from 2903 kt in 2020 up to 3228 kt in 2021 has thus led to a reduction of 81,000 tons in the Group's CO_2 emissions.

Identification of alternative decarbonised raw materials

The Group's R&D teams have launched a vast project to evaluate available sources of calcium and sodium that are compatible with the way they are used in glass furnaces.

→ Outlook

The Group will continue to push all levers to increase the use of cullet in Verallia's furnaces, with the goal of reaching 59% use by 2025 (see Focus 1).

Besides, the Group's short-term objective is to approve at least two alternative raw materials and to set up the logistics chain to use them in production starting in 2023.

Action #2: Optimise the energy consumption of our industrial facilities

As part of the continuous improvement logic in place through the Verallia Industrial Management (VIM) system, many projects are under way to reduce energy consumption and CO_2 emissions at the Company's sites, such as regular monitoring of results and the application of best practices across the Board. This approach is based primarily on the operational management of CO_2 emissions, supported by the introduction in 2021 of a monthly energy consumption reporting system. This system allows teams in each country, site and division to monitor the effectiveness of their actions and to develop new ones. It currently covers Scopes 1 and 2 emissions for each site and the same approach is being rolled out for Scope 3.

Reduction of emissions from melting by reducing fuel oil consumption

Historically, glassmaking furnaces used to burn fuel oil to heat the glass components and allow them to melt. In recent years, natural gas has gradually replaced fuel oil, thus allowing a reduction in CO_2 for the same amount of energy but requiring modifications to the way the furnaces are controlled.

In 2021, the Group continued to reduce the share of fuel oil in melting-related energy to ~7% from 10% in 2020. In addition, a specific investment was made for the Canary Islands plant: as the archipelago does not have a natural gas network, this furnace used heavy fuel oil, but the Group is converting the installations to replace this fuel oil with liquefied natural gas, enabling the site's CO_2 emissions to be reduced by 4.5 kt per year, or 16%.

Lastly, the Group will convert its last two fuel furnaces by 2024.

Improvement of existing industrial facilities

Throughout the life of the furnaces (10 to 12 years, and in some cases 14 years), the Group makes improvements to reduce their energy consumption. For example, improvements are made in terms of sealing and thermal insulation, glass temperature optimisation, combustion settings and adjustments to combustion air volumes.

Elimination of all energy losses

The Group has implemented a program for the comprehensive identification of energy losses. It uses different types of tools (energy audit, equipment performance efficiency, leak detection, etc.) and has made it possible to define loss eradication projects for each site. These projects are characterized by the definition of objectives, the creation of a team and a work schedule and the establishment of monthly industrial performance indicators. Since each site is faced with the same objectives but different local issues, this approach provides an opportunity to specifically address the specific characteristics of each site and to disseminate these actions more quickly. For example, in order to reduce the amount of cooling air entering its furnaces, Verallia has developed deflectors to protect the most sensitive areas of the furnaces from cold air, which is a source of energy loss. These new equipments are installed on all of the Group's new furnaces and during repairs to existing furnaces.

Use of industry 4.0 tools to optimise energy consumption

As energy is mainly consumed during the melting of glass, investment in a so-called 4.0 industry represents a major lever to limit our impact on the environment. Verallia's plants are evolving by integrating augmented intelligence (AI) into their production tools in order to achieve industrial excellence, using the fewest resources possible while increasing customer satisfaction. This upgrade of the industrial facilities meets an overall objective of controlling the manufacturing process at every stage: productivity, energy savings, quality, maintenance and reduction of operational risks. It involves two major developments:

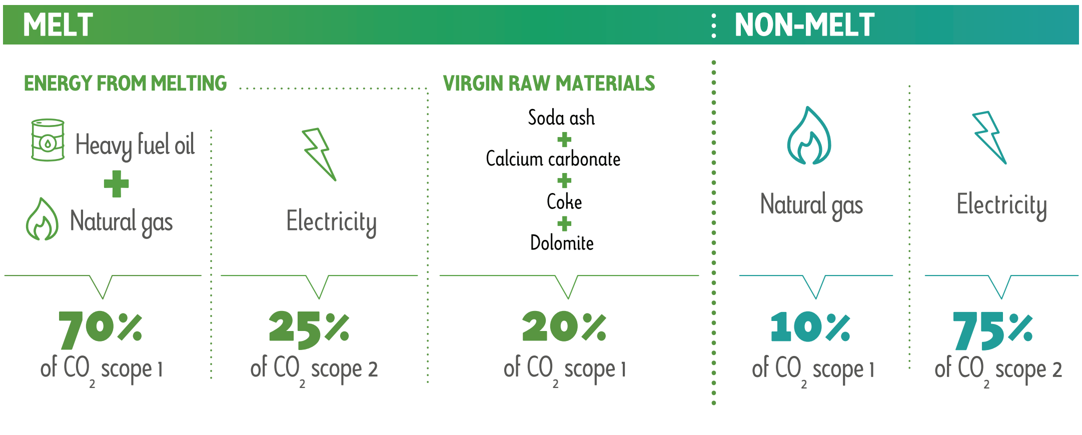
- the digitization of the Group's industrial apparatus: installing connected instrumentation throughout the production chain makes it possible to collect data in real time in order to regulate, stabilise and improve its industrial process automatically, to improve the quality of its glass packaging but, above all, to optimise energy and raw material consumption;
- furnace control assisted by Augmented Intelligence software: this advanced control system, which has been implemented on almost all sites, is based on connected instrumentation, data analysis, machine learning and the experience of the glass makers for quasi-automatic control of the furnaces. The majority (53%) of furnaces are now equipped with such systems. The results are already visible; for example, the first year of operation showed energy consumption gains of up to 2%.

Use of flue gas heat

Re-using heat from combustion flue gas is a significant energy source at Verallia sites. Following the installation of a dry steam boiler in Burgos, Spain, which is used by a customer of the Mahou San Miguel Group at its neighbouring site, a new project was launched in 2021 for the installation of an organic Rankine cycle (ORC) machine at the Lagnieu site in France. The aim of the project is to produce electricity from the heat of the flue gases and has received support from ADEME. It will be commissioned in 2023 and will create 8,200 MWh annually on site.

Action #3: Develop and invest in low-carbon furnaces

Glass melting accounts for around 75% of the energy consumed at the Group's sites. The melting process generates the same proportion of its CO_2 emissions, mainly through the combustion of fossil fuels (natural gas 86%, fuel oil 7%). It is therefore essential to develop the technologies used in the furnaces to integrate alternative energies. To this end, the Group has launched several projects.



Installation of electric furnaces at certain sites

Verallia has decided to replace one furnace at its Cognac site with two electric furnaces. This is a pioneering move for glass packaging. This technology is now used for other types of glass, but not for the Group's products. The project aims to reduce CO_2 emissions at the site by 50%.

It should be noted, however, that technical limitations prevent the widespread use of this type of furnace. Indeed, 100% electric furnaces accept a maximum cullet 65%. It is therefore necessary for Verallia to develop an alternative solution: the Hybrid furnace.

Prioritising the transition to the hybrid furnace: towards a 50% reduction in CO2 emissions from glass packaging production, applicable to all sites

In 2019, Verallia joined forces with 19 other European glass packaging manufacturers to develop and finance a pilot project to build the first large-capacity hybrid electric furnace running on 80% green electricity. This project, through the massive use of decarbonised electricity as a substitute for fossil fuels, was expected to reduce the CO_2 emissions associated with glass packaging production by 50%. However, it was stopped in December 2021 due to funding constraints.Verallia was convinced of the importance of this technology and decided then to carry out this project internally: using the skills of its technical and R&D teams, in fact Verallia designs its furnaces in-house. The first furnace is scheduled to be commissioned in 2024, which will allow the technical solutions to be validated before the widespread roll-out starting in 2026, according to the furnace reconstruction schedule.

Relying on transition technologies: the “super-boosted” furnace and the oxy-combustion furnace

The rebuilding of furnaces over time is one of the major constraints of Verallia’s furnace technology development strategy. In fact, the lifespan of the furnaces is approximately 12 years and the design of a furnace must be defined approximately two years before it is rebuilt in order to allow for the development of plans and the manufacturing of the components of these enormous industrial installations. Thus, the furnaces, which will be rebuilt until 2027, will not be able to benefit from the Hybrid technology because the pilot project will not have been fully finalised at the time of the decisions to launch these rebuilding projects. To ensure that these furnaces start to reduce CO_2 emissions, two developments of existing technologies will be utilised: the super-boosted furnace and the oxy-combustion furnace. The super-boosted furnace, a technology being validated at two Verallia sites, increases the share of electricity from 7% to ~25%. Oxy-combustion optimises combustion by injecting oxygen into the furnace, thereby reducing Scope 1 CO_2 emissions. This technology, which requires the installation of on-site oxygen generation equipment, will be implemented on new furnaces built by the Group in Brazil and Italy. These two technologies are not sufficient on their own and must be coupled with decarbonised electricity to reduce CO_2 emissions as much as possible.

➜ Outlook

The outlook concerns projects that have already been initiated, the continuation of monitoring and R&D efforts, and the implementation of current projects by 2025. These technological developments are at the heart of Verallia’s new commitment to reduce CO_2 emissions by 46% in 2030 compared to 2019.

Action #4: Develop renewable or decarbonised energy

Ensuring the use of renewable or decarbonised energy is the final pillar of Verallia’s strategy to reduce its CO_2 emissions. While the supply of renewable electricity is a historical approach within the Group, the integration of new renewable energies is being studied.

Towards “greener” electricity

Electricity-related emissions represent approximately 12% of the Group’s total footprint (Scope 2). Sustainable access to competitive renewable energy sources therefore represents a significant lever for achieving Verallia’s CO_2 emissions reduction objective. Thus, reducing the carbon content of the electricity mix will complement the virtuous effect of improving the energy efficiency of production units. The Group has therefore established a procurement strategy in 2020 that favours renewable electricity. Its implementation will depend on the supply available in each country. Verallia’s objective is to reach 60% certified renewable or low-carbon electricity in its overall mix by 2025. Thus, in Brazil, the electricity purchased by the Group is 100% hydro-electric and for the sites located in Spain and Portugal, the Group has secured a 100% certified renewable supply for 2021. Finally, the Mendoza site in Argentina covers 50% of its needs with wind-generated electricity. This objective is all the more important as electric or hybrid furnaces lead to increased electrification.

Electricity generation on our sites

The Group also plans to equip some of its plants with photovoltaic panels, which will generate part of the electricity consumed by production activities. The first project is being installed at the Mondego site in Portugal, and will start producing electricity in the summer of 2022. Similar projects are being studied for the Group's Spanish and Italian sites.

Preparing for the use of green hydrogen

The European Union has presented hydrogen as a major element of the "Fit for 55" plan as an alternative energy to fossil fuels, when produced from renewable energy. The use of hydrogen as a primary fuel in glass furnaces is a new area. Verallia has signed a partnership agreement with two partners to supply one of its sites with coke oven gas containing up to 50% hydrogen. Verallia's technical teams will be able to validate the impact of using hydrogen on the management and sustainability of glass furnaces, thereby giving the Group complete expertise to exploit renewable hydrogen when it becomes available. Once the operating conditions have been validated, this project will make it possible to reduce the use of natural gas and CO_2 emissions by 10% at the chosen site.

➜ Outlook

The use of biofuels as an alternative to natural gas

Natural gas burnt in the furnaces remains the main source of CO_2 generation in Verallia plants. Replacing it with biofuels such as biomethane would make this combustion CO_2 neutral. Several projects to validate the technical and economic elements of this type of fuel are currently being studied in France, Germany, Spain and Brazil. Once validated, the use of biofuels will only be viable if they are produced close to the glassmaking sites. As a result, the entire supply chain will have to be systematically validated, as the aim is to implement an entire ecosystem, aligned and consistent with the Group's circular economy logic. The goal is to supply the equivalent of three furnaces with 100% biofuels by 2030.

Reducing Scope 3 emissions (transport, materials and packaging)

Governance

Chairman and Chief Executive Officer	• Determines the overall environmental approach.
Board of Directors	• Validates the environmental strategy, policies, action plans and objectives proposed by the Sustainable Development Committee, and their alignment with the Group's overall strategy.
Sustainable Development Committee	• Evaluates the environmental strategy and reports quarterly to the Board of Directors on key environmental issues and objectives.
CO_2 Steering Committee Members: • Chairman and Chief Executive Officer • Operations Director • Technical Director • Purchasing Director • Director of Planning • Director of Human Resources, Communications and CSR • Sustainable Development Director • Six project managers in charge of the different action plans	• Ensures the operational monitoring of the roll-out of CO_2 projects. • Meeting frequency: at least once per quarter • Leads monthly reviews of the various action plans, and ensures that best practices and innovations tested locally are rolled out across the Group.
Geographic area managers	• Monitor team objectives.
Plant coordinators	• Ensure the implementation of action plans and the achievement of objectives.

Policies & performance

Since 2019, Verallia has carried out an annual assessment of its Scope 3 CO_2 emissions. After an initial exercise in 2019, the 2020 study confirmed the elements necessary for the implementation of a Scope 3 emissions management and reduction policy. On this basis, the Group established and communicated, in October 2021, its first Scope 3 emissions reduction target: keeping Scope 3 emissions below 40% of the Group's total emissions in 2030, corresponding to Scope 3 emissions of less than 1.1 million tons in 2030.

To achieve this objective, the first point is to set up a more reliable system for monitoring and reporting these emissions, so that the impact of the various action plans can be monitored more quickly and effectively. At the same time, action plans are being defined to tackle the three main sources of Scope 3 emissions: emissions linked to the manufacture of raw materials (mainly soda ash), emissions linked to the transport of raw materials and finished products, and emissions linked to the manufacture of packaging.

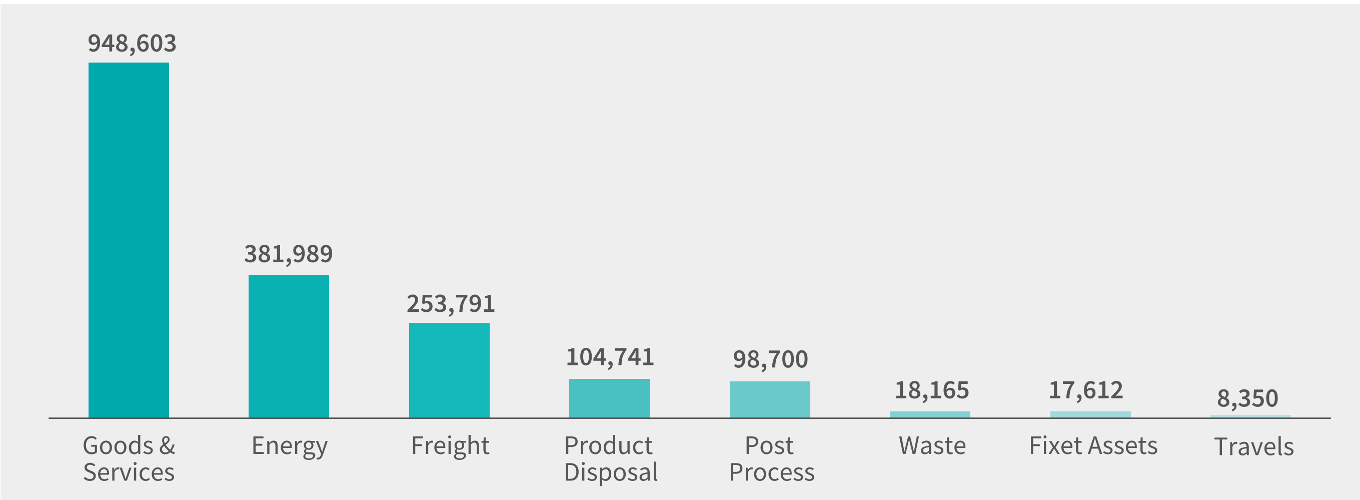
Reduce our Scope 3 emissions

Key commitments and objectives	Monitoring indicators	2021	2020	2019
Scope 3 emissions	kt CO_2		1,744	1,832
Scope 3 emissions related to raw materials	kt CO_2	N/A	506	600
Scope 3 emissions related to transportation	kt CO_2	xx	289	254
Scope 3 emissions related to packaging	kt CO_2	xx	172	182

Note: Scope 3 emissions for 2021 are not available at the time of publication of this report.

The significant reduction in Scope 3 emissions between 2020 and 2019 is linked to two main elements: firstly, an improvement in the Scope 3 assessment, in particular the raw material emission factors per supplier, but also to the reduction in the use of virgin raw materials. In fact, the increase in the external cullet rate achieved in 2021 has reduced the volume of virgin raw materials used; as cullet has a much lower Scope 3 emission rate than virgin raw materials, Scope 3 emissions have been reduced.

Breakdown of Scope 3 emissions by source



Action #1: Build a reliable Scope 3 emissions tracking system

As explained, the assessment of Verallia's Scope 3 emissions is recent. The annual assessment required a significant amount of work to consolidate existing but disparate data (volumes used, transport mileage, emission factors associated with the various suppliers, etc.) and estimates of unrecorded elements. To be able to truly manage the activities to reduce these emissions, it is therefore essential that the Group's teams are able to monitor the various elements that drive Scope 3 emissions on a more regular and more detailed basis.

To this end, the Group's teams are working on a reporting system that integrates all the necessary data, both internal to Verallia and from its suppliers. The goal is to have this system up and running by the second quarter of 2022. This system will also make it possible to simulate the trajectory of emissions by integrating the action plans and allowing them to be adjusted to ensure that the expected reductions are achieved.

Action #2: Reduce the impact of our raw materials

Scope 3 emissions associated with raw materials are linked to the Company's suppliers. To reduce them, Verallia must first monitor the emissions and reduction actions of its suppliers. The Group has decided, as of January 2022, to include greenhouse gas emissions as one of the elements for systematically evaluating suppliers during the selection phase, both in terms of current performance and future reduction plans. In addition, Verallia offers its support and expertise to its various suppliers to accelerate their plans to reduce CO_2e emissions.

Action #3: Reducing the impact of our packaging

In order to strengthen the circularity of its activities at all levels and to help reduce its GHG emissions, Verallia is working on the eco-design, reuse and recycling of its packaging, which currently represents 10% of its Scope 3 emissions.

In the Group's plants, the bottles or jars manufactured are packaged on pallets of varying sizes depending on the design of each item and the needs of its customers. Some elements are standard, such as the pallet itself, the cardboard or plastic dividers and the heat-shrink plastic film that ensures the watertightness and mechanical strength of the whole.

The Group has developed a network of local subcontractors close to its plants who repair damaged pallets so that they can be used an average of 25 times before being treated as waste. The restoration of these pallets is becoming increasingly efficient and, in 2021, enabled the repair of a greater number of parts per pallet. At the same time, the Group encourages the purchase of second-hand pallets, thus participating in an increasingly circular local economy.

Plastic interlayers are widely recycled and Verallia collects these packaging elements from its customers. The interlayers are also recovered, washed and reintroduced into the production flow. On average, they are used 20 times before they become too damaged and are treated as waste.

With regard to packaging films, the Group has launched two main initiatives:

- a project involving the technical and purchasing teams of the Group's various divisions, aimed at optimising the thickness of the film used according to need. The film must guarantee the mechanical strength of the stack of bottles that make up the pallet, particularly during transport. In order to limit the amount of plastic used, the thickness must be defined as precisely as possible, while guaranteeing the integrity of the pallet until its final destination. A structured testing and validation process has been launched in each Verallia division in order to finalise this optimisation during 2022;
- the Group's Purchasing Department is working with the various film suppliers to integrate a greater proportion of recycled plastic into the composition. This approach requires logistical work (to ensure that recycled plastic is recovered in accordance with technical requirements), technical work (to ensure that suppliers are able to integrate this recycled plastic into their manufacturing process) and validation work (to guarantee the integrity of the pallets until their final use). This project should lead to an initial roll-out in 2022.

Outlook

The Group's main areas of work to develop the circularity of its packaging are focused, for the 2022 financial year, around two objectives:

- the finalisation of the project to optimise the thickness of plastic films;
- up to 20% use of recycled plastic in packaging films in three divisions.

Action #4: Control our supply chains and reduce their CO_2 emissions

With nearly 6 million tons of bottles and jars delivered to its customers, and an equivalent volume of raw materials to be integrated into its furnaces, transport and associated emissions are a major challenge for Verallia. The Group intends to apply a policy that favours renewable energy solutions (biofuels in particular) as well as the implementation of alternative solutions to road transport, such as rail.

Verallia's various divisions have begun to work with their main carriers, already generating promising initial applications, such as the use of rapeseed-based biofuel in the Champagne region of France (see insert).

The replacement of road transport by rail is an important matter for Verallia, particularly for its most regular flows. In this regard, a solution has been developed in Italy to link its plants in the northeast of the country with the region of Turin, located in northwestern Italy. This line will be used in both directions, delivering bottles in one direction and bringing back raw materials in the other. This connection will make it possible to save around 1,500 tons of CO_2 per year.

Finally, the development of ECOVA's lightweight ranges (see Pillar I – Develop eco-design) allows the number of bottles per pallet to be increased, thus reducing the need for transport and, by extension, CO_2 emissions.

Outlook

Through its commitment to stabilise the share of its Scope 3 in a balance sheet that aims to achieve a significant reduction in GHG emissions, the Group is indirectly committed to reducing its transport-related emissions. Thus, the project has been placed under the Supply Chain Department, which aims, for 2022, to identify, in greater detail and for each division, ambitious action plans.

Rapeseed-powered transport

Verallia runs on rapeseed biofuel in the Champagne region, reducing CO_2 emissions from its transport in the Champagne region by 60%, thus reducing fine particles by 80% compared to the use of diesel. This virtuous, 100% local and plant-based partnership enhances resources and remains 100% renewable. In fact, the CO_2 emitted by the vehicle is absorbed by the plant during its growth cycle.

"With this initiative, we are supporting the Champagne region in their environmental efforts by offering them a new method of transport with reduced CO_2 impact" explains Olivier Rousseau, President of Verallia France.

3

2.3. Ensuring a safe and inclusive work environment for all

Verallia, with its 32 glass production sites, is an industrial company whose activity may involve health and safety risks that it must prevent and control. By joining the Group, the 10,000 or so employees join a company with a strong commitment to ensuring that each employee returns home in good health after a day's work. In 2021, 91% of Verallia employees who participated in the latest engagement survey stated that compliance with safety rules was one of the Group's key professional behaviours, underlining the major priority given by the Group to this issue.

The other major challenge is to develop and build an inclusive working environment in an industrial world which, because of the conditions of the job, has favoured the recruitment of men. In its plants, diversity is often limited, and positions have historically not been accessible to people who are not able to carry loads or work in demanding conditions. Verallia's commitment is to open up and make its job positions accessible to as many people as possible in order to restore diversity to its workplaces. This commitment involves in-depth work on job positions as well as a voluntary approach to integrate different profiles into its recruitment and guarantee greater diversity. It also ensures that a career in a glassmaking plant in a variety of job positions is possible. Providing all types of profiles with access to all its positions is a major challenge. By lightening loads and allowing those who are not as strong to access production positions, Verallia is building a more inclusive industrial world capable of better taking into account and accepting everyone's differences.

The Group is committed to making disabled people 4.5% of its workforce and women 35% of its managers. In 2021, 17.2% of Verallia's employees were women, and the Group aims to increase this share to 21% by 2025.

In addition to the essential health and safety of its employees, Verallia aims to be a responsible employer that develops sustainable jobs with career growth prospects. Established in local ecosystems as close as possible to the communities, with plants located for the most part in rural areas, the Group contributes to the economic development of local communities and offers its employees the opportunity to acquire skills and unique glassmaking know-how.

The actions and projects presented and performed on its sites and in its plants are carried out in consultation with its social partners. Verallia has always strongly involved employee representatives in the implementation of its health and safety policy and in its employee training and development policy.

The Group informs its social partners at the site level, country level and European Committee level of all these issues in order to guarantee and promote a constructive and high-quality social dialogue.

Covid-19

In the specific context of Covid-19, measures have been put in place in all our establishments: tools and procedures have been adapted to avoid the spread of the disease in our establishments. Measures specific to each country were first put in place, then a sharing of best practices made it possible to go beyond the recommendations defined in each country. Verallia has provided its employees with the necessary equipment for protection measures (hand sanitiser, masks) and has adapted the organisation of work (development of teleworking, different organisation of tasks to respect social distancing, etc.).

Ensure the health and safety of all

HSE governance

The Group has implemented appropriate governance at all levels of the business to ensure the monitoring and steering of actions to guarantee the health and safety of its employees. From the top executive bodies to the HR and EHS managers present at each of its sites, Verallia ensures compliance with its requirements and the roll-out of the tools developed.

Group level	**Chairman and Chief Executive Officer** • Takes part in the monthly review of the industrial performance of each region.		Liaisons with the Human Resources Department at all levels on well-being at work
	Operations Director – Member of the Executive Committee • Takes part in the monthly review of the industrial performance of each region.		
	EHS Director • manages the Group EHS Strategy; • manages reporting; • organises activities and the EHS network.		
Regions level	**5 geographic area industrial Directors** • Take part in the monthly review of the industrial performance of each region.	**Geographic area CEOs** • Take part in the monthly review of industrial performance.	
	5 geographic area EHS managers • Manage the implementation of EHS tools in their region. • Monthly committee meetings of the country managers to present and monitor results and the accident toll in all plants, and to facilitate the sharing of good practices.		
Site level	**1 EHS manager per site** • Manage the implementation of EHS tools at their site.		

To encourage compliance with Group rules and mobilise all of its employees around this crucial issue, Verallia has implemented an internal recognition system to reward Safety performance at its 32 glass production plants. Two criteria for achieving a level of excellence in Safety have been defined, and this recognition takes the form of a flag highlighting such excellence (see illustration below).

The criteria for awarding this recognition are: 0 accidents with or without lost days for more than 1 million hours worked or for more than 24 months.

To date, nine sites have obtained this recognition.

Policies & performance

Updated in 2018, the EHS policy targets a zero accident rate through compliance with rules, commitment and dialogue. To achieve this target, the Group's industrial excellence program, Verallia Industrial Management (VIM), fully incorporates the Health and Safety Management system.

The Group's EHS policy covers all individuals working at Verallia, whether they are employees, temporary workers or subcontractors. It includes 20 EHS standards: 17 safety standards, one health standard and two environmental standards. These standards, which constitute the foundation of the EHS framework for all the Group's sites, cover machine safety, employees' on-site movements, maintenance interventions and risk management. They were updated in 2020 to make them more relevant from an operational point of view and translated into all the languages spoken within the Group in order to facilitate their roll-out and implementation.

To achieve its goals and frame the roll-out of its Health and Safety policy, the Group's approach is based on the H&S "bottle" (see illustration above), a true roadmap launched in 2020. This details the different tools (standards, risk analysis, cardinal rules), the associated management system and the different steps that make it possible to foster an everyday safety culture where each employee contributes to their own safety and that of their colleagues. The H&S "bottle" defines four levels of maturity with regard to safety: Reactive/Preventive/Proactive/Sustainable. Each site assesses the maturity level of each of these criteria at least once a year in order to feed a progress action plan.

In 2021, Verallia concentrated its H&S action plans on making unsafe situations safe and on strengthening the role of management and the feedback given to employees following an accident.

Ensure the health and safety of everyone				
Commitments	**Monitoring indicators**	**2021**	**2020**	**2019**
Do what is necessary to move towards the goal of 0 accidents **Objective:** achieve a TF2 below 2 by 2025.	Accident frequency rate (with or without work stopping)(TF2)Number of work-related accidents with or without work stopping per million of worked hours	5.3	4.6	5.5
Do what is necessary to move towards the goal of 0 accidents	Monitoring of the number of accidents with and without work stopping	105	88	114
Do what is necessary to move towards the goal of 0 accidents	Severity rate	0.29	/	/

Despite showing an increase in its accident frequency rate between 2020 and 2021, the Group's accident record remains nuanced:

- three divisions show excellent or improving results (Latin America, Italy and Iberia). The Latin America division sets an example and demonstrates that zero accident are possible with 20 consecutive accident-free months ending 2021. The Iberia division had two accidents, a 50% reduction compared to 2020. The Italy division, for its part, shows a low and constant number of accidents (5 per year);
- on the other hand, the Group identified the two divisions (France and Germany) that have had an impact on the increase in the Group accident frequency rate and for which the results have either worsened or are not improving sufficiently. Immediate actions were taken to identify the precise causes, refine the standards and implement specific action plans: the detailed analysis of the France division shows a sharp increase in accidents for new arrivals (temporary workers). The process of training and approving temporary workers before they take up their post was therefore completely reviewed and amended. Through a strong communication plan, Verallia reaffirmed its standards and the importance of respecting them with its slogan "60 seconds of thought before action". For the Northern and Eastern Europe division, several accidents linked to interactions between pedestrians and forklifts led the Group to review the organisation of its workshops in order to eliminate forklifts from production areas. However, the end of 2021 shows a reversal of the trend in these two divisions, with accident rates in the last quarter in line with our TF2 target (accident frequency rate of 2 for accidents in our plants).

In 2021, the Group supplemented its reporting with monitoring of the accident severity rate. An initial action plan related to the performance of this indicator will be defined in 2022.

Action #1: Do what is necessary to move towards the goal of 0 accidents

The roll-out of the Group's safety policy is organised around three key areas: risk assessments, awareness-raising among employees (including temporary workers and subcontractors) and compliance with cardinal rules.

1. Assess the risks specific to each of the Group's sites

A risk analysis is performed at each site and continuously updated, covering all tasks performed by employees and taking three scoring criteria into account: the Frequency (F), Severity (G) and Probability (L) of the risk. The risk levels are identified as follows: "critical": score of 210 ≤ R; "moderate": score of 20 ≤ R < 210; "low": score of <20.

According to the identified risk level, suitable action plans are then rolled out at each plant. At present, every accident at a plant is shared throughout the Group. It is then subject to a risk audit in all plants in order to standardise corrective actions. This procedure makes it possible to identify common risks and reduce them accordingly, but also to refine the standards based on the feedback from each plant. In addition to this risk analysis, the "minute of thought" is used by employees, prior to each task to be carried out, in order to take into account the changing environment in which they operate when identifying risks.

2. Raise awareness among all employees, temporary workers and subcontractors

The Group encourages the organisation of awareness-raising campaigns as close to the field as possible. Through these campaigns, all sites raise their employees' awareness of the need to ensure their own safety and that of their colleagues by reporting every H&S danger (to the head of the department or the person concerned) and by taking action immediately in the event of any situation or behaviour that they consider to be dangerous.

The World H&S day held on 23 October 2021 allowed the screening, in every plant, of films providing a reminder of Verallia's four cardinal rules. These films were made at two Group sites with the participation of employees filmed in real-world situations. They explicitly and realistically reproduced accident situations and their potential consequences, thus highlighting the consequences of non-compliance with these rules. Employees were able to participate in a risk hunt to raise awareness of the risks present in a glassmaking environment. On this occasion, the visual elements illustrating these four cardinal rules were updated and rolled out again on all sites (see image below).

At the same time, the Group launched a specific awareness-raising campaign in relation to the IS machine, which generates 50% of the Group's accidents. This campaign is based on two components:

- the production of realistic and explicit videos with Group employees;
- the creation of nine standard rules to be applied when working on these machines. These rules are the result of cross-functional work carried out with the five divisions in order to integrate the experience of all the Group's sites. A leaflet summarising the nine safety rules to be followed was given to all the employees concerned (see illustration below).

3. Monitor compliance with the cardinal rules and support the progress made by our sites

Compliance with and application of the four cardinal rules makes it possible to limit the most common and the most severe accident risks identified by the Group. These rules are as follows:

- do not neutralise or disable safety devices;
- always wear appropriate personal protective equipment;
- apply the Lock out, Tag out (LOTO) procedure for any intervention;
- do not misuse equipment or tools.

In line with the continuous improvement logic of the Verallia production system, every accident occurring at a Verallia site is analysed using the root cause analysis (RCA) methodology, whether it concerns a Verallia employee or a subcontractor. This eight-step analysis eliminates any risk of further occurrence by addressing the root causes of the accident and identifying the reasons for failure to identify and manage the risk prior to the accident. These elements are incorporated into the training plans for operators and subcontractors, as well as the accident prevention and risk analysis plans.

Internal audits are scheduled at least once a year by the Regional EHS Managers and conducted with the plant EHS managers. The purpose of these is to assess the application of Verallia rules and standards within sites through the Group EHS audit framework, and lead to the systematic implementation of an action plan.

In 2021, in order to continuously improve the monitoring and support of its sites, Verallia worked on:

- compliance with and review of the 5S in all areas of the plants in order to optimise working conditions by ensuring proper organisation, safety and cleanliness of the site at all times;
- identification and reporting of dangerous situations: the Group monitors the rate of resolution of potentially dangerous situations in each month, with the goal of reacting immediately in the event of the identification of a potentially dangerous situation.

➜ Outlook

The main actions defined in 2022 consist of continuing the roll-out of the “H&S bottle”, focusing on four key areas:

- increasing the presence of management on the ground, in particular via the Safety Gemba Tour (SGT) tool, which consists of systematising a management routine on the ground (workshop visits by two managers) and allows the rapid resolution of breaches of the Group’s safety requirements;
- reviewing the process of training and approving temporary workers before they take up their job;
- continuing to provide coaching for managers so that they continue to develop skills for job-specific risk analyses and problem solving;
- rolling out technical solutions to reduce occupational health risks: crystalline silica, fumes from mould greasing and optical radiation from hot glass.

Action #2: Continuously improve the working conditions of our employees

1. Assess the ergonomics of workstations through the development of a dedicated tool

In 2020, internal analyses found an increase in accidents linked to low back pain problems. To confirm these analyses and promote the occupational well-being of its employees, the Group developed, in collaboration with a professional ergonomist, a measuring tool capable of identifying the ergonomic deficiencies of each plant. This tool is based on a system of questions and answers between the operators and the manager in order to find out how they feel about physical parameters (handling, posture, brightness, noise, etc.) and cognitive elements (autonomy in the workstation, coactivity, development of skills, etc.).

The roll-out of this tool goes hand in hand with managerial involvement. It is the area manager’s responsibility to interact with their employees. The exercise was rolled out in all Verallia plants in 2021 so that each plant could define ergonomic action plans according to the difficulties identified. At the same time, the Group collected the best ergonomic practices found in all plants in order to put together a Blue Book, or a collection of best practices. These practices are validated by an ergonomist before being shared with the whole network. The philosophy of this Blue Book is to offer plants the opportunity to swiftly get in on the action by implementing practices that are already established in other glass production plants.

In a spirit of continuous improvement, the Blue Book and the ergonomic tool are intended to evolve over time. The Group wishes to repeat the process every two years in order to verify the effectiveness of the actions put in place.

2. Define appropriate action plans

The initial results from the ergonomic tool revealed difficulties in the carrying and handling of loads. In a glass production plant, there is frequent handling of production tooling and moulds, which can result in MSDs (musculoskeletal disorders). A dedicated working group consisting of two managers from each Verallia region was launched under the direction of the Group EHS Director in order to roll out the“0 handling by hand” project implemented in several stages:

- identifying plants with no hoists around the glass production machine and installing them. The Group's ambition is to achieve 100% for the installation of hoists on each side of the forming machines. The current level of hoist fitment is 69%;
- eliminating any manual handling by implementing automated transport systems and minimising load transfers.

➜ Outlook

2022 will allow the Group to:

- carry out an initial campaign to improve ergonomic conditions, based on the use of the assessment tool developed in 2021 and the Blue Book;
- continue and finalise the action plan initiated on the handling of moulds.

Action #3: Promote the well-being of our employees

Support employees in the context of the Covid-19 pandemic

2021 was also marked by the continuation of remote working for all sites and within each of Verallia's entities, particularly in order to ensure the safety of everyone and to prevent infection. This new way of working also offers other advantages, as some employees have been able to develop greater flexibility in the management of their working day and to save on commuting time in large cities.

This unprecedented situation has been accompanied by a redefinition and general support for this new way of working, to enable everyone to function properly within this particular framework.

The Group has therefore taken special care to:

- ensure that every employee working from home is able to work remotely under good material conditions;
- maintain contact between employees when remote working is intensified;
- support groups in these new ways of collaborating;
- guarantee a safe environment for everyone's return to the office.

Although remote working can be a source of improvement in employees' quality of life, the Group ensures that it is supervised and avoids exclusively remote working other than in exceptional circumstances. This is because it can entail deleterious effects for the physical and mental health of the employee and for working groups.

At the same time, in some regions, communication programs concerning the arrangements in place in the different countries, as well as support programs, have been set up to help employees.

Agreements signed and implemented to find better ways of working

In France, agreements on the right to disconnect and remote working have been signed for the Group's two French entities (Verallia France and Verallia Packaging, the holding company of the Group).

In 2021, 110 wireless headsets, 90 screens and 158 seats were delivered directly to the home addresses of Verallia France and Verallia Packaging employees to enable them to work under good conditions at home.

The remote working agreement specifies the conditions under which employees can and should work remotely from home. It also provides support for managers in the supervision of this approach. The agreement already existed for the employees of Verallia Packaging, but it was signed for the first time for the employees of Verallia France.

The discussion and signing of a disconnection agreement highlighted the need to protect the balance between private and professional life for all employees. Thus, training programs have been put in place to remind team leaders at all levels of the existing labour law rules and good work organisation practices in order to prevent any non-compliance. These programs are also aimed at employees to remind them of their rights and obligations concerning compliance with working hours. All of these measures lead to a strengthening of the relationship of trust among the Company's employees.

Satisfaction surveys are conducted every two years at Group level to measure employee engagement and perception. All Group employees are asked to respond to this survey.

Of the 53 questions asked in this survey:

- two concern remote working and the tools made available to employees to facilitate remote working, which are considered to be suitable by 54% of employees;
- two concern well-being and the Company's attentiveness to employee's workloads, which is considered to be positive by 54% of employees;
- two are linked to employees' work-life balance, which is considered to be satisfactory by 67% of Group employees.

Our subsidiaries are committed to the well-being of their employees – Verallia Concilia

In Spain, the Verallia Concilia program was set up in June 2021. It sets out the Company's rules of operation and its desire to commit to an approach designed to improve the quality of working life and the engagement of employees. The set of measures presented in this program represents the culmination of a process of reflection carried out by all stakeholders within the Company: managers, HR teams, social partners and employees themselves. It has been presented and distributed to all of Verallia Spain and allows everyone to learn about the benefits offered by the Company, particularly in terms of flexible working hours.

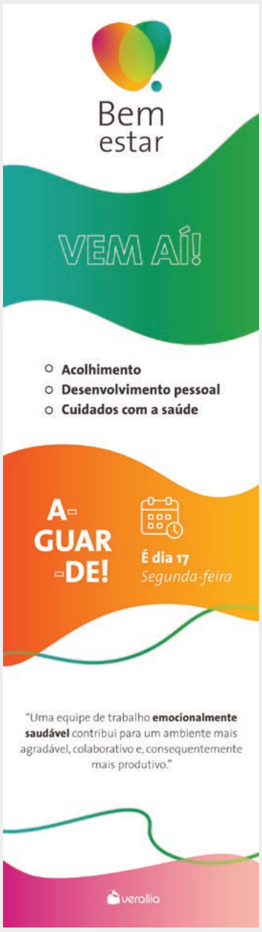
In the Latin America region, the BEM-ESTAR program was launched in May 2021 in Brazil

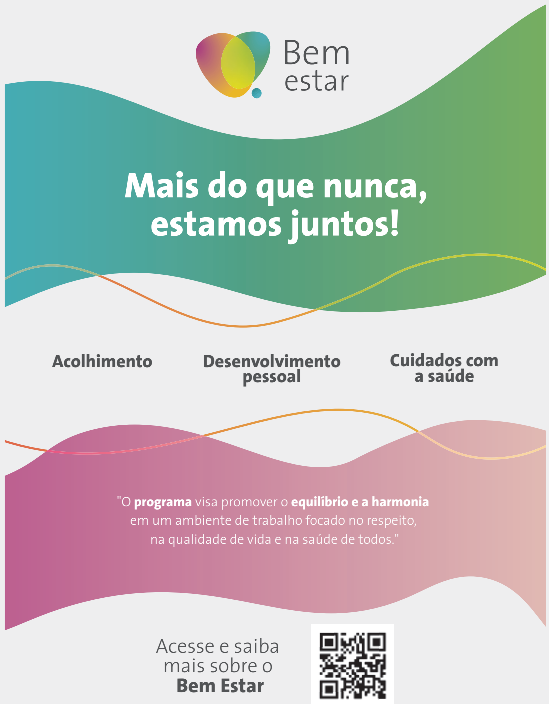
The objective of the BEM-ESTAR program is to promote balance and harmony in a work environment that respects the quality of life and health of everyone. It is part of a preventive and awareness-raising approach by enabling employees and their managers to identify signs related to depression, anxiety and stress.

Distributed to all employees via a large-scale communication campaign, this program brings together a number of actions already implemented within the Group, such as access to a company-funded health program, HR tools and preventive occupational health and safety tools.

Psychological support, available to those most affected by the pandemic, has also been made available. A total of 50 employees benefited from this individual psychological support during 2021 since the inception of the program.

In addition, online courses were introduced to raise awareness, prevent problems and support employees. Two courses, on the ability to meet challenges in uncertain environments and on nutrition, were offered online to all employees. Three hundred employees attended these online seminars, and 96% of the participants felt that the topics covered were relevant.





➜ Outlook

Dedicated and specific programs to support specific situations related to the pandemic will be continued and developed, certainly again in digital format in 2022.

The pandemic remains a major stress factor today, so the Group will work on developing and communicating on initiatives. This will help to enhance them and to raise awareness about these issues.

Promote diversity and inclusion

Governance

The governance of the Group regarding Human Resources changed in 2021. Previously led by the Group's General Secretary, the subject is now managed by the Human Resources Director in charge of Communications and CSR.

This change in governance marks a desire by the Company to establish a robust HR structure responsible for ensuring, at the highest level of the business, a coherence between its strategy, work culture, organisation and processes, and the people who contribute to its success every day.

Diversity and inclusion matters are managed at Verallia by all the members of the Executive Committee. The Human Resources function drives all operations, processes and projects that aim to develop and promote inclusion and diversity within the Group.

Social dialogue has always been at the heart of the Company's concerns. It evolved in 2021 in response to the global pandemic and was considerably strengthened, particularly on issues related to safety and the implementation of preventive measures. Social relations are decentralised and conducted in each country in compliance with staff representation rules. The Group facilitates social dialogue at the European level through a European Works Committee. In 2021, the governance of the committee evolved, and a new secretary from the Italian delegation was appointed to head the European Committee. A select committee meeting was held on 29 September 2021 in an unusual manner at one of the Group's plants in Villa Poma, Italy, allowing the committee members to interact with the existing teams beyond the conduct of their meeting. A plenary meeting of the committee in October 2021 also allowed representatives of management to discuss CSR commitments in detail with staff representatives, to enable them to better understand the strategic issues of the coming transformations.

Human Resources, Communications and CSR Department Member of the Executive Committee	• Defines the human resources policy on talent management, skills development, remuneration and training; • Defines and implements Group communication (corporate and crisis communication); • Coordinates CSR actions taken within the Company and promotes them internally and externally.
Geographic area HR Directors	Five Regional HR Directors: France, Italy, Iberia, Northern and Central Europe and Latin America. Role: to define and implement the corporate HR policy in their respective regions and ensure compliance with laws.
Plant HR Managers Report to plant Directors	32 plants worldwide. Plant HR Managers have an operational role in their establishments: they ensure compliance with labour laws at their sites, and they roll out the Group HR strategy operationally.

Policies & performance

The definition of the HR strategy is entirely consistent with the Group's strategy. One of the pillars of this strategy consists inestablishing the development of an entrepreneurial culture.

The rooting of this culture has been developed in recent years through the sharing of the values and purpose of the Group, "Re-image glass fora sustainable future", developed collectively by employees, customers and all Verallia's stakeholders.

The Group's values determine the behaviour of employees and how they conduct business and behave with all stakeholders inside and outside the Company. These values include respect for people, laws and the environment. In each of the countries where it operates, the Group is committed to complying with international labour standards and applying the statutory employee benefits in force. More broadly, the Group is committed to complying with the fundamental principles of the United Nations on human rights, the ILO fundamental conventions and the International Declaration of Human Rights. Its adherence to the United Nations Global Compact attests to this commitment.

Re-imagining glass also means shifting the lines, promoting a different form of cooperation with different profiles and making employees aware of the richness and complementarity offered by greater diversity within the Company.

The Group fully affirms its commitment to ensuring professional gender equality in the following areas of action:

1. hiring: in order to limit cognitive biases, recruitment relies on tools that make it possible to ensure a common and identical perception of the jobs and the skills necessary to hold them. A clear and gender-neutral description of the expectations of each job thus makes it possible to rely on an objective analysis of the necessary skills. In recruitment processes, regardless of the level of the job concerned, the Company ensures that it receives the same proportion of women and men as that found in the CVs received;
2. training: the conditions for access to training are determined by the job position, and the need is analysed on the basis of skills matrices;
3. compensation and gradings: the Group's compensation policy, based on a system of grades assigned to each job, ensures the fairness of the levels of compensation offered within the Company;
4. career advancement: this is one of the tools that makes it possible to re-establish professional equality. A strongly preferred recruitment method, among other things it allows women to apply for opportunities without self-censorship. In addition, for the last three years the WoMen@Verallia program has been promoting female leadership and allowing women managers to call the glass ceiling into question;
5. the balance between professional and personal and family life;
6. health and safety at work: at all its sites worldwide, the Group takes care to create a discrimination-free work environment by promoting diversity and inclusion. Creating a work environment free from discriminatory behaviour provides the opportunity for everyone to advance themselves into all job areas within the Company, particularly those traditionally held by men.

This commitment extends far beyond gender diversity: for Verallia, it is about promoting and developing the diversity and gender equality of teams, and ensuring that all employees can access the jobs we have to offer. The matterof disability and of our own ability as an industrial group to accommodate disabled workers in our plant jobs is crucial to the development of our inclusion policy.

Promote diversity, inclusion and social dialogue

Commitments	Monitoring indicators	2021	2020	2019
Promote and increase the share of women within the Company **Objectives:** 35% women executives at Group level by 2025.	Gender Equality Index[(1)]	67	70	60
	Share of female managers[(2)]	30.4%	29.8%	29%
	Share of women in the workforce	17.2%	16.5%	16.3%
Make diversity a precious asset **Objective:** each 4.5% disabled workers by 2025.	% of people with disabilities	3.4%	3.3%	3%
Promote a high-quality social dialogue	Number of agreements signed or validated during the year	70	51	71

(1) The index corresponds to the average of index scores computed for each entity of the Group and adjusted by the workforce of the entity which is taken into account as calculation. For the French entities the legal forms are applied. For the foreign entities, the form related to companies with more than 250 employees is applied whatever their real workforce.

(2) The share of female managers corresponds to the number of female executives reported to the total number of executives, according to the definition of the category used in each country.

The policy of increasing the share of women within the Company is reflected in an increase in the number of women managers, while the gender equality index is down by three points after a strong increase last year. A drop of two points is due to an increase in the number of promotions of women in a region where they already have a favourable lead over men (the calculation, as defined, therefore produces a penalising result, despite the consistency with this women's development policy). The share of employees with disabilities is increasing slightly, with disparities between countries and professional categories. The social dialogue indicator has been redefined and now illustrates the number of social agreements signed or validated throughout the year within the Group.

Action #1: Make diversity a precious asset

As part of the inclusive values promoted by the Group, numerous initiatives have been launched to raise awareness and mobilise employees on the richness of diversity. Local awareness-raising initiatives are rolled out as close to the employees as possible, thus guaranteeing their success and the support of the employees. They must be copied in order to be culturally adapted and accepted by the local interlocutors, and in this way acculturation takes place effectively.

Verallia Spain, committed to diversity and inclusion with all its employees

Verallia Spain has joined the “CEO for diversity” alliance. The mission of this alliance is to bring together the CEOs of the major Spanish companies around a common and innovative vision on diversity, equality and inclusion. The alliance brings together 61 business leaders who commit themselves to implementing actions within their organisations to develop diversity and inclusion.

The Company has therefore undertaken to strengthen its communication activities around diversity and inclusion and to increase the recruitment of women and people with disabilities. The approach adopted is a gradual one. It consists of raising awareness among the different stakeholders about issues or topics at the heart of the Company linked to diversity and inclusion.

On 8 March 2021, on International Women’s Rights Day, all employees were informed of the signing of the alliance and the targets set in relation to diversity, equity and inclusion. A video was produced and sharedto all employees to inform them of the approach and the undertakings made by the subsidiary.

Each employee undertakes to sign the alliance’s commitments, which are as follows:

- to defend the dignity of every individual;
- to recognise that diversity, fairness and inclusion are fundamental values for them and for the Company that they represent;
- to recognise that the difference, identity and singularity of each individual enriches teams with distinct perspectives, knowledge, skills, experiences and values that improve the competitiveness of the Company;
- to recognise that there are situations of inequality, vulnerability and exclusion in Spanish society today that the Group wishes to confront.

A set of stickers and magnets bearing campaign messages have been distributed (messages and their translations below)

It takes a lot of effort to acquire the important things

There is no limit to a person fighting for a dream

We fight against labels – we believe in talent

Today we have the opportunity to change someone’s life – let’s do it!

Put yourself in other people’s shoes, look at things from their point of view without prejudice

On 3 December 2021, an initial meeting was held that brought together all the plant managers for a presentation on the approach. In order to achieve the set objectives, the project is now being rolled out with the implementation of specific action plans in each plant.

Diversos, an ambitious program in Latin America that encourages discussion and opens up debate

This program, launched in October 2020, aims to ensure that Verallia protects its employees and remains inclusive and free from prejudice and discrimination for the entire business in Latin America. One of the key messages is to encourage each employee to be themselves and to express 100% of their potential.

The program relies on numerous tools made available to management:

- training and development tools: online or digital training, courses or interventions;
- internal communication tools for highlighting the different events, internal communication kits for employees;
- the development of a diagnosis based on an analysis of existing quantified data, an analysis of precise criteria and research on the main topics;
- modification of recruitment processes with the adaptation of interview guides and the definition of new profiles;
- training courses on diversity and inclusion;
- modification of the vocabulary of internal and external communications to include inclusive concepts.

In 2021, 600 employees took the five offered seminars on topics relating to difference, diversity and inclusion. 98% of the participants considered that the topics covered were extremely relevant.

Verallia Deutschland signs a diversity charter

Verallia Deutschland signed the Charta der Vielfalt (Diversity Charter) in 2021. This charter was drawn up by a diversity charter association created under the patronage of the German Chancellor. The signatories of this charter collectively undertake the following:

- to cultivate a culture characterized by mutual respect and appreciation. They undertake to create a culture that allows employees to recognise, share and live by these values. They have a special obligation in this regard;
- to review their HR processes and ensure that they address the diverse skills and talents of all employees;
- to recognise diversity within and outside the organisation, making the most of the potential within it and using it in a profitable way for the Company;
- to make the content of the charter the subject of internal and external dialogue;
- to provide public information on the activities carried out and on their progress in promoting diversity and appreciation, on an annual basis;
- to inform staff about the added value of diversity and involve them in the implementation of the charter.

In addition to signing the charter, the association invites signatories and their employees to take part in and/or set up a number of events within their company. In 2021, the following events took place: conduct of communication campaigns, participation in diversity conferences, establishment of the inclusion prize, and celebrations around Diversity Day.

→ Outlook

At the Group level, a Steering Committee will be established in 2022 to effectively monitor the progress of commitments and highlight local initiatives.

In addition, a Diversity Day will be celebrated at the Group level in 2022. This day will be an opportunity to raise awareness about all forms of diversity (gender, disability) and to promote respect for others within the Group.

Action #2: Promote and increase the share of women within the Company

The inclusion of women in high-level governance bodies

In line with the Group's ESG roadmap, Verallia has applied the principles of its internal promotion policy at the highest level of the Company. Thus, 2021 marks the arrival of a third woman on the Group's Executive Committee, bringing the share of women to 30% of its members.

WoMen@Verallia, a mentoring program expanding to the country Management Committees

At a workshop in May 2019 as part of the WoMen@Verallia program, the Group established a mentoring program aimed at women in the Group. Since its inception, 19 women employees have benefited from it, including 10 in 2021.

This initiative addresses the following objectives:

- to increase the visibility of women with potential within the Company;
- to create favourable conditions for the personal and professional development of participants in the program;
- to facilitate their career development;
- to change the perceptions of mentees and mentors.

To support the approach, Verallia has put the following measures in place:

- a guide explaining the approach and its essential features has been drawn up and sharedto mentees and mentors;
- a meeting is held at the beginning of each session to define the principles of how the relationship works;
- a wrap-up meeting is held at the end of the program to talk about the experience, share ideas about the issues at stake and make proposals for refining the program. In 2021, the participants once again praised the existence of the program, its interest and its ability to boost self-confidence. This support enabled them to concretely define the next steps in their professional journey and to work on resolving specific problems that they faced in their working life. 100% of the participants recommended continuing this mentoring program, which they found motivating and a stimulus for collective emulation.

The Group is backing this initiative, and similar mentoring programs have been developed in the various subsidiaries. These programs currently exist in Italy, Spain and Germany. A total of 41 women have been mentees in the various subsidiaries, and this community will grow each year as part of a dynamic of continuous improvement.

Raise Management Committees' awareness about gender diversity – the innovative initiative of Verallia Deutschland AG

In March 2021, as part of the diversity approach and with the aim of raising awareness about gender diversity among managers, two brainstorming workshops were conducted with the members of the Northern and Eastern Europe Management Committee to review all the information relating to diversity in their region and to set diversity targets. Among other things, these workshops led to the creation of a joint declaration inspired by Verallia's mission and placed emphasis on diversity: "Reimagining gender diversity to build a more diverse future".

Positioning the subject of diversity and formulating a mission statement has enabled the members of the Management Board to formulate a visible commitment from each of the Company's employees and to show a willingness to take concrete action to change the existing situation.

The Group wants to actively promote equal opportunities for all genders within the Company and thereby increase opportunities for women in the male-dominated world of the glass industry. To do this, we rely on the expertise of mixed teams throughout the Company and the appointment of more women to positions of responsibility. Verallia is committed to meeting women's needs by creating a suitable work environment, while bringing all of the Company's talents – regardless of gender – on to this path.

➜ Outlook

In 2022, the WoMen@Verallia working group will continue its working meetings. This group, made up of the three women members of the Executive Committee and a delegation of women representatives from each of the regions, will extend its work and define a set of actions to be implemented in 2022, including:

- the creation of a Diversity and Inclusion Day to raise awareness among the Group's employees, following the example of the World Health and Safety Day;
- the continuation of the mentoring program, whether at Executive Committee level or regional Management Committee level, with the creation and organisation of a network of mentees;

- the development and roll-out, at the Group level, of workshops to raise awareness about gender diversity. These workshops will be built on the model of those developed at Verallia Deutschland;
- regular monitoring of indicators to measure the broader inclusion of women through the setting up of a Steering Committee for social indicators.

Action #3: Ensure the continued employment of people with disabilities

The inclusion of people with disabilities is a constant concern in the Group's plants, reflected in the following commitments:

- to ensure access to a maximum number of positions, including those that would be difficult for someone who is not currently physically fit. On this point in particular, the Group is developing several tools to reduce the need to carry loads. The plans developed by the Group are mentioned in Section 2.3 of this document under the heading "Ensuring a safe and inclusive work environment for all";
- to keep people with medical restrictions or work disabilities in employment, and to enable them to remain active in the Company and in their job area.

In all the Group's countries, the actions put in place facilitate access to the job positions concerned. Expanding this access also allows women to access these positions mainly occupied by men. The Group is thus taking concrete measures to foster diversity and inclusion.

The commitment of Verallia France on the matter of disability

In 2021, the Chalon sur Saône plant signed an agreement with all the trade union organisations concerning the employment of people with disabilities.

This agreement has a twofold objective: to promote and encourage the employment of people with disabilities, and to take disability into account and integrate it within a proactive and committed human resources policy. It sets out the policy on employing people with disabilities, the measures to facilitate occupational integration and the measures to enable employees with disabilities to declare themselves. It also includes a plan for keeping disabled employees in employment and a description of the information and communication and skills development measures that will be put in place as part of the development of this agreement.

In the context of the signing of this agreement, the Chalon plant presented a cheque for a donation of €10,000 to the representatives of the Handisport association.

➜ Outlook

Among the actions to be taken to facilitate access for everyone, our short-term priorities for 2022 are as follows:

- identifying the most accessible job positions in the plant with the industrial teams, as well as the most adaptable positions, to obtain a comprehensive mapping of the positions that can be offered. These positions could be reserved on a priority basis for people with disabilities;
- raising employees' awareness about disabilities through Diversity Day;
- monitoring, within the Steering Committees, the social commitments made by the Group and the related indicators in the same way as for the environmental indicators.

Support our employees in their professional development and value their involvement

Governance

All issues related to the professional development of employees are managed by the Human Resources Department. The governance structure remains the same as that presented in the previous section.

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Geographic area HR Directors	Five Regional HR Directors: France, Italy, Iberia, Northern and Central Europe and Latin America. Role: to define and implement the corporate HR policy in their respective regions and ensure compliance with laws.
Plant HR Managers Report to plant Directors	32 plants worldwide. Plant HR Managers have an operational role in their establishments: they ensure compliance with labour laws at their sites, and they roll out the Group HR strategy operationally.

The specific function of Director of Human Resources Development was created within the Group Human Resources Department. The main role of this position is to set the roadmap for HR development issues.

In each region, the Human Resources Departments are responsible for the HR Development function, including talent management and training. They therefore define local training plans and appropriate programs for their teams. Operational training needs are studied in the plants closest to the ground, where skills matrices make it possible to measure the gap between the expected level of skill and the actual knowledge of each employee.

Policies & performance

Each year, the Group defines the key areas of its training policy in line with the operational objectives to be achieved. The Group's general training program covers compliance (corruption, competition, embargoes), leadership, commitment to values, business-specific training and EHS. In 2021, due to the pandemic, the Group's training actions were conducted in the form of online courses. They concern regulatory issues on which all the country structures must be in line with each other. Locally, training actions are defined in the context of specific training plans.

The Group's compensation policy, including the compensation of its Chief Executive Officer, aims to ensure competitive compensation levels in accordance with the Company's interests and consistent with market and industry practices. It also ensures the maintenance of a strong link to the Company's performance, and that a balance is maintained between short-term performance and medium- or long-term performance. The Group has implemented a compensation policy consisting of:

- a basic salary;
- a variable annual portion, which remunerates individual and collective performance based on the achievement of ambitious targets while being subject to a cap in order to avoid excessive risk-taking. This variable annual portion is based on annual criteria including safety, the environment, financial and operational performance, and personal goals.

The employee share ownership policy is a strategic pillar for linking employees to the long-term development and performance of the Group. This offer of employee share ownership provides Verallia employees with an opportunity to become a shareholder of their company under conditions reserved for them and approved by the Board of Directors (maximum discount of 20% and a matching contribution scale favourable to small contributions) through Verallia's FCPE (employee investment fund) or via direct share ownership. As at 31 December 2021, employees hold 3.5% of the Company's share capital directly, via direct share ownership and through the FCPE.

Support our employees in their professional development and value their involvement				
Commitments	**Monitoring indicators**	**2021**	**2020**	**2019**
Develop the skills of our employees	Average number of training hours per employee (fixed-term and permanent)	31h	25h	37h
Develop the engagement of our employees **2025 target:** to achieve an employee engagement index of 70% by 2025.	Engagement index (every two years)	57%	N/A	43%
Guarantee fair compensation and ensure the sharing of value **Objective:** to double employee share ownership between 2019 and 2025 to 5%.	Proportion of share capital held by employees(1)	3.5%	3.2%	3%

(1) The capital share held by employees takes into account the total number of shares held in the Verallia employee investment fund to which is added the number of shares directly held, in registered form ,by the employees who have invested in employee-only offers. Besides we add the shares held by the employees who have benefited from performance shares within the first phase of the 2019 plan whose shares were bought on 2021.

The capital share held by employees takes into account the total number of shares held in the Verallia employee investment fund to which is added the number of shares directly held, in registered form, by the employees who have invested in employee-only offers. Besides we add the shares held by the employees who have benefited from performance shares within the first phase of the 2019 plan whose shares were bought on 2021.

The support provided to employees through training is reflected this year in a significant increase in the number of hours per employee, both via face-to-face courses and via e-learning. Employee engagement has progressed strongly despite an unfavourable public health background. This is also reflected in the high level of subscription to the employee share ownership programs, which allows a further increase in the proportion of share capital held by employees.

Evolution of employment and engagement			
Monitoring indicators	**2021**	**2020**	**2019**
Percentage of permanent contracts	7.1%	4.2%	6.8%
Voluntary turnover(1)	4.6%	2.60%	3.50%
Absenteeism rate	5.0%	5.5%	

(1) The voluntary turnover concerns all resignations whether regarding permanent or fixed-term contracts from 2021 onwards. Only fixed-term resignations used to be counted.

The recruitment rate increased strongly against the backdrop of the new projects developed in 2021. Turnover rose after the substantial fall seen in 2020. Absenteeism stabilised, despite the public health crisis. However, it does not take into account absences due to Covid-related illness.

Action #1: Develop the skills of our employees

Implementation of self-assessments for each plant as part of the roll-out of the "people development" bottle

As part of the Group's strategy to improve operational excellence through the Verallia Management System (VIM), in-depth work is carried out by the "people development" working group.

As with the safety policy set out in this document, the first step in the process is to identify shortcomings so that a second stage of work can be done on a plan of action to overcome them. The illustration below helps to understand the different levels of maturity of the organisation regarding forward planning for jobs and career paths.

Level 4
Sustainable

We have a strong pool of talents sustain operational excellence:
The people development process supports strategic objectives and people show satisfaction about their own development.

Level 3
Proactive

We anticipate the future needs of the LRP:
We reinforce people development to cope with the LRP changes. We initiate advanced and qualifying training programs.

Level 2
Preventive

We raise a plan:
We define a Development plan by category of employees and start training according gaps and needs to cope with current challenges. We control the execution and efficiency of the plan.

Level 1
Reactive

We recognize some gaps:
We get prepared by identifying immediate training needs, initiating transfer of skills and knowledge. HERCA process is implemented.

In 2021, all the plants worked on a complete overhaul of their organisations, job categorisation, inventory of function defintions, skills matrices and processes for implementing training plans. The analyses of the existing situation allow gaps to be identified and addressed. Self-assessments of the situation have been documented for the regions.

As of the end of 2021, the plants therefore have the elements enabling them to clearly identify the tools they have at their disposal and to implement plans in 2022 to achieve level 2 maturity.

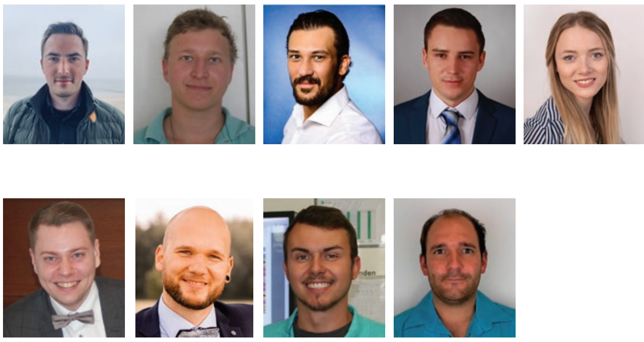
Management training programs launched in each region to develop autonomy and entrepreneurial spirit

Outside the usual management training courses, programs are implemented in the different regions to develop tomorrow's leaders and prepare potential young talents and/or managers to assume managerial functions in the future.

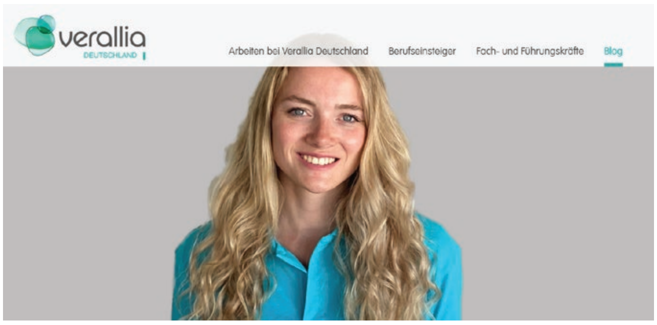
These locally developed programs are an opportunity for participants to create a professional network and to receive training in personal development.

For example, the Verallia Deutschland Next Generation Leader program, which started in September 2020 and will end in March 2022 with a session held at the Chalon training centre, includes nine participants. Each participant has benefited from individual assessments of their potential and skills, and now has a defined personal development plan.

next
Generation Leader -
vom Techniker zur Führungskraft



They are also great ambassadors on the Group's social networks to promote the Company's image and attract talent.



Anticipate the evolution of employees within the Group through "talent reviews"

An individual talent review is conducted twice a year for all country and/or region managerial positions. The management team of each region can then share the employee performance reviews and identify together those that demonstrate potential for taking on leadership roles. At each review, which takes place twice a year, a detailed analysis of successors for each of the Company's management and key positions is presented. This is an opportunity for the Company's leaders to plan and implement the necessary means to prepare the leaders of tomorrow.

➜ Outlook

The next actions planned at Group level in 2022 will be aimed at:

- strengthening governance: the new appointment of a Group HR Development Manager, reporting to the Human Resources Director responsible for Communications and CSR, will lead to a strengthening of governance in relation to HR development;
- reviewing talent management processes and tools, and identifying future skills needs linked to anticipated changes in the Group's job areas and future technological developments. This point is all the more important as Verallia will be reinventing production processes and must be ready to bring in different skills in the very near future;
- putting tools in place to harmonise practices and develop the visibility of the Company: a common recruitment platform will be rolled out for the whole Group;
- launching a comprehensive management training process for all managers.

Action #2: Develop the engagement of our employees

In March 2021 Verallia launched, in digital format, its third opinion survey consisting of around 50 questions to assess the level of its employees' engagement. This survey, conducted every two years, was aimed at all Group employees and was accessible online, allowing every employee to take part via a secure connection.

This year, the engagement rate reached 57%, a sharp increase on the 43% achieved in 2019. This progress demonstrates the effectiveness of the action plans implemented. The Company's goal is to significantly increase its participation rate by 2025 and outperform the industry benchmark rate of 62%, with an ultimate target of 70%.

The results of this survey were presented in each country and resulted in the definition and implementation of action plans that are currently being conducted and deployed. It should be noted that the best satisfaction rates were found in the "occupational health and safety" and "purpose" dimensions, followed by those relating to "vision", "values" and "strategy".

➜ Outlook

The development of employee engagement is one of the core elements of the HR roadmap for 2022 presented at the Annual Meeting of senior managers in December 2021.

The development of a program of ambassadors, allowing employees to get involved in a personal capacity in promoting the Company's mission and the circularity of glass, is a concrete manifestation of the Company's commitment to strengthening employee engagement. This program will be developed in 2022, and internal communication will be strengthened to support this commitment by building on employees' pride in belonging to a company whose mission excites them – one of the strong points cited by employees in the 2021 survey.

Action #3: Guarantee fair compensation and ensure the sharing of value

Fair pay is one of the pillars of Verallia's compensation policy, based on grading systems and supplemented by external benchmarks, particularly for positions that are subject to the Hay classification system.

The sharing of value is structured according to population categories, through individual and collective variable compensation schemes. The variable compensation policy applied for all managerial staff follows an identical structure in all countries, based on financial and non-financial criteria linked to the annual targets of the Group, divisions or countries, plants and sales forces.

Using schemes similar to the French model of incentive payments, collective compensation schemes linked to collective performance criteria are implemented in several countries: Germany, Italy, Spain and Brazil.

In France, in addition to incentive payments, collective performance compensation is supplemented by profit-sharing, in those companies that benefit from this.

Moreover, since 2016 the Group has annually offered employees the chance to acquire company shares under preferential terms. As at 31 December 2021, employees hold 3.5% of the Company's share capital directly and through the FCPE. In the space of six years, these successive offers, made in eight countries (France, Germany, Italy, Spain, Portugal, Poland, Brazil and Chile) have enabled 42% of employees to become shareholders in the Group and to hold 3.5% of its capital by the end of the 2021 operation.

The Group intends to pursue this policy of share offers reserved for employees in the coming years, with the target of achieving 5% employee ownership of Verallia's share capital by 2025. Free performance share plans have been implemented every year since 2019 for a targeted population of beneficiaries.

In addition to the compensation systems, the Group offers its employees various benefits according to the schemes provided in each country, particularly in relation to health and pension cover.

➜ Outlook

In 2022, Verallia will propose:

- an offer reserved for its employees consisting of a discount of 20% on the share price and an employer matching contribution for each subscribing employee. This offer will, if possible, be expanded to nine or ten countries depending on local regulatory constraints;
- a new free performance share plan for a targeted population of beneficiaries.


verallia

4

2.4. Complying with our ethical principles in dealings with our suppliers, clients, employees and communities

Complying with applicable regulations and combating corruption

Verallia's long-term sustainability cannot be understood without the sharing of values common to the entire Group. Thus, in 2017 Verallia reaffirmed the principles that have guided all its companies and teams since the early 2000s, through four values that form the foundation of its Code of Conduct: "care for customers; respect for people, laws and the environment; empowerment and accountability; teamwork".

This Code serves as the foundation for the Group's actions with regard to business ethics, the keystone that unites the community of people working together within and for Verallia. Its aim is to ensure compliance with laws and regulations, as well as with the Group's policies and values.

The culture of compliance that drives the Group is developed through this Code. This culture is fostered by a compliance program that helps to reinforce the "Compliance with Laws" value and the obligations that come outit.

Finally, the Group acts in compliance with the tax rules of the countries where it operates, and fulfils its reporting obligations within the required time limits. The Verallia Group does not use any complex financial arrangements aimed at obtaining a tax advantage (see Chapter 4), and there are no subsidiaries in the nine countries listed in Annex 1 of the European Union's "list of non-cooperative jurisdictions for tax purposes" (formerly known as the "black" list) or in the 15 countries appearing in Annex 2 of that list (formerly known as the "grey" list).

Complying with key legislation (corruption, competition, embargoes, personal data, information security)

Governance

Group Legal Department **Member of the Executive Committee**	• - defines and validates the compliance policies.	Number of times the issue of compliance has been officially addressed by the Executive Committee: 6
Geographic area and country Legal Departments	• - propose and implement the policies.	
Group Risk and Compliance Committee • Chairman and Chief Executive Officer • Chief Financial Officer • Human Resources Director • Operations Director • General Counsel • Group Head of Compliance • Audit, Risk and Internal Control Director	• Role: • conducts regular compliance assessments • monitors actions taken • validates subject areas to be supported and future action plans • proposes additional measures aimed at ensuring the effectiveness of the application of the Code of Conduct and complying with applicable laws and policies in the areas, among others, of competition law, anti-corruption law, embargoes and financial sanctions, and the GDPR	Number of times the issue of compliance has been officially addressed by the Audit Committee: 3 Number of times the issue of compliance has been officially addressed by the Sustainable Development Committee: 1
Region and country Compliance Committees **Chief Executive Officer of the Company or geographic area** **Chief Financial Officer** **General Counsel** **Human Relations Director** **Executive responsible for risks** **Executive responsible for audit and internal control** **Compliance officer(s)**	• Role: • make suggestions on how to improve the effectiveness of the application of the Code of Conduct and how to comply with applicable laws, rules and policies, in the areas covered by the Group's compliance program or any others that they may identify • coordinate the actions of the compliance officers • assist the compliance officers in the dissemination and application of policies	**Audit, Risk and Internal Control Department** Role: verifies the effective application of rules and procedures and the training of employees in compliance programs
155 compliance officers, including GDPR (functional or operational managers)	• Role: • ensure the dissemination of policies and the active engagement of the operational teams on compliance issues • coordinate compliance actions	

The management of information security forms an integral part of the missions of the Group's Information Systems Department, which reports to the Group's Administration and Finance Department.

The internal cybersecurity organisation consists of a central team under the responsibility of the Group's Head of Information Systems Security, covering the areas of industrial IT, applications and infrastructure. This team is supplemented by an international organisation of local points of contact for each of the Group's regions. To fulfil its cybersecurity missions, the Information Systems Department also relies on its partners who are recognised major players in these areas. In this regard, Verallia has a Security Operation Centre (SOC) managed by one of its partners, a European leader in its field.

Policies & performance

The ethics and compliance policy is structured around five pillars:

- fighting against corruption, with the target of training 100% of employees exposed to corruption risks in the anti-corruption program by 2021;
- compliance with competition law, with the target of training 100% of new employees exposed to competition risks, during their first year of working within the Group, in the competition law training program by 2021;
- compliance with rules on economic sanctions, with the target of training 100% of employees exposed to risks of violation of economic sanctions and embargoes in 2021;
- ensuring compliant usage of data, with the target of responding to 100% of requests for the exercise of rights received;
- protecting our data and information systems, with the target of training 100% of employees on cybersecurity threats so that they can be true partners capable of detecting and reporting the threats that they identify.

Each of these pillars is structured based on specific and detailed policies, most of which are publicly accessible. These are summarised below:

- **Fighting against corruption**

  The anti-corruption and influence peddling policy (2018, translated into all of the Group's current languages for 2019/2020), supplemented by the conflicts of interests policy (2016, last updated in 2018), the commercial agents and intermediaries policy (2016, updated in 2020 and 2021), the gifts and invitations policy (2016, updated in 2018 and 2021, including the implementation in Q4 2021 of a system for declaring gifts and invitations), and the donations and sponsoring policy (2021).

  All these policies have been drawn up and communicated in French and English. These policies are sent to all new hires and are accessible to all employees on the intranet and on the Verallia website (https://www.verallia.com/gouvernance-et-compliance/compliance/). They are also made available to all employees on the Verallia Compliance internal platform. To facilitate access to these documents, e-mail communications are sent out regularly by the HR teams to remind employees where they can find these policies.

- **Compliance with competition law**

  To manage risks related to competition, a guide to compliance with competition law and a Professional Associations policy have been drawn up. These documents are sent to all new hires and are accessible to all employees on the intranet and on the Verallia website (https://www.verallia.com/gouvernance-et-compliance/compliance/). They are also made available to all employees on the Verallia Compliance internal platform, and regular reminders of their location are sent out by e-mail, in the same way as for all the anti-corruption policies.

- **Compliance with rules on economic sanctions**

  A policy about compliance with rules on economic sanctions and embargoes was adopted in 2016 and updated in 2020. It is sent to all new hires and is accessible to all employees on the intranet and on the Verallia website (https://www.verallia.com/gouvernance-et-compliance/compliance/). It is also available to all employees on the Verallia Compliance internal platform.

- **Ensuring compliant usage of data**

  The general personal data procedure (2019, last updated in 2021), supplemented by the exercise of rights procedure (2021), the data breach notification procedure (2021), the signature by all Group legal entities of an intra-group data transfer protocol (2021) as well as the preparation and dissemination of Group models (concerning, for example, information notices) and tools to help with decision-making (for example, when to carry out an impact assessment and when to create an evaluation grid for an impact assessment).

  All of these policies have been drawn up and communicated in French and English. These policies are made available to Data Protection Coordinators (DPCs) and Data Processing Managers (DPMs) throughout the Group on Verallia's internal Personal Data Protection SharePoint platform. To facilitate access to these documents, e-mail communications are sent out regularly by the Group compliance officer to remind DPCs and DPMs where they can find these policies.

- **Protecting our data and information systems**

  Verallia's information security policy defines a framework based on best industry practices (ANSSI, NIST) for critical infrastructures and is applicable to the entire Group. An entirely new set of standards is currently being developed for the Group's industrial IT systems.

  The key concept defining the global cybersecurity strategy for Verallia's Information Systems is resilience, which therefore implies extreme vigilance over the availability of the data and software, the segregation of environments, the ability to rapidly restore data and limit data losses, and the ability to rapidly detect intrusions and data leaks.

  This policy is organised around five points:

  - implementation of fundamental controls;
  - security of applications, supervision for early detection of suspicious activities;
  - raising of users' awareness in order to make everyone a cybersecurity partner;
  - governance in order to control and monitor this policy;
  - conduct of cybersecurity projects and incident management.

Regarding governance, Verallia adopts a framework based on best market practices (e.g. ANSSI, NIST) for critical infrastructures, which is reflected in a policy applicable to the entire Group. An entirely new set of standards is currently being updated for the industrial IT systems that have recently been added to the Group's ISSP (Information System Security Plan).

The creation and monitoring of operational security dashboards give a vision of the threats, the projects and the coverage of the security controls.

Verallia will continue to improve its preparedness for crisis management by planning and testing crisis scenarios and by developing business continuity plan scenarios for its basic infrastructures and industrial information systems.

The general audit program checks all the compliance topics. 100% of our entities are audited over 4 years. Between 2020 and 2021, 39% of entities have been audited, this lower than expected ratio being due to Covid health conditions.

Complying with key legislation (corruption, competition, embargoes, personal data, information security)

Key commitments and objectives	Monitoring indicators	2021	2020	2019
Comply with all key legislation	Number of convictions and fines	0	0	0
	Total number of alerts received (and % handled)	7 (100%)		
	Number of ethical alerts received (and % handled)	1 (100%)		
Fight against corruption **Objective:** to train 100% of employees exposed to corruption risks in the anti-corruption program by 2021.	% of the defined population trained in our anti-corruption program	98.9%	98.7%	57%
Ensure compliance with competition law **Objective:** to train 100% of new employees exposed to competition risks, during their first year of working within the Group, in the competition lawtraining program by 2021.	% of the defined population trained in our competition program	98.8%	98.3%	56%
Ensure compliance with rules on economic sanctions and embargoes **Objective:** to train 100% of employees exposed to risks of violation of economic sanctions and embargoes.	% of the defined population trained on risks of violation of economic sanctions and embargoes	94.8%		
Protect personal data	% of requests for the exercise of GDPR rights handled	100%		
Ensure the security of information	Number of events collected for analysis, in billions(1)	25.8	22.2	13.6
	Number of incidents with impacts(2)	1	1	1

(1) Cybersecurity events: audit data relating to the execution of a process, whether or not initiated by a user, that could have an impact on the information system.
(2) Cybersecurity incident: an event that adversely affects the availability, confidentiality or integrity of the information system.

Regarding the target population for compliance training programs, it is important to note that Verallia trains all persons likely to be exposed to the risk of active/passive corruption (anti-corruption training), to the risk of committing anti-competitive practices (competition training, e.g., exchanges of sensitive information) or to the risk of violation of embargo rules (embargo/economic sanctions training). In practice, the following functions are mainly (but not exclusively) targeted: General Management, Purchasing, Sales & Marketing, Customer Service, HR, Legal, Finance, Internal Audit and Control. Since Verallia is an industrial group, the population exposed to the risks mentioned above represents approximately 15% of all the Group's employees.

Performance on these issues is very good in 2021, in line with the centrality of compliance with the law in Verallia's values. The results of the new indicators defined in 2021 (number of convictions and fines, number of alerts received and handled, % of defined population trained on the risks of violation of economic sanctions and embargoes, % of requests for the exercise of GDPR rights handled, number of events collected for analysis and number of incidents with impacts) are also worthy of note and demonstrate the Group's ongoing desire for improvement, particularly in the area of compliance.

Regarding IT security, the Group has gradually expanded the scope of trace collection to cover Verallia business scenarios and associated risks. This approach will be continued in order to detect any attacks early. In two years, Verallia has almost doubled the volume of data collected (+90%), giving it more complete visibility, year on year, of all its IT systems. These results are mainly due to a modernisation of its collection technologies and an improvement in the productivity of its internal organisation and those of its partners. Trace collection is the collection of system audit data from all servers and workstations (including industrial ones) using standard operating system tools, anti-virus software and an additional probe, called EDR, to identify executed processes and internet access. Verallia collects and analyses this same data from application systems, such as SAP, to identify accounts and privileged access, as well as access to critical transactions. All the collected data is aggregated in the recently upgraded SIEM (Security Information and Event Management) system.

Action #1: Fight against corruption

Mapping of risks	An initial mapping of corruption risks was performed in 2017. This was subsequently updated in 2018 and 2020, then consolidated at Group level and refined in 2021, with the aid of a specialist external firm. The mapping is performed by means of interviews with key functions at the Group's headquarters and in subsidiaries (finance, accounting, sales, internal control, tax, risks, purchasing, IT) and by means of a questionnaire sent to all Group subsidiaries. Based on the results of the anti-corruption mapping, action plans are defined and implemented in order to improve the effectiveness of Verallia's anti-corruption system.
Training	Training courses are regularly offered to our employees. In 2020, a face-to-face training course was organised in all countries for employees exposed to corruption risks. In addition, an e-learning module has been offered to all exposed employees since 2017 (an update was made in 2020, and a complete reworking and a significant expansion of the content were carried out in 2021) in all the Group's languages via the UNIVERA training platform, where all the e-learning training courses are installed. This platform, open to all the Group's countries, makes it possible to monitor the percentage of registered employees who have actually followed the training course, as well as the success rate of the training. As at 31/12/2021, 98.9% of the targeted population have actually completed the training.
Internal control	Control processes are incorporated in the Group's Internal Control Manual; in particular, controls specifically linked to the prevention of corruption are identified. These were reviewed and updated in 2021. In addition, an annual internal control self-assessment campaign is conducted by the Group's subsidiaries, giving rise, if necessary, to corrective action plans. The reliability of these annual self-assessments is verified by the internal auditors when the carry out their audit missions in the subsidiaries.
Audits	The internal audit programs regularly incorporate a number of controls to ensure the proper implementation of Group processes and policies with regard to the prevention of corruption. Specific audits are also performed. These specific audits have concerned compliance with the sales agents and intermediaries policy in 2019 and the sponsoring and patronage policy in 2020 (updated in Italy in 2021). Based on the results of these audits, action plans are put in place for the companies of the Group.
Controls on third parties	The agents and intermediaries policy, in place since 2016 and strengthened in 2021, requires a thorough investigation, including via a detailed questionnaire that the third party must complete in order to be eligible to enter into any contractual relationship with Verallia. Control procedures for suppliers were put in place by the Purchasing Department in the second half of 2020 in relation to supplier ethics, with the aid of questionnaires managed and evaluated by external service providers. Finally, following the outcome of the last risk mapping exercise, a new software has recently been implemented to carry out corruption due diligence for the categories of third parties identified as being the riskiest.
Whistleblowing platform	A whistleblowing platform is accessible in all countries, in the local language, via the intranet and the external Verallia website. It allows any observed non-compliance to be reported.
Disciplinary rules	Non-compliance with procedures may result in penalties, as provided for by the Internal Rules or the applicable collective agreement.

➜ Outlook

Several actions will be taken in 2022:

- **review the anti-corruption Code of Conduct;**
- **adaptat the internal whistleblowing procedure to bring it into line with the new European Directive;**
- **analyse the use of the software for declaring gifts;**
- **evaluate third parties: finalise and roll-out the procedure and the dedicated software throughout the Group;**
- **initiate the process of updating corruption risks mapping for 2023;**
- **e-learning** (for all new arrivals);
- **implement specific internal audit.**
- **specific internal audit.**

Action #2: Ensure compliance with competition law

Mapping	Risks related to competition are incorporated in the mapping of Group risks (see Section 4.1.4.1 of our URD).
Training	Training courses are offered to all managerial staff, as well as to employees identified as belonging to a population exposed to risk. The training program on competition law therefore continues to be rolled out for this population in all the Group's languages via the UNIVERA training platform. The content was revised in 2021 to give it greater impact. As at 31/12/2021, 98.8% of the targeted population have actually completed the training. In addition, a new training module covering the relationships of sales staff with their distribution circuits was developed in 2020 in all the Group's languages on the UNIVERA platform and rolled out for the sales forces in all countries.
Internal control	Control processes are incorporated in the Group's Internal Control Manual. They form the subject of an annual internal self-assessment by the Group's subsidiaries, giving rise, if necessary, to corrective action plans.
Audits	The internal audit programs regularly incorporate a number of controls to ensure the proper implementation of Group processes and policies with regard to competition law. In 2021, the Internal Audit Department also conducted a specific audit on professional associations and employees' participation in these associations in all the Group's subsidiaries. External audits, equivalent to an audit by an authority, may also be conducted by specialist firms to ensure the implementation of these rules within Verallia.
Whistleblowing platform	The whistleblowing platform used for the prevention of corruption is also used for reporting anti-competitive practices.

➜ Outlook

Several actions will be taken in 2022:

- **update the "Professional associations" policy;**
- **create a new e-learning campaign** (for 100% of the targeted population);
- **implement external audit by a specialist firm: new subsidiary targeted.**

Action #3: Ensuring compliance with rules on economic sanctions and embargoes

Mapping	Risks related to embargoes are incorporated in the mapping of Group risks (see Section 4.1.4.1 of our URD).
Training	Face-to-face training courses had been organised in all countries for employees in previous years on the basis of training materials rolled out by Verallia. A new training module on compliance with the rules on economic sanctions and embargoes was offered on the UNIVERA platform in 2020. This was translated into all the Group's languages in order to facilitate its dissemination in the countries. In addition, a global training campaign aimed at all the most exposed functions (finance, accounting, sales, purchasing) was launched on 15 December 2020 and completed in February 2021. As at 31/12/2021, 94.8% of the targeted population have actually completed the training.
Internal control	Control processes are incorporated in the Group's Internal Control Manual. They form the subject of an annual internal self-assessment by the Group's subsidiaries, giving rise, if necessary, to corrective action plans.
Controls on third parties	Since 2017, Verallia has signed a contract with a service provider (AEB) that makes it possible, on its platform, to conduct evaluations of our third parties (focused on sanctions and embargoes); these evaluations are required and are a prerequisite for the creation of any third party in our system, which cannot be validated if the result is unfavourable. Since 2020, an annual mass check on all our suppliers and customers has also been organised via this platform, to be performed by all the Group's subsidiaries.
Audits	The internal audit programs regularly incorporate a number of controls to ensure the proper implementation of Group processes and policies with regard to economic sanctions and embargoes.

➜ Outlook

In 2022, the existing actions will be continued and will mainly take the form of an AEB screening of any new customer/supplier and an annual mass screening of all supplier and customer databases.

Action #4: Protect personal data

Mapping	Risks related to the protection of personal data are incorporated in the mapping of Group risks (see Section 4.1.4.1 of our URD).
Training	Face-to-face training courses had been organised in 2019 in all countries for Data Protection Coordinators (DPCs) and Data Processing Managers (DPMs) on the basis of training materials rolled out by Verallia in French and English (subsequently adapted and translated into the Group's languages). A new face-to-face training module was developed in 2021 in France (focus on HR at headquarters and in plants) and at the Group's registered office (reworking of the 2019 module, aimed at DMPs; this will be translated into English and disseminated within the Group at the beginning of 2022).
Internal control	Control processes are incorporated in the Group's Internal Control Manual. They form the subject of an annual internal self-assessment by the Group's subsidiaries, giving rise, if necessary, to corrective action plans.
Internal audit	The internal audit programs regularly incorporate a number of controls to ensure the proper implementation of Group processes and policies with regard to the protection of personal data.

➜ Outlook

In 2022, priority will be given to the roll out of key procedures within the entire Group, as well as to the updating of training courses in regions and the conduct of impact assessments.

Action #5: Ensuring the security of data and information systems

Dashboard and analysis of scenarios

Verallia is improving its preparationfor crisis management by planning and testing crisis scenarios and by developing continuity scenarios for its basic infrastructures and industrial information systems.

Various actions carried out or under way are aimed at strengthening the security of IT infrastructures and hardware, particularly with regard to treasury and industrial systems, which in turn help limit the risk of internal fraud and external intrusion.

In addition, there is centralised supervision allowing for detection, analysis and rapid reaction (Security Operation Centre), operated by a reputable partner.

Various actions and training are also carried out annually to raise employee awareness of cyber risks, particularly phishing and ransomware. Verallia also conducts regular attack simulations (Red Team exercises) to test its entire strategy and its processes (resilience, detection, reaction, compliance with basic procedures, awareness, etc.).

Verallia also has a disaster recovery plan that relies on a regularly tested backup, recovery and versioning policy for user data (PCs) and application data (servers), as well as on technological diversification and an architecture that reduces the risk of exposure to a systemic incident.

A GDPR and IT security questionnaire is used to create an inventory of the Group's private and sensitive data for each new project coordinated by the security team and the legal team.

The segregation of roles involves the management of access rights to applications and a review of granted privileges in order to ensure that only strictly necessary privileges are granted and to avoid any incompatible rights.

Finally, Verallia has taken out an insurance policy covering cyber risks.

➜ Outlook

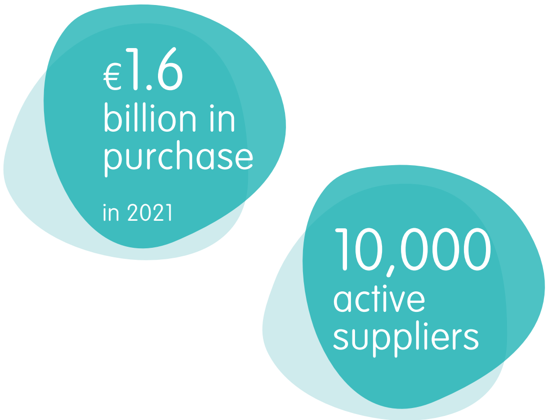
The strategy begun in 2020 will be continued in 2022 with:

- regular employee awareness-raising using diversified methods and tools, prioritising tools that allow greater interactivity;
- extending the supervision of compliance with basic requirements to all software components of the information system;
- increasing capacity for the collection of events and therefore capacity for detection;
- improving reaction processes by pursuing two objectives: greater reactivity and greater resilience.

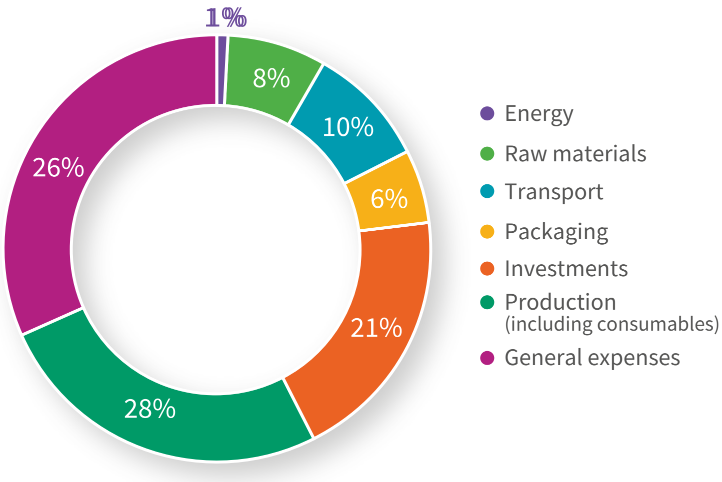
Build engaging and respectful relationships with our suppliers

Responsible purchasing management is a major challenge within Verallia. In fact, the amount of purchases represents 60% of the Group's revenue, i.e. €1.6 billion. Verallia interacts with more than 10,000 suppliers located mainly in its countries of operation. Purchases of raw materials and energy account for 50% of spending. The other major purchasing segments are investment purchases, transport, production purchases (including consumables), packaging, general purchases and other small purchases.

With the exception of certain expenses such as soda ash and moulds, the vast majority of purchases are made from local suppliers, i.e. in the same country as our respective locations. In a particularly unstable environment, Verallia favours a commitment to its suppliers based on the development and respect of the Group's values in a sustainable manner.



Number of suppliers by purchase category



Governance

The governance of responsible purchasing at Verallia has been structured in recent years around the establishment of a specific Responsible Purchasing function within the Group Purchasing Department, the roll-out of a network of correspondents and the creation of a CSR Risk Management Committee directly involving some of the members of the Executive Committee (Operations, HR, Legal).

This organisation ensures that the objectives set by the Executive Committee are implemented as closely as possible to the operations carried out by the Purchasing Departments in the various countries where Verallia operates. Strong coordination between the all players, through monthly meetings and regular workshops, enables strong mobilisation in the roll-out of actions and the achievement of objectives.

The CSR Risk Management Committee meets at least twice a year. It can also meet in the event of an alert.

The purchasing organisation is a major contributor to increasing the share of cullet in the product mix, an important environmental lever for Verallia. As such, and as with all employees, the purchasing teams have a direct stake, via their bonuses, in the achievement of these objectives.

Governance of the Group Purchasing

Group Operations Director Member of the Executive Committee	• Ensures consistency between Verallia's raison d'être, strategic priorities, the CO_2 road map and the responsible purchasing policy.
Group Purchasing Director	• Defines the Group's purchasing strategy. • Defines objectives and monitors their achievement.
CSR Risk Committee	• Revise objectives, statuts/conclusion of risk assessment campaign, e.g. Conflict Minerals related risk campaign assessment; Follow-up of suppliers not complying to Verallia requests; Design and implement a strategy to respond to identified risks.
Group Responsible Purchasing and Supplier Quality Manager	• Organizes and leads the Responsible Purchasing approach. • Coordinates the team of Responsible Purchasing correspondents. • Designs and deploys training courses.
Central purchasing category Directors/ managers	• Set the strategy and coordinate the purchasing approach for the segments in question in conjunction with the regions/countries. • Negotiate directly with international suppliers.
Subsidiary and geographic area Purchasing Department	• Pools purchasing at the country and geographic zone level. • Pilots purchasing at the local level.
11 country Responsible Purchasing correspondents	• Monitor objectives and action plans.
90 buyers	• Manage purchasing segments at local level.

Policies & performance

In 2018, Verallia established its Responsible Purchasing policy. It brings its Code of Conduct and values into line with its commitment to the United Nations Global Compact. It firmly expresses the duty of its suppliers and employees to commit to its human rights and environmental requirements. The Group ensures that its Responsible Purchasing policy is consistent with its key issues and that it remains committed to its suppliers and employees. This policy applies to the Group as a whole, and is distributed via a dedicated Teams channel for responsible purchasing, which includes the responsible purchasing correspondents of each entity.

2021 marked the acceleration of the roll-out of this approach and the associated tools. The supplier CSR risk mapping work initiated in 2019 enabled supplier assessments and audits to be launched in 2020 in order to identify the first action plans to be implemented in 2021. Over the last three years, the Company has also carried out a major effort to reduce its supplier base, reducing the number of suppliers listed by four, with the aim of improving the control of its supply chain and ensuring better monitoring of suppliers.

Build engaging and respectful relationships with our suppliers				
Quality commitments	**Monitoring indicators**	**2021**	**2020**	**2019**
Engage our buyers and suppliers in a responsible purchasing approach **Objective:** to have 80% of purchases covered by the Supplier Charter by 2021.	Percentage of the amount of purchases covered by the Supplier Charter	82%	73%	N/A
Evaluate the CSR performance of our suppliers **Objective:** 100% of suppliers identified as Priority Risk assessed by EcoVadis or ACESIA by 2021.	Percentage of suppliers identified to date as priority risk according to the AFNOR matrix that are in the process of or have completed an EcoVadis or ACESIA assessment	89%	91%	23%
Build lasting relationships with our suppliers	Number of actions plans initiated as a result of supplier non-compliance	24	N/A	N/A

Signing the Supplier Charter is a mandatory step for approving any new supplier. This year, the local teams have stepped up their efforts to get their suppliers to sign the charter.

The number of our suppliers identified as high risk has increased significantly this year due to the supplier panel's expansion and renewal purchasing policy on categories at risk, particularly in countries outside Western Europe. The percentage remains stable compared to 2021 but the number of evaluations concerned is increasing sharply. The EcoVadis platform is more flexible, as it can now be used on smaller companies (25 employees) with more suitable questionnaires and analysis methodology. This allowed us to involve more suppliers in the assessments. At the same time, we have stepped up our efforts to identify at-risk suppliers, resulting in a baseline effect that reduces the percentage of suppliers evaluated or under evaluation.

Action #1: Engage our buyers and suppliers in a responsible purchasing approach

Buyer training

In order to ensure the proper roll-out of the CSR risk management process, all Purchasing teams have been trained in the Group's subsidiaries via the network of Responsible Purchasing correspondents. The training focused on the approach and tools, i.e. the use of the AFNOR Risk Mapping Matrix and the use of the EcoVadis and ACESIA evaluation platforms. A shared document database gives buyers access to all supporting and reference documents regarding responsible purchasing. Specifically, 100% of buyers, new hires and employees exposed to supplier relationships are made aware of CSR issues. In particular, they are required to complete a "Purchasing for all" training module with a CSR chapter and to sign the Supplier Relationship Charter at the end of the module. The charter also includes a chapter dedicated to CSR issues.

Supplier awareness

Verallia wishes to raise awareness among suppliers as early as the tender process. In fact, CSR criteria are included in the purchasing procedures relating to the conduct of tenders in order to take account of the CSR approach undertaken by suppliers in the selection process. These CSR criteria are subsequently formalised into CSR clauses in contracts signed with suppliers. For example, criteria for waste recycling and recovery are included in calls for tenders and contracts for the purchase of computer equipment.

At the same time, Verallia strives to ensure that its values and commitments are supported and respected by its suppliers. As of 2018, the Group has formalised its requirements for its suppliers to comply with international norms and standards in its Supplier Charter. This charter, distributed to all Verallia suppliers and the signing of which is mandatory above a threshold established by each Verallia entity, commits them to adhere without reservation to the following principles: respect for the right to development, respect for the right of employees (the Charter includes the promotion and observance of the fundamental conventions of the International Labour Organisation, such as the elimination of forced or compulsory labour and the effective abolition of child labour), respect for health and safety, environmental commitment, and compliance with laws.

→ 2022 Outlook

Three actions are already planned to step up the mobilisation of Verallia and its suppliers:

- overhaul of the Responsible Purchasing Policy Statement, Supplier Charter and Supplier Relationship Charter, so as to strengthen their impact and consistency with the Group's values and purpose;
- improve the expertise of Responsible Purchasing correspondents on the analysis of evaluations and the monitoring of action plans through the EcoVadis evaluation;
- intensify the support of the most exposed suppliers in the implementation of actions in the field of human rights and environmental protection.

Action #2: Evaluate the CSR performance of our suppliers

In order to target and address the highest CSR risks of its existing suppliers, Verallia has structured a risk management process. It includes risk mapping, supplier assessment (EcoVadis/ACESIA), on-site external CSR audits based on the SMETA international system, action plans for proven non-compliance and a de-listing process in the event of major non-compliance or non-compliance with remedial action plans.

Step 1: Mapping of purchasing risks

Our purchasing risks mapping: In 2019, Verallia acquired a supplier risk mapping tool developed by AFNOR. Tested conclusively in 2019, the tool was rolled out in 2020 in all the Group's countries. Based on external data, risk mapping identifies a level of CSR risk by category of purchases and by country of supplier location. It is made available to the buyer community, which refers to it regularly in order to determine the suppliers for which a CSR performance assessment (which may lead to an audit) is necessary. The identified suppliers mainly cover the Group's three most risky purchase categories: raw materials, chemicals, and civil engineering/construction.

The AFNOR CSR risk mapping matrix combines the "country" risk with the "purchase family" risk, broken down into three main areas: ethical, environmental and social. It allows the assessments to be directed towards the suppliers concerned by the most at-risk categories/countries.

Step 2: EcoVadis evaluation questionnaires

Our entire supplier base is checked through the mapping tool described above. Thus the level of CSR risk of new suppliers is determined on a regular basis. The results of this mapping are then used to more specifically target suppliers with a high risk and which require a CSR performance assessment. Assessments are calibrated based on the size of the targeted entities. Verallia now uses only the EcoVadis tool.

The Group continues to expand this process to suppliers with lower risks according to the risk mapping tool. By the end of 2021, 346 suppliers were assessed as being the most at risk.

EcoVadis

EcoVadis is a provider specialised in responsible purchasing.
Its assessments are based on criteria grouped into four categories:

- **Environment**
- **Work & Human Rights**
- **Ethics**
- **Responsible Purchasing**

Evidence-based, internationally recognised CSR assessments of companies

Step 3: Supplier audits

Based on the results of the EcoVadis supplier evaluations, Verallia conducts audits of the companies with the lowest scores. Verallia commissioned QIMA to perform on-site audits according to the SMETA 4 Pillars protocol. At the end of 2021, 78 audits were commissioned. Each audit concludes with the publication of an audit report, covering all observations and checks carried out, in accordance with the SMETA (Sedex Members Ethical Trade Audit) 4-Pillar Audits protocol, which includes the following measurement criteria:

- ETI (Ethical Trading Initiative) ethics code based on the requirements of the International Labour Organisation;
- universal rights covered by the United Nations guiding principles;
- management systems;
- responsible recruitment;
- right to work;
- outsourcing and teleworking;
- environmental assessment;
- assessment of business ethics.

Step 4 is to implement supplier action plans, the elements of which are detailed below in Action #3 “Building sustainable relationships with our suppliers and developing their CSR performance”.

➜ Outlook

In 2022, Verallia will continue its risk assessment program by expanding it to suppliers with lower criticality (criticality matrix). In addition, supplier audits will intensify in 2022, always focusing on the portion of its suppliers at greatest risk. Verallia will continue to invest in the implementation of action plans and in the support of its suppliers, an essential lever for the development of long-term sustainable relationships.

Action #3: Build sustainable relationships with our suppliers and develop their CSR performance

Supplier action plans

Each on-site audit gives rise to a report proposing action plans corresponding to each instance of non-compliance identified. Instances of non-compliance are weighted by a criticality level (“critical”, “major”, “minor”).

Based on this report, a corrective action plan is published and communicated to the supplier, as well as to the Verallia teams. It documents the progress resulting from the overall risk analysis, and then detailed risk analysis, of the supplier panel.

Verallia requires its suppliers to resolve “critical” and “major” instances of non-compliance within 6 months. The implementation of the action plans is monitored directly by the buyer responsible for the supplier and is audited by the CSR Supplier Audit Committee. This committee brings together the Group Purchasing Director and the Local Purchasing Director, in addition to the central responsible purchasing team. Items deemed critical and requiring arbitration are escalated to the CSR Risk Committee, involving Executive Committee members. In addition, in order to measure the volume of action plans committed to and implemented, the central team has put in place an indicator to monitor the number of action plans opened and processed (indicator added this year, earlier in this document).

Verallia has initiated the organisation of events dedicated to its CSR policy. Thus, in 2021, in Iberia and Argentina, two events, (held online due to the pandemic) were organised under the chairmanship of the country’s Chief Executive Officer and brought together the key suppliers of these two regions.

Ethical business relationships

Due to its strong historical local and regional presence, Verallia has a significant number of suppliers located in the economic region of its plants and of the SME type.

The Group’s priority, through its purchasing policy, is seeking to preserve a balance between local sourcing and collaborations with international players which offer economically efficient solutions, albeit often linked to more distant sourcing. The dependency ratio of its suppliers is monitored individually and standardised at the country level. This reporting is consolidated at the central level and is subject to a monthly review. In most purchasing segments, Verallia has established long-term relationships, through multi-annual contracts, with its strategic partners, in the same way as for raw materials, energy or machinery purchases.

The Group’s purchases in LCCs (low-cost countries) remain weak. Less than 3% of purchases are made in Asia and India. Raw materials, apart from sodium carbonate for South American countries and “alumina-bearing” materials, are supplied locally. Its packaging purchases are also domestic.

➜ 2022 Outlook

The Group's outlook is based on the following main lines:

- reinforced monitoring of supplier actions in order to respond to the ramp-up of action plans and the increasing involvement of Verallia with its suppliers via, in particular:
  - the definition of an indicator, linked to the number of actions finalised within the time frame, representing the level of commitment and proactivity of the supplier,
  - the implementation of a progress charter that is binding on both parties so as to facilitate the implementation of actions with significant financial consequences for the supplier,
  - increased responsible purchasing communication with suppliers by expanding an annual partner event to all countries. This event is an opportunity to highlight the most active players on CSR issues, including Scope 3;
- roll-out to the entire Responsible Purchasing network of a training course defined with EcoVadis and scheduled to be carried out by EcoVadis from Q1 2022.

Action #4: Develop purchases of responsible materials and services

Carbon footprint of purchases

Over the past two years, Verallia has calculated its CO_2 emissions related to Scope 3 and has identified the segments and suppliers emitting the most. Consequently, three work areas were defined in mid-2021 and initiated:

- the development of a reporting and simulation tool;
- the management of a CO_2 reduction plan including the highest emitting suppliers in the transport, raw materials (mainly sodium carbonate and cullet) and packaging categories. Verallia engages these suppliers in the implementation of actions to reduce their emissions (collection of the calculation of their emissions and their action plan to reduce them, in accordance with the Group's carbon roadmap);
- the consideration of Scope 3 when making decisions about sourcing.

The full implementation of these actions for the reduction of Scope 3 will therefore be a very important matter in 2022 for all Verallia purchasing teams. This commitment and the ability to carry out actions are a differentiating factor in Verallia's choice to build long-term collaborations with its suppliers.

Conflict minerals

Verallia pays particular attention to suppliers linked to the conflict minerals regulatory system. In this regard, the supply of surface treatment solutions containing tin (glass container manufacturing process) or gold-based decoration solutions (bottle decorating process) is subject to special monitoring in accordance with existing good practices and regulations.

Likewise, Verallia is particularly vigilant regarding the supply chain for cobalt oxide, a material used in the manufacturing process of certain bottles.

➜ Outlook

In 2022, Verallia plans to study and carry out actions for the geographical reorientation of its cobalt sourcing, in particular seeking to shift its consumption towards synthetic cobalt derived from recycling.

Ensuring product quality and safety for customer satisfaction

At Verallia, we manufacture glass used in packaging for food and drinks. It is created for transport, protection, preservation and storage, and also as a vector of information (by engraving or adding a label). For us, the adoption of a quality approach represents a strong commitment that is part of a process of continuous improvement in the Company. It requires the full involvement of all stakeholders as it aims to increase customer satisfaction right up to the end consumer, by strictly applying food safety requirements. The latter is an integral part of our quality management system and applies to all employees of the Group.

Governance

In order to implement and manage our quality approach, we have a Group Quality Department, reporting to the Operations Director. The quality teams at country and site level are functionally linked to the Group Quality Department.

A similar vertical organisation is maintained at the level of each division: The Quality Director of each division reports to the Industrial Division Director who communicates directly with the Group Quality Department.

The Quality Committees involve the Industrial Department and General Management of each of the divisions, and meetings are held on a monthly basis. They aim to work to improve the standards in place, capitalising on internal quality problems and customer complaints.

In order to support the steps undertaken and to promote their cross-functional adoption at the level of each Group entity, two business networks have been created:

The first trade network, specific to food safety, brings together all the food safety experts in each of the Group's regions. Its members take turns to moderate it, and it meets every two months, performing the following roles:

- as this network is constantly monitoring, it questions, renews and enriches its expertise;
- makes knowledge available: sharing, teaching, transmission;
- produces reliable studies to inform and secure decision-making;
- makes recommendations on how to find technical solutions to problems.

The second business network, currently being created, addresses a key area of the Group's quality approach, namely the control of the supply of cullet. Following the creation of a quality assurance policy for its cullet suppliers, the function of Supplier Development Quality Engineer is being rolled out in each of the five regions. This network is directly managed by the Group's Quality Director.

Policies & performance

The Verallia quality strategy aims for "zero customer complaints". It is laid out in a quality improvement plan that is defined around 3 major areas:

- the implementation of a quality culture;
- regulatory compliance;
- the control of internal processes driven by the "do it right the first time" mentality.

The Quality improvement plan is reassessed and readjusted every year regarding improvement subjectsraised through the performance indicators, and the lessons learnt. Its roll-out is organised with all those involved in operational excellence and addresses the whole of the glass-making process from the suppliers to the customers of the Group.

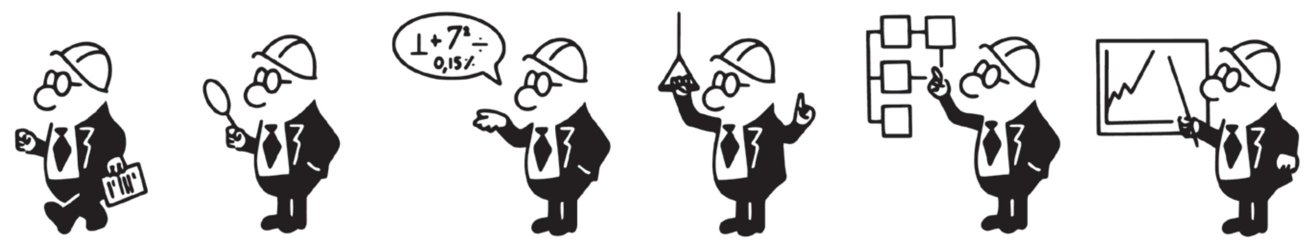
Ensure product quality and safety for customer satisfaction				
Commitments	**Indicators**	**2021**	**2020**	**2019**
Build a quality culture	% of sites with at least 1 certified RCA coach[(1)]	84%	47%	8%
Observe the regulations in force **Objective:** 100% of sites "Food Safety" certified in 2022.	Number of sites covered by a Food Safety certification	94%	90%	78%
Master and continuously improve quality in our production processes **Objective:** -35% compared to 2020 in 2025.	% decrease in customer complaint rate (number of complaints per 100 million containers sold)	-13% versus 2020	-11% versus 2019	-18% versus 2018

(1) Certified RCA Coach: coaches are Verallia employees (such as plant, quality or production managers) trained and recognised as contacts for disseminating the RCA (Root Cause Analysis) method, as well as the "attitudes" associated with all levels of the Group. They are a key element in the implementation of the quality culture and the approach to problem solving within Verallia

To date, the results achieved by the Group are in line with the ambitions and areas of improvement of the established plan, meeting the expectations of its external and internal customers. The continuous improvement process is particularly committed to the dual objective of strengthening and capitalising on knowledge and expertise, challenging (where appropriate) what has been taken for granted, in the quest for quality excellence.

Action #1: Build a quality culture

Root Cause Analysis (RCA) is more than a method of solving problems, it is a real change of attitude toward them. In 2021, its roll-out intensified in order to increase the number of people able to lead or participate in an RCA. In 2020, it was hindered by successive lockdowns, but training and the support of teams benefiting from the RCA roadmap is progressing. In fact, in 2021, 84% of sites have at least one certified RCA coach.



- *Go on the spot*
- *Examine & compare*
- *Speak with facts and data*
- *Act quickly*
- *Follow a logical thinking*
- *Coach on the field*

In order to support this approach, the training modules have been strengthened and work to adapt the RCA approach has been carried out in several areas:

- safety accidents;
- equipment failures;
- human errors.

Constrained by the pandemic, the Group adapted its RCA coaching program. This involved reviewing and challenging a full RCA per quarter with the teams on each site. Nearly 130 RCA Coaching programs were carried out by all the actors in the regions in 2021.

➜ Outlook

The two main areas of work of the Group's 2022 Roadmap will consist of:

- capitalising on lessons learnt;
- accelerating the replication of internal standards and best practices throughout the Group.

The Group also aims to have at least one certified RCA coach at each site.

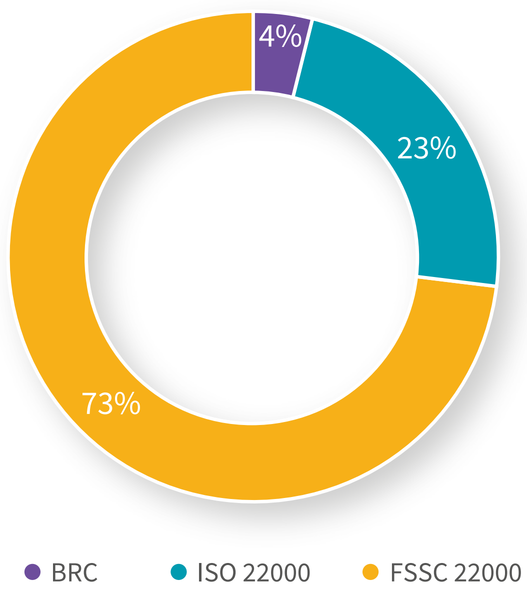
Action #2: Observe the regulations in force

As a producer of food packaging, Verallia must comply with the regulations on foodstuffs in force. The existing control system allows all necessary safety measures to be applied for the certification of plants. Thirty out of 32 of the glass plants currently have a recognised food certification. The goal is to obtain certification on 100% of the glass plants by 2022.

More than three-quarters of glass sites have a FSSC 22000 or BRC certification:

Food safety is everyone's business. So how can we ensure that everyone in the organisation understands the meaning of food safety and their role? The network of food safety experts has thus defined and implemented an e-learning program accessible to all employees. It represents an initial level of awareness for all employees. At the end of 2021, more than 90% of global employees completed this e-learning program, which is part of the induction of any new hire, regardless of the country. Food safety is a challenge for every employee.

Breakdown of the type of food safety certification in our glass sites



Action # 3: Master and continuously improve quality in our production processes

Detection of defects in finished products

In order to improve the detection of situations that may lead to manufacturing defects and the poor quality of glass packaging, Verallia has upgraded its equipment to check the appearance of glass jars and bottles. In fact, these machines allow the quality of the products to be checked according to their technical specificities and the aesthetic demands of customers. This plan affects over 1,200 machines. Initiated in 2019, at the end of 2021, more than 90% of the equipment was replaced or upgraded.

Auditing the production process

Anticipating glass defects involves working on production processes to make them more rapidly operational and stable, particularly following production changes. Verallia has therefore developed a software package capable of acting on production parameters in order to avoid the occurrence of risky situations which may degrade the quality of products. This package configures the manufacturing process (sequencing of micro-operations during the forming of bottles and jars) before the start of production. It is then able to anticipate potential risk situations linked to the parameters entered and thus to correct and optimise these parameters before the start of production in order to avoid the occurrence of these situations. At the end of 2021, all Verallia sites were systematically using this software package.

Control of the first raw material of our glass packaging, cullet and glass sand

As an extension of the project to align quality requirements between glassmaking sites and cullet processing sites in France carried out in 2020, a product/process supplier quality assurance approach was initiated in 2021. Structured in six steps, it provides all the guarantees concerning the means of achieving the quality of the finished product from a stable glassmaking process. Within this framework, each of the regions has a Supplier Development Quality Engineer whose mission is to:

- select, develop, manage and ensure a fault-free performance of the Company's supplier base with the aim of improving the overall quality of the supply of cullet and glass sand;
- lead Product Quality Assurance (PQA) processes and manage suppliers' PQA status;
- support, as the process manager, the vendor's Root Cause Analyses in connection with the glassmaking site.

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Select supplier	Define and accept Verallia specifications	Validate production process	Accept initial samples	SOP and probationary period	PQA management

Support our communities

Governance

For the strategy and action plans and investments related to our "Climate Program", which includes our participation in soil regeneration, the off-setting of a portion of our CO_2 emissions and the integration of our production sites into their ecosystems, the governance is CSR governance as described in the introduction to Chapter 2.

For sponsorship actions, specific governance has been established.

Sustainable Development Committee	• Annual review of sponsorship and patronage activities throughout the Group.
Group Committee • Chairman and Chief Executive Officer • Group General Counsel • Group Director of Human Resources, Communications and CSR	• Approves local partnership/sponsorship proposals and validates their consistency with corporate values and the CSR policy development points (purpose).
Local Committee • Chief Executive Officer • General Counsel • Country/Region Chief Financial Officer	• Approves proposals for local partnerships/sponsorships, checking that they are consistent with corporate values and the main lines of the CSR development policy (purpose) within the amounts defined in the donation & sponsorship procedure.
Area or country Human Resources Directors	• Responsible for identifying and facilitating local partnerships or engagement.

Policies & performance

Aware that the impact of its activity is not limited to its production sites, Verallia incorporates the ecosystem concept into its strategy and action plan. Verallia's sites are as close as possible to its customers, and it is not only the customers but also all of the communities (employees, customers, local communities, neighbourhoods) that are integrated into the notion of an ecosystem. It is the set of actions towards these communities that will be addressed in this section.

Firstly, through our sponsorship activities, and secondly, through our climate program.In fact, having a sustainable development policy is intuitively linked to environmental practices. Together with our strategy to increase the circularity of glass packaging and to decarbonise the sector, we have also been acting more broadly, since 2019 through our "Climate Program" in collaboration with PUR Project, which comprises three types of actions:

1. planting trees, in order to restore ecosystems and play an active role in the fight against climate change while providing financial support to agricultural communities;
2. offsetting CO_2 emissions through support for agroforestry and reforestation programs in Latin America, where the tropical climate accelerates tree growth, maximising carbon capture. This offsetting, which can be quantified as carbon credits, contributes to social projects that provide financial support to local communities;
3. the integration of Verallia production sites within their local ecosystem, through landscape projects, contributes to the well-being of employees and the protection of the environment.

The objective is to regenerate ecosystems and support small producers, farmers, foresters and agricultural organisations in order to promote the conservation and restoration of natural resources.

Conducting a sustainable development policy means integrating the communities in which our production sites are located.

The sponsorship actions we are implementing are consistent with our CSR roadmap. They are developed locally because this allows local leaders to develop a better knowledge of the region, its actors and its problems. Verallia, historically close to rural communities (given the location of the plants), is keen to contribute to the economic and social development of communities through sponsorship activities.

Support our communities

Commitments	Monitoring indicators	2021	2020	2019
Develop corporate and employee sponsorship activities	Monetary contributions to communities and NGOs by the Company	Approximately €1.5 million	Approximately €1.5 million	N/A
Offset our greenhouse gas emissions from business travel	GHG emissions offset in tCO_2e	30,000.00	30,910.00	30,910.00
Participate in soil regeneration	Number of trees planted	113,000.00	100,000.00	100,000.00
Promote the integration of our sites within their ecosystems	Number of sites	2	2	2

Action #1: The desire to strengthen the impact and consistency of our donations or sponsorship actions with Group values and our purpose

In 2021, the Group set up a procedure to define the rules and framework for donations and sponsorship actions.

It specifies the framework within which donations must be made, i.e. in alignment with the Group's values and purpose in order to promote the development of the circular economy and social inclusion in local communities. It also defines the rules for granting donations and the framework within which they must be exercised, and introduces half-yearly reporting on actions.

In 2021, donations and sponsorship activities focused on three main themes:

- Supporting our local communities in the face of the disastrous social consequences of the pandemic. Verallia supported projects to fund food banks in local communities to help the most needy. These actions are most meaningful in the current situation and have been beneficial in the countries most severely affected by the pandemic, particularly in Latin America;

- Environmental projects developed by local authorities: Examples include the reforestation project in Burgos (Spain) or the development of a plant wall for a school in Bad Waldsee (Germany);
- Projects to promote inclusion and diversity. In France a partnership was signed with Espérances Banlieues, a charity which develops an innovative model for schools, specialising in educational challenges. Verallia France is committed to sponsoring two kindergarten classes in cities close to our French plants.

➜ Outlook

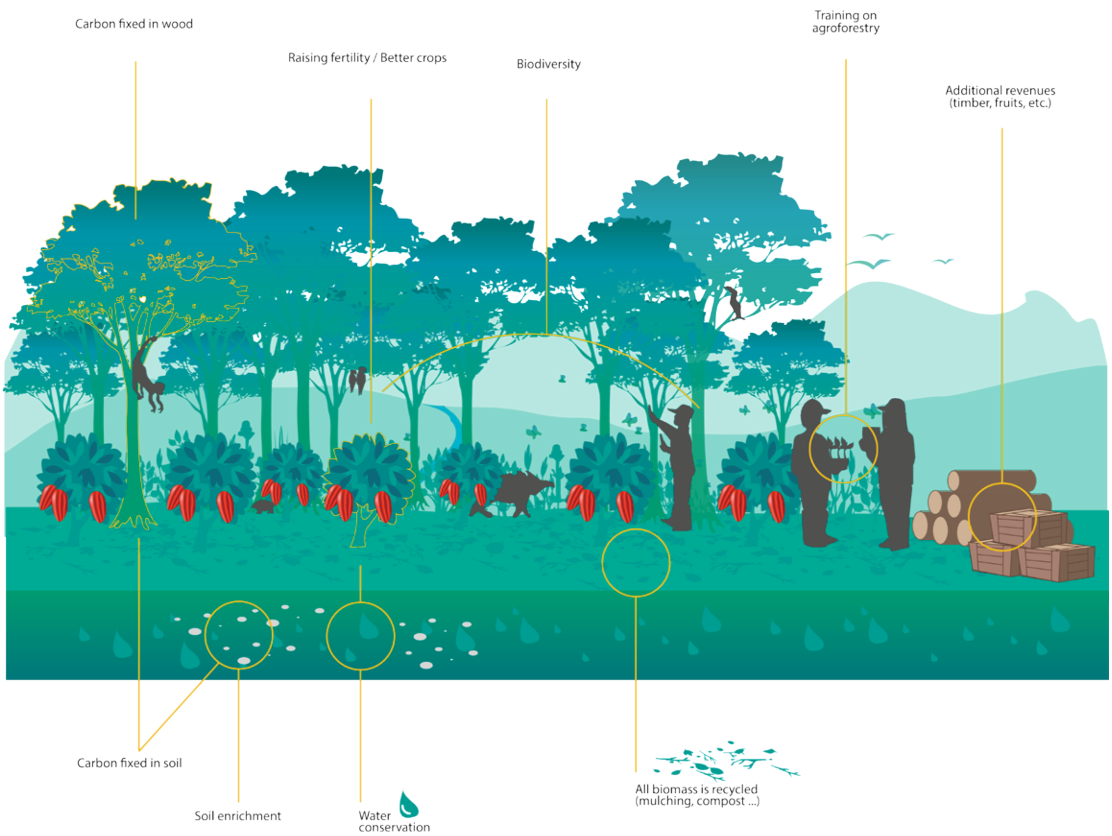
The actions supported in 2022 will be consistent with the corporate purpose. The Group intends to develop internal and external communication on projects led and supported by the various subsidiaries in order to develop employee commitment and to give visibility to the multitude of initiatives implemented.

Action #2: Participate in soil regeneration

The main line of the Group's "Climate Program" contributes to the balance of ecosystems through the financing of agroforestry projects, with many benefits:

- in order to intensify its commitment to the fight against climate change and to support projects with a significant environmental and social impact, Verallia carries out tree planting projects, prioritising countries where the Group has production activities;
- planting and growing a tree is one of the best ways to restore the carbon balance on Earth. Agroforestry and reforestation are effective ways to combat climate change.

In partnership with PUR Project, Verallia funded seven different reforestation and agroforestry projects in six countries. These projects have been implemented in partnership with local communities and are designed to ensure a significant social and environmental impact. For example, since 2019, more than 300,000 trees have been planted (supporting 260 farmers and impacting 255 hectares directly).



Focus on the Nordesta project supported by Verallia in Minas Gerais, Brazil

One of the main objectives of the Nordesta project is to preserve biodiversity and promote indigenous species. There are currently 151 species planted as a result of this project. The nursery is one of the key activities of the planting project, where the collected seeds are extracted and stored properly and then converted into seedlings that are planted by farmers.

On each planted plot, tree species are selected based on their level of adaptability to soil conditions, water availability, and their category of succession (pioneer, secondary or climax species). Native fruit trees such as the guava, guaraná and Genipa americana (jenipapo) are included to benefit pollination and food for animals.

Verallia visit in March 2020. The team extracts seeds in the nursery.

➜ Outlook

The Group will plant 100,000 trees as close as possible to its production sites by 2023. In 2022, the planting of these trees is planned in France, Italy, Germany, Spain, Poland, Portugal and Brazil.

Action #3: Offset our greenhouse gas emissions

Under its Climate Program, Verallia has offset about 90,000 tCO_2e since 2019 through certified afforestation projects in Latin America.

Carbon offsetting involves the purchase of carbon credits to finance projects to prevent or sequester greenhouse gas (GHG) emissions. A carbon credit represents one ton of CO_2 equivalent sequestered or not emitted, through a certified environmental project. The purchase of carbon credits through projects certified by international standards such as the Verified Carbon Standard (VCS) guarantees the measurement of carbon in accordance with a recognised framework (GHG Protocol). Verallia thus applies international standards relating to carbon offsetting.

➜ Outlook

In 2022 and 2023, in accordance with its commitment announced in 2020 Extra-Financial Performance Statement, Verallia will offset all CO_2 emissions related to business travel.

Action #4: Promote the integration of our sites within their ecosystems – "Verallia Integration Program"

As part of its Climate program, Verallia has set up symbolic projects at its production sites in order to assert its local presence and act as closely as possible to its employees. Different types of projects are planned to provide answers adapted to the local challenges of each production plant. The projects aim to generate as many benefits as possible for both the Group's employees and the local communities and ecosystems.

To date, six projects are in place in five different countries (Germany, Spain, France, Italy and Chile) and 14 production sites have submitted proposals for the 2021 integration program. After an in-depth evaluation of the proposals, the production sites in Essen, Germany and Lonigo, Italy were selected:

- The purpose of the Essen integration project is to create a 3,500 m^2 green lounge on the site between the administrative building and the cafeteria. The project aims to improve the well-being of workers, in order to create shaded outdoor spaces for them. It also aspires to increase biodiversity on the site, planting a wide variety of trees, shrubs and grasses, for a total of 33 species. The team showed creativity in the proposal by submitting these sketches of what they imagined the site would look like once the project was implemented.

- The Lonigo team proposed a very ambitious and multifaceted project involving several key stakeholders such as local residents and the local government. The project provides for the distribution of 1,000 trees to employees and residents. Thanks to and through the Greengo platform, community members were involved in the design of the project as they were able to submit proposals for two of the project areas to be planted in partnership with the local municipality. These areas, adjacent to the plant, will become pleasant spaces where workers and citizens can meet, have a meal and relax. In addition, the entrance to the production plant will be embellished with a variety of local trees and shrubs.

Clean-up day in Italy

World Clean-up Day is an annual global social action program to tackle the global problem of solid waste. In September and October 2021, Verallia Italy organised a Clean-up Day in each of its Italian plants. The event involved collecting litter on the streets of local towns in order to raise awareness among all employees, their families, children and friends, of the issues of reuse, waste and recycling. The support of local communities, towns and social and environmental charities was key to increasing the local positive impact of this project.

➜ Outlook

In 2022, for the fourth consecutive year, the Group plans to launch Verallia Integration Program: a call for projects at all its sites to select two sites eligible for funding and specific support from the PUR Project teams in order to best meet the various criteria defined, i.e. environmental impact, social impact, project relevance and motivation of local teams.

2.5. Annexes

Extra-Financial Performance Statement Correspondence Table

The Verallia business model is presented on pages 15 and 16 of the introductory pages of this document.

For the main extra-financial risks, their management indicators and correspondence in this report, you can refer to the table below:

Key CSR risks and opportunities	Definitions	Strategic pillar correspondence	Indicators submitted for external review by the independent third-party organisation	URD correspondence
1. Integrating the circular economy into our value chain	The Group is working to reduce its environmental impact, in particular through the increasing use of external cullet, a key link in the circularity of the glass-making industry which uses selective collection from private individuals and from CHRs (cafés, hotels and restaurants).	PILLAR I – STRENGTHEN THE CIRCULARITY OF GLASS PACKAGING	Rate of use of external cullet in production Tons of cullet reused by sites Tons of CO_2 avoided with cullet Tons of packed glass	2; 2.1; 2.2; 2.5
2. Optimisation of water use and reduction of waste	Water and waste are not currently identified as major risks according to the materiality analysis criteria. However, the Group has set targets and associated performance indicators because the reduction of water consumption, the reduction of waste and the increase in recycling contribute to the overall objective of reducing the Group's environmental footprint. At the heart of Verallia actions is the preservation of resources, particularly water, in a context of climate change and increased water stress zones.	PILLAR I – STRENGTHEN THE CIRCULARITY OF GLASS PACKAGING	Total water extraction Water consumption (m^3/ton of packed glass) Share of (non-glass) recycled waste in glass plants	2; 2.1; 2.5
3. Energy efficiency and carbon footprint of our operations	In a context of climate change, in which energy consumption must be limited, reducing energy consumption and greenhouse gas emissions is a strategic priority for Verallia.	PILLAR II – DECARBONISE OUR ACTIVITIES PILLAR IV – COMPLYING WITH OUR ETHICAL PRINCIPLES IN DEALINGS WITH OUR SUPPLIERS, CLIENTS, EMPLOYEES AND COMMUNITIES	Energy consumption % of ISO 50001 and ISO 14001 certified sites tCO_2 emitted/tons of packed glass (Scopes 1 and 2) Direct CO_2 emissions (Scopes 1 and 2) CDP Score Number of trees planted CO_2 emissions offset in tons of CO_2e	2; 2.2; 2.4; 2.5

Key CSR risks and opportunities	Definitions	Strategic pillar correspondence	Indicators submitted for external review by the independent third-party organisation	URD correspondence
4. Quality of our products	In the face of the climate emergency, the quality of our products, in addition to being a reputational issue for our customers, is a real environmental issue. Improving quality by doing the right thing the first time avoids unnecessary energy and production waste (energy expenditure for the manufactured product that will have to be reintegrated into a second production process). Improving quality therefore helps to improve the Group's carbon footprint. Guarantee the products' quality and safety at the service of customer satisfaction	PILLAR IV – COMPLYING WITH OUR ETHICAL PRINCIPLES IN DEALINGS WITH OUR SUPPLIERS, CLIENTS, EMPLOYEES AND COMMUNITIES	% of ISO 22000 certified sites % of purchases covered by the signature of the Suppliers Charter % of suppliers identified to date as having a priority risk according to the AFNOR matrix that are in the ECOVADIS or ACESIA assessment process (initiated or completed) Number of action plans initiated following supplier non-compliance % of sites with at least 1 certified RCA coach Number of sites covered by Food Safety certification % reduction in the customer complaint rate (number of complaints per 100 million containers sold)	2; 2.4; 2.5
5. Eco-design of our products	The need to make packaging more sustainable requires Verallia to improve the environmental performance of its products under constant pressure from stakeholders. The Group makes it easier for its customers to do the right thing with its offering of eco-designed packaging, and particularly by reducing the weight of the packaging.	PILLAR I – STRENGTHEN THE CIRCULARITY OF GLASS PACKAGING	Number of bottles and jars sold in the ECOVA and EGO ranges Alpha index (= weight/volume^(0.8) according to NF-H35077 standard)	2; 2.1; 2.5
6. Occupational health and safety	The industrial processes used at our sites may expose employees to accidental events that may have consequences for their safety and/or health (e.g. cuts, burns, noise, or high temperatures).	PILLAR III – ENSURING A SAFE AND INCLUSIVE WORK ENVIRONMENT FOR ALL	OHSAS certification 18001 Frequency rate 1 Frequency rate 2 Severity rate	2; 2.3; 2.5

Key CSR risks and opportunities	Definitions	Strategic pillar correspondence	Indicators submitted for external review by the independent third-party organisation	URD correspondence
7. Employee engagement and inclusion	The risk relating to human capital within the Verallia Group is characterised by the challenge of attracting employees, the challenge of developing, maintaining and transforming skills and an environment of social dialogue specific to certain countries of the Group. Diversity of skills and profiles is key to creating an environment conducive to efficiency and engagement.	PILLAR III – ENSURING A SAFE AND INCLUSIVE WORK ENVIRONMENT FOR ALL	Share of employees with disabilities Share of women in the workforce Share of women managers % of hiring in permanent contracts Voluntary turnover – resignations from permanent and temporary staff Absenteeism rate (permanent and temporary staff) Average training hours per person (permanent and temporary contracts) Gender Equality Index Engagement index (every two years) Number of agreements signed or validated during the year Share of capital held by employees Number of employees holding FCPE shares and direct shareholding Share of capital held by employees Number of employees holding FCPE shares and direct shareholding	2; 2.3; 2.5
8. Comply with applicable regulations and fight against corruption	The sustainability of Verallia cannot be conceived without the sharing of values common to the entire Group. Thus, in 2017, Verallia reaffirmed the principles that have guided all of its companies and teams over time since the 2000s, through four cardinal values that are the basis of its Code of Conduct: Attention paid to customers; respect for people, laws and the environment; responsibility and sense of result; the teamwork.	PILLAR IV – COMPLYING WITH OUR ETHICAL PRINCIPLES IN DEALINGS WITH OUR SUPPLIERS, CLIENTS, EMPLOYEES AND COMMUNITIES	- % of defined population trained in our anti-corruption program - % of defined population trained in our competition program - % of defined population trained in risks of violation of economic sanctions and embargo	2; 2.4; 2.5

Regarding the different indicators subject to external review of the Independent Third-party Organization (different parameters according to the indicators) it's worth noting that all the entitities are concerned by data consolidation except Verallia India and Verallia USA for all the indicators with the exception of water, waste and the emissions excluding Verallia India, Verallia USA and Verallia Packaging. The quoted parameter is the same as last year.

In addition, the Group states that, given the nature of its activities, it considers that the following issues are not main CSR risks and do not justify development in this report: the fight against food insecurity, respect for animal welfare, and responsible, equitable and sustainable food.

Risk identification methodology

Carried out in 2018, the materiality analysis enabled us to cross-reference the internal vision of the importance of CSR issues with the expectations of stakeholders. This analysis will be updated in 2022 to take into account the evolution of CSR issues (and in particular global warming, scarcity of resources, biodiversity) and the modification of the expectations of our various stakeholders who are increasingly experienced and interested. This analysis has enabled us to fuel:

- the Group's strategy;
- the vision of the Group's extra-financial risks in relation to the work carried out by Verallia's financial risk compliance management.

The materiality analysis was established in three steps:

- identification of priority issues based on analysis of available documentation and interviews with key stakeholders of the Group (analysis of the Group's activities and environment), supplemented by an industry benchmark carried out by a consulting firm, sectoral risk databases (MSCI and SASB) and working with the Risk Management at Verallia Group level;
- sharing these issues with key stakeholders;
- prioritisation of these issues by comparing expectations of stakeholders and the vision of the Group's management. The rating scale was defined liaising with the Risk Management Department, and by criterion. Different components have been taken into account to determine the priority risks and opportunities. The impact on people, operations, the environment, and the image/reputation of the Group was discussed and incorporated. A consensus was reached using an electronic vote carried out during a joint workshop guided by a consulting firm, in which the members of the Group's Executive Committee, the main support functions and operational staff of the French and Spanish entities participated.

The materiality matrix is thus a reflection of the Group's identity. It compiles the specific issues relating to our activities (glass, decoration, cullet treatment) and to our local presence. It also highlights, within the priority issues, the seven main CSR risks and opportunities for the Group. Monitoring indicators have been defined for each of these risks with associated objectives. Each year the Extra-Financial Performance Statement is the time to communicate the evolution of these different indicators and the achievement of the objectives set.

Table of extra-financial performance indicators

Indicator	2021	2020	2019
ENVIRONMENT			
General			
% of operational sites for which an environmental risk assessment has been performed	100%	100%	100%
% of the total workforce in all sites that received training (internal or external) on environmental issues	100%	100%	100%
Energy and fuels			
Total energy consumption in MWh	10,810,763	10,644,562	10,945,778
Total energy cost (in € million)	364.512	332. 071	382.068
Renewable energy consumption in MWh	522,045	/	/
% of energy consumed which is renewable or low carbon	45.6%	34%	N/A
Energy fossil consumption (fuel oil, gas) in KWH NCV	8,859,621	8,788,556	9,073,477
Fuel consumption costs (in € million)	227.423	204.481	247.979
GHG emissions			
Scope 1 GHG emissions in $ktCO_2e$	2,347.00	2,378.00	2,479.00
Scope 2 GHG emissions in $ktCO_2e$	486	562	610
Scope 1+2 GHG emissions in $ktCO_2e$	2,833.00	2,940.00	3,090.00
Scope 3 GHG emissions in $ktCO_2e$ (estimation)	N/A	1,743.00	1,809.00
% of Scope 3 within the Group's total emissions	N/A	37%	37%
Scope 1+2 GHG emissions/revenue (tCO_2e/€ million)	1.05	1.16	1.19
Scope 1+2 GHG emissions in tCO_2e per TPG	0.482	0.523	0.531
Water			
Total water consumption in litres	3,107,605	3,273,730	3,671,114
Costs associated with the water drawn (in € million)	11,160	/	/
Water consumption in m^3 per ton of packed glass (tpg)	0.53	0.58	0.63
Waste			
Waste recycling rate	68%	65.5%	N/A
Weight of waste generated in plants (tons)	65,188	64,975	/
Weight of hazardous waste (tons)	9,167	14,450	/
Weight of waste sent to landfill (tons)	13,230	17,944	/
Weight of non-hazardous waste (tons)	56,021	50,525	/
Weight of waste recycled or reused (tons)	45,816	45,557	/
Sustainable materials and products			
% of cullet recycled in the production of new glass (external cullet ratio)	55%	52%	49%
Alpha Index	16	16	16

Indicator	2021	2020	2019
SOCIAL, HEALTH AND SAFETY			
General			
Total workforce	9,730	9,553	9,772
Percentage of employees by region:			
Europe (including France)	87% (25%)	87% (26%)	87% (26%)
Latin America	13%	13%	13%
Workforce by geographic area:			
Northern and Eastern Europe	3,153	3,122	3,322
Southern and Western Europe	5,286	5,184	5,191
Latin America	1,291	1,247	1,259
Total	**9,730**	**9,553**	**9,553**
Group's workforce for its main subsidiaries (excluding temps and trainees):			
Verallia Packaging	159	154	155
Verallia France (including VOA Verrerie d'Albi)	2,081	2102	2110
Verallia Deutschland	1,656	1,617	1,655
Verallia Italia S.p.A.	1,338	1,254	1,246
Verallia Spain	1,049	1,021	1,029
Verallia Portugal	252	245	245
Rayen Curá	422	418	422
Verallia Brasil	679	635	640
Verallia Ukraine	486	464	537
Total	**8122**	**7,910**	**8,039**
Breakdown of workforce by type of employment contract			
Permanent	90%	90%	89%
Fixed-term	5%	4%	5%
Temporary staff	5%	6%	6%
Total	**100%**	**100%**	**100%**
Breakdown of workforce by SPC:			
Executives	1,014	993	921
Employees, technicians and supervisors	2,308	2,230	2,324
Manual workers	6,408	6,330	6,527
Total	**9,730**	**9,553**	**9,772**
Sales workforce	318	280	n/a
Company total payroll in millions of euros (the sum of all gross wages and salaries and employers' social security contributions, as well as employee profit-sharing and incentives and other personnel expenses recorded each financial year).	524.5	501	486
Change in employment			
Change in employment within the Group over the last three years:			
Total turnover (all departures combined)	11.2%	9.4%	10.9%
Voluntary turnover (resignations only)	4.6%	2.60%	3.50%
Recruitment rate	12.0%	7.60%	11.30%
Percentage of permanent contracts	7.1%	4.20%	6.80%

Indicator	2021	2020	2019
Health and safety			
Number of accidents (with or without work stopping)	105	88	114
Accident frequency rate (TF1)	5.0	4.4	5.2
Frequency rate (with or without work stopping) (TF2): Number of work-related accidents (with or without work stopping) per million hours worked.	5.3	4.6	5.5
Severity rate	0.29	-	-
% of the total workforce on all sites represented in a joint occupational Health and Safety Committee	100%	100%	100%
% of operational sites for which an occupational health and safety risk assessment has been performed	100%	100%	100%
% of employees covered by a mandatory health care expense scheme	91%	n/a	n/a
% of employees covered by a health care expense scheme voluntarily proposed by Verallia	57%	n/a	n/a
% of employees covered by a health care expense scheme (mandatory or voluntary)	100%	n/a	n/a
Diversity & Inclusion			
Percentage of women employed	17.2%	16.5%	16.3%
Percentage of women in senior management positions (Executive Committee)	33%	20%	10%
Share of female executives	30.4%	29.8%	29.0%
Female hiring rate	28.8%	20.7%	25.4%
Gender equality index	67	70	60
Percentage of people with disabilities/average workforce	3.4%	3.3%	3%
Hiring rate of people with disabilities	1.5%	n/a	n/a
Number of nationalities of employees present in the Group	63	n/a	n/a
Professional development			
Number of hours of total training completed	304,902		
Percentage of workforce trained	78.8%	77%	80%
Number of training hours per person (h/person)	31	25	37
Proportion of managers and non-managers trained:			
Executives	93.3%	63%	82%
Senior technicians and supervisors	74.7%	64%	73%
Manual workers, administrative staff and technicians	70.9%	56%	72%
Percentage per type of training:			
Technical	61%	50%	46%
Environment, Health, Safety	54%	17%	19%
Management	29%	9%	9%
Language	4%	5%	9%
Other	24%	11%	10%
Employee engagement			
Number of agreements signed or approved with staff representatives during the year	70	51	71
Engagement index (every two years)	57.0%	n/a	43%
Absenteeism rate	5.0%	5.5%	
Capital held by employees			
Proportion of share capital held by employees	3.5%	3.2%	2.6%
Share of employee shareholders (%)	45%	37%	28%
Number of employee shareholders	4,367	3,491	2,718

Indicator	2021	2020	2019
ETHICAL			
General			
Number of convictions and fines	0	0	0
Total number of alerts received (and % handled)	7 (100%)		
Number of ethical alerts received (and % handled)	1 (100%)		
Percentage of all operational sites for which an internal audit/ethics risk assessment has been conducted	100%	100%	100%
Corruption			
% of the defined population trained in our anti-corruption program (target = persons likely to be at risk of active/passive corruption)	98.9%	98.7%	57%
% of employees trained in our anti-corruption program (industrial group; KPI calculated excluding blue collars)	38.7%		
Number of confirmed corruption incidents	0	0	0
Percentage of all operational sites with a certified anti-corruption management system	0	0	0
Competition & embargo			
% of the defined population trained in our competition program	98.8%	98.3%	56%
% of defined population trained in risks of violation of economic sanctions and embargoes	94.8%		
Personal data			
% of requests for the exercise of GDPR rights handled	100%		
Information security			
Number of information security incidents confirmed			
Number of IT security events collected in billions for analysis	25.8	22.2	13.6
Number of incidents with impacts	1	1	1
Percentage of all operational sites with an ISO 27000 certified (or equivalent/similar standard) Information Security Management System (ISMS)	0%	0%	0%
Suppliers			
Group purchases (in € million)	1.6	1.6	1.6
Number of suppliers	10,250	8,000	35,000
• % of suppliers in number for the energy purchase category	1%	5%	
• % of suppliers in number for the raw materials purchase category	8%	5%	
• % of suppliers in number for the investment purchase category	21%	14%	
• % of suppliers in number for the transport purchase category	10%	7%	
• % of suppliers in number for the production purchase category	28%	19%	
• % of suppliers in number for the packaging purchase category	6%	16%	
• % of suppliers in number for the general and other purchase category	26%	34%	
Percentage of the amount of purchases covered by the Suppliers Charter	82%	73	N/A
Percentage of suppliers identified to date as priority risk according to the AFNOR matrix that are in the process of or have completed an EcoVadis or ACESIA assessment	89%	91%	23%
Total number of CSR physical inspections of supplier facilities	78	8	
Percentage of targeted suppliers that have been subject to an on-site CSR audit	30%	3%	
Number of action plans initiated as a result of supplier non-compliance	24		
Percentage of buyers from all sites who have received responsible purchasing training	100%	100%	100%
Percentage of suppliers for which information about conflict minerals is available	100%	100%	100%

Indicator	2021	2020	2019
Product safety and customer satisfaction			
% of sites with at least 1 certified RCA coach*	84%	47%	8%
Number of sites covered by a Food Safety certification	94%	90%	78%
% decrease in customer complaint rate (number of complaints per 100 million containers sold)	-13% vs 2020	-11% vs 2019	-18% vs 2018
Communities			
GHG emissions offset in tCO_2e	30,000	30,910	30,910
Number of trees planted	113,000	100,000	100,000

GOVERNANCE			
Number of members on your Board (Board of Directors or Supervisory Board or equivalent) as of 31 December	10	13	10
Percentage of Directors present (in person, by teleconference or by proxy) at Board meetings held during the reporting period	94%	88%	90%
Total number of regular and special meetings of the Board of Directors of the Company held during the reporting period	7	7	3
Percentage of independent members on the Board of Directors or Supervisory Board as at 31 December. A Director is independent when he or she does not have any relationship of any kind with the Company, its Group or its management, which may compromise the exercise of his or her freedom of judgement.	50%	40%	50%
Percentage of women on the Board of Directors or Supervisory Board	44%	40%	40%
Percentage of women on the Management Committee	30%	20%	10%

GRI correspondence tables

The Group has chosen to comply with the essential level of the GRI framework and as such presents a table of correspondence with the general elements and the specific elements related to its most material issues.

GRI source	Disclosure	Correspondence
102-1 to 102-8, 102-10	Vision and business model of the Group	**Section "Our Business model"**
102-9	Value chain information	**2.1; 2.4**
102-11	Precautionary principle	
102-12	Charters, principles and other external initiatives	**2.3; 2.4; 4.1.2.9; 4.1.2.10**
102-13	Membership of national or international associations	**2.1; 2.3; 2.4**
102-14	Statement by the highest decision-maker on the relevance of sustainable development to the organisation and its strategy	**Section "Message from CEO and our purpose"**
102-16	Organisational values, principles, standards and rules such as codes of conduct and codes of ethics	**2.4; 3.1.1.1**
102-18	The structure of the governance of the organisation, including the committees of the senior governance body.	**3.1.1.2**
102-40	List of stakeholder groups with which the organisation has established a dialogue	**2.1; 2.4**
102-41	Percentage of all employees covered by a collective agreement	
102-42	Criteria selected for the identification and selection of stakeholders with which to establish a dialogue	**2.4**
102-43	Stakeholder involvement approach	**2.4**
102-44	Major issues and concerns raised	1.2.2; 1.3.1; 2
Methodology and assurance report		
102-45	Entities included in financial consolidation: including reasons for exclusion	**6.1**
102-46	Definition of content of the report and scope of the issues	**Section "General remarks"**
102-47	List of relevant issues	**1.2.2; 1.3.1; 2**
102-48	Reaffirmation of information	**9.1.2**
102-49	Reporting changes	
102-50	Reporting period	**2.6; 6.2; 6.5**
102-51	Date of last published report, if applicable	**N.A.**
102-52	Reporting cycle	
102-53	Contact person for questions about the report or its contents	**9.1.1**
102-54	"Compliance" option chosen by the Organisation and content Index	**2.6; 6.2; 6.5**
102-55	GRI correspondence table	**2.5; 9.4**
102-56	External verification of the report	2.6; 6.2; 6.5

GRI source	Publication	Correspondence
Economic		
203 – Indirect economic impacts		
203-1	Development and impact of investment in infrastructure and support for services	1.2.1.3
203-2	Significant indirect impacts	1.2.1.2
205 – Anti-corruption		
205-1	Activities assessed in terms of corruption risk	1.2.1.3
205-2	Communication and training on anti-corruption policies and procedures	1.2.1.2
205-3	Demonstrated cases of corruption and actions taken	
206 – Anti-competitive practices		
206-1	Legal action against anti-competitive behaviour and anti-trust practices	N.A
Environment		
301 – Materials		
301-1	Materials used by weight or by volume	1.5.1.1
301-2	Recycled materials used	1.5.1.1
301-3	Recycled products and packaging materials	2; 2.1; 2.5
302 – Energy		
302-1	Energy consumption within the organisation	2.5
302-2	Energy consumption outside the organisation	N.A.
302-3	Energy intensity	
302-4	Reduced energy consumption	2.5
303 – Water and effluents		
303-1	Total volume of water extracted by source	2.1; 2.5
303-2	Water supply sources heavily affected by extractions	
303-3	Percentage and total volume of water recycled and reused	
305 – Emissions		
305-1	Direct greenhouse gas emissions (Scope 1)	2.2; 2.5
305-2	Indirect greenhouse gas emissions (Scope 2) related to energy	2.2; 2.5
305-3	Other indirect greenhouse gas emissions (Scope 3)	2.2; 2.5
305-4	Intensity of greenhouse gas emissions	2.2
305-5	Reduction of greenhouse gas emissions	2.2
305-6	Ozone Depleting Substances (ODS) emissions	
305-7	NOX, SOX, and other substantial atmospheric emissions	
306 – Effluents and waste		
306-1	Total water discharges by type and destination	2.5
306-2	Total weight of waste, by type and by treatment method	2.5
306-3	Number and total volume of substantial spills	N.A
306-4	Transport of hazardous waste	
306-5	Bodies of water affected by spills or run-off	
307 – Environmental compliance		
307-1	Non-compliance with legislation and environmental regulations	N.A.

GRI source	Publication	Correspondence
Social		
403 – Occupational Health and Safety		
403-1	Representation of workers in official Health and Safety Committees involving workers and management	2.5
403-2	Rates and types of work-related accidents, occupational illness, absenteeism, lost work days and number of work-related deaths	2.3; 2.5
403-3	Employees who are directly and frequently exposed to illnesses related to their professional activity	4.1.2.8; 4.1.4.2
403-4	Health and safety issues covered by formal agreements with trade unions	2.3
404 – Training and education		
404-1	Average number of training hours per year, by employee, gender and occupational category	2.5
404-2	Employee skills upgrade and transition assistance programs	2.3
404-3	Percentage of employees receiving periodic assessment and career development interviews, by gender and occupational category	
405 – Diversity and equal opportunities		
405-1	Diversity of governance bodies and employees	2.5; 3.1.1.2
405-2	Ratio of basic salary to earnings of women and men	
406 – Non-discrimination		
406-1	Cases of discrimination and corrective measures taken	
410 – Security Practices		
410-1	Training of security personnel in human rights policies and procedures	
416 – Health and safety of consumers		
416-1	Assessment of the impact of products and services on consumer health and safety	2.4
416-2	Cases of non-compliance regarding the health and safety impacts of products and services	5.7
419 – Socio-economic compliance		
419-1	Non-compliance with social and economic legislation and regulations	5.7

Sustainability Accounting Standards Board (SASB) correspondence tables

Given the specificity of our activities and the circular economy model, the Group has chosen the following as the most representative sector of the Sustainable Accounting Standards Board (SASB): “Containers & Packaging” (in “Resource Transformation”)

The correspondence table is as follows:

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT	CODE	REFERENCE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2e, Percentage (%)	RT-CP-110a.1	**2; 2.2; 2.5**
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	RT-CP-110a.2	**2; 2.2**
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Quantitative	Metric tons (t)	RT-CP-120a.1	
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CP-130a.1	**2.5**
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	RT-CP-140a.1	**2.5**
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Quantitative	Number	RT-CP-140a.2	**2.1**
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	RT-CP-140a.3	**N.A.**
Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-CP-150a.1	**2.1; 2.5**
Product Safety	Number of recalls issued, total units recalled	Quantitative	Number	RT-CP-250a.1	
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	n/a	RT-CP-250a.2	
Product Lifecycle Management	Percentage of raw materials from: (1) recycled content, (2) renewable resources, and (3) renewable and recycled content	Quantitative	Percentage (%) by weight	RT-CP-410a.1	**2.1; 2.5**
	Revenue from products that are reusable, recyclable, and/or compostable	Quantitative	Reporting currency	RT-CP-410a.2	
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	n/a	RT-CP-410a.3	**2.1**
Supply Chain Management	Total wood fiber procured, percentage from certified sources	Quantitative	Metric tons (t), Percentage (%)	RT-CP-430a.1	**N.A.**
	Total aluminum purchased, percentage from certified sources	Quantitative	Metric tons (t), Percentage (%)	RT-CP-430a.2	**N.A.**
	ACTIVITY METRIC	**CATEGORY**	**UNIT OF MEASURE**	**CODE**	**REFERENCE**
	Amount of production, by substrate	Quantitative	Metric tons (t)	RT-CP-000.A	
	Percentage of production as: (1) paper/ wood, (2) glass, (3) metal, and (4) plastic	Quantitative	Percentage (%) by revenue	RT-CP-000.B	**N.A.**
	Number of employees	Quantitative	Number	RT-CP-000.C	2.5

TCFD (Task Force on Climate-Related Financial Disclosures) correspondence table

The table of correspondence with the TCFD recommendations is presented below.

The Verallia Group's response to the CDP also includes more details on certain matters.

Alignment with the 11 recommendations of the TCFD		Correspondence
Governance	Control exercised by Board of Directors over climate-related risks and opportunities	**2.2; 3.1.5.5**
	Management's role in the assessment and management of climate-related risks and opportunities	**2.2; 4.2.1.1**
Strategy	Description of the short, medium and long term climate risks and opportunities	**2.2; 4.1.2.4; 4.1.2.12**
	Description of the impact of climate-related risks and opportunities on the investment strategy	**2.2**
	Presentation of the resilience of the investment strategy, considering different climatic scenarios, including a scenario of 2°C or below	
Risk management	Description of risk management processes to identify, assess and manage climate-related risks	**4.1.2.4; 4.1.2.12**
	Description of climate risk management processes	**4.1.2.4; 4.1.2.12**
	Description of how climate-related risks are integrated into risk management processes	
Indicators and objectives	Presentation of information on the indicators used to assess climate-related risks and opportunities in the context of the investment strategy and risk management process	**2.2**
	Presentation of information on greenhouse gas (GHG) emissions and related risks under Scopes 1 and 2, and where applicable, Scope 3	**2.2**
	Presentation of the objectives set to manage the risks and opportunities related to the climate, as well as the results achieved in the pursuit of these objectives	2.2

2.6. Report by the Statutory Auditors on the consolidated non-financial information statement included in the management report

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement included in the management report

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.

For the year ended December 31, 2021

To the shareholders of Verallia,

VERALLIA
Tour Carpe Diem
31, Place des Corolles - Esplanade Nord
92400 Courbevoie

In our capacity as Statutory Auditor of Crédit Agricole S.A. (hereinafter the "entity)], appointed as an independent third party and accredited by Cofrac (accreditation Cofrac Inspection n°3-1060 whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial information statement for the year ended on the 31st of December 2021 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions 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

Pursuant to legal and regulatory requirements, 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 (or which are available on request from the entity's Corporate Social and Environmental Responsibility Department).

Independence and quality control

Our independence is defined by the provisions 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 the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the Statutory Auditor, appointed as an independent third party

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 provisions 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 provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and, where applicable, the impact of these activities on compliance with human rights and anti corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity 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 set out in the second paragraph of article L. 22-10-36 regarding compliance with human rights and anti corruption and tax evasion legislation;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as its their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16 within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity 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, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - substantive tests, 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 Lagnieu (France), Campo Bom (Brésil), Gazzo Veronese (Italie), Rosario (Chili), Sevilla (Espagne) et Wirges (Allemagne), Mondego (Portugal) for environmental data and Verallia Deutschland AG, Verallia Chile, Verallia Brazil, Verallia Spain, Verallia France, Verallia Italia et Verallia Portugal for social data, and covers between 20% and 74% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
- 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 ressources

Our work was carried out by a team of 6 people between end of December 2021 and mid- february 2022 and took a total of 7 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted a dozen interviews with the persons responsible for preparing the Declaration, representing in particular the Human Resources, Purchasing, CSR, Legal, HSE, Marketing, Quality and Programming, Logistics and Glass Recycling Departments.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

Neuilly-sur-Seine, 16th of February 2022

One of the Statutory Auditors

PricewaterhouseCoopers Audit

French original signed	*French original signed*
Itto El Hariri	Sylvain Lambert
Associée	Associé du Département Développement Durable

Appendix: List of the information we considered most important

Selection of qualitative and quantitative information, associated with the policies, measures and outcomes related to the seven principal issuess identified for the activity of Verallia and three other key commitments that complement the Statement, disclosed in the following sections of the management report:

Main risks identified and other commitments	Sections of the management report dealing with policies, actions and related results reviewed as part of our work
Integrating the circular economy into our value chain	**Pillar I – Strengthen the circularity of glass packaging** Of which the results and key performance indicators: • Rate of use of external cullet in production • Tons of CO_2 avoided with cullet • Tons of packed glass
Optimisation of water use and reduction of waste	**Pillar I – Strengthen the circularity of glass packaging** Of which the results and key performance indicators: • Total water extraction • Water consumption (m3/ton of packed glass) • Share of (non-glass) recycled waste in glass plants
Energy efficiency and carbon footprint of our operations	**Axe II – Décarboner nos activités** Dont les résultats et indicateurs clés de performance : **Pillar II – Decarbonise our activities** Of which the results and key performance indicators: • Energy consumption • % of ISO 50001 and ISO 14001 certified sites • Direct CO_2 emissions (Scopes 1 and 2) • % reduction in direct CO_2 emissions compared to 2019 • tCO_2 emitted/tons of packed glass (Scopes 1 and 2) • % of energy consumed which is renewable or low carbon • CDP Score **Pillar IV – Complying with our ethical principles in dealings with our suppliers, clients, employees and communities**
Quality of our products	**Pillar IV – Complying with our ethical principles in dealings with our suppliers, clients, employees and communities** **Subsection "Build engaging and respectful relationships with our suppliers",** of which the results and key performance indicators: • % of ISO 22000 certified sites • % of purchases covered by the signature of the Suppliers Charter • % of suppliers identified to date as having a priority risk according to the AFNOR matrix that are in the ECOVADIS or ACESIA assessment process (initiated or completed) • Number of action plans initiated following supplier non-compliance **Subsection "Ensure product quality and safety for customer satisfaction",** of which the results and key performance indicators: • % of sites with at least 1 certified RCA coach • Number of sites covered by Food Safety certification • % reduction in the customer complaint rate (number of complaints per 100 million containers sold) **Subsection "Support our communities",** of which the results and key performance indicators: • Number of trees planted • GHG emissions offset in tons of CO_2e
Occupational health and safety	**Pillar III – Ensuring a safe and inclusive work environment for all** Of which the results and key performance indicators: • OHSAS certification 18001/ISO 45001 • Number of accidents (with or without work stopping) • Frequency rate 1 • Frequency rate 2 • Severity rate

Main risks identified and other commitments	Sections of the management report dealing with policies, actions and related results reviewed as part of our work
Employee engagement and inclusion	**Pillar III – Ensuring a safe and inclusive work environment for all** **Subsection "Promote diversity and inclusion",** of which the results and key performance indicators: • Share of employees with disabilities • Share of women in the workforce • Share of women managers • Gender Equality Index • Number of agreements signed or validated during the year **Subsection "Support our employees in their professional development and value their involvement",** of which the results and key performance indicators: • Average training hours per person (permanent and temporary contracts) • 2021 Engagement index • Share of capital held by employees • Number of employees holding FCPE shares and direct shareholding • % of hiring in permanent contracts • Voluntary turnover - resignations from permanent and temporary staff • Absenteeism rate (permanent and temporary staff)
Comply with applicable regulations and fight against corruption	**Pillar IV – Complying with our ethical principles in dealings with our suppliers, clients, employees and communities** **Subsection "Complying with key legislation (corruption, competition, embargoes, personal data, information security)",** of which the results and key performance indicators: • % of defined population trained in our anti-corruption program • % of defined population trained in our competition program • % of defined population trained in risks of violation of economic sanctions and embargo

3

CORPORATE GOVERNANCE

The Report on Corporate Governance has been prepared on the basis of contributions from several of the Company's corporate functional divisions, including in particular the Legal, Financial and Human Resources Departments. The Report on Corporate Governance was also submitted to the Nomination Committee and the Compensation Committee for their review.

3.1. Composition and operation of the Board of Directors

3.1.1. Composition of the Board of Directors

3.1.1.1. Corporate Governance Code

The Company refers to and, subject to the following, complies with the Corporate Governance Code of listed companies developed by the Association française des entreprises privées (the "**AFEP**") and the Mouvement des Entreprises de France (the "**MEDEF**") in its version updated in January 2020 (the "**AFEP-MEDEF Code**").

The AFEP-MEDEF Code is available online at http://www.medef.com. The Company keeps copies of the AFEP-MEDEF Code at the permanent disposal of the members of its corporate bodies.

The Company applies the AFEP-MEDEF Code, except for the following recommendation:

Recommendation of the AFEP-MEDEF Code	Comment from the Company
Recommendation 14.2 of the AFEP-MEDEF Code "The timing of terms of office shall be organised in such a way as to avoid block renewal and to promote a harmonious renewal of Directors."	As of the date of the Universal Registration Document, with the exception of the terms of office of the employee-representative Directors and the term of office of José Arozamena (who resigned from his duties on 25 January 2022), the terms of office of the other Directors of the Company will all expire at the General Shareholders' Meeting convened to approve the financial statements for the financial year ended 31 December 2022, as all the Directors were appointed simultaneously, on the occasion of the initial public offering of the Company or, as the case may be, co-opted to replace a resigning Director for a period not exceeding the term of office of the resigned Director. The timing of terms of office is therefore not compliant with recommendation 14.2 of the AFEP-MEDEF Code which recommends avoiding a block renewal of Directors. While considering that the absence of a staggered renewal does not impede the smooth operation of the Board of Directors, the Company plans to ask the shareholders to vote on a proposal to amend the Articles of Association, at the Combined General Meeting to be held on 11 May 2022. For the Company, this will mean introducing into its Articles of Association and thus enshrining the principle of the staggered renewal of directorships, in order to comply with recommendation 14.2 of the AFEP-MEDEF Code in relation to the renewal of Directors' mandate to be proposed to the General Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2022. In any event, the appointments of two new Directors and a Director representing employee shareholders will be put to the vote of the Combined General Meeting of 11 May 2022, in both cases for a four-year mandate. If approved by the shareholders, these appointments will contribute to the effective staggering, in 2022, of the mandates of the members of the Board of Directors.

3.1.1.2. Operation of the Board of Directors

(a) Composition: members of the Board of Directors as of 31 December 2021

The table below sets out the composition of the Board of Directors of the Company as of 31 December 2021:

PROFILE					POSITION			BOARD COMMITTEE				
DIRECTORS	AGE	SEX	NATIONALITY	SHARES HELD	APPOINTMENT	END OF MANDATE	OTHER MANDATES	AUDIT	APPOINTMENTS	COMPENSATION	SUSTAINABLE DEVELOPMENT	STRATEGY
EXECUTIVE OFFICERS												
Michel Giannuzzi	57	M	French	975,000	20/09/2019	31/12/2022	1(1)				●	●
DIRECTORS REPRESENTING COMPANIES												
Marcia Freitas Representing BWSA	55	F	Brazilian	100	03/10/2019	31/12/2022	0	●				
João Salles Representing BWGI	40	M	Brazilian	303	20/09/2019	31/12/2022	2		●	●		●
Sebastien Moynot Representing Bpifrance Investissement	49	M	French	0(2)	03/10/2019	31/12/2022	3				●	
INDEPENDENT DIRECTORS(3)												
José Arozamena(4)	60	M	American and Spanish	154	20/09/2019	25/01/2022	0	●	●	●		
Marie-José Donsion	50	F	French and Spanish	100	20/09/2019	31/12/2022	0	♦				
Virginie Hélias	56	F	French and Swiss	193	20/09/2019	31/12/2022	0				♦	
Cécile Tandeau de Marsac	58	F	French	103	20/09/2019	31/12/2022	2		♦	♦		
Pierre Vareille	64	M	French	20,000	20/09/2019	31/12/2022	2		●	●		♦
EMPLOYEE-REPRESENTATIVE DIRECTORS												
Dieter Müller	63	M	German	0	23/01/2020	31/12/2023	0(1)			●	●	

VERALLIA'S GOVERNANCE IN A FEW FIGURES				
55 years AVERAGE AGE	50% FOREIGN NATIONALITIES	44% PERCENTAGE OF WOMEN	56% OF INDEPENDENT DIRECTORS	94% ATTENDANCE RATE

(1) Not including a mandate on the Supervisory Board of Verallia Deutschland, German subsidiary of the Company whose shares are admitted for trading on a regulated market.

(2) Pursuant to Article 2.10 of the Internal Rules of the Board of Directors, Directors representing shareholders, the internal procedures of which prohibit the direct holding of shares by their representatives, are not subject to the obligation to hold at least 100 Company shares during their mandate.

(3) Within the meaning of the AFEP-MEDEF Code.

(4) José Arozamena resigned from his position as Director on 25 January 2022.

Legend: ♦ Chairman ● Member

The composition of the Board is thus consistent with the recommendation of the AFEP-MEDEF Code, which recommends that the number of Independent Directors be at least one-half in companies with dispersed capital structure and without controlling shareholders. The composition of the Board of Directors is also compliant with the recommendation of the French Financial Markets Authority on the diversification of Directors in terms of international experience; thus, more than half of the Directors are foreign nationals (American, Brazilian, German, Spanish and Swiss), as at the date of the Universal Registration Document.

Pursuant to Article L. 225-27-1 of the French Commercial Code, and insofar as the Board of Directors is made up of more than eight Directors, the Board of Directors includes, at 31 December 2021, one employee-representative Director: Dieter Müller, appointed by the Group's European Works Council in January 2020.

Furthermore, following the successive resignations, in February 2021, of Sylvain Artigau and his deputy, both appointed as employee-representative Directors in February 2020 through an election by employees of the Company and its direct or indirect subsidiaries, whose registered office is based in France, a new election was organised by the Company from 4 to 10 January 2022, under the conditions set out in Articles. 225-27-1 and L. 225-28 of the French Commercial Code. At the end of the poll, Xavier Massol and Marie-Noël Fleurot were elected respectively as employee-representative Director and deputy to the Board of Directors.

Changes to the composition of the Board of Directors from 1 January 2021 to the date of this Universal Registration Document

DATE	DEPARTURE (RESIGNATION)	ARRIVAL (ELECTION)
03/02/2021	Sylvain Artigau (employee-representative Director, incumbent)	
05/11/2021	Robert Seminara (Director, appointed on the proposal of Apollo)*	
05/11/2021	Claudia Scarico (non-voting Director, appointed at the proposal of Apollo)*	
10/01/2022		Xavier Massol (employee-representative Director)
25/01/2022	José Arozamena (Independent Director)	

**Robert Seminara and Claudia Scarico have resigned following Apollo' sale of its outstanding shareholding in the Company in November 2021.*

Planned changes to the composition of the Board of Directors following the General Shareholders' Meeting of 11 May 2022

Apart from the appointment of a Director representing employee shareholders[38], the appointment of two new Directors will be submitted to the vote of shareholders at the General Shareholders' Meeting of 11 May 2022 (see Chapter 8 of this Universal Registration Document): Mr. Patrice Lucas (who will in fact become Chief Executive Officer of the Company from 12 May 2022) and Mr. Didier Debrosse (Independent Director). Subject to the adoption of these resolutions, the Board of Directors will thus include 13 members at the end of the General Shareholders' Meeting of 11 May 2022. The composition of the Board of Directors, which will include five independent members out of 10 (without counting employee-representative Directors and the Director representing employee shareholders) will thus be consistent with the recommendation of the AFEP-MEDEF Code, which recommends that the number of Independent Directors be at least one-half in companies with dispersed capital structure and without controlling shareholders.

[38] Given the percentage of employee shareholding in the Company's capital (3.5% as of 31 December 2021, via the Verallia FCPE and direct shareholding), the appointment of a shareholder employee-representative Director must be proposed to the General Shareholders' Meeting, in accordance with the provisions of Articles L.225-23 and L.22-10-5 of the French Commercial Code.

(b) Personal information and the list of other mandates of members of the Board of Directors as of 31 December 2021

Michel GIANNUZZI

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

AGE:	57 years
NATIONALITY:	French
NUMBER OF SHARES HELD:	975,000
DATE OF FIRST APPOINTMENT:	20/09/2019
DATE MANDATE EXPIRES:	31/12/2022
COMMITTEE:	Member - Sustainable development Member - Strategy
ATTENDANCE RATE:	100%

Michel Giannuzzi has been Verallia's CEO since September 2017. Thanks to the development and successful implementation of a value creation strategy, he successfully led Verallia's initial public offering on the Euronext Paris market in October 2019. Before joining Verallia, he served as Chairman of the Management Board of Tarkett, a world leader in innovative solutions for floor coverings and sports surfaces, from 2007 to 2017. During his term, he implemented a profitable and sustainable growth strategy, leading to Tarkett's initial public offering on the Euronext Paris market in 2013. Prior to that, Michel Giannuzzi held a series of executive positions at the Valeo and Michelin groups. He is a graduate of École polytechnique and Harvard Business School.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – Chairman of the Board of Directors and Chief Executive Officer, member of the Sustainable Development Committee and member of the Strategic Committee
- Verallia Packaging – Chairman
- Verallia Deutschland A.G - Chairman of the Supervisory Board

MANDATES AND POSITIONS HELD OUTSIDE THE GROUP

- Factory Mutual Insurance Company (FM Global) - Member of the Board of Directors and of the Audit Committee
- Kaufman & Broad - Member of the Board of Directors

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- Horizon Intermediate Holdings S.C.A. - Delegate to the day to day management
- Verallia Italia S.p.A – Chairman of the Board of Directors
- Rayen Curá S.A.I.C - Chairman of the Board of Directors
- Vidrieras de Canarias S.A. – Permanent representative of the Verallia Packaging Director

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Sequana - Member of the Board of Directors and of the Audit Committee
- Tarkett – Chairman of the Supervisory Board

José AROZAMENA

INDEPENDENT DIRECTOR

AGE:	61 years
NATIONALITY:	Spanish and American
NUMBER OF SHARES HELD:	154
DATE OF FIRST APPOINTMENT:	03/10/2019
DATE MANDATE EXPIRES:	25/01/2022
COMMITTEE:	Member - Audit Member - Nomination Member - Compensation
ATTENDANCE RATE:	100%

José Arozamena, an industrial and systems engineer graduate from the University of Southern California in Los Angeles, California, founded Cambium in 1996, a family investment vehicle that has invested in various companies in the United States, Europe and Latin America. José Arozamena is also Chairman and CEO of Arglass Yamamura in Georgia, USA. Between 2005 and 2018, José Arozamena was an operating partner of various private equity firms, including Lindsay Goldberg and Lehman Brothers Merchant Banking Funds III and IV. From 2003 to 2005, he led investments in American Rice and Mineraqua-Agua Castello. From 1995 to 2003, José Arozamena was Chairman and Chief Executive Officer of Alpha Private Equity Group, a private investment vehicle.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia - Independent Director, member of the Audit Committee and member of the Nomination Committee and Compensation Committee

MANDATES AND POSITIONS HELD OUTSIDE THE GROUP

- Cambium USA, Inc – CEO
- Arglass Yamamura SE, LLC – CEO
- Arglass Yamamura – Director

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- Verallia - member of the Nomination and Compensation Committee

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Mineraqua Portugal Lda – Director
- North Sails – Director

Marie-José DONSION

INDEPENDENT DIRECTOR

AGE:	50 years
NATIONALITY:	French and Spanish
NUMBER OF SHARES HELD:	100
DATE OF FIRST APPOINTMENT:	03/10/2019
DATE MANDATE EXPIRES:	31/12/2022
COMMITTEE:	Chairwoman - Audit
ATTENDANCE RATE:	100%

Marie-José Donsion graduated from the European School of Management (Paris) business school and currently serves as Chief Financial Officer of Arkema. Prior to that, she was a Director on the Arkema Board of Directors and Chairwoman of its Audit Committee. Prior to that, within the Alstom Group, she was Chief Financial Officer of the Group, after holding various financial positions within several subsidiaries in France and abroad. Prior to joining Alstom, Marie-José Donsion had begun her career with Pricewaterhouse Coopers in the audit branch.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP	MANDATES AND POSITIONS HELD OUTSIDE THE GROUP
• Verallia – Independent Director and Chairwoman of the Audit Committee	• Arkema – Chief Financial Officer

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP	MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP
• N/A	• Arkema – Director and Chairwoman of the Audit and Accounts Committee

Marcia FREITAS

DIRECTOR REPRESENTING BWSA

AGE:	55 years
NATIONALITY:	Brazilian
NUMBER OF SHARES HELD:	100
DATE OF FIRST APPOINTMENT:	03/10/2019
DATE MANDATE EXPIRES:	31/12/2022
COMMITTEE:	Member - Audit
ATTENDANCE RATE:	86%

Marcia Freitas has been Executive Director and member of the Executive Committee of Brasil Warrant S.A. (BW) since 2013, where she is responsible for overseeing all legal, tax and regulatory matters of the holding company and of BWGI, the group's asset management subsidiary. Before joining BW, Marcia Freitas worked for more than 25 years as a lawyer in the Brazilian financial industry, 15 of which as head of legal and general counsel for Unibanco and HSBC Brazil. Marcia Freitas obtained her law degree at the Rio de Janeiro State University (UERJ) in 1988 and has an LLM in corporate law from the New York University School of Law (1993). She also attended the Corporate Governance and Capital Markets for Executives Program at B.I. 2014 International, in partnership with Columbia University and Johns Hopkins University.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia - permanent representative of Brasil Warrant Administração de Bens e Empresas S.A. Director, and member of the Audit Committee

MANDATES AND POSITIONS HELD OUTSIDE THE GROUP

- Brasil Warrant Administração de Bens e Empresas S.A. – Executive Director
- Brasil Warrant, LLC – Director
- BW Gestão de Investimentos Ltda. – Executive Director
- Cambuhy Agrícola LTDA. – Director
- Cambuhy Alpa Holding LTDA. – Executive Director
- Companhia E. Johnston de Participações – Executive Director
- Imopar Participações Imobiliárias LTDA. – Executive Director
- Itaparica S/A. Empreendimentos Turísticos – Chairwoman of the Board of Directors
- Marilia Investimentos Ltd. - Director
- Patizeiro Participações Ltda. – Executive Director
- Santana Investimentos Ltd. - Director
- Santo Aleixo Empreendimentos Agropecuários Ltda. – Excutive Director
- São Gregório Representação E Participações Ltda. – Executive Director
- São Vicente Representação E Participações Ltda. – Executive Director
- Unicorp International Finance Corporation – Director
- Baryon Fund Ltd. - Director
- Lepton Fund Ltd. - Director
- Mantiqueira Overseas Fund Ltd. - Director
- Meson Fund Ltd. - Director
- Art Corporation – Director
- Atom Ltd. - Director
- Hadron Investment LLC – Manager
- Meson Investment Ltd. - Director
- Meson LLC – Director
- Tandem Fund Ltd – Director
- Malu International Corp. – Director
- Kirkiville Financial Inc. - Director

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP	MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP
• N/A	• Triz Design Ltda. – Executive Director • Amityville Overseas Corp. - Director • Blue Mountains Limited – Director • Brattleboro Overseas Limited – Director • Duetto Holdings Ltd – Director • Groveport International Corp. - Director • Hoffsfield Finance Ltd – Director • Jabuticaba Investment Ltd – Director • Jamboree Holdings Ltd – Director • Mooresville Ltd – Director • Orionis Ltd – Director • Santo Andre Investimentos Ltd – Director • São Carlos Investimentos Ltd – Director • São João Investimentos Ltd – Director • São Lucas Investimentos Ltd – Director • São Marcos Investimentos Ltd – Director • Sprigtree Consultants Ltd – Director • Vesperi Ltd – Director

Virginie HELIAS

INDEPENDENT DIRECTOR

AGE:	56 years
NATIONALITY:	French and Swiss
NUMBER OF SHARES HELD:	193
DATE OF FIRST APPOINTMENT:	03/10/2019
DATE MANDATE EXPIRES:	31/12/2022
COMMITTEE:	Chairwoman – Sustainable Development Committee
ATTENDANCE RATE:	86%

Virginie Hélias, alumna of HEC Paris (Hautes Etudes Commerciales), has been Vice President in charge of sustainable development in the Procter & Gamble Group since 2016. She has been a member of the Procter & Gamble Group Executive Committee since January 2020. She began her career in 1988 in the same group, where she held various positions in France, the United States and Switzerland in marketing, brand management, sales, innovation and digital, before creating, in 2011, a sustainable development position at the intersection between brand management and the environment Department.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP	MANDATES AND POSITIONS HELD OUTSIDE THE GROUP
• Verallia – Independent Director and Chairwoman of the Sustainable Development Committee	• N/A

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP	MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP
• N/A	• N/A

Sébastien MOYNOT

DIRECTOR REPRESENTING BPIFRANCE INVESTISSEMENT

AGE:	49 years
NATIONALITY:	French
NUMBER OF SHARES HELD:	0
DATE OF FIRST APPOINTMENT:	03/10/2019
DATE MANDATE EXPIRES:	31/12/2022
COMMITTEE:	Member - Sustainable development
ATTENDANCE RATE:	100%

Sébastien Moynot is an alumnus of the École normale supérieure in Paris and a graduate of the École nationale de la statistique et de l'administration économique. Since 2013, he has been a member of the Capital Development Steering Committee at Bpifrance Investissement, where he is in charge of equity investments in midcaps and large corporates. Previously, Sébastien Moynot spent around 10 years working in various roles at the Ministry of Finance Treasury Department. He was notably in charge of the transport sector at the Agence des Participations de l'État, and was previously Head of Strategy and then Market Operations at the Agence France Trésor.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – permanent representative of Bpifrance Investissement, Director and member of the Sustainable Development Committee

MANDATES AND POSITIONS HELD OUTSIDE THE GROUP

- Albioma – Director
- Altrad Investment Authority SAS – Director
- Arkema, Director
- Bénéteau – Director
- Cosmeur SAS – Chairman of the Board of Directors
- Green Yellow – Member of the Board of Auditors
- Vivescia Industries – Non-voting member of the Supervisory Board
- Nexteam – Non-voting member of the Supervisory Board

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- Verallia – permanent representative of Bpifrance Participations, Director

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Farinia SA – Director
- AD Industries SAS – Non-voting member

Dieter MULLER

EMPLOYEE-REPRESENTATIVE DIRECTOR

AGE:	63 years
NATIONALITY:	German
NUMBER OF SHARES HELD:	0
DATE OF FIRST APPOINTMENT:	23/10/2020
DATE MANDATE EXPIRES:	31/12/2023
COMMITTEE:	Member – Compensation Member – Sustainable development
ATTENDANCE RATE:	86%

Dieter Müller has worked for Verallia Deutschland since 1988, where he began his career as a sheet metal operator. He is a member of the Industriegewerkschaft Bergbau-Chemie-Energie (IG-BCE) trade union. In 1993, Dieter Müller was elected as a member of the Essen Works Committee, of which he became Secretary in 1996. In 2010, Dieter Müller was elected Secretary of the Verallia Deutschland Central Works Committee. Since 2017, he was also a member of the Verallia European Works Committee, of which he was elected Deputy Secretary. He resigned from these positions when he was appointed by the Group's European Works Committee. Dieter Müller has also been a member of the Supervisory Board of Verallia Deutschland for almost 20 years and its Vice-President for more than 10 years.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP	MANDATES AND POSITIONS HELD OUTSIDE THE GROUP
• Verallia – Director, member of the Compensation Committee and member of the Sustainable Development Committee • Verallia Deutschland AG – Vice President of the Supervisory Board	• Honorary Judge of the Industrial Tribunal of Essen

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP	MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP
• Verallia Deutschland AG – Secretary of the central Works Council • Verallia Group – Deputy Secretary of the European Committee	• N/A

João SALLES

DIRECTOR REPRESENTING BWGI

AGE:	40 years
NATIONALITY:	Brazilian
NUMBER OF SHARES HELD:	303
DATE OF FIRST APPOINTMENT:	03/10/2019
DATE MANDATE EXPIRES:	31/12/2022
COMMITTEE:	Member - Nomination Member - Compensation Member - Strategic
ATTENDANCE RATE:	100%

João Salles holds a B.A. in Economics from INSPER, an M.A. in Economics and an M.S. in Finance both from Columbia University in New York, and a Ph.D. in Economics from the University of São Paulo. He has been a Managing Director at BWSA, a holding company, since 2017, and is the CEO of its asset management firm, BWGI, where he has a member of the Investment, Risk and Management Committees since 2014. João Salles currently holds positions as Board member of Itaú Unibanco, of IUPAR (which controls Itaú Unibanco), and is also a member of the Finance Committee of Alpargatas. Between 2013 and 2018, João Salles was a Partner, Investment Professional (MD) and member of Cambuhy Investimentos' Investment Committee. Prior to that, he worked at the investment bank J.P. Morgan in New York, focusing on M&A, ECM and DCM.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia - permanent representative of BW Gestão de Investimentos Ltda Director, member of the Nomination Committee, the Compensation Committee and the Strategic Committee

MANDATES AND POSITIONS HELD OUTSIDE THE GROUP

- Brasil Warrant Administração de Bens e Empresas S.A. – Managing Director and member of the Executive Committee
- BW Gestão de Investimentos Ltda.– CEO
- Itaú Unibanco Holding S.A. - Director
- IUPAR – Itau Unibanco Participações S.A. - Director
- Alpargatas – Member of the Financial Committee of the Board of Directors

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- Verallia - permanent representative of BW Gestão de Investimentos Ltda Director, member of the Nomination and Compensation Committee
- Verallia - permanent representative of Brasil Warrant Administração de Bens e Empresas S.A., Director and member of the Nomination and Compensation Committee

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Cambuhy Investimentos Ltda. – Partner, Managing Director and Member of the Investment Committee
- XP Investimentos – Director

Cécile TANDEAU DE MARSAC

INDEPENDENT DIRECTOR

AGE:	58 years
NATIONALITY:	French
NUMBER OF SHARES HELD:	103
DATE OF FIRST APPOINTMENT:	03/10/2019
DATE MANDATE EXPIRES:	31/12/2022
COMMITTEE:	Chairwoman – Nomination Chairwoman – Compensation
ATTENDANCE RATE:	100%

Cécile Tandeau de Marsac a graduate of NEOMA Business School, holds a Master's degree in Economics and has been an Independent Director on the Board of Directors of the Sodexo Group since 2016, of which she chairs the Nomination Committee and the Compensation Committee. From 2012 to 2019, she was General Manager in charge of Human Resources for the Solvay Group in Belgium. From 2011 to 2012, she led the integration of the Rhodia and Solvay groups. Prior to that, she held various positions in the Rhodia Group in the Human Resources Department from 2007 to 2011, and at Nestlé in marketing, sales, communication and human resources from 1987 to 2006.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – Independent Director and Chairwoman of the Nomination Committee and Compensation Committee

MANDATES AND POSITIONS HELD OUTSIDE THE GROUP

- Sodexo – Director, Chairwoman of the Compensation Committee and Chairwoman of the Nomination Committee
- Groupe BEL – Member of the Nomination and Compensation Committee
- Daher – Director, member of the Governance Committee

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- Verallia – Chairwoman of the Nomination and Compensation Committee

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Solvay – General Manager in charge of human resources

Pierre VAREILLE

INDEPENDENT DIRECTOR

AGE:	64 years
NATIONALITY:	French
NUMBER OF SHARES HELD:	20,000
DATE OF FIRST APPOINTMENT:	03/10/2019
DATE MANDATE EXPIRES:	31/12/2022
COMMITTEE:	Chairman – Strategy Member – Nomination Member - Compensation
ATTENDANCE RATE:	100%

Pierre Vareille is a graduate of École centrale de Paris and alumnus of Sorbonne University, SciencesPo Paris and the Management Control Institute. He was Chief Executive Officer of several international corporations, including Wagon Automotive, a British automotive manufacturer traded on the London Stock Exchange, and FCI, one of the world's leading manufacturers of electronic connectors. Pierre Vareille served as Chief Executive Officer of Constellium, a global supplier of value-added aluminium products, traded on the New York Stock Exchange until July 2016. He is currently Vice-Chairman of the Board of Directors of Vallourec and Director of Outokumpu Oyj, in Finland.

MANDATES AND POSITIONS HELD WITHIN THE VERALLIA GROUP	MANDATES AND POSITIONS HELD OUTSIDE THE GROUP
• Verallia - Independent Director, Chairman of the Strategic Committee and member of the Nomination Committee and the Compensation Committee	• Vallourec - Vice-Chairman of the Board of Directors, Independent Reference Director, Chairman of the Nomination and Governance Committee and Chairman of the Compensation Committee • Outokumpu Oyj – Director and member of the Remuneration Committee

MANDATES THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP	MANDATES THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP
• Verallia - member of the Nomination and Compensation Committee	• Bic – Chairman of the Board of Directors • Constellium NV – CEO • Ferroglobe plc – Director • Etex SA – Director • Vectra – Director

3.1.1.3. Non-voting Board members

Pursuant to Article 15 of the Articles of Association, the Board of Directors may appoint one or more non-voting members, up to a maximum number of two. Non-voting members may be natural or legal persons, but need not be shareholders. The term of office of non-voting members shall be four years, unless they resign or the Board of Directors decides to terminate the appointment early. The duties of non-voting members, including any compensation, shall be decided by the Board of Directors. Non-voting members shall be eligible for re-election. They shall be invited to meetings of the Board of Directors and shall participate in discussions in an advisory capacity. The procedures relating to the prevention of conflicts of interests and the implementation of the Market Abuse Regulation, implemented by the Company in respect of Directors are also applicable to non-voting members.

By decision of the Board of Directors dated 3 October 2019, Guilherme Bottura was appointed as non-voting member for a term of four years.

Non-voting members do not receive any remuneration for their mandate.

Guilherme BOTTURA
NON-VOTING BOARD MEMBER

AGE:	42 years
NATIONALITY:	Brazilian
NUMBER OF SHARES HELD:	0
DATE OF FIRST APPOINTMENT:	03/10/2019
DURATION OF MANDATE	4 years

Guilherme Bottura graduated from the Polytechnic School of the University of São Paulo with a bachelor's degree in production engineering. He is the Managing Director of BWGI, the Global Asset Management Division of BWSA, and has been a member since 2018 of BWGI's Investment Committee, Risk Committee and Management Committee. Guilherme Bottura is currently a Director, a member of the Finance Committee and the Audit Committee of Eneva SA and a member of the Finance Committee of Alpargatas SA and a member of the Audit Committee of Fundo Patrimonial Amigos da Poli, an endowment fund affiliated with the Polytechnic School of the University of São Paulo. Between 2011 and 2018, Guilherme Bottura was a partner and member of the Investment Committee of Cambuhy Investimentos. Before that, he was a portfolio manager at Lanx Capital between 2009 and 2011, and Vice-President at Goldman Sachs between 2005 and 2009.

3.1.2. Declarations relating to members of the Board of Directors and to the executive officers

To the Company's knowledge, in the last five years: (i) none of the members of the Board of Directors or the Chairman and Chief Executive Officer of the Company has been convicted of fraud, (ii) none of the members of the Board of Directors or the Chairman and CEO of the Company has been associated with a bankruptcy, sequestration, liquidation or placement of a company under court-ordered administration, (iii) none of the members of the Board of Directors or the Chairman and Chief Executive Officer of the Company has been found guilty and/or been subject to official public sanction by judicial or administrative authorities (including designated professional bodies) and (iv) none of the members of the Board of Directors or the Chairman and Chief Executive Officer of the Company has been prevented by a court to act as a member of an administration, management or supervisory body of an issuer or be involved in the management or conduct of business of an issuer.

3.1.3. Conflicts of interest

3.1.3.1 Conflicts of interest at the level of management bodies and executive officers

To the Company's knowledge, at the date of this Universal Registration Document, there are no potential conflicts of interest between the obligations of members of the Board of Directors or the Chairman and Chief Executive Officer of the Company towards the Company and their private interests and/or other obligations.

3.1.3.2 Information on service agreements linking the members of the Board of Directors to the Company or any of its subsidiaries

To the Company's knowledge, at the date of this Universal Registration Document, there are no service agreements linking the members of the Board of Directors to the Company or any of its subsidiaries and involving the granting of benefits.

3.1.4. Operation of Board committees

3.1.4.1. Rules for the composition of the Board of Directors

The Articles of Association provide that the Company's Board of Directors (the "**Board**" or the "**Board of Directors**") shall consist of between three and eighteen members, subject to the exceptions permitted by law. As of 31 December 2021, the Board was composed of 10 members.

In accordance with Article 15 of the Articles of Association, the term of office of a Director shall be four years renewable. This duration complies with the recommendations of the AFEP-MEDEF Code. Directors shall not be older than 75 years of age (it being specified that the number of Directors over the age of 70 may not exceed one third of the Directors in office) and shall be subject to applicable laws and regulations on multiple appointments.

Directors are appointed by the General Shareholders' Meeting on the proposal of the Board of Directors, which itself receives proposals from the Nomination Committee. They may be removed from office at any time by the Ordinary General Shareholders' Meeting. The term of office of each Director shall expire at the end of the Ordinary General Shareholders' Meeting, called to approve the financial statements for the past financial year and held in the year in which the term of office expires.

3.1.4.2. Internal Rules of the Board of Directors

The Board of Directors has Internal Rules to set out the operating procedures of the Board of Directors, in addition to the applicable legal and regulatory provisions and the Company's Articles of Association. The provisions of the Internal Rules entered into force on 7 October 2019, the date on which the Company's shares were admitted to trading on the Euronext Paris regulated market, and were updated on 30 July 2020 and 6 December 2021. The Internal Rules of the Board of Directors include in the appendix the Internal Rules of the Audit Committee, the Internal Rules of the Nomination Committee, the Internal Rules of the Compensation Committee, the Internal Rules of the Sustainable Development Committee and the Internal Rules of the Strategic Committee.

The Internal Rules of the Board of Directors are in line with marketplace recommendations aimed at ensuring compliance with the fundamental principles of corporate governance, and in particular those referred to in the AFEP-MEDEF Code. These Internal Rules describe the manner of operation, powers and duties of the Board of Directors and specify the rules of ethics applicable to its members. It includes rules for the holding of meetings of the Board of Directors, as well as provisions relating to the frequency of meetings, the attendance of Directors and their disclosure obligations with regard to the rules governing multiple appointments and conflict of interest.

The Company's Articles of Association and Internal Rules are available on the Company's website (www.verallia.com).

3.1.4.3. Duties of the Board of Directors

The Board of Directors shall determine and monitor the implementation of the Company's overall business strategy, in accordance with its corporate interest. It examines and decides on important transactions. Board members are informed of market developments, the Company's competitive environment and key issues, including in terms of social and environmental responsibility.

The Board of Directors shall perform the duties and exercise the powers conferred on it by law, the Company's Articles of Association and the Internal Rules of the Board of Directors. The Board of Directors shall determine and assess the implementation of the Company's business strategy, objectives and performances. It shall examine any and all matters pertaining to the efficient operation of the Company and make decisions about any and all issues concerning the Company, within the limits of the Company's corporate purpose and except for those issues which, by law, can only be decided upon by shareholders at a General Meeting.

The Board of Directors shall also carry out the controls and checks that it deems appropriate and may be provided with the documents it considers useful for the performance of its duties.

The Board of Directors shall set the limitation of the powers of the Chief Executive Officer, as the case may be, in accordance with its Internal Rules, with regard to operations for which the prior authorisation of the Board of Directors is required (for further details, see Section 3.2 "Methods and operation of Executive Management").

The Board of Directors shall ensure the good corporate governance of the Company and the Group as well as the quality of the information given to shareholders and investors.

The Internal Rules define information procedures for Directors. In particular, it states that the Chairman of the Board of Directors shall provide to the members of the Board of Directors, within a sufficient period of time and except in emergencies, with the information or documents in his or her possession to enable them to carry out their duties effectively. Any member of the Board of Directors who has not been able to knowingly deliberate on an issue has a duty to inform the Board of Directors and to demand the information necessary for the performance of his or her duties.

3.1.4.4. Meetings and deliberations of the Board of Directors

The Internal Rules of the Board of Directors provide for the terms and conditions of the Board of Directors' meetings. Thus, the Board of Directors is called by its Chairman or one of its members, by any means, even orally. The person who convenes the meeting shall set the agenda for the meeting.

For the purpose of increasing efficiency of the organisation and holding of meetings of the Board of Directors and its committees, the Company, since its initial public offering, uses a collaborative digital portal which meets compliance requirements and makes it possible to digitise the preparation of meetings and to secure the availability of the documents necessary for active, permanent and transparent communication with the members of the Board of Directors.

The Board of Directors meets at least four times a year and, at any other time, as often as the interests of the Company require. The frequency and duration of the meetings should be such that they allow for a thorough review and discussion of matters within the competence of the Board of Directors. During the year ended 31 December 2021, the Board of Directors met seven times (see paragraph 3.1.4.7 below).

The Board of Directors' meetings are chaired by the Chairman. In the event of the absence of the Chairman, the meetings shall be chaired by a member of the Board of Directors appointed by the Board of Directors.

At least half of the Board members must be present for decisions taken at Board meetings to be valid. Members participating in meetings shall be deemed to be present, for the purposes of quorum and majority calculations, by means of video conferencing or telecommunications, enabling their identification and ensuring their effective participation, under the conditions set out in applicable laws and regulations. Certain decisions of the Board of Directors can be taken by written consultation of Directors, in the conditions of the applicable legislatives and regulatory provisions.

Each meeting of the Board of Directors and of the committees must be long enough to allow productive and thorough discussion of the agenda. Decisions shall be taken by a majority of Directors present or represented. In the event of a tie, the Chairman of the meeting shall have the deciding vote.

The Internal Rules of the Board of Directors also recall the obligations of the members of the Board of Directors, as described in the AFEP-MEDEF Code. The Internal Rules provide, in particular, that the members of the Board of Directors, upon appointment, may benefit from additional training on the specific characteristics of the Company and the companies it controls, their business lines and business sector, and that they may occasionally receive reports from the Group's main executive staff, who may be called upon to attend Board meetings.

Finally, the Board of Directors is required to be regularly informed of the financial situation of the Company and the Group and the CEO shall communicate on a permanent basis to the Directors any information concerning the Company that he/she is aware of and deems useful or relevant. The Board of Directors and the committees also have the possibility to hear experts in their respective areas of expertise.

Under the Internal Rules, each member of the Board of Directors is required to inform the Board of any conflict of interest situation, even potential, and must refrain from attending the debate and taking part in the vote on the corresponding deliberation. This obligation also applies to non-voting Board members.

3.1.4.5. Independence of Directors

The Board of Directors ensures that the proportion of independent members on the Board and on Board committees meets the recommendations of the AFEP-MEDEF Code. As the Company is not controlled at the date of this Universal Registration Document, the proportion of Independent Directors must therefore be half of the members of the Company's Board of Directors, in accordance with paragraph 9.3 of the AFEP-MEDEF Code.

Employee-representative Directors and the Director representing employee shareholders do not count when determining the percentage of independent members.

In accordance with the AFEP-MEDEF Code, the Board of Directors examines the situation of each of its members (or candidate) with regard to the independence criteria adopted by the Company at the time of each renewal or appointment of a member of the Board of Directors and at least once a year before the publication of the Company's corporate governance report. During this assessment, the Board of Directors, after consulting the Nomination Committee, shall examine on a case-by-case basis the qualifications of each of its members (or candidates) with respect to the criteria of the AFEP-MEDEF Code, the specific circumstances and the position of the person concerned in relation to the Company. The findings will be disclosed to shareholders in the report on corporate governance and, where appropriate, at the General Shareholders' Meeting when members of the Board of Directors are elected.

At its meeting on 16 February 2022, the Board of Directors reviewed and assessed the independence of the members of the Board of Directors and confirmed, with regard to the independence, as at 31 December 2021, of José Arozamena, Marie-José Donsion, Virginie Hélias, Cécile Tandeau de Marsac and Pierre Vareille, that the previous independence analyses made were still valid.

For each Director, this assessment was backed by the independence criteria mentioned in points 9.5 to 9.7 of the AFEP-MEDEF Code, as indicated in the table below.

Concerning more particularly the analysis of independence with respect to the criterion of direct or indirect business relationship, an additional quantitative and qualitative analysis is conducted on a case by case basis, with special attention paid to assessing the existence or absence of a business relationship, its materiality and assessing the independence of the Director concerned. To the Company's knowledge, as of 31 December 2021 and as of the date of the Universal Registration Document, no business relationship (as defined by Article 9.5.3. of the AFEP-MEDEF Code) existed between, on the one hand, a member of the Board of Directors considered as independent and on the other hand, the Company or any of its subsidiaries.

With regards to Bpifrance Investissement, which due to its status as a major shareholder [39], is not considered as an Independent Director, the Board of Directors nevertheless wished to examine the business relationships existing between the Company and the Bpifrance group and referred to in Section 5.6.1.1[40], with a view to assessing whether their importance and nature could affect the judgement of this Director. After conducting a multi-criteria study, integrating several parameters (and in particular, on the one hand, the Company's overall indebtedness and liquidity and, on the other hand, the size of the loan granted by Bpifrance, which is well below the materiality threshold (determined by the Board of Directors) of 5% of the Group's net indebtedness), the Board of Directors concluded that there was no economic dependence or exclusivity between the two groups, and that the business relationships were not considered material. Sébastien Moynot, permanent representative of Bpifrance Investissement, has also confirmed that, first, he has no direct decision-making power within the Bpifrance Group bodies that may be called upon to occasionally decide on whether loans should be granted to or partnerships should be forged with the Company or its subsidiaries, and, second, that he receives no remuneration and has no personal interest related to the aforementioned business relationships.

[39] Bpifrance Investissement being affiliated with Bpifrance Participations, shareholder with 13.44% of the Company's voting rights at 31 December 2021.

[40] It should be noted that in accordance with the regulation relating to regulated agreements, the Board of Directors ensured that Bpifrance Investissement, represented by Sébastien Moynot, refrains from participating in debates and voting on the deliberation authorising the Company to take out a loan for a total principal amount of €30 million from Bpifrance (this transaction is described in greater detail in Section 5.6.2). More generally, Bpifrance Investissement is required, as is each Director, to comply with the rules on the prevention of conflicts of interest.

Application of the independence criteria of Article 9 of the AFEP-MEDEF Code										
	Michel Giannuzzi (NI)	José Arozamena (I)	Bpifrance Investissement (NI)	BWGI (NI)	BWSA (NI)	Marie-José Donsion (I)	Virginie Hélias (I)	Dieter Müller (NI)	Cécile Tandeau de Marsac (I)	Pierre Vareille (I)
Criterion 1: employee/ corporate officer in the previous five years	x							x		
Criterion 2: cross-directorships	x							x		
Criterion 3: material business relationships										
Criterion 4: kinship										
Criterion 5: Statutory Auditor										
Criterion 6: mandate exceeding 12 years										
Criterion 7: status of non-executive officer	x									
Criterion 8: status of major shareholder			x	x	x					

I: Independent / NI: Non Independent / X: independence criterion not met

Criterion 1: Employee/corporate officer in the previous five years

Not be or not have been in the previous five years:

- *an employee or executive officer of the Company;*
- *an employee, executive officer or Director of a company consolidated by the Company;*
- *an employee, executive officer or Director of the parent company of the Company or of a company consolidated by such parent company.*

Criterion 2: Cross-directorships

Not be an executive officer of a company in which the Company holds, directly or indirectly, a directorship or in which an employee appointed as Director or an executive officer of the Company (currently or within the last five years) holds a directorship.

Criterion 3: Material business relationships

Not be a significant customer, supplier, business banker, financing banker, consultant:

- of the Company or Group;
- or for which the Company or Group represents a significant share of the business.

Criterion 4: Kinship

Not be a close relative of a corporate officer.

Criterion 5: Statutory Auditor

Not have been the Company's Statutory Auditor in the last five years.

Criterion 6: Mandate exceeding 12 years

Not be a Director of the Company for more than 12 years. The loss of the Independent Director title occurs on the anniversary date of the twelve years.

Criterion 7: Status of non-executive officer

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

Criterion 8: Status of major shareholder

Directors representing the Company's major shareholders may be considered as independent insofar as these shareholders do not participate in the Company's control. However, beyond a threshold of 10% in capital or in voting rights, the Board of Directors, on the basis of a report of the Nomination Committee, shall systematically review the qualification of independent, taking into account the composition of the Company's capital and the existence of a potential conflict of interest.

As at 31 December 2021, five Directors (José Arozamena, Marie-José Donsion, Virginie Hélias, Cécile Tandeau de Marsac and Pierre Vareille) are therefore qualified as independent, which is more than one half of Directors, which complies with the recommendation of the AFEP-MEDEF Code, which provides that Independent Directors should account for half the members of the Board of Directors in widely held corporations without controlling shareholders.

Furthermore, it is recalled that apart from the appointment of a Director representing employee shareholders, the appointment of two new Directors will be submitted to the vote of shareholders at the General Shareholders' Meeting of 11 May 2022 (see Chapter 8 of this Universal Registration Document): Mr. Patrice Lucas (who will in fact become the Company's Chief Executive Officer as from 12 May 2022) and Mr. Didier Debrosse (Independent Director).

Regarding the qualification of Mr. Didier Debrosse as Independent Director, the Board meeting of 16 February 2022 which prepared the draft General Meeting resolution for his appointment decided to specifically examine the business relationships existing between the Group and the Heineken group, a group in which Mr. Debrosse held various management positions and, as of the date of this Universal Registration Document, is a Director on the Board of Directors of Heineken Panama. The purpose of this review was to assess whether the importance and nature of these positions could cast any doubts about his independence, with regard to the criterion specified in Section 9.5.3 of the AFEP-MEDEF Code.

Accordingly, the Board of Directors noted, after recalling in particular that the appointment of Mr. Debrosse would enable the Board of Directors to benefit from the drinks segment-specific knowledge gained from his recent experience with one of the world's leading breweries, that Mr. Debrosse no longer carries out operational management duties for the Heineken group as of February 2019, as Mr. Debrosse retired on that date. Furthermore, the Board considered that Heineken, which is a Group customer, should not be considered as "material" within the meaning of Section 9.5.3 of the AFEP-MEDEF Code, mainly with regard to the limited portion of revenue earned by the Group from Heineken and the fact that the Group is not economically dependent on this customer.

After acknowledging the opinion of the Nomination Committee, the Board of Directors consequently approved the appointment of Mr. Didier Debrosse as Independent Director, considering that all the independence criteria specified in Section 9.5 (including Section 9.5.3) of the AFEP-MEDEF Code had been met.

It is specified that in any event, and with respect to his directorship at Heineken Panama, it is agreed that Mr. Debrosse may not, in accordance with the provisions of Article 2.3 of the Board's Internal Rules, participate in any Board of Directors deliberation and/or vote that deals with trade relations between the Group and the Heineken group.

3.1.4.6. Shares held by Directors

Under Article 2 of the Board of Directors' Internal Rules, each member of the Board of Directors shall hold at least 100 shares of the Company throughout his or her mandate and, in any event, within six months of his or her appointment. This requirement neither applies to employee-representative Directors nor, following a decision of the Board of Directors, to Directors representing shareholders for whom the internal procedures prohibit the direct holding of shares by their representatives (which is notably the case for the permanent representative of Bpifrance Participations, the Director appointed at the proposal of Bpifrance Participations, a shareholder). Loans of shares by the Company to members of the Board of Directors are not permitted in order to fulfil this obligation. Upon assuming office, members of the Board of Directors shall register the securities they hold in the nominative form. The same shall apply for any securities subsequently acquired.

3.1.4.7. Operation of Board committees

(a) Integration and training of members of the Board of Directors

Each member of the Board, upon his/her nomination, may benefit from a site visit as well as training on the specificities of the Company and the companies it controls, their activities and sectors of activity. Moreover, when new Directors are integrated, they can meet the Group's main executives.

As such, since Dieter Müller joined the Board in 2020 as an employee-representative Director, the Company has mainly organised his registration for participation in various specialised external training programmes in English, business law for French listed companies, corporate governance and finance.

(b) Activities of the Board of Directors during the year ended 31 December 2021

During 2021, the Board of Directors met seven times and held two executive sessions, without the presence of the Chairman and Chief Executive Officer but with all other members of the Board of Directors, on 28 July 2021 and 6 December 2021.

The Board mainly debated the following issues:

- the accounting and financial information;
- the 2022–2024 financial goals and the Investors' Day of 7 October 2021;
- the budget for 2022 and the medium-term business plan;
- the Group's CSR strategy and CO2 emissions reduction initiatives and the increased use of cullet;
- the separation of the positions of Chairman of the Board of Directors and Chief Executive Officer;
- security within the Group.
- the Performance Action Plan;
- risk management;
- cybersecurity;
- the share buyback programme;
- the Group's financing (specifically sustainability-linked bond issues);
- projects for strategic investments and joint-ventures;
- initiatives in terms of sales and marketing;
- say-on-pay matters;
- the self-assessment of the Board of Directors;
- splitting the Nomination and Compensation Committee into a Nomination Committee, a Compensation Committee and the creation of a Strategic Committee;
- appointments within the Group's Executive Committee;
- update of the Performance Share Plan;
- the continuation of the employee shareholding program;
- analysis of the results of Group's survey on employee engagement;
- analysis of the votes expressed by shareholders at the General Meeting of 15 June 2021;
- compliance (particularly with regard to competition law, prevention of corruption and protection of whistleblowers);
- the applicable regulation with regard to market abuse and insider information (annual reminder); and
- authorisation of the regulated agreement between the Company and Bpifrance (see Section 5.6.1.1).

In addition, the Board of Directors, during its meeting held on 16 February 2022 and dedicated, among others, to the review of the annual financial statements for the 2021 financial year, reviewed the criteria for determining usual agreements carried out at arm's length to ensure that they are always appropriate and in line with market practices and, more specifically, analysed the normal character of the financial conditions of the agreements it assessed, in accordance with the procedure for the annual assessment of agreements on transactions which are deemed usual and carried out at arm's length, adopted on 28 April 2020 in accordance with the provisions of Article L.22-10-12 of the French Commercial Code.

The secretariat for the work of the Board of Directors is provided by the the Head of Legal and General Counsel in charge of Compliance and Insurance.

(c) Diversity within the Board of Directors

The Company seeks to continuously improve its governance practices: apart from gender equality, the required number of Independent Directors and the variety of nationalities, ensured since the Company's IPO, this policy was mainly reflected in 2021 by the appointment of an employee Director as a member of the Compensation Committee.

Furthermore, following the successive resignations in February 2021 of Sylvain Artigau, the employee-representative Director on the Board of Directors and his deputy, both elected in February 2020, the Company organised, from 4 to 10 January 2022, an election by the Company's employees and its direct or indirect subsidiaries, with a registered office based in France, of a new employee-representative Director, under the conditions specified in Article L.225-28 of the French Commercial Code. At the end of this election, Xavier Massol and Marie-Noël Fleuriot were respectively elected as employee-representative Director to the Board of Directors and as deputy.

In addition, employee representation on the Board of Directors will be further strengthened, since, subject to the vote of shareholders, a Director representing employee shareholders will be appointed at the end of the General Meeting of 11 May 2022[41]. Beatriz Peinado Vallejo was nominated as a candidate for the position of employee-representative Director by the employees holding their shares directly, in a two-round majority vote; her appointment in this capacity will be proposed to the General Shareholders' Meeting of 11 May 2022 under the seventh resolution. Matthieu Cantin and Pedro Barandas have been nominated by the Supervisory Board of the FCPE as the candidate and deputy candidate respectively for the position of employee-representative director. Their appointment in this capacity will be proposed to the General Shareholders' Meeting on 11 May 2022 under the eighth resolution. The candidate who will have obtained the highest number of votes available to the shareholders, present or represented, at the General Meeting of 11 May 2022, will be appointed employee-representative Director.

[41]Given the percentage of employee shareholding in the Company's capital (3.5% as of 31 December 2021, via the Verallia FCPE and directly), the appointment of a Director representing employee shareholders must be proposed to the General Shareholders' Meeting, in accordance with the provisions of Articles L.225-23 and L.22-10-5 of the French Commercial Code.

Lastly, the Directors of the Company come from different backgrounds and have varied experience and expertise reflecting the objectives of the Board of Directors and various long-term challenges of the Group's strategy. The chart below provides an overview of this diversity and these complementary backgrounds:

SKILLS AND BACKGROUND

The Board shall ensure the balance of its composition and that of its ad hoc committees, in particular in terms of diversity (international experience, skills etc.). Based on recommendations made by the Nomination Committee, Directors are appointed on the basis of their qualifications, professional skills and their independence of mind.

(d) Information on the balanced representation of women and men within the Board of Directors

As at 31 December 2021, there are four women on the Board of Directors: Marie-José Donsion, Marcia Freitas (as permanent representative of Brasil Warrant Administração de Bens e Empresas S.A.), Virginie Hélias and Cécile Tandeau de Marsac, thus representing 44% of Directors (excluding employee-representative Directors pursuant to Article L. 225-27-1 of the French Commercial Code).

The Company thus complies with the provisions of Law No. 2011-103 of 27 January 2011 on the balanced representation of women and men on Boards of Directors and Supervisory Boards and professional equality, and the proportion of female Directors is at least equal to 40%, in accordance with the provisions of Articles L.225-18-1 and L.22-10-3 of the French Commercial Code.

(e) Annual assessment of the Board of Directors

The Internal Rules of the Board of Directors provide for the terms and conditions by which the Board of Directors must assess its ability to meet shareholder expectations by periodically analysing its composition, organization and operation. To this end, once a year, the Board of Directors shall, on the report of the Nomination Committee, devote an item on its agenda to the assessment of its operating procedures, to ensure that important issues are properly prepared and discussed within the Board of Directors, as well as to the extent of each member's effective contribution to the work of the Board of Directors with regard to their competence and involvement in the deliberations.

The self-assessment procedures for 2021 were decided by the Board of Directors at its meeting on 27 October 2021; all Directors in office on this date were consulted and participated in the Board of Directors self-assessment works.

The Chairwoman of the Nomination and Compensation Committee presided over these assessments and shared its findings with the Board of Director's meeting of 6 December 2021 (which included an executive session, without the Chairman and Chief Executive Officer and in the presence of all the other Board members). The meeting also discussed possible changes to the Company's governance structure).

At the end of this self-assessment, the Board of Directors concluded that:

- concerning its composition: the Directors praised the quality of work accomplished by the Nomination and Compensation Committee in connection with the search for a new Chief Executive Officer and the preparation of a satisfactory transition period, in the Group's best interest. Furthermore, the Board of Directors expressed its satisfaction that employee representation on the Board would be strengthened by the election of a new employee-representative Director in January 2022 and, subject to the vote of shareholders, the appointment of a director representing employee shareholders at the end of the General Meeting of 11 May 2022. Lastly, with a view to the continuous improvement of complementarity and diversity of skills on the Board, the Board of Directors will also ask shareholders at the General Meeting of 11 May 2022 to vote on the appointment of two new Directors: Patrice Lucas, who joined the Group on 1 February 2022 as Deputy Chief Executive Officer and will be appointed Chief Executive Officer of the Group at the end of the General Meeting; and Didier Debrosse, who has, in addition to a genuine international background, a drinks segment-specific expertise due to his recent experience with one of the world's leading breweries;
- concerning its organisation: Directors are satisfied with the frequency of meetings and the broad diversity of exchanges. Concerning committees: the Directors observed that, addressing the requests made through the formal self-assessment process carried out with the help of an external consultant for financial year 2020, the various committees now provide more detailed feedback about their work at plenary sessions. Lastly, the splitting of the Nomination and Compensation Committee into two separate committees reflects the strong will of the Board of Directors to comply with the recommendation of the AFEP-MEDEF Code and, more generally, with best governance practices;
- concerning its operation: the Company's management took into consideration the Board of Directors' requests to expand the scope of topics presented for its review. In this way, in 2021, the Directors were able to hear from a number of Group senior executives on various operational topics such as safety, cybersecurity, sales and marketing initiatives or risk mapping. The Directors are highly satisfied with the quality of information transmitted, the time frames during which such information becomes available to them and the answers given to their questions. However, the Directors unanimously deplored the fact the health context did not allow the organisation of more in-person meetings and forced management to cancel scheduled visits to plants.

3.1.5. Board committees

Board of Directors			
Chairman - Michel Giannuzzi			
4 7	7 meetings	94% attendance	56% independent members

Upon its initial public offering in 2019, the Board of Directors had decided to set up three Board committees: an Audit Committee, a Nomination and Compensation Committee and a Sustainable Development Committee, to assist it in some of its tasks and to contribute effectively to the preparation of specific matters submitted to it for approval. The Board decided, at its meeting of 6 December 2021 to split the Nomination and Compensation Committee into two separate committees, the Nomination Committee and the Compensation Committee, reflecting the strong desire of the Board of Directors to comply with the recommendation of the AFEP-MEDEF Code and, more generally, with best governance practices. It was also decided during this meeting to create a Strategic Committee.

Each of these committees has Internal Rules (appended to the Internal Rules of the Board of Directors).

Minutes of the meetings of the specialized committees of the Board of Directors are regularly transmitted to the Board of Directors. The composition of these specialized committees, detailed below, is in line with the recommendations of the AFEP-MEDEF Code.

3.1.5.1 Audit Committee

Audit Committee			
Chairwoman - Marie-José Donsion			
2 1	6 meetings	94% attendance	66% independent members

(a) Composition of the Audit Committee as of 31 December 2021

♦ CHAIRWOMAN	Marie-José Donsion	100% attendance	Independent Director
● MEMBERS	José Arozamena	100% attendance	Independent Director
	BWSA, represented by Marcia Freitas	83% attendance	Director

Under Article 2 of its Internal Rules, the Audit Committee shall consist of at least three members, two of whom shall be appointed from among the independent members of the Board of Directors, on the proposal of the Nomination Committee. The Board of Directors may alter the composition of the Audit Committee, which in any event must be altered in the event of a change in the overall composition of the Board. In accordance with applicable legal provisions, members of the Audit Committee shall have special financial and/or accounting skills. The term of office of Audit Committee members is the same as their term of office on the Board of Directors. Such mandate may be renewed at the same time as their re-election to the Board.

The Chairperson of the Audit Committee is appointed from among the independent members after a specific examination by the Board of Directors, acting on a proposal from the Nomination Committee. No executive corporate officer may serve on the Audit Committee. The Audit Committee is chaired by an Independent Director.

As at 31 December 2021, the Audit Committee had three members (including two independent members): Marie-José Donsion (Chairwoman and Independent Director), José Arozamena (Independent Director) and Brasil Warrant Administração de Bens e Empresas S.A. (Director), represented by Marcia Freitas.

The secretariat for the work of the Audit Committee is provided by the Group Director of Audit and Internal Control.

(b) Duties of the Audit Committee

Pursuant to Article 1 of the Audit Committee's Internal Rules, the Audit Committee is tasked with overseeing matters pertaining to the preparation and control of accounting and financial information and the effectiveness of the operational risk monitoring and internal control system, in order to enable the Board of Directors to carry out the relevant monitoring and investigations.

In this respect, the Audit Committee primarily has the following duties:

- monitoring the process used to prepare financial and extra-financial reporting;
- monitoring the effectiveness of internal control, internal audit and risk management systems relating to accounting, financial and extra-financial information;
- monitoring the audit of the Company statutory financial statements and consolidated financial statements by the Company's Statutory Auditors;
- monitoring the independence of the Statutory Auditors; and
- monitoring of compliance procedures in place.

Pursuant to the Internal Rules, the Audit Committee shall regularly report to the Board of Directors on its work and immediately inform it of any difficulties encountered.

(c) Meetings and work of the Audit Committee during the financial year ended 31 December 2021

Under the Internal Rules of the Audit Committee, the Audit Committee shall meet at least twice a year to prepare the annual and half-year financial statements and, where relevant, the quarterly results.

During 2021, the Audit Committee met six times, and discussed the following subjects:

- the audit of accounting and financial information (including the state of advancement of works concerning the publication of the annual financial report in the European Single Electronic Format (ESEF) and the assessment of ordinary transactions carried out under normal conditions);
- the audit of extra-financial data (particularly included in the Extra-Financial Performance Statement);
- the mapping, assessment and hierarchy of risks;
- the review of risk management activities and internal control procedures;
- the review of cybersecurity risks;
- the internal audit charter, the review of the Internal Audit Plan and monitoring of conclusions and internal audit action plans;
- compliance (particularly anti-corruption risk mapping, the donations/sponsoring policy, the gifts/invitations policy, competition law, personal data protection, sanctions/embargoes and training programmes);
- monitoring the Statutory Audit of the accounts, the independence of the statutory auditors and the rules of approval and procedures applicable to the provision of services that could be entrusted to Statutory Auditors and to their networks.

3.1.5.2 Nomination and Compensation Committee

The Board of Directors decided on 6 December 2021 to split, as from that date, the Nomination and Compensation Committee into two separate committees, the Nomination Committee and the Compensation Committee, reflecting the Board's strong desire to comply with the recommendations of the AFEP-MEDEF Code and, more generally, with best governance practices

From 1 January 2021 to 6 December 2021:

Nomination and Compensation Committee			
Chairwoman - Cécile Tandeau de Marsac			
1 3	4 meetings	94% attendance	75% independent members

(a) Duties of the Nomination and Compensation Committee as at 05 December 2021

CHAIRWOMAN	Cécile Tandeau de Marsac	100% attendance	Independent Director
MEMBERS	José Arozamena	75% attendance	Independent Director
	BWGI, represented by João Salles	100% attendance	Director
	Pierre Vareille	100% attendance	Independent Director

Under Article 2 of its Internal Rules in force until 5 December 2021, the Nomination and Compensation Committee comprised four members, including three independent members of the Board of Directors. The Board of Directors appoints them from among its members in view of their independence and expertise in the selection or compensation of the executive officers of listed companies. The Nomination and Compensation Committee may not include any executive corporate officer. The Board of Directors may alter the composition of the Nomination and Compensation Committee, which in any event must be altered in the event of a change in the overall composition of the Board of Directors. The term of office of members of the Nomination and Compensation Committee is the same as their term of office on the Board of Directors. Such mandate may be renewed at the same time as their re-election to the Board.

At 5 December 2021, the Nomination and Compensation Committee had four members (including three independent members): Cécile Tandeau de Marsac (Chairwoman and Independent Director), José Arozamena (Independent Director), Pierre Vareille (Independent Director) and BW Gestão de Investimentos Ltda. (Director), represented by João Salles.

The secretariat for the work of the Nomination and Compensation Committee was provided by the Group Director of Human Resources, Communication and CSR.

(b) Duties of the Nomination and Compensation Committee

Under Article 1 of its Internal Rules in force until 5 December 2021, the Nomination and Compensation Committee is a specialized committee of the Board of Directors whose main duties include assisting the latter in (i) the composition of the executive bodies of the Company and its Group, (ii) the determination and regular assessment of all compensations and benefits of the Company's executive officers, including all deferred benefits and/or voluntary or forced severance pay and (iii) the succession plan for the Chairman and Chief Executive Officer and the Group Executive Committee.

With regard to appointments, the Committee primarily has the following duties:

- proposals for the appointment of members of the Board of Directors, Executive management and Board committees;
- annual review of the independence of Board members.

With regard to compensation, the Nomination and Compensation Committee primarily has the following duties:

- review and proposal to the Board of Directors concerning all the components and conditions of compensation of the Group's main corporate executives;
- review and proposal to the Board of Directors on the method for allocating Directors' compensation; and
- consultation for recommendation to the Board of Directors on any exceptional compensation for any special assignments that the Board may entrust, as the case may be, to some of its individual members.

(c) Meetings and work of the Nomination and Compensation Committee during the financial year ended 31 December 2021

As required by its Internal Rules, the Nomination and Compensation Committee shall meet as often as required and, in any event, at least twice a year, prior to the meeting of the Board of Directors reviewing the position of Board members in the light of the independence criteria adopted by the Company, and prior to any Board meeting setting the compensation of executive corporate officers or allocation of compensation for Directors.

During 2021, the Nomination and Compensation Committee met four times, and discussed the following subjects:

- the separation of the positions of Chairman of the Board of Directors and Chief Executive Officer;
- monitoring the succession plans of executives;
- the review of applications in connection with the selection of new Directors and the changes to the composition of the Group's Executive Committee;
- the compensation policy for the Company's corporate officers.
- the variable compensation of members of the Executive Committee;
- talent retention and recognition of performance (through the Performance Share Plan);
- the continuation of the employee shareholding program;
- the monitoring of election procedures for Directors representing employees and shareholding employees;
- the separation of the Nomination and Compensation Committee and the creation of a Strategic Committee; and
- the annual self-assessment of the Board of Directors.

The Chairman and Chief Executive Officer participated in the works carried out as part of the nominations duties, in particular for the definition of needs in terms of skills and experience, on one hand, and values and desired personal qualities, on the other hand.

The following table shows the attendance rate per member at the Nomination and Compensation Committee meetings:

Director	Presence at sessions	Total number of sessions	Individual attendance rate
Cécile Tandeau de Marsac	4	4	100%
José Arozamena	3	4	75%
BWGI, represented by João Salles	4	4	100%
Pierre Vareille	4	4	100%

3.1.5.3 Nomination Committee

(a) Composition of the Nomination Committee as of 31 December 2021

♦ CHAIRWOMAN	Cécile Tandeau de Marsac	Independent Director
● MEMBERS	José Arozamena	Independent Director
	BWGI, represented by João Salles	Director
	Pierre Vareille	Independent Director

Under Article 2 of its Internal Rules, the Nomination Committee shall consist of at least four members, with at least half of those members being independent members of the Board of Directors. The Board of Directors appoints them from among its members in view of their independence and expertise in the selection or compensation of the executive officers of listed companies. The Nomination Committee may not include any executive officer. The Board of Directors may alter the composition of the Nomination Committee, which in any event must be altered in the event of a change in the overall composition of the Board. The mandate of Nomination Committee members is the same as their mandate on the Board of Directors. Such mandate may be renewed at the same time as their re-election to the Board.

As at 31 December 2021, the Nomination Committee had four members (including three independent members): Cécile Tandeau de Marsac (Chairwoman and Independent Director), José Arozamena (Independent Director), BW Gestão de Investimentos Ltda. (Director), represented by João Salles and Pierre Vareille (Independent Director).

The secretariat for the work of the Nomination Committee is provided by the Group Director of Human Resources, Communication and CSR.

(b) Duties of the Nomination Committee

Under Article 1 of its Internal Rules, the Nomination Committee is a specialised Board Committee whose main duties include assisting the latter in the composition of the executive bodies of the Company and its Group and the succession plan of the Group's Chairman and Chief Executive Officer and Executive Committee.

It primarily has the following duties:

- proposals for the appointment of members of the Board of Directors, Executive management and Board committees;
- annual review of the independence of Board members.

(c) Meetings and work of the Nomination Committee during the financial year ended 31 December 2021

No Nomination Committee meeting was held between 6 December 2021, the date of its creation, and 31 December 2021.

3.1.5.4 Compensation Committee

(a) Composition of the Compensation Committee as of 31 December 2021

♦ CHAIRWOMAN	Cécile Tandeau de Marsac	Independent director
● MEMBERS	José Arozamena	Independent director
	Dieter Müller	Employee-representative director
	BWGI, represented by João Salles	Director
	Pierre Vareille	Independent director

Pursuant to Article 2 of its Internal Rules, the Compensation Committee comprises at least four members (i) at least half of whom are independent members of the Board of Directors (appointed by the Board of Directors from among its members and in consideration in particular of their expertise in terms of compensation of executive officers of listed companies) and (ii) an employee-representative Director. No executive officer may serve on the Compensation Committee. The Board of Directors may alter the composition of the Compensation Committee, which in any event must be altered in the event of a change in the overall composition of the Board of Directors. The mandate of the Compensation Committee members is the same as their mandate on the Board of Directors. Such mandate may be renewed at the same time as their re-election to the Board.

At 31 December 2021, the Compensation Committee had five members (including three Independent Directors) and an employee-representative Director: Cécile Tandeau de Marsac (Chairwoman and Independent Director), José Arozamena (Independent Director), BW Gestão de Investimentos Ltda. (Director), represented by João Salles, Dieter Müller (employee-representative Director) and Pierre Vareille (Independent Director).

The secretariat for the work of the Compensation Committee is provided by the Group Director of Human Resources, CSR and Communication.

(b) Duties of the Compensation Committee

Pursuant to Article 1 of its Internal Rules in force, the Compensation Committee is a specialized committee of the Board of Directors whose main duties include assisting the latter in the determination and regular assessment of all compensations and benefits of the Company’s executive officers, including all deferred benefits and/or voluntary or forced severance pay.

It primarily has the following duties:

- review and proposal to the Board of Directors concerning all the components and conditions of compensation of the Group's main corporate executives:
- review and proposal to the Board of Directors on the method for allocating directors’ compensation; and
- consultation for recommendation to the Board of Directors on any exceptional compensation for any special assignments that the Board may entrust, as the case may be, to some of its individual members.

(c) Meetings and work of the Compensation Committee during the financial year ended 31 December 2021

No Compensation Committee meeting was held between 6 December 2021, the date of its creation, and 31 December 2021.

3.1.5.5 Sustainable Development Committee

Sustainable Development Committee			
Chairwoman - Virginie Hélias			
1 3	4 meetings	88% attendance	25% independent members

(a) Composition of the Sustainable Development Committee as of 31 December 2021

♦ CHAIRWOMAN	Virginie Hélias	100% attendance	Independent Director
● MEMBERS	Michel Giannuzzi	100% attendance	Chairman of the Board of Directors
	Bpifrance Investissement, represented by Sébastien Moynot	75% attendance	Director
	Dieter Müller	75% attendance	Employee-representative Director

From 1 January 2021 to the date of this Universal Registration Document, the composition of the Sustainable Development Committee changed as follows:

DATE	DEPARTURE (RESIGNATION)	ARRIVAL (ELECTION)
03/02/2021	Sylvain Artigau (employee-representative Director)	
10/01/2022		Xavier Massol (employee-representative Director)

Under Article 2 of its Internal Rules, the Sustainable Development Committee shall consist of at least five members, including the Chairman of the Board of Directors, the two employee-representative Directors sitting on the Board of Directors, and at least one member appointed from among the independent members of the Board of Directors. The Board of Directors may alter the composition of the committee, which in any event must be altered in the event of a change in the overall composition of the Board of Directors. The term of office of Sustainable Development Committee members is the same as their term of office on the Board of Directors. Such mandate may be renewed at the same time as their re-election to the Board.

As at 31 December 2021, the Sustainable Development Committee had four members[42] (including one Independent Director): Virginie Hélias (Chairwoman and Independent Director), Bpifrance Investissement (Director), represented by Sébastien Moynot, Michel Giannuzzi (Chairman of the Board of Directors) and Dieter Müller (employee-representative Director).

The secretariat for the work of the Sustainable Development Committee is provided by the Head of Legal and General Counsel in charge of Compliance and Insurance (also Board Secretary).

(b) Duties of the Sustainable Development Committee

Under Article 1 of its Internal Rules, the Sustainable Development Committee is a specialized committee of the Board of Directors, the main tasks of which are to (i) ensure that social and environmental responsibility issues are taken into account in the Group's strategy and in its implementation, (ii) consider the report referred to in Articles L.225-102-1 and L.22-10-36 of the French Commercial Code and relating to sustainable development and (iii) review the Group's commitments on sustainable development, with regard to the issues specific to its activities and objectives.

(c) Meetings and work of the Sustainable Development Committee during the financial year ended 31 December 2021

Pursuant to its Internal Rules, the Sustainable Development Committee meets as often as required, and in any event at least once a year.

[42] Sylvain Artigau, employee-representative Director, resigned on 3 February 2021. Insofar as Article 2 of the Internal Rules of the Board of Directors requires the Sustainable Development Committee to include the two employee-representative Directors sitting on the Board of Directors, the Sustainable Development Committee thus comprised 4 members until the election by the employees of Xavier Massol as an employee-representative Director on 10 January 2022.

During 2021, the Sustainable Development Committee met four times, and primarily discussed the following subjects:

- the Extra-Financial Performance Statement for 2020;
- the deployment of the Group's CSR strategy by 2030 and the monitoring of performance indicators;
- updating the Group's donation policy and the monitoring of sponsoring initiatives;
- stakeholders' expectations in terms of the fight against climate change, via in particular:
  - the presentation, in January 2021, by the Company of its roadmap and its ambitions with respect to CSR issues;
  - the collaborative approach initiated by the Company in the context of the preparation of its white paper on reuse, entitled Re-imagine glass and published in March 2022.
  - the adhesion, in July 2021, of the Company to AFEP's (French private businesses association) Ambition for Climate initiative.

The following table shows the attendance rate per member at the Sustainable Development Committee meetings:

Director	Presence at sessions	Total number of sessions	Individual attendance rate
Virginie Hélias	4	4	100%
Michel Giannuzzi	4	4	100%
Bpifrance Investissement, represented by Sébastien Moynot	3	4	75%
Dieter Müller	3	4	75%

3.1.5.6 Strategic committee

(a) Composition of the Compensation Committee as of 31 December 2021

♦ PRESIDENT	Pierre Vareille	Independent Director
● MEMBERS	BWGI, represented by João Salles	Director
	Michel Giannuzzi	Chairman of the Board of Directors

Under Article 2 of its Internal Rules, the Strategic Committee shall consist of at least three members, including the Chairman of the Board of Directors, and one member appointed from among the independent members of the Board of Directors. The Board of Directors may alter the composition of the Strategic Committee, which in any event must be altered in the event of a change in the overall composition of the Board of Directors. The mandate of Strategic Committee members is the same as their mandate on the Board of Directors. It may be renewed at the same time as their re-election to the Board.

As at 31 December 2021, the Strategic Committee had three members, including one independent member: Pierre Vareille (Chairman and Independent Director), BW Gestão de Investimentos Ltda. (Director), represented by João Salles and Michel Giannuzzi (Chairman of the Board of Directors).

The secretariat for the work of the Strategic Committee is provided by the Director of Planning and Mergers/Acquisitions.

(b) Duties of the Strategic Committee

Under Article 1 of its Internal Rules in force, the Strategic Committee is a specialized committee of the Board of Directors whose main duties include assisting the latter in the preparation and implementation of the Group's strategic guidelines.

It primarily has the following duties:

- reviewing the competitive environment and the main challenges facing the Group and providing the Board of Directors, through its analyses, with further insight into development points and the resulting medium and long-term outlook for the Group;
- reviewing strategic projects (such as, primarily, any acquisition, merger, disposal, financial transaction, joint-venture or partnership), presented by Executive Management and likely to have a material impact on the scope, activities, risk profile, results or balance sheet structure of the Group and/or the market valuation of the Company;
- monitoring the completion and development of ongoing significant transactions and maintaining major financial balances.

(c) Meetings and work of the Strategic Committee during the financial year ended 31 December 2021

No Strategic Committee meeting was held between 6 December 2021, the date of its creation, and 31 December 2021.

3.2. Methods and operation of Executive Management

3.2.1. Chairmanship of the Board of Directors

In accordance with the law, the Company's Articles of Association and the Internal Rules of the Board of Directors, the Chairman of the Company shall preside over the meetings of the Board of Directors and oversee the proper functioning of the Company's bodies, in particular ensuring that Directors are able to fulfil their mission.

At its meeting held on 20 September 2019, the Board of Directors appointed Michel Giannuzzi as Chairman of the Board of Directors and Chief Executive Officer of the Company for a period equivalent to the duration of his mandate as Director, until the end of the meeting of the Company's ordinary General Shareholders' Meeting, which will be called upon to decide on the financial statements for the financial year ended 31 December 2022, to be held in 2023.

As at 31 December 2021, the positions of Chairman of the Board of Directors and Chief Executive Officer of the Company were therefore combined.

On 6 December 2021, the Board of Directors noted that Michel Giannuzzi wished to see a change in his responsibilities in the Group after five years at the head of the Group as Chairman and Chief Executive Officer. Given that the separation of the positions of Chairman of the Board of Directors and Chief Executive Officer – which in fact is considered good governance practice – is adopted by a growing number of SBF120 index companies, the Board of Directors decided to separate the positions of Chairman of the Board of Directors and Chief Executive Officer with effect from the General Meeting of Shareholders on 11 May 2022.

As such, subject to the vote of shareholders at this General Meeting, Michel Giannuzzi will remain Chairman of the Board of Directors and the executive and operational management of the Group will be entrusted to Patrice Lucas as Chief Executive Officer (Patrice Lucas joined the Group in 1 February 2022 as Deputy Chief Executive Officer as part of the set-up, within Executive Management, of a smooth and collaborative transition period).

As part of the separation of the positions of Chairman of the Board of Directors and Chief Executive Officer, in addition to exercising the powers granted by law, the Chairman may be consulted by Executive Management on any issue concerning the conduct of the Group's business. Accordingly, Michel Giannuzzi has undertaken to remain highly involved in the Group, and in particular, to continue to provide insight, drawn from his in-depth knowledge of the Group, on the Group's strategic challenges and development projects (investments or external growth opportunities). In this context, he may attend internal meetings with the Company's teams, at the invitation of the Chief Executive Officer. Michel Giannuzzi has also pledged to represent the Group to the best of his abilities (particularly with the Company's shareholders), to defend its interests (in particular within the *Fédération Européenne de Verre d'Emballage*), to promote its values, and to do so under all circumstances.

3.2.2. Powers of the Chief Executive Officer

The Chief Executive Officer shall be fully empowered to act on behalf of the Company in any and all circumstances. He or she shall exercise those powers within the scope of the corporate purpose and subject to the powers expressly reserved by law for General Shareholder Meetings and for the Board of Directors.

He or she represents the Company in its dealings with third parties. The Company shall be bound by the actions of the Chief Executive Officer even if such actions are beyond the scope of the corporate purpose, unless the Company can prove that a third party knew that the action concerned was beyond the scope of the corporate purpose or had constructive knowledge thereof in view of the circumstances. The publication of the Articles of Association alone may not be deemed to constitute evidence of such knowledge.

Decisions of the Board of Directors limiting the powers of the Chief Executive Officer shall not be binding on third parties.

The Chief Executive Officer may, within the limits set by applicable legislation, delegate powers as he or she deems appropriate, for one or more specified purposes, to any representatives, even outside the Company, individually or meeting as a committee or commission, with or without the possibility of substitution, subject to the limitations provided by law. Such powers may be permanent or temporary, and may or may not include the possibility of substitution. Any authority thus delegated shall remain in full effect notwithstanding the expiration of the term of office of the person granting them.

Under Article 3.2 of its Internal Rules, the Board of Directors shall give its prior approval, acting by a simple majority of its members present or represented, for any act or decision of the Chief Executive Officer concerning:

- approval and/or amendment of the Group's medium-term business plan and annual budget (including the Group's hedging policy);
- any investment (excluding acquisitions) exceeding the Group annual budget, for an aggregate amount exceeding €10 million;
- any transaction involving the acquisition or disposal of assets or securities totalling more than €10 million and the formation, modification or termination of joint ventures or partnerships representing more than €10 million in revenue or investments;
- any decision to participate in an operation outside the usual scope of the Group's operations and any decision to discontinue or significantly reduce the Group's principal operations;
- the constitution of collateral in favour of third parties (in other words a company external to the Group), with the exception (i) of collateral granted to administrations or public entities during normal business transactions and/or in accordance with a legal obligation and (ii) guarantees to be granted under new energy supply agreements within the limit of a total annual amount of €20 million;
- any decision to participate in a project or to enter into an agreement with a maturity exceeding five years (including contracts with guaranteed rents) for an aggregate amount exceeding €50 million;
- any decision to settle or to initiate a dispute relating to a claim for an amount exceeding €5 million or a claim having a material reputational impact on the Group;
- any additional debt transaction exceeding €50 million;
- any amendments to the Articles of Association of the Company or of Significant Subsidiaries (except amendments of an administrative nature); the term "Significant Subsidiaries" means any subsidiary of the Company whose consolidated revenue represented, in the previous financial year, more than 5% of the Company's consolidated annual revenue;
- any merger/demerger/liquidation of a Significant Subsidiary, except for intra-group restructuring;
- any issuance of shares or transferable securities giving immediate or deferred access to the Company's capital, as well as any issuance of shares or securities giving immediate or deferred access to the capital of a Significant Subsidiary, in each case for the benefit of a third party to the Group;
- any purchase or sale of real estate assets for an amount in excess of €10 million;
- any distributions of an amount exceeding €5 million, with the exclusion of distributions between wholly held subsidiaries;
- any recruitment, suspension or removal of the Chief Executive Officer, any significant change in their remuneration (including with regard to retirement plans, incentive plans or specific severance terms) and the conclusion, amendment or termination of an agreement with the Chief Executive Officer;
- the introduction or amendment of stock option plans or free share plans for the Company or any Group company (or any other similar instrument) for the benefit of the Group's executives and/or employees or certain categories of them;
- the conclusion or amendment of any pension plan or any restructuring of the workforce resulting in a total cost to the Group of more than €10 million;
- any material change in the accounting policies applied by Group companies when preparing their financial statements, except for changes required by law or under applicable accounting standards;
- the appointment, re-appointment or dismissal of the Company's Statutory Auditors;
- the acquisition of treasury shares by the Company;
- the delisting of the Company and the listing of a Group company;
- the implementation of any insolvency, winding-up or liquidation proceedings (or similar proceedings in each applicable jurisdiction) in respect of the Company or its Significant Subsidiaries.

Under Article 3.3 of its Internal Rules, the following are subject to the ratification of the Board of Directors, ruling on simple majority of its members present or represented:

- any recruitment, suspension or dismissal of the members of the Group Executive Committee (other than the Chief Executive Officer);

- any significant change to the remuneration of members of the Group Executive Committee (other than the Chief Executive Officer) (including retirement plans, incentive plans or specific conditions of departure); and
- the conclusion, modification or termination of an agreement with one of the members of the Group's Executive Committee (other than the Chief Executive Officer),

carried out by the Chief Executive Officer, acting on the recommendation of the Nomination Committee. The Board of Directors will be called upon to decide on any such ratification at the meeting immediately following the occurrence of the event concerned.

3.2.3. Executive Committee

Under the responsibility of the Chief Executive Officer, the Executive Committee constitutes the management body of the Group.

Focused on operations, it steers and ensures the operational implementation of the Group's strategy (as approved by the Board of Directors of the Company), the monitoring of performance and the coordination of projects and priorities in the Group's various operating countries and regions. The Executive Committee notably ensures the adequacy of the organization with respect to changes in the environment and expectations of stakeholders.

The Executive Committee includes 10 members. In addition to the Chief Executive Officer, it is composed of the functional and operational managers of the Group, and namely:

- at Group level, the Chief Financial Officer, the Director of Human Resources in charge of Communications and CSR, the Vice-President of Operations and the General Counsel in charge of Compliance and Insurance, each of them having clearly defined areas of responsibility; and
- the Directors in charge of various geographical regions.

The Executive Committee meets approximately once a month, thus favouring communication, sharing and close exchanges among its members within their respective areas of responsibility.

As at 31 December 2021, 30% the Executive Committee is women (10% more than in 2020, as Mathilde Joannard became Director of Human Resources in charge of Communications and CSR through internal promotion). The composition of the Executive Committee also reflects the geographical diversity of the Group's production regions and markets, since 50% of its members are of foreign nationality (German, Italian, Mexican, Dutch and Portuguese).

The Group is very attentive to both the diversity, in all respects, and gender balance of its teams. The diversity policy described in Section 2.4 applies not just to the Executive Committee, but also to all the teams of the Group.

3.3. Compensation of corporate officers

3.3.1. Compensation policy for executive officers

The following developments constitute the compensation policy for the Company's corporate officers, notably for 2022. They describe the components of fixed and variable compensation and explain the decision-making process used to determine, review and implement it. According to the AFEP-MEDEF Code, to which the Company refers, the executive officers of a *société anonyme* (public limited company) with a Board of Directors are the Chairman and Chief Executive Officer, the Chief Executive Officer, the Deputy Chief Executive Officer(s) and the Chairman of the Board of Directors not acting as Chief Executive Officer.

On 6 December 2021, the Company announced its intention to separate the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from the end of the General Shareholders' Meeting to be held on 11 May 2022. Michel Giannuzzi will remain Chairman of the Board of Directors and Patrice Lucas will be appointed Chief Executive Officer. Patrice Lucas also joined the Company on 1 February 2022 as Deputy Chief Executive Officer.

The compensation policy described below is thus intended to apply to :

- Michel Giannuzzi, in his capacity as Chairman and Chief Executive Officer for the period from 1 January 2022 to 11 May 2022, then as Chairman of the Board of Directors from 12 May 2022;
- Patrice Lucas, in his capacity as Chief Executive Officer from 12 May 2022;
- Patrice Lucas, in his capacity as Deputy Chief Executive Officer for the period from 1 February 2022 to 11 May 2022.

The compensation policy for Directors of the Company is also described below.

In accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, the compensation policy presented below is subject to approval by the Combined General Shareholders' Meeting to be held on 11 May 2022. For the record, the latest annual approval of the compensation policy for the Chairman and Chief Executive Officer was by decision of the Combined General Shareholders' Meeting held on 15 June 2021.

3.3.1.1. Principles and decision-making processes followed to identify, review and implement the Group's compensation policy

The Group's compensation policy, including the compensation of its executive officers, is intended, in accordance with the Company's corporate purpose, and in accordance with market and industry practices, to ensure competitive compensation levels while maintaining a strong link to company performance and maintaining the balance between short-term and medium/long-term performance in support of the Group's business strategy and sustainability.

The Group has thus implemented a compensation policy consisting of (i) a base salary, to compensate the position held, that is attractive for recruiting and retaining talent, and for the relevant employees, and (ii) a variable annual portion, which compensates individual and collective performance based on the achievement of ambitious objectives while being limited by a maximum level in order to avoid excessive risk-taking. This variable annual portion, a source of motivation for teams, is based on annual criteria, including safety, the environment, financial and operational performance.

In addition to this variable annual compensation, the Group intends to link all its employees to its growth through a stake in its share capital; the employee share ownership program is thus a strategic pillar to support the Group's profitable and sustainable growth, which the Group intends to pursue actively (as at 31 December 2021, employee shareholding in the Company (via the Verallia employee investment fund (FCPE) and direct shareholding) represented 3.5% of the Company's share capital). In particular, during the second quarter of 2022, the Company intends to offer Group employees the possibility of subscribing to another share capital increase reserved for them, in particular via the Verallia employee investment fund (FCPE), under conditions providing a discount and employer matching contribution approved by the Board of Directors.

For its Chairman and Chief Executive Officer, its Chief Executive Officer (as of 12 May 2022) and its senior executives, the Group has also set up a performance share plan, which involves them in the creation of value over a long-term period and whereby the final vesting is subject to presence and ambitious performance conditions, in accordance with the principles of good governance and the recommendations of the AFEP-MEDEF Code.

Within the Group, the compensation policy for executive officers is set by the Board of Directors upon proposal of the Compensation Committee. The Compensation Committee is chaired by an Independent Director and includes (for at least half of its composition) Independent Directors within the meaning of the AFEP-MEDEF Code and an employee-representative Director. In the context of its considerations, it relies in particular on benchmarking carried out on companies of similar size and industry, where appropriate with the assistance of one or more external consultants. The members of the Compensation Committee were selected for their technical skills, as well as for their understanding of current standards and emerging trends. The Compensation Committee shall ensure at the beginning of the year the level of achievement of the performance criteria set for the previous year, on which the variable compensation is based. The Board of Directors and the Compensation Committee shall ensure that the compensation of corporate officers is consistent with the recommendations of the AFEP-MEDEF Code.

Finally, as part of the 'say on pay' arrangement, the compensation policy for the Company's executive officers, as well as the components of compensation and benefits that were awarded to them during the past financial year, described in this Section 3, are submitted annually, in accordance with the provisions of Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code, for approval by the General Meeting of the Company's Shareholders.

3.3.1.2. Components of the compensation of Michel Giannuzzi, Chairman and Chief Executive Officer for the period from 1 January 2022 to 11 May 2022

By a decision of the sole shareholder dated 27 August 2019, the compensation and benefits of the Chairman and Chief Executive Officer for his duties as from the Company's initial public offering, were set for the next three financial years, i.e. until 31 December 2022.

In this context, the components of the compensation of the Chairman and Chief Executive Officer for the period from 1 January 2022 to 11 May 2022 were confirmed by the Board of Directors on 16 February 2022 as follows :

(a) A fixed compensation

The Board of Directors, upon proposal of the Compensation Committee, shall determine the fixed annual compensation of the Chairman and Chief Executive Officer, in particular with regard to a detailed study of the fixed and variable compensation of executives of comparable listed companies carried out by an external firm.

On this basis, the gross annual fixed portion of the compensation of the Chairman and Chief Executive Officer for the period from 1 January 2022 to 11 May 2022 was set by the Board of Directors at an amount of €399,194 gross on a pro rata basis, corresponding to a fixed compensation of €1,100,000 gross on an annual basis, unchanged from the decision made by the sole shareholder of the Company on 27 August 2019.

(b) Variable compensation

The Board of Directors, upon proposal of the Compensation Committee, determines the variable annual compensation of the Chairman and Chief Executive Officer on the basis of financial and ESG criteria. For the period from 1 January 2022 to 11 May 2022, the Board of Directors' meeting of 16 February 2022 set the annual variable portion at an amount equal to 100% of the fixed annual compensation, i.e. €399,194 gross on a pro rata basis (corresponding to €1,100,000 gross on an annual basis), if the targets are fully achieved and, in the event that the set targets are exceeded, a maximum amount equal to 140% of the fixed annual compensation, i.e. €558,871 gross on a pro rata basis (corresponding to €1,540,000 gross on an annual basis).

80% of the variable portion of the compensation is calculated based on financial elements, to which a weighting is applied, and 20% on ESG elements.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of this variable compensation shall be subject to the favourable vote of the ordinary General Shareholders' Meeting convened in 2023 to approve the financial statements for the financial year ended 31 December 2022.

Financial criteria

These are based on indicators that the Board of Directors, upon proposal of the Compensation Committee, has deemed most relevant for assessing the Group's financial performance. For 2022, the financial criteria represent 80%

of variable compensation, of which 55% are linked to the achievement of an adjusted EBITDA threshold and 45% are linked to the achievement of an operational cash flow threshold for the financial year ended 31 December 2022.

If the set financial criteria are exceeded, this annual variable compensation (i.e. €319,355 gross on a pro rata basis and €880,000 gross on an annual basis) will be increased on a linear basis up to a maximum amount corresponding to 120% of the fixed annual compensation (i.e. €479,032 gross on a pro rata basis and €1,320,000 gross on an annual basis).

ESG criteria

These are based on indicators that the Board of Directors, upon proposal of the Compensation Committee, has deemed most relevant for assessing the Group's social and environmental performance. For 2022, the ESG criteria are related to safety and sustainable development objectives, including (i) for 50%, a safety criterion, linked to the improvement of a workplace accident frequency rate with or without lost days (known as AF2) to a level equal to or below 3.1 and (ii) for 50%, a sustainable development criterion, related to the increase in the rate of cullet use to at least 56.9%.

(c) Allocation of performance shares

The Group's compensation policy is aimed at retaining and motivating talented employees, and at involving the Group's executive officers and main managerial staff in the creation of long-term value, in line with the principles of good governance and the recommendations of the AFEP-MEDEF Code, mainly through a long-term incentive plan in the form of bonus share awards subject to performance criteria linked to the Group's long-term strategy.

Accordingly, the Board of Directors, at its meeting of 23 February 2021, decided to set up two performance share plans respectively spread over a period of two years running from 2021 to 2022 (the "**2021–2022 Plan**") and over a period of three years running from 2021 to 2023 (the "**2021–2023 Plan**").

Executive corporate officers and employees of the Company and its affiliates (within the meaning of Article L. 225-197-2 of the French Commercial Code) are eligible for the 2021-2022 Plan and the 2021-2023 Plan, including in particular the Chairman and Chief Executive Officer of the Company.
The final allocation of shares granted each year under the 2021-2022 Plan and the 2021-2023 Plan will be done without discount, on the condition of presence of the employee or executive concerned. The 2021–2022 Plan and the 2021–2023 Plan are aligned with the evolution of market practices, in particular in terms of performance criteria used and based on:

- for 50%, a theoretical value creation target (defined as the increase in the following aggregate: 8 times adjusted EBITDA minus the net financial debt before payment of dividends and/or buy-back of shares), measured between 2020 and 2022 for the 2021-2022 Plan and measured between 2020 and 2023 for the 2021-2023 Plan;
- for 20%, a total shareholder return (TSR) target for the Company's share relative to the evolution of the TSR of companies included in the SBF 120 index on Euronext Paris, measured between 2020 and 2022 for the 2021–2022 Plan and measured between 2020 and 2023 for the 2021–2023 Plan;[43]
- for 10%, an ROCE (return on capital employed) target[44]; and
- for 20%, sustainable development targets, in line with the targets defined in the Extra-Financial Performance Statement set out in Annex II to the Company's 2020 Universal Registration Document and broken down as follows:
  - a CO_2 emissions reduction target of 10%[45], and
  - an objective to increase the gender equality index up to 10%[46].

[43] The allocation rate for performance shares to be granted in respect of this criterion is determined as follows:

- 0% if the performance of Verallia's TSR is less than the SBF 120 TSR; and
- 100% if the performance of Verallia's TSR is equal to or greater than the SBF 120 TSR.

[44] Equal to or exceeding 21% in 2022 and equal to or exceeding 22% in 2023.
[45] Group CO_2 emissions reduction target to reach less than 484kg of CO_2 per ton of glass in 2022 and less than 468kg of CO_2 per ton of glass in 2023 (i.e. 77 kg of CO_2 per ton of glass p.a. on average).
[46] The Group aims to increase the gender equality index at Group level, so as to reach 68 points in 2022 and 69 points in 2023.

If the theoretical value creation target is exceeded, the allocation may be increased by 20% for this criterion, raising the allocation for this indicator from 50% to 60% and leading to the allocation of a maximum total of 110% of the target allocation.

The 2021-2022 Plan and the 2021-2023 Plan also include the commitment by corporate executive officers benefiting from performance shares not to use personal risk hedging until the end of the retention period of these shares.

Acting pursuant to the authorisation conferred by the 22nd resolution of the General Meeting of the Company's Shareholders of 10 June 2020, the Board of Directors resolved as follows at its meeting of 23 February 2021:

– under the 2021–2022 Plan, to grant a maximum number of 257,328 shares to the Chairman and Chief Executive Officer and approximately 170 members of staff of the Company and its subsidiaries (with a maximum number of 55,000 shares for the Chairman and Chief Executive Officer);
– under the 2021–2023 Plan, to grant a maximum number of 247,433 shares to the Chairman and Chief Executive Officer and approximately 170 members of staff of the Company and its subsidiaries (with a maximum number of 55,000 shares for the Chairman and Chief Executive Officer),

(the total shares granted to the Chairman and Chief Executive Officer under the 2021–2022 Plan and the 2021–2023 Plan not exceeding 20% of the 3,698,184 shares available for granting), subject in both cases to achievement of the above-mentioned performance conditions.

Shares granted under the 2021–2022 Plan are subject to a two-year vesting period, without a retention period, except for the Chairman and Chief Executive Officer, who is subject to an obligation to retain 30% of any vested shares for the duration of his mandate, and the members of the Group's Executive Committee, who are subject to an obligation to retain 20% of any vested shares for as long as they remain members of the Executive Committee.

Shares granted under the 2021–2023 Plan are subject to a three-year vesting period, without a retention period, except for the Chairman and Chief Executive Officer, who is subject to an obligation to retain 30% of any vested shares for the duration of his mandate, and the members of the Group's Executive Committee, who are subject to an obligation to retain 20% of any vested shares for as long as they remain members of the Executive Committee.

Acting pursuant to the authorisation conferred by the 22nd resolution of the General Meeting of the Company's Shareholders of 10 June 2020, the Board of Directors resolved at its meeting of 16 February 2022 to set up a new performance share plan spread over a period of three years running from 2022 to 2024 (the "2022–2024 Plan"). Michel Giannuzzi would not be a beneficiary of this plan for the period from 1 January 2022 to 11 May 2022, since he will leave office as Chief Executive Officer at the end of this period.

(d) Benefits in kind

The Chairman and Chief Executive Officer benefits from a company car, an executive unemployment insurance scheme (GSC) and a complementary health plan.

(e) Pension plan

The Company has not implemented a supplementary pension plan, preferring to give preference to the allocation of performance shares. Therefore, the Chairman and CEO does not benefit from a supplementary pension plan.

(f) Severance and non-compete benefits

Severance pay

The Chairman and Chief Executive Officer shall receive a gross termination benefit of up to 150% of the amount of fixed and variable compensation for the 12 months preceding the effective termination of his mandate. This would be payable in the event of his removal from office as Chairman and Chief Executive Officer, unless he is dismissed for gross negligence or serious misconduct.

The performance conditions applicable to this severance pay are based on the average rate of achievement of the targets set with respect to the financial and ESG criteria for the variable compensation of the Chairman and Chief Executive Officer (as described in Section 3.3.1.2(b) above) over the two years preceding the effective termination of his mandate. This average rate of achievement must be equal to or greater than 70% for the severance pay to be paid in full. In the event where such average rate is below 70% over the 2 years preceding the effective termination of his mandate, no severance pay shall be paid to the Chairman and Chief Executive Officer.

In accordance with the recommendations of the AFEP-MEDEF Code, no severance pay will be due to the Chairman and Chief Executive Officer if he leaves the Company at his own initiative to take up a new position, or changes position within the Group, or invokes his retirement rights, or has reached the age of 65.

Non-compete indemnity

The Chairman and Chief Executive Officer would be subject to a 12-month non-compete obligation and as such would receive a fixed monthly benefit equal to 1/12th of 70% of the amount of his fixed and variable compensation for the last 12 months preceding the effective termination of his mandate. In the event of the combined application of the severance benefit described above and the non-compete benefit, the aggregate amount of the two benefits will be capped at an amount corresponding to the sum of the fixed and variable compensation received by the Chairman and Chief Executive Officer during the two years preceding the effective termination of his mandate.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors has provided that it can renounce the implementation of the non-compete agreement upon departure of the Chairman and Chief Executive Officer and that the payment of the non-compete indemnity will be excluded if the Chairman and Chief Executive Officer invokes his retirement rights or has reached the age of 65.

Summary table of the fixed and variable components of the compensation of Mr. Michel Giannuzzi, Chairman and Chief Executive Officer for the period from 1 January 2022 to 11 May 2022

Compensation components - Principle		Criteria of definition
Fixed compensation	The Chairman and Chief Executive Officer receives a fixed compensation in 12 monthly instalments.	For the period from 1 January 2022 to 11 May 2022, the gross annual amount is set at €399,194 on a pro rata basis, i.e. €1,100,000 on an annual basis.
Annual variable compensation	The Chairman and Chief Executive Officer shall receive variable compensation determined in view of the Group's performance. This compensation shall be paid during the corporate financial year following that in which performance was recorded. In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of variable compensation is conditional on the approval by an ordinary General Shareholders' Meeting of the compensation components of the Chairman and Chief Executive Officer under the conditions set out in Articles L.22-10-8 and L.22-10-34 of the French Commercial Code.	The variable annual portion of the compensation of the Chairman and Chief Executive Officer is €399,194 on a pro rata basis for the period from 1 January 2022 to 11 May 2022 (i.e. €1,100,000 on an annual basis) if the targets are fully achieved, and, in the event that the set targets are exceeded, a maximum amount equal to 140% of the fixed annual compensation, i.e. €558,871 on a pro rata basis for the period from 1 January 2022 to 11 May 2022 (i.e. €1,540,000 on an annual basis). 80% percent of the variable portion of the compensation is calculated based on financial elements (55% related to the achievement of an adjusted EBITDA threshold and 45% related to the achievement of an operational cash flow threshold), and 20% on ESG elements related to safety and sustainable development targets (including (i) for 50%, a safety criterion, linked to the improvement of a workplace accident frequency rate with or without lost days (known as AF2) to a level equal to or below 3.1 and (ii) for 50%, a sustainable development criterion, related to the increase in the rate of cullet use to at least 56.9%).
Long-term compensation (performance shares)	The Board of Directors resolved not to grant any performance shares to Michel Giannuzzi for the period from 1 January 2022 to 11 May 2022, since he will leave office as Chairman at the end of this period.	N/A
Long-term compensation (stock options)	N/A	N/A
Additional pension plan	The Company has not implemented a supplementary pension plan, preferring to give preference to the allocation of performance shares.	The Chairman and Chief Executive Officer does not benefit from any additional pension scheme.

Severance and non-compete benefit	The Chairman and Chief Executive Officer shall be entitled to a severance pay in the event of the termination of his duties.	The Chairman and Chief Executive Officer shall receive a gross severance pay of up to 150% of the amount of fixed and variable compensation for the 12 months preceding the effective termination of his mandate. This would be payable in the event of his removal from office as Chairman and Chief Executive Officer, unless he is dismissed for gross negligence or serious misconduct. No severance pay will be paid (i) if the average rate of achievement of the targets set with respect to the financial and ESG criteria for the variable compensation of the Chairman and Chief Executive Officer over the two years preceding the effective termination of his mandate is below 70% or (ii) if the Chairman and Chief Executive Officer leaves the Company on his own initiative, changes position within the Group, has the possibility of invoking his retirement rights or reaches the age of 65. If the average rate of achievement of the targets relating to the financial and ESG criteria for the variable compensation of the Chairman and Chief Executive Officer is greater than or equal to 70% during the two years preceding the end of his mandate, the severance pay will be payable in full. The Chairman and Chief Executive Officer would be subject to a 12-month non-compete obligation (which the Board of Directors may waive) and as such would receive a fixed monthly benefit equal to 1/12th of 70% of the amount of his fixed and variable compensation for the last 12 months preceding the effective termination of his mandate. In the event of the combined application of the severance pay described above and the non-compete benefit, the aggregate amount of the two benefits will be capped at an amount corresponding to the sum of the fixed and variable compensation received by the Chairman and Chief Executive Officer during the two years preceding the effective termination of his mandate.
Benefits in kind	The Chairman and Chief Executive Officer benefits from a company car, an executive unemployment insurance scheme (GSC) and a complementary health plan.	N/A

Draft resolution prepared by the Board of Directors pursuant to Articles L. 225-100 and L. 22-10-8 of the French Commercial Code for submission to the Combined General Meeting to be held on 11 May 2022

"ELEVENTH RESOLUTION

(Approval of the compensation policy for the Chairman and Chief Executive Officer (application to Mr. Michel Giannuzzi from 1 January 2022 to 11 May 2022))

The General Shareholders' Meeting, voting under the conditions of quorum and majority required for ordinary General Shareholders' Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and set out in Chapter 3 of the Company's 2021 Universal Registration Document, approves the compensation policy for Mr. Michel Giannuzzi, Chairman and Chief Executive Officer of the Company, as presented in the aforementioned report".

3.3.1.3. Components of the compensation of Patrice Lucas, Chief Executive Officer from 12 May 2022

The components of the compensation of the Chief Executive Officer from 12 May 2022 were set by the Board of Directors on 16 February 2022 as follows:

(a) A fixed compensation

The Board of Directors, upon proposal of the Compensation Committee, determines the fixed annual compensation of the Chief Executive Officer, in particular with regard to a detailed study of the fixed and variable compensation of executives of comparable listed companies carried out by an external firm.

On this basis, the gross annual fixed portion of the compensation of the Chief Executive Officer for the period from 12 May 2022 to 31 December 2022 was set by the Board of Directors at an amount of €477,823 on a pro rata basis, corresponding to a fixed compensation of €750,000 on an annual basis.

(b) Variable compensation

The Board of Directors, upon proposal of the Compensation Committee, determines the variable annual compensation of the Chief Executive Officer on the basis of financial and ESG criteria. For the period from 12 May 2022 to 31 December 2022, the Board of Directors' meeting of 16 February 2022 set the annual variable portion at an amount equal to 100% of the fixed annual compensation, i.e. €477,823 on a pro rata basis (corresponding to €750,000 on an annual basis), if the targets are fully achieved and, in the event that the set targets are exceeded, a maximum amount equal to 140% of the fixed annual compensation, i.e. €668,952 on a pro rata basis (corresponding to €1,050,000 on an annual basis).

80% of the variable portion of the compensation is calculated based on financial elements, to which a weighting is applied, and 20% on ESG elements.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of this variable compensation shall be subject to the favourable vote of the ordinary General Shareholders' Meeting convened in 2023 to approve the financial statements for the financial year ended 31 December 2022.

Financial criteria

These are based on indicators that the Board of Directors, upon proposal of the Compensation Committee, has deemed most relevant for assessing the Group's financial performance. For 2022, the financial criteria represent 80% of variable compensation, of which 55% are linked to the achievement of an adjusted EBITDA threshold and 45% are linked to the achievement of an operational cash flow threshold for the financial year ended 31 December 2022.

If the set financial criteria are exceeded, this annual variable compensation (i.e. €382,258 gross on a pro rata basis and €600,000 gross on an annual basis) will be increased on a linear basis up to a maximum amount corresponding to 120% of the fixed annual compensation (i.e. €573,387 gross on a pro rata basis and €900,000 gross on an annual basis).

ESG criteria

These are based on indicators that the Board of Directors, upon proposal of the Compensation Committee, has deemed most relevant for assessing the Group's social and environmental performance. For 2022, the ESG criteria are related to safety and sustainable development targets, including (i) for 50%, a safety criterion, linked to the improvement of a workplace accident frequency rate with or without lost days (known as AF2) to a level equal to or below 3.1 and (ii) for 50%, a sustainable development criterion, linked to the increase in the rate of cullet use to at least 56.9%.

(c) Allocation of performance shares

The Group's compensation policy is aimed at retaining and motivating talented employees, and at involving the Group's executive officers and main managerial staff in the creation of long-term value, in line with the principles of good governance and the recommendations of the AFEP-MEDEF Code, mainly through a long-term incentive plan in the form of bonus share awards subject to performance criteria linked to the Group's long-term strategy.

Acting pursuant to the authorisation conferred by the 22nd resolution of the General Meeting of the Company's Shareholders of 10 June 2020, the Board of Directors resolved at its meeting of 16 February 2022 to set up a new performance share plan spread over a period of three years running from 2022 to 2024 (the "2022–2024 Plan").

Executive corporate officers and employees of the Company and its affiliates (within the meaning of Article L. 225-197-2 of the French Commercial Code) are eligible for the 2022–2024 Plan, including in particular the Chief Executive Officer of the Company.

The final allocation of shares granted each year under the 2022–2024 Plan will be done without discount, on the condition of presence of the employee or executive concerned. The 2022–2024 Plan is aligned with the evolution of market practices, in particular in terms of performance criteria retained and based on:

- for 40%, a theoretical value creation target with respect to the 2022–2024 LRP (defined as the increase in the following aggregate: 8 times adjusted EBITDA minus the net financial debt before payment of dividends and/or share buybacks), measured between 31 December 2021 and 31 December 2024;
- for 15%, a total shareholder return (TSR) target for the Company's share relative to the evolution of the TSR of companies included in the SBF 120 index on Euronext Paris, measured between 31 December 2021 and 31 December 2024[47]; and
- for 15%, a total shareholder return (TSR) target for the Company's share relative to the evolution of the TSR of a minimum of 3 listed companies in the glass industry, measured between 31 December 2021 and 31 December 2024; and
- for 30%, sustainable development targets, in line with the targets defined in Section 2 of this Universal Registration Document and broken down as follows:
  - a CO_2 emissions reduction target of 15%[48]; and
  - an objective to increase the percentage of women holding management positions up to 15%[49].

If the theoretical value creation target is exceeded, the allocation may be increased by 20% for this criterion, raising the allocation for this indicator from 40% to 48% and leading to the allocation of a maximum total of 108% of the target allocation.

The 2022–2024 Plan also includes the commitment by corporate executive officers benefiting from performance shares not to use personal risk hedging until the end of the retention period of these shares.

Acting pursuant to the authorisation conferred by the 22nd resolution of the Extraordinary General Meeting of the Company's Shareholders of 10 June 2020, the Board of Directors resolved as follows at its meeting of 16 February 2022: to grant a maximum number of 252,150 shares to approximately 190 members of staff of the Company and its subsidiaries (with a maximum number of 35,000 shares for the Chief Executive Officer) (the total of shares attributable to the Chief Executive Officer not exceeding 20% of the 272,177 attributable shares), subject to achievement of the above-mentioned performance conditions.

Shares granted under the 2022–2024 Plan are subject to a three-year vesting period, without a retention period, except for the Chairman and Chief Executive Officer, who is subject to an obligation to retain 30% of any vested shares for the duration of his mandate, and the members of the Group's Executive Committee, who are subject to an obligation to retain 20% of any vested shares for as long as they remain members of the Executive Committee.

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[47] The allocation rate for performance shares to be granted in respect of this criterion is determined as follows:
- 0% if the performance of Verallia's TSR is less than the SBF 120 TSR; and
- 100% if the performance of Verallia's TSR is equal to or greater than the SBF 120 TSR.

[48] Target of CO_2 emissions at Group level in absolute value of 2,664 kt in 2024 for scopes 1 and 2 (in line with SBTi and the ESG KPIs set out in the sustainability-linked bonds).

[49] Target of 33.3% in 2024.

(d) Benefits in kind

The Chief Executive Officer benefits from a company car, an executive unemployment insurance scheme (GSC) and a complementary health plan.

(e) Pension plan

The Company has not implemented a supplementary pension plan, preferring to give preference to the allocation of performance shares. Therefore, the Chief Executive Officers does not benefit from a supplementary pension plan.

(f) Severance and non-compete benefits

Severance pay

The Chief Executive Officer shall receive a gross termination benefit of up to 150% of the amount of fixed and variable compensation for the 12 months preceding the effective termination of his mandate. This would be payable in the event of his removal from office as Chief Executive Officer, unless he is dismissed for gross negligence or serious misconduct. The performance conditions applicable to such severance pay are based on the average rate of achievement of the targets set with respect to the financial and ESG criteria of the variable compensation of the Chief Executive Officer (as referred to in Section 3.3.1.3(b) above) over the two years preceding the effective termination of his mandate, such average rate having to be equal to or to exceed 70% for the severance pay to be fully paid. In the event where such average rate is below 70% over the 2 years preceding the effective termination of his mandate, no severance pay shall be paid to the Chairman and Chief Executive Officer.

In accordance with the recommendations of the AFEP-MEDEF Code, no severance pay will be due to the Chief Executive Officer if he leaves the Company at his own initiative to take up a new position, or changes position within the Group, or invokes his retirement rights, or has reached the age of 65.

Non-compete indemnity

The Chief Executive Officer would be subject to a 12-month non-compete obligation and as such would receive a fixed monthly benefit equal to 1/12th of 70% of the amount of his fixed and variable compensation for the last 12 months preceding the effective termination of his mandate. In the event of the combined application of the severance benefit described above and the non-compete benefit, the aggregate amount of the two benefits will be capped at an amount corresponding to the sum of the fixed and variable compensation received by the Chief Executive Officer during the two years preceding the effective termination of his mandate.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors has provided that it can renounce the implementation of the non-compete agreement upon departure of the Chief Executive Officer and that the payment of the non-compete indemnity will be excluded if the Chief Executive Officer invokes his retirement rights or has reached the age of 65.

Summary table of the fixed and variable components of the compensation of Patrice Lucas, Chief Executive Officer from 12 May 2022

Compensation components - Principle		Criteria of definition
Fixed compensation	The Chief Executive Officer receives a fixed compensation in 12 monthly instalments.	For the period from 12 May 2022 to 31 December 2022, the gross annual amount is set at €477,823 on a pro rata basis, i.e. €750,000 on an annual basis.
Annual variable compensation	The Chief Executive Officer shall receive variable compensation determined in view of the Group's performance. This compensation shall be paid during the corporate financial year following that in which performance was recorded. In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of variable compensation is conditional on the approval by an ordinary General Shareholders' Meeting of the compensation components of the Chief Executive Officer under the conditions set out in Articles L.22-10-8 and L.22-10-34 of the French Commercial Code.	The variable annual portion of the compensation of the Chief Executive Officer is €477,823 on a pro rata basis for the period from 12 May 2022 to 31 December 2022 (i.e. €750,000 on an annual basis) if the targets are fully achieved, and, in the event that the set targets are exceeded, a maximum amount equal to 140% of the fixed annual compensation, i.e. €668,952 on a pro rata basis for the period from 12 May 2022 to 31 December 2022 (i.e. €1,050,000 on an annual basis).80% percent of the variable portion of the compensation is calculated based on financial elements (55% related to the achievement of an adjusted EBITDA threshold and 45% related to the achievement of an operational cash flow threshold), and 20% on ESG elements related to safety and sustainable development targets (including (i) for 50%, a safety criterion, linked to the improvement of a workplace accident frequency rate with or without lost days (known as AF2) to a level equal to or below 3.1and (ii) for 50%, a sustainable development criterion, related to the increase in the rate of cullet use to at least 56.9%).
Long-term compensation (performance shares)	The Chief Executive Officer is entitled to free Company shares, subject to the achievement of performance criteria.	The number of performance shares allocated and transferred to each beneficiary at the end of the vesting period varies according to the level of achievement of the objectives detailed in Section 3.3.1 (c) above.
Long-term compensation (stock options)	N/A	N/A
Additional pension plan	The Company has not implemented a supplementary pension plan, preferring to give preference to the allocation of performance shares.	The Chief Executive Officer does not benefit from any supplementary pension plan.

Severance and non-compete benefit	The Chief Executive Officer shall be entitled to severance pay in the event of the termination of his duties.	The Chief Executive Officer shall receive a gross termination benefit of up to 150% of the amount of fixed and variable compensation for the 12 months preceding the effective termination of his mandate. This would be payable in the event of his removal from office as Chief Executive Officer, unless he is dismissed for gross negligence or serious misconduct. No severance pay will be paid (i) if the average rate of achievement of the targets set with respect to the financial and ESG criteria for the variable compensation of the Chief Executive Officer over the two years preceding the effective termination of his mandate is below 70% or (ii) if the Chief Executive Officer leaves the Company on his own initiative, changes position within the Group, has the possibility of invoking his retirement rights or reaches the age of 65. If the average rate of achievement of the targets relating to the financial and ESG criteria for the variable compensation of the Chief Executive Officer is greater than or equal to 70% during the two years preceding the end of his mandate, the severance pay will be payable in full. The Chief Executive Officer would be subject to a 12-month non-compete obligation (which the Board of Directors may waive) and as such would receive a fixed monthly benefit equal to 1/12th of 70% of the amount of his fixed and variable compensation for the last 12 months preceding the effective termination of his mandate. In the event of the combined application of the severance benefit described above and the non-compete benefit, the aggregate amount of the two benefits will be capped at an amount corresponding to the sum of the fixed and variable compensation received by the Chief Executive Officer during the two years preceding the effective termination of his mandate.
Benefits in kind	The Chief Executive Officer benefits from a company car, an executive unemployment insurance scheme (GSC) and a complementary health plan.	N/A

Draft resolution prepared by the Board of Directors pursuant to Articles L. 225-100 and L. 22-10-8 of the French Commercial Code for submission to the Combined General Meeting to be held on 11 May 2022

*"**THIRTEENTH RESOLUTION***

(Approval of the compensation policy for the Chief Executive Officer (application to Mr. Patrice Lucas from 12 May 2022))

The General Shareholders' Meeting, voting under the conditions of quorum and majority required for ordinary General Shareholders' Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and set out in Chapter 3 of the Company's 2021 Universal Registration Document, approves the compensation policy for Mr. Patrice Lucas, Chief Executive Officer of the Company, as presented in the aforementioned report".

3.3.1.3 Components of the compensation of Michel Giannuzzi, Chairman of the Board of Directors not acting as Chief Executive Officer, from 12 May 2022

The Board of Directors, upon proposal of the Compensation Committee and in accordance with the recommendations of the AFEP-MEDEF Code, has decided that the performance of the mandate of Chairman of the Board of Directors not acting as Chief Executive Officer should be remunerated only by a fixed compensation, to the exclusion of any variable compensation, granting of performance shares or any severance pay, or any consideration in respect of a non-compete obligation.

The Board of Directors has also decided that the Chairman of the Board of Directors' performance of the mandate of Director should not be remunerated.

The Chairman of the Board of Directors will also benefit from a company car and a complementary health plan.

In determining the amount of compensation for the Chairman of the Board of Directors, the Board of Directors has taken into account, in addition to the determination criteria used for setting the compensation of senior managers in general (as set out in paragraph 3.3.1.1), the extensive duties that it has decided to entrust to him, which include, in addition to the duties assigned by the applicable legal provisions, the provision of insight into the Group's strategic challenges and development projects as well as, with respect to third parties, the representation of the Group, the defence of its interests and the promotion of its values.

On this basis, the gross annual fixed portion of the compensation of the Chairman of the Board of Directors from 12 May 2022 has been set by the Board of Directors at an amount of €222,984 on a pro rata basis, corresponding to a fixed compensation of €350,000 on an annual basis.

Summary table of the fixed and variable components of the compensation of Michel Giannuzzi, Chairman of the Board of Directors from 12 May 2022

Compensation components - Principle		Criteria of definition
Fixed compensation	The Chairman of the Board of Directors receives a fixed compensation in 12 monthly instalments.	For the period from 12 May 2022 to 31 December 2022, the gross annual amount is set at €222,984 on a pro rata basis, i.e. €350,000 on an annual basis.
Annual variable compensation	In accordance with the recommendations of the AFEP-MEDEF Code, the Chairman of the Board of Directors does not receive any variable compensation.	N/A
Long-term compensation (performance shares)	In accordance with the recommendations of the AFEP-MEDEF Code, the Chairman of the Board of Directors does not benefit from any long-term profit-sharing plans (performance shares) put in place by the Group.	N/A
Long-term compensation (stock options)	N/A	N/A
Additional pension plan	N/A	N/A
Severance and non-compete benefit	In accordance with the recommendations of the AFEP-MEDEF Code, the Chairman of the Board of Directors does not benefit from any severance pay or non-compete benefits.	N/A
Benefits in kind	The Chairman of the Board of Directors benefits from a company car and a complementary health plan.	N/A

Draft resolution prepared by the Board of Directors pursuant to Articles L. 225-100 and L. 22-10-8 of the French Commercial Code for submission to the Combined General Meeting to be held on 11 May 2022

"__FOURTEENTH RESOLUTION__

(Approval of the compensation policy for the Chairman of the Board of Directors (application to Mr. Michel Giannuzzi from 12 May 2022))

The General Shareholders' Meeting, voting under the conditions of quorum and majority required for ordinary General Shareholders' Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and set out in Chapter 3 of the Company's 2021 Universal Registration Document, approves the compensation policy for Mr. Michel Giannuzzi, Chairman of the Company's Board of Directors not acting as Chief Executive Officer, as presented in the aforementioned report".

3.3.1.4 Components of the compensation of Patrice Lucas, Deputy Chief Executive Officer for the period from 1 February 2022 to 11 May 2022

The components of the compensation of the Deputy Chief Executive Officer for the period from 1 February 2022 to 11 May 2022 were set by the Board of Directors on 16 February 2022 as follows:

(a) A fixed compensation

The Board of Directors, upon proposal of the Compensation Committee, determines the fixed annual compensation of the Deputy Chief Executive Officer, in particular with regard to a detailed study of the fixed and variable compensation of executives of comparable listed companies carried out by an external firm.

On this basis, the gross annual fixed portion of the compensation of the Deputy Chief Executive Officer for the period from 1 February 2022 to 11 May 2022 was set by the Board of Directors at an amount of €209,677 on a pro rata basis, corresponding to a fixed compensation of €750,000 on an annual basis.

(b) Variable compensation

The Board of Directors, upon proposal of the Compensation Committee, determines the variable annual compensation of the Deputy Chief Executive Officer on the basis of financial and ESG criteria. For the period from 1 February 2022 to 11 May 2022, the Board of Directors’ meeting of 16 February 2022 set the annual variable portion at an amount equal to 100% of the fixed annual compensation, i.e. €209,677 on a pro rata basis (corresponding to €750,000 on an annual basis), if the targets are fully achieved and, in the event that the set targets are exceeded, a maximum amount equal to 140% of the fixed annual compensation, i.e. €293,548 on a pro rata basis (corresponding to €1,050,000 on an annual basis).

80% of the variable portion of the compensation is calculated based on financial elements, to which a weighting is applied, and 20% on ESG elements.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of this variable compensation shall be subject to the favourable vote of the ordinary General Shareholders' Meeting convened in 2023 to approve the financial statements for the financial year ended 31 December 2022.

Financial criteria

These are based on indicators that the Board of Directors, upon proposal of the Compensation Committee, has deemed most relevant for assessing the Group’s financial performance. For 2022, the quantitative criteria represent 80% of variable compensation, of which 55% are linked to the achievement of an adjusted EBITDA threshold and 45% are linked to the achievement of an operational cash flow threshold for the financial year ended 31 December 2022.

If the set quantitative criteria are exceeded, this annual variable compensation (i.e. €167,742 gross on a pro rata basis and €600,000 gross on an annual basis) will be increased on a linear basis up to a maximum amount corresponding to 120% of the fixed annual compensation (i.e. €251,613 gross on a pro rata basis and €900,000 gross on an annual basis).

ESG criteria

These are based on indicators that the Board of Directors, upon proposal of the Compensation Committee, has deemed most relevant for assessing the Group’s social and environmental performance. For 2022, qualitative criteria are related to safety and sustainable development objectives, including (i) for 50%, a safety criterion, linked to the improvement of a workplace accident frequency rate with or without lost days (known as AF2) to a level equal to or below 3.1 and (ii) for 50%, a sustainable development criterion, related to the increase in the rate of cullet use to at least 56.9%.

(c) Benefits in kind

The Deputy Chief Executive Officer benefits from a company car, an executive unemployment insurance scheme (GSC) and a complementary health plan.

(d) Pension plan

The Deputy Chief Executive Officer does not benefit from a supplementary pension plan.

(e) Severance and non-compete benefits

Severance pay

The Deputy Chief Executive Officer shall receive a gross termination benefit of up to 150% of the amount of fixed and variable compensation for the 12 months preceding the effective termination of his mandate. This would be payable in the event of his removal from office as Deputy Chief Executive Officer, unless he is dismissed for gross negligence or serious misconduct. The performance conditions applicable to such severance pay are based on the average rate of achievement of the targets set with respect to the financial and ESG criteria of the variable compensation of the Deputy Chief Executive Officer (as referred to in Section 3.3.1.3(b) above) over the two years preceding the effective termination of his mandate, such average rate having to be equal to or to exceed 70% for the severance pay to be fully paid. In the event where such average rate is below 70% over the 2 years preceding the effective termination of his mandate, no severance pay shall be paid to the Deputy Chief Executive Officer.

In accordance with the recommendations of the AFEP-MEDEF Code, no severance pay will be due to the Deputy Chief Executive Officer if he leaves the Company at his own initiative to take up a new position, or changes position within the Group, or invokes his retirement rights, or has reached the age of 65.

Non-compete indemnity

The Deputy Chief Executive Officer would be subject to a 12-month non-compete obligation and as such would receive a fixed monthly benefit equal to 1/12th of 70% of the amount of his fixed and variable compensation for the last 12 months preceding the effective termination of his mandate. In the event of the combined application of the severance benefit described above and the non-compete benefit, the aggregate amount of the two benefits will be capped at an amount corresponding to the sum of the fixed and variable compensation received by the Deputy Chief Executive Officer during the two years preceding the effective termination of his mandate.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors has provided that it can renounce the implementation of the non-compete agreement upon departure of the Deputy Chief Executive Officer and that the payment of the non-compete indemnity will be excluded if the Deputy Chief Executive Officer invokes his retirement rights or has reached the age of 65.

Summary table of the fixed and variable components of the compensation of Patrice Lucas, Deputy Chief Executive Officer for the period from 1 February 2022 to 11 May 2022

Compensation components - Principle		Criteria of definition
Fixed compensation	The Deputy Chief Executive Officer receives a fixed compensation in 12 monthly instalments.	For the period from 1 February 2022 to 11 May 2022, the gross annual amount is set at €209,677 on a pro rata basis, i.e. €750,000 on an annual basis.
Annual variable compensation	The Deputy Chief Executive Officer shall receive variable compensation determined in view of the Group's performance. This compensation shall be paid during the corporate financial year following that in which performance was recorded. In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of variable compensation is conditional on the approval by an ordinary General Shareholders' Meeting of the compensation components of the Deputy Chief Executive Officer under the conditions set out in Articles L.22-10-8 and L.22-10-34 of the French Commercial Code.	The variable annual portion of the compensation of the Deputy Chief Executive Officer is €209,677 on a pro rata basis for the period from 1 February 2022 to 11 May 2022 (i.e. €750,000 on an annual basis) if the targets are fully achieved, and, in the event that the set targets are exceeded, a maximum amount equal to 140% of the fixed annual compensation, i.e. €293,548 on a pro rata basis for the period from 1 February 2022 to 11 May 2022 (i.e. €1,050,000 on an annual basis). Eighty percent of the variable portion of the compensation is calculated based on financial elements (55% related to the achievement of an adjusted EBITDA threshold and 45% related to the achievement of an operational cash flow threshold), and 20% on ESG elements related to safety and sustainable development targets (including (i) for 50%, a safety criterion, linked to the improvement of a workplace accident frequency rate with or without lost days (known as AF2) to a level equal to or below 3.1 and (ii) for 50%, a sustainable development criterion, related to the increase in the rate of cullet use to at least 56.9%).

Long-term compensation (performance shares)	The Board of Directors resolved not to grant any performance shares to Patrice Lucas as Deputy Chief Executive Officer for the period from 1 February 2022 to 11 May 2022, since he will leave office as Deputy Chief Executive Officer at the end of this period.	N/A
Long-term compensation (stock options)	N/A	N/A
Additional pension plan	The Company has not implemented a supplementary pension plan, preferring to give preference to the allocation of performance shares.	The Deputy Chief Executive Officer does not benefit from a supplementary pension plan.
Severance and non-compete benefit	The Deputy Chief Executive Officer shall be entitled to severance pay in the event of the termination of his duties.	The Deputy Chief Executive Officer shall receive a gross severance pay of up to 150% of the amount of fixed and variable compensation for the 12 months preceding the effective termination of his mandate. This would be payable in the event of his removal from office as Deputy Chief Executive Officer, unless he is dismissed for gross negligence or serious misconduct. No severance pay will be paid (i) if the average rate of achievement of the targets set with respect to the financial and ESG criteria for the variable compensation of the Deputy Chief Executive Officer over the two years preceding the effective termination of his mandate is below 70% or (ii) if the Deputy Chief Executive Officer leaves the Company on his own initiative, changes position within the Group, has the possibility of invoking his retirement rights or reaches the age of 65. If the average rate of achievement of the targets relating to the quantitative and qualitative criteria for the variable compensation of the Deputy Chief Executive Officer is greater than or equal to 70% during the two years preceding the end of his mandate, the severance pay will be payable in full. The Deputy Chief Executive Officer would be subject to a 12-month non-compete obligation (which the Board of Directors may waive) and as such would receive a fixed monthly benefit equal to 1/12th of 70% of the amount of his fixed and variable compensation for the last 12 months preceding the effective termination of his mandate. In the event of the combined application of the severance benefit described above and the non-compete benefit, the aggregate amount of the two benefits will be capped at an amount corresponding to the sum of the fixed and variable compensation received by the Deputy Chief Executive Officer during the two years preceding the effective termination of his mandate.
Benefits in kind	The Deputy Chief Executive Officer benefits from a company car, an executive unemployment insurance scheme (GSC) and a complementary health plan.	N/A

Draft resolution prepared by the Board of Directors pursuant to Articles L. 225-100 and L. 22-10-8 of the French Commercial Code for submission to the Combined General Meeting to be held on 11 May 2022

"TWELFTH RESOLUTION

(Approval of the compensation policy for the Deputy Chief Executive Officer (application to Mr. Patrice Lucas from 1 February 2022 to 11 May 2022))

The General Shareholders' Meeting, voting under the conditions of quorum and majority required for ordinary General Shareholders' Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and set out in Chapter 3 of the Company's 2021 Universal Registration Document, approves the compensation policy for Mr. Patrice Lucas, Deputy Chief Executive Officer of the Company, as presented in the aforementioned report".

3.3.1.5 Components of the compensation of Directors

The Company's General Shareholders' Meeting held on 20 September 2019, in its 5th resolution, decided to set the total amount of compensation allocated to the Board of Directors at €600,000 for the financial year 2019 as well as for subsequent financial years, until further decision of the General Shareholders' Meeting. The General Meeting of the Company's Shareholders held on 15 June 2021, in its 9th resolution, approved this director compensation policy, as presented in the corporate governance report pursuant to Article L.225-37 of the French Commercial Code and appended as Annex I to the 2020 Universal Registration Document of the Company.

Taking into account, on the one hand, the successive disposals by Apollo in 2021 of its remaining stake in the Company, which will eventually result in a greater number of Independent Directors and, on the other hand, an increase in the number of committees (due to the split in 2021 of the Nomination and Compensation Committees and the creation of a Strategic Committee), an increase in the overall amount of compensation allocated to the Board of Directors from €600,000 to €850,000, will be submitted to the vote of the shareholders at the General Shareholders' Meeting on 11 May 2022.

Upon recommendation of the Compensation Committee, the Board of Directors freely distributes among its members the compensation allocated to the Board by the General Shareholders' Meeting, mainly taking into account, in accordance with the recommendations of the AFEP-MEDEF Code, the effective participation of Directors in Board and committee meetings. It may, in addition, allocate special compensation to some of its members for specific duties or assignments entrusted to them. The Board of Directors examines whether the level of compensation allocated to Directors is appropriate in view of their duties and responsibilities.

A portion set by the Board and deducted from the amount of compensation allocated to the Board shall be paid to the members of the committees, also mainly taking into account their effective participation in committee meetings.

On the proposal of the Compensation Committee, the Board of Directors has decided that only the Chairman of the Board of Directors and the Independent Directors should receive compensation in respect of their mandates.

The basic compensation of Independent Directors for the year 2022 has therefore been set at €20,000 p.a. and, if applicable, will be calculated pro rata temporis for mandates ending or becoming effective during the year.

In addition, a fixed compensation of €15,000 p.a. is allocated to the Chairs of the Audit Committee, the Sustainable Development Committee and the Strategy Committee, a fixed compensation of €10,000 p.a. is allocated to the Chair of the Nomination Committee, and a fixed compensation of €5,000 p.a. is allocated to the Chair of the Compensation Committee, as remuneration for their duties.

In addition to this basic compensation, a variable amount of €4,500 is paid for each Board and committee meeting attended by the Independent Director concerned.

Draft resolution prepared by the Board of Directors pursuant to Articles L. 225-100 and L. 22-10-8 of the French Commercial Code for submission to the Combined General Meeting to be held on 11 May 2022

"FIFTEENTH RESOLUTION

(*Approval of the Directors' compensation policy*)

The General Assembly, voting under the conditions of quorum and majority required for Ordinary General Meetings, after reviewing the corporate governance report referred to in Article L.225-37 of the French Commercial Code, set out in Chapter 3 of the Company's 2021 Universal Registration Document, approves the Directors' compensation policy, as presented in the aforementioned report.

3.3.2. Compensation of corporate officers during the year ended 31 December 2021

The Annual General Shareholders' Meeting shall decide on a draft resolution on the information referred to in Article L.22-10-9 I of the French Commercial Code, to be included in the corporate governance report, including the components of compensation paid for the term of office during the past financial year or allocated for the term of office for the same financial year, that is, the financial year ended 31 December 2021. These components are presented in Sections 3.3.2.1 and 3.3.2.2 below for the Chairman and Chief Executive Officer and Directors.

The Annual General Shareholders' Meeting shall decide on the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the past financial year or allocated for the same financial year, in a separate resolution for each corporate officer. As regards the Chairman and Chief Executive Officer, these components are presented in Section 3.3.2.1 below.

It will therefore be proposed to the Combined General Shareholders' Meeting to be held on 11 May 2022 to decide, in separate resolutions, on the one hand on the information referred to in Article L. 22-10-9 I of the French Commercial Code, including in particular the components presented in Sections 3.3.2.1 and 3.3.2.2 below, and on the other hand, on the compensation paid or allocated for the financial year ended 31 December 2021 to the Chairman and Chief Executive Officer, as set out in Section 3.3.2.1 below.

3.3.2.1. Chairman and Chief Executive Officer

(a) Fixed compensation

The fixed compensation paid to the Chairman and Chief Executive Officer during the 2021 financial year amounts to €1,100,000.

(b) Annual variable compensation

The Board of Directors' meeting of 16 February 2022, upon proposal of the Compensation Committee which met on 16 February 2022, after having reviewed the results of the Company and the financial results of the Chairman and Chief Executive Officer during the financial year ended 31 December 2021, has fixed the financial portion of the variable compensation due to the Chairman and Chief Executive Officer for the financial year ended 31 December 2021 at €1,283,797, i.e. 145.89% of the target for the financial portion, and the ESG portion of that compensation at €74,800, i.e. 34% of the target for ESG portion (i.e. a total of €1,358,597, or 123.51% of the target).

With regard to the financial portion, representing 80% of the variable compensation, the Board of Directors therefore noted that entitlement to variable compensation rights follow the grid below:

Objective	Weighting	Achievement of the target (in % of the objective) during the year ended 31 December 2021	Amount of variable compensation (in % of target amount)
Adjusted EBITDA	55%	106 %	143 %
Operating cash flows	45%	125 %	150 %

The financial portion thus achieved 114.5% of the targets, giving entitlement to a variable compensation of 145.89% of the amount of the financial portion of the target, i.e. €1,283,797.

Regarding the ESG portion, representing 20% of the variable compensation, the Board of Directors therefore noted that entitlement to variable compensation rights follow the grid below:

Objective	Weighting	Achievement of the target (in % of the objective) during the year ended 31 December 2021	Amount of variable compensation (in % of target amount)
Work accident frequency rate (AF2)	10%	Not achieved	— %
Increase in the rate of cullet use	10%	97,2%	68 %

The ESG portion thus achieved 48.6% of the targets, giving entitlement to a variable compensation of 34% of the amount of the ESG portion of the target, i.e. €74,800.

The payment of the variable compensation shall be conditional upon the approval by the Company's General Shareholders' Meeting to be held on 11 May 2022 of the components of the Chairman and Chief Executive Officer under the conditions set out in Articles L.225-100 and L.22-10-9 of the French Commercial Code.

(c) Exceptional bonus

N/A.

(d) Compensation for term of office as Director

N/A.

(e) Allocation of performance shares

In the context of the definitive granting of shares under the Performance Share Plan implemented by the Company, as part of its initial public offering on the Euronext Paris regulated market, and spread over a three-year period from 2019 to 2021 (the “2019–2021 Plan”), 58,313 shares were allocated to the Chairman and Chief Executive Officer on 24 July 2021 and 46,228 shares were allocated to the Chairman and Chief Executive Officer on 23 March 2022, in accordance with the terms of the 2019–2021 Plan.

With respect to the first tranche of the 2019–2021 Plan, the total rate of achievement of performance criteria was 103.91% (with a rate of achievement of the Theoretical Equity Value criteria of 101.3% and with a rate of achievement of the Stock Price evolution criteria of 110%). The allocation rate was 100%.

With respect to the second tranche of the 2019–2021 Plan, the total rate of achievement of performance criteria was 70.63% (with a rate of achievement of the Theoretical Equity Value criteria of 100.9% and with a rate of achievement of the Stock Price evolution criteria of 0%).The allocation rate was 70.63%.

Acting pursuant to the authorisation conferred by the 22nd resolution of the Extraordinary General Meeting of the Company’s Shareholders of 10 June 2020, the Board of Directors resolved, at its meeting held on 23 February 2021, to grant the following shares to the Chairman and Chief Executive Officer:

- a maximum of 55,000 shares under the 2021–2022 Plan, subject to a two-year vesting period ending on 1 March 2023; and
- a maximum of 55,000 shares under the 2021–2023 Plan, subject to a three-year vesting period ending on 1 March 2024,

subject to (a) the continued presence of the Chairman and Chief Executive Officer within the Company and (b) the performance criteria detailed in Section 3.3.1.3(c) above.

The Chairman and Chief Executive Officer is subject to a 30% retention obligation for vested shares, for a period expiring at the end of his mandate.

(f) Severance and non-compete benefits

See Section 3.3.1.3(f) above.

(g) Interest and employer matching contribution

For the year ended 31 December 2021, the Chairman and Chief Executive Officer was not a beneficiary of the profit-sharing agreement for employees of Verallia Packaging.

For the year ended 31 December 2021, the Chairman and Chief Executive Officer received a gross matching contribution of €2,000, i.e. a net amount of €1,806.

(h) Benefits in kind

During financial year 2021, the Chairman and Chief Executive Officer benefited from a company car, an executive unemployment insurance scheme (GSC) and a complementary health plan.

(i) Summary tables of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the year ended 31 December 2021 or allocated for the same year to the Chairman and Chief Executive Officer

Fixed compensation	€1,100,000
Variable compensation	N/A
Exceptional bonus	N/A
Compensation for term of office as Director	N/A
Performance shares	55,000 shares under the 2021–2022 Plan and 55,000 shares under the 2021–2023 Plan
Pension plan	N/A
Severance pay	Compensation in the event of departure, of a gross amount equal to the maximum of 150% of the sum of the gross annual fixed compensation over the last 12 months preceding the end of his mandate and the variable compensation paid in respect of the year preceding the end of his mandate. No benefit will be due if the average amount of variable compensation as referred to above during the two years preceding the termination of the Chief Executive Officer's mandate is less than 30% of the target amount. If the average variable compensation paid is equal to 30% or more of the target amount, the termination benefit will be paid in full.
Non-compete benefit	A one-year non-compete obligation, compensated by a fixed monthly benefit equal to 1/12th of 70% of the amount of his fixed and variable compensation for the 12 months preceding the effective termination of his mandate. In the event of the combined application of the severance benefit described above and the non-compete benefit, the aggregate amount of the two benefits will be capped at an amount corresponding to the sum of the fixed and variable compensation received by the Chairman and Chief Executive Officer during the two years preceding the effective termination of his mandate.
Interest and employer matching contribution	During the financial year ended 31 December 2021, Michel Giannuzzi received a matching contribution of €2,000 gross, i.e. €1,806 net.
Benefits in kind	Company car Benefit of an executive unemployment insurance scheme (GSC) and a complementary health plan.

Furthermore, the following tables set out the compensation paid to the Chairman and Chief Executive Officer, by the Company and by any other Group company, during the financial years ended 31 December 2021 and 31 December 2020:

Table 1 (AMF nomenclature)

Summary of compensation, options and shares granted to each executive officer		
(amounts paid in €)	**Financial year N**	**Financial year N-1**
Mr. Michel Giannuzzi - Chairman and Chief Executive Officer		
Compensation for the year (see Table 2 for details)	€1,117,115	€1,782,999
Value of multi-year variable compensation paid during the year	N/A	N/A
Value of stock options granted during the year (see Table 4 for details)	N/A	N/A
Value of performance shares granted (see Table 6 for details)	€3,280,768	€1,500 180
Value of other long-term compensation plans		
Total	**€4,397,883**	**€3,283,179**

Table 2 (AMF nomenclature)

Summary of compensation paid to each executive officer				
Michel Giannuzzi - Chairman and Chief Executive Officer	**Financial year N**		**Financial year N-1**	
	Amounts allocated	**Amounts paid**	**Amounts allocated**	**Amounts paid**
Fixed compensation	€1,100,000	€1,100,000	€1,100,000	€1,100,000
Annual variable compensation (1)	€1,358,597	€0	€666,697	€1,250,115
Multi-year variable compensation	—	—	—	—
Exceptional bonus	—	—	—	—
Compensation for mandates as Director				
Benefits in kind (2)	€17,115	€17,115	€16,302	€16,302
Total	**€2,475,712**	**€1,117,115**	**€1,116,302**(1)	**€2,366,417**

(1) *Annual variable compensation is subject to performance conditions linked to the achievement of adjusted EBITDA and operational cash flow thresholds, as well as a safety objective (workplace accident rate), and as of 2020, a sustainable development target. The Chairman and Chief Executive Officer had accepted, as early as 7 April 2020, that his upcoming compensation be amended, by way of cancellation of his annual variable compensation in relation to the financial year ended 31 December 2020. Therefore, the amount of €666,697 was not paid to the Chairman and Chief Executive Officer.*

(2) *Benefits in kind consist of a company car and the executive unemployment insurance scheme (GSC).*

Table 11 (AMF nomenclature)

	Employment contract		**Supplementary pension plan**		**Indemnities or benefits due or likely to be due as a result of termination or change of duties**(1)		**Non-compete indemnity**(1)	
Executive officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Michel Giannuzzi Mandate start date: Mandate end date:		X		X	X		X	

(1) *The conditions for payment of the severance pay of Michel Giannuzzi and the indemnity due in relation to his non-compete undertaking are described in Section 3.3.2.*

Stock option grants

Table 4 (AMF nomenclature)

Stock options granted during the year to each executive officer by the issuer and by any Group company						
Name of executive officer	Plan No. and date	Type of options (purchase or subscription)	Value of the options according to the method used for the consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
Michel Giannuzzi	N/A	N/A	N/A	N/A	N/A	N/A

Table 5 (AMF nomenclature)

Stock options exercised during the year by each executive officer			
Name of executive officer	Plan No. and date	Number of options exercised during the year	Exercise price
Michel Giannuzzi	N/A	N/A	N/A

Table 8 (AMF nomenclature)

Past stock option plans				
	Information about stock options			
Date of General Shareholders' Meeting	Plan No. 1	Plan No. 2	Plan No. 3	etc.
Date of Board meeting				
Total number of shares that may be subscribed or purchased, including the number that may be subscribed or purchased by:				
Starting date of exercise period				
Expiry date of exercise period				
Exercise price		N/A		
Exercise procedures (if the plan includes several tranches)				
Number of shares subscribed for at […] (most recent date)				
Cumulative number of cancelled or forfeited options				
Options outstanding at year-end				

Table 9 (AMF nomenclature)

Stock options granted to the top ten employees who are not corporate officers and options exercised by them	Total number of options granted/ shares subscribed for or purchased	Weighted average price	Plan No. 1	Plan No. 2
Options granted during the year by the issuer and any companies included in the stock option plan to the ten employees of the issuer or of those companies who received the most options (aggregate)		N/A		
Options held in the issuer and in the above-mentioned companies that were exercised during the year by the ten employees of the issuer or of those companies who exercised the most options (aggregate)				

Performance share grants

Table 6 (AMF nomenclature)

Performance shares granted to each corporate officer						
Performance shares granted during the financial year to each corporate officer by the general shareholders' meeting of the issuer and of any Group company (list of names)	**Plan No. and date**	**Number of shares granted during the financial year**	**Value of the shares according to the method used for the consolidated financial statements**	**Vesting date**	**End of lock-up period**	**Performance conditions**
Michel Giannuzzi	2021–2022 Plan of 23 February 2021	55,000	€1,659,255	01/03/2023	01/03/2023 with the obligation to hold 30% of vested shares over the term of office	Performance conditions described in Section 3.3.1.2(c) of this report
	2021–2023 Plan of 23 February 2021	55,000	€1,621,513	01/03/2024	01/03/2024 with the obligation to hold 30% of vested shares over the mandate	Performance conditions described in Section 3.3.1.2(c) of this report
TOTAL		**110,000**	**€3,280,768**			

Table 7 (AMF nomenclature)

Performance shares released from lock-up for each corporate officer	Plan No. and date	Number of shares released from lock-up during the year	Vesting conditions
Michel Giannuzzi	2019-2021 Plan (first tranche) 24/07/2019	58,313.00	Presence + targets set out in the 2019-2021 Plan reached

Table 10 (AMF nomenclature)

History of performance share grants		
	Information on performance shares	
Performance share plan	2019-2021 Plan (first tranche)(1)	2019-2021 Plan (second tranche)(1)
Date of the allocation decision	24/07/2019	23/03/2020
Total number of performance shares granted, of which the number granted to:	250,852 shares	165,084 shares
Michel Giannuzzi (maximum number of shares)	58,313 shares	53,294 shares(3)
Share vesting date	24/07/2021	23/03/2022
End of lock-up period	None(2)	None(2)
Number of shares vested as at 31/12/2021	58,313 shares	0
Cumulative number of cancelled or expired shares	0	0
Outstanding performance shares awarded at year-end (maximum number of shares)	No share as at 31 December 2021 for an initial attributed number of 281,007 shares(4)	165,084 shares(5) as at 31/12/2021 for an initial attributed number of 202,325 shares(5)

Information on performance shares

Performance share plan	2021–2022 Plan	2021–2023 Plan
Date of the allocation decision	23/02/2021	23/02/2021
Total number of performance shares granted, of which the number granted to:	251,938 shares	242,933 shares
Michel Giannuzzi (maximum number of shares)	55,000 shares	55,000 shares
Share vesting date	01/03/2023	01/03/2024
End of lock-up period	None(2)	None(2)
Number of shares vested as at 31/12/2021		0
Cumulative number of cancelled or expired shares	0	0
Outstanding performance shares awarded at year-end (maximum number of shares)	251,938 shares as at 31 December 2021 for an initial attributed number of shares of 257,328 shares	242,933 shares as at 31 December 2021 for an initial attributed number of shares of 247,433 shares

(1) First and second tranches of the Performance Share Plan spread over a three-year period from 2019 to 2021, representing a maximum of 0.99% of the share capital of the Company, awarded in two tranches. The third tranche was cancelled because two new performance share plans have been set up, respectively spread over a two-year period from 2021 to 2022, and a three-year period from 2021 to 2023..

(2) Subject to the obligation of the Chairman and Chief Executive Officer to retain 30% of the vested shares for a period expiring at the end of his mandate and the obligation of the members of the Executive Committee to retain 20% of the vested shares for as long as they remain Members of the Executive Committee.

(3) For information purposes only, for a maximum share amount of €1,650,000 and on the basis of a closing price for the Verallia share of €30.96 on 31 December 2021.

(4) For information purposes only, for a maximum share amount of €8,700,000 and on the basis of a closing price for the Verallia share of €30.96 as at 31 December 2021.

(5) For information purposes only, for a maximum share amount of €6,264,000 and on the basis of a closing price for the Verallia share of €30.96 as at 31 December 2021.

(j) Draft resolution prepared by the Board of Directors pursuant to Article L. 22-10-9 I 1 of the French Commercial Code for submission to the Combined General Meeting to be held on 11 May 2022

"TENTH RESOLUTION

(Approval of the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid during the year ended 31 December 2021 or awarded for the same year to Mr. Michel Giannuzzi, Chairman and Chief Executive Officer of the Company)

The General Shareholders' Meeting, voting under the conditions of quorum and majority required for Ordinary General Shareholders' Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and set out in Chapter 3 of the Company's 2021 Universal Registration Document, approves the fixed, variable and exceptional components that make up the total compensation and benefits of any kind paid in the previous financial year or allocated in the same financial year to Mr. Michel Giannuzzi, Chairman and Chief Executive Officer of the Company, as presented in the aforementioned report."

3.3.2.2. Directors

The table below shows the compensation for the term of office of Directors and other compensation received by the non-executive members of the Board of Directors for the 2020 and 2021 financial years:

Table 3 (AMF nomenclature)

Table of compensation allocated for the mandate of Directors and other compensation received by non-executive corporate officers

Non-executive officers	Amounts allocated for financial year N-1	Amounts paid for financial year N-1	Amounts allocated for financial year N	Amounts paid for financial year N
José Diego Arozamena				
Compensation (fixed, variable)	€78,000	€78,000	€92,000	€92,000
Other compensation*	0	0	€15,320	€15,320
Sylvain Artigau				
Compensation (fixed, variable)	0	0	0	0
Other compensation*	0	0	0	0
Bpifrance Investissement, represented by Sébastien Moynot	0	0		
Compensation (fixed, variable)	0	0	0	0
Other compensation*	0	0	0	0
Brasil Warrant Administração de Bens e Empresas S.A.				
Compensation (fixed, variable)	€63,000	€63,000	0	0
Other compensation*	0	0	0	0
BW Gestão de Investimentos Ltda.				
Compensation (fixed, variable)	0	0	0	0
Other compensation*	0	0	0	0
Marie-José Donsion				
Compensation (fixed, variable)	€78,000	€78,000	€93,500	€93,500
Other compensation*	0	0	0	0
Virginie Hélias				
Compensation (fixed, variable)	€81,000	€81,000	€80,000	€80,000
Other compensation*	0	0	€620	€620
Dieter Müller				
Compensation (fixed, variable)	0	0	0	0
Other compensation*	0	0	0	0
Robert Seminara				
Compensation (fixed, variable)	0	0	0	0
Other compensation*	0	0	0	0
Cécile Tandeau de Marsac				
Compensation (fixed, variable)	€81,000	€81,000	€84,500	€84,500
Other compensation*	0	0	0	0
Pierre Vareille				
Compensation (fixed, variable)	€60,000	€60,000	€69,500	€69,500
Other compensation*	€550	€550	€4,980	€4,980
TOTAL	**€441,550**	**€441,550**	**€440,420**	**€440,420**

3.3.3. Ratio of the Chairman and Chief Executive Officer's level of compensation to the average and median compensation of the Group's employees

For the calculation of the ratios presented below in accordance with Article L.22-10-9 I 6° of the French Commercial Code, the Company referred to the AFEP-MEDEF Guidelines dated 28 January 2021.

In particular:

- the ratios below were calculated on the basis of the fixed and variable compensation paid during the financial years mentioned and performance shares allocated during the same periods and valued at their book value at the time of awarding and prorated on the financial year based on the plan duration. Performance shares grants are subject to presence conditions and performance conditions. The valuation at the time of granting does not necessarily reflect the value of the shares at the end of the vesting period, in particular if the performance conditions are not met. The compensation described below is taken into account including social and employers contributions charged on this compensation;
- for employees, the compensation taken into account is full-time equivalent compensation;
- included in the calculation of the equity ratios are the Company, its direct French subsidiary Verallia Packaging, as well as its indirect French glass-making subsidiary Verallia France (the company VOA Verrerie d'Albi, included in the calculation scope for previous financial years, was merged into Verallia France during 2021), covering 96% of the total payroll in France (the headcount as at 31 December 2021 for the above subsidiaries is provided in Section 2.6 of this Universal Registration Document);
- the consolidated adjusted EBITDA is a performance indicator used by the Group in analysing and valuing its operations and trends, measuring their performance, preparing earnings forecasts and making strategic decisions.

Comparison of executive officers' compensation with Group employees' compensation

	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2018
Average compensation cost ratio	54	58	41	30
Median compensation cost ratio	62	66	46	33

Annual evolution of executive officers' and employees' compensation in relation to the performance of the Company

	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2018
Cost of compensation of the Chairman and Chief Executive Officer (in € thousand, including social and employers contributions charged on this compensation) (1)	4,346	4,737	3,189	2,291
Consolidated adjusted EBITDA *(in € thousand)*	678,100	625,700	615,200	543,300
Cost of average compensation of employees on a full-time equivalent basis (in € thousand, including social and employers contributions charged on this compensation)	80	82	78	76

Draft resolution prepared by the Board of Directors pursuant to Article L. 225-100 II. of the French Commercial Code for submission to the Combined General Meeting to be held on 11 May 2022

"__NINTH RESOLUTION__

(Approval of the information required pursuant to Article L. 22-10-9 I of the French Commercial Code concerning the compensation of corporate officers)

The General Shareholders' Meeting, voting under the conditions of quorum and majority required for ordinary General Shareholders' Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and set out in Chapter 3 of the 2021 Universal Registration Document, approves the information referred to in Article L. 22-10-9 I. of the French Commercial Code, as presented in the aforementioned report".

4

RISK FACTORS

Before proceeding with an investment in shares of the Company, investors are invited to examine all of the information contained in this Universal Registration Document, including the risk factors described below. At the date of this Universal Registration Document, these risks are those that the Company believes could have a material adverse effect on the Group, its business, financial position, results or outlook, and that are material to its investment decisions. The attention of investors is nonetheless drawn to the fact that the overview of risks presented in Section 4 of this Universal Registration Document is not exhaustive and that other risks, unknown or not considered herein at the date of this Universal Registration Document and that could have a material adverse effect on the Group, its business, financial position, results or outlook, may or could exist or arise.

This Chapter presents the principal risks that could, at the date of this Universal Registration Document, impact the Group's business, financial position, reputation, results or outlook, particularly those identified when mapping the Group's major risks in order to assess their criticality (i.e. their severity and probability of occurrence), after taking into account the Action Plan put in place.

Within e*ach of the risk categories, the risk factors that the Company considers to be the most material at the date of this Universal Registration Document are described first.*

*The following table ranks the risks in each of these categories according to their criticality and in descending order of importance. The risk*s are classed as "high", "medium" or "low", after taking into account the risk prevention and management measures put in place by the Group.

Risk category	Description of the risk	Degree of criticality
Risks related to the Group's external environment	Risks related to changes in the demand glass for packaging	High
	Risks related to competition from manufacturers of other types of packaging and the potential substitution of glass packaging by other materials	High
	Risks related to changes in energy costs	Medium
	Risks related to changes in the price of raw materials and cullet shortages	Medium
Operational risks	Risks related to the operation of industrial sites	High
	Risks associated with the failure to meet CO2 emissions reduction targets	High
	Risks related to IT systems	High
	Risks related to the Group's international operations	High
	Risks related to the balance between supply and demand and the adaptation of the manufacturing facilities	Medium
	Risks related to the implementation of the Group's operational excellence program	Medium
	Risks related to occupational health and safety	Medium
	Risks related to relations with certain suppliers and subcontractors	Medium
	Risks related to labour relations and human resources	Medium
	Risks related to the occurrence of natural disasters	Medium
	Risks related to defective products	Low
	Risks related to acquisitions and partnerships	Low
Financial risks	Risks related to the exchange rate	Medium
	Risks related to the Group's borrowings and liquidity risk	Low
	Risks related to substantial investments and their financing	Low
Legal risks	Risks related to environmental regulations, compliance and taxation	High
	Risks related to litigation and ongoing investigations, particularly in relation to occupational diseases	High
	Risks related to customs barriers	Low

4.1. Description of risk factors

4.1.1. Risks related to the Group's external environment

4.1.1.1. Risks related to changes in the demand glass for packaging

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Changes in demand for glass packaging due to several factors: – changing consumer habits, itself influenced by changing lifestyles, food preferences, etc.; – legislative or sociological developments; – public health and safety concerns (impact of consumption in areas affected by the Covid-19 pandemic and certain Group supplies; – long-term decline in wine consumption in mature markets (e.g. France); – the ban on glass containers in some European countries in certain public places; – measures taken to reduce consumption; – the introduction or increase of customs barriers and other trade restrictions by some countries; – competition from other types of packaging (see Section 4.1.1.2 "Risks related to competition from manufacturers of other types of packaging and the potential substitution of glass packaging by other materials"); – the seasonal nature of some of the products marketed by the Group's customers (e.g. orders in the first half of the year in order to meet the increased demand for beer and rosé wine during the summer); – weather and climate hazards, particularly in Europe (poor harvest due to hail, drought, insect infestation affecting crops); – economic conditions: sensitivity to the consumption of the Group's products and/or selling prices is more pronounced in the case of products for occasional consumption, particularly spirits and champagne, which are generally higher-margin, than in the case of everyday food products and/or products that are essential for daily consumption, or for producing countries than for consuming countries (e.g. exports of champagne and spirits by companies located in France).	– A diversified portfolio of customers (as at 31 December 2021, the Group's top 10 customers represented 16% of consolidated revenue and the largest customer represented approximately 4% of consolidated revenue); – Exposure to a wide range of end markets. enabling it to limit its dependence on any one country, segment of the glass packaging market or customer. – A product offering tailored to the constraints of the Group's customers and meeting high quality and safety standards. – Relatively flexible and adaptable manufacturing facilities, with a view to quickly allocating and adjusting production to changes in demand.

4.1.1.2. Risks related to competition from manufacturers of other types of packaging and the potential substitution of glass packaging by other materials

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Competition with different producers of other types of packaging to a greater or lesser extent depending on the markets concerned – Aluminium cans for beer and soft drinks. – Rigid or flexible plastic packaging (pouches or cubitainers), including polyethylene terephthalate (PET) packaging for water and soft drinks. – Aseptic carton packaging for juices and milk; and bag-in-box (or cubitainers) in the wine market (in 2021, the share of bag-in-box sales in French supermarkets reached 41.8%, even if down 1.7% like-for-like). **Competition with other forms of food packaging (draft beer, coffee capsules, individual dispensers, bulk, etc.).** This competition, combined with competition from the Group's direct competitors (see Section 4.1.2.1 "Risks related to the balance between supply and demand and the adaptation of manufacturing facilities") has in the past, and could in the future, lead to excess capacity in some countries, thus lowering prices within the sector for varying lengths of time. Although glass is valued by customers for various reasons (fully recyclable, health benefits, ability to preserve flavors (See Section 5.5)), technological progress or investments made by non-glass packaging producers could undermine this advantage. As a result, the Group cannot guarantee that consumers will continue to prefer glass products.	– Implementation of the necessary means to ensure that the products developed are suitable for: – the increasing complexity of production methods; – changes in consumer preferences; – changes in safety legislation (for example, in response to the growing demand from the Group's customers for lightweight packaging, particularly in order to reduce their logistics costs, the Group has developed the ECOVA range of products). – Support for the glass industry and its initiatives through its membership of the European Container Glass Federation (FEVE), the Glass Packaging Institute and the Friends of Glass community. In addition, the Group is actively involved in the Friends of Glass "Look Beyond The Label" campaign to promote the use of glass packaging, as well as in FEVE's efforts to facilitate the collection of used glass (target collection rate of 90% in Europe by 2030).

4.1.1.3. Risks related to changes in energy costs

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Changes in CO_2 allowances and energy costs, particularly natural gas, electricity and, to a lesser extent, fuel oil (continuous operation of furnaces used for glass production at very high temperatures). For the year ended 31 December 2021, energy costs represented 18% of the Group's cost of sales. **Changes in packaging costs (wooden pallets, plastic film, etc.) and transport costs, which account for a significant proportion of the final price of such packaging and is itself affected by the cost of fuel.** Energy costs increased by 8.3% during the year ended 31 December, 2021 (see Sections 5.2.1.2, 5.2.1.2), compared to the financial year ended 31 December, 2020 in which the cost energy decreased by 5.8%. **Risk of interruption, subsidies related to the cost of energy by local authorities (especially in Germany and Italy), such as the reduction of energy taxes applicable in the countries concerned (see Section 9.1.2 "Regulations for the glassmaking industry").** These subsidies could be called into question, in particular due to the application of European rules on state aid.	Definition and implementation of a hedging policy for CO_2 allowances and energy costs, of multi-year sales contracts by the Group Purchasing Department, in consultation with the Group's Finance Department and the Group's Treasury and Financing Department, in accordance with the guidelines set by the Company's Board of Directors. The objective of the hedging strategy is to limit exposure to price fluctuations. Parameters of the energy price hedging strategy defined according to market conditions, over 3 years, with a target coverage rate of eligible volumes at the end of year N of 100% for year N+1, 50% for year N+2 and 25% for year N+3. These parameters are then validated at energy committee meetings attended by the Chief Executive Officer, the Chief Financial Officer and the Group Purchasing Director. Similarly, a hedging policy is in place for Verallia's CO_2 purchases (within the limits of the visibility offered by the allowance allocation mechanism). Introduction of price revision clauses in the Group's multi-year sales contracts with its most important customers, which take into account changes in energy costs and inflation. Such clauses allow part of the increases (but also decreases) in energy costs to be passed on to sales prices. The Group's commercial policy in place since 2018: to negotiate sales price increases with its customers (e.g. for contracts without price adjustment clauses which covers most of the sales contracts entered into by the Group) – when placing orders or renewing contracts annually, as the case may be – at the end of the year, according to anticipated changes in production costs and based, where applicable, on the prices negotiated with its suppliers for the coming year or the parameters of derivative instruments put in place (in the case of energy purchases, for example). This gives it visibility on the impact of changes in production costs in the coming year and enables it to pass this on as effectively as possible to its sales prices. This policy enables the Group to generate a positive spread[1] on its sales (see Section 5.2.1.8 "Adjusted EBITDA" of this Universal Registration Document). The Group's energy price hedges set up in the form of derivative instruments as of 31 December 2021 are described in the Section on "Financial instruments" in the notes to the consolidated financial statements.

4.1.1.4. Risks related to changes in the price of raw materials and cullet shortages

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Changes in the price of raw materials (such as glass sand, limestone and soda ash (natural or synthetic) and cullet (recycled glass)). As at 31 December 2021, raw material purchases represented 20% of the Group's cost of sales. During the 2021 financial year, raw material costs, excluding packaging and energy, remained stable. At the date of this Universal Registration Document, the Group has not entered into any hedges on raw materials. In recent years, the cullet market has experienced an imbalance between supply and demand, which has contributed to a significant price increase. However, the price of cullet, which accounted for slightly more than half of the Group's raw material purchases in the 2021 financial year, continued to vary significantly from one geographical region to another, particularly due to: – regulatory, organizational and financial disparities in the collection and recycling of used glass; – the distance of cullet supply centers from production sites. Finally, if cullet were to be in short supply due to supply or price constraints, the Group would have to increase the proportion of soda ash required for glass production, which would result in higher energy costs and consumption, as the melting temperature of soda ash is higher than that of cullet, and would also entail the risk of not meeting CO_2 emissions reduction targets (see 4.1.2.2 "Risks associated with the failure to meet CO_2 emissions reduction targets").	– Negotiation with the Group's suppliers of price structures best suited to the expected changes in the cost of raw materials in the short and medium term, assisted by its Purchasing Department. – Impact of the increase in the cost of raw materials passed on directly or indirectly to the Group's sales prices, in particular through price revision clauses included in some of the multi-year contracts concluded with several of its most significant customer or, in most cases, through commercial negotiations with customers when placing orders or renewing contracts annually. – With regard to cullet, development of numerous initiatives by the Group to optimise its use by improving the collection of household glass, as well as by improving the quality of cullet during treatment, through the signing of Joint-Venture contracts to ensure the volume of cullet (for example in Germany) or by increasing its use in glass production (some of the Group's furnaces use up to 95% cullet). – Cullet treatment facilities, with the introduction of new treatment solutions in order to be able to recycle most of the cullet at the Group's disposal in its furnaces (see the section below on managing the risks associated with relations with certain suppliers and subcontractors). – The rate of use of external cullet is now a strategic programme of the Company, with projects covering the three pillars related to increased cullet use (collection, treatment and chemical management of glass). This activity falls under the CO_2 programme, which is reviewed quarterly and also monthly monitored. This structure has been replicated for the division's activities. Furthermore, Cullet committees have been set up in each country in order to specifically monitor local medium-term projects and initiatives, as well as to share best practices. These committees are led by the Cullet Category Purchasing Director. These two management mechanisms ensure short reaction times in the event of operational deviations in both operational and development activities. – Parallel diversification of external sources of supply of treated cullet to mitigate price increases for the portion of cullet not covered by Verallia's facilities (owned directly or through a partnership).

4.1.2. Operational risks

4.1.2.1. Risks related to the operation of industrial sites

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Risks related to the Group's manufacturing processes Working with molten materials with the aid of heavy machinery and equipment poses risks of industrial accidents, molten glass spills, explosions, fires, but also potential nuisance to nearby communities and environmental hazards such as the accidental release of pollutants or hazardous products like carbon dioxide, nitrogen oxide or sulphur oxide. These events may cause: – unexpected interruptions to activities; – total or partial destruction of installations, – environmental pollution; – bodily injury to employees, subcontractors and local residents (which could lead to legal action) as a result of human error, equipment failure, damage, malicious acts, terrorism and natural or exceptional events such as the Covid-19 pandemic or force majeure. Those risks may be aggravated for sites exposed to an increased risk of natural disasters (such as droughts, fires, flooding or earthquake). An example was the exceptional snowfalls that occurred in Germany in 2021. In addition, the Group's operations and results depend in particular on the optimization of its manufacturing facilities in order to maximize production. The Group's manufacturing processes are characterized by high fixed manufacturing costs and continuous production requiring its furnaces to be kept at high temperatures 24 hours a day, with a dependence on the supply of energy (e.g. gas, electricity, fuel oil) or materials (e.g. sand, soda ash, cullet) or water (which is essential for cooling the installations). Shortages or difficulties in supply can lead to furnaces being put on standby and thus to a temporary halt in production. Any interruption in the production process could lead to a loss of revenue for the Group, even though it continues to incur fixed costs, and prevent the Group from fulfilling orders and/or cause it to lose customers, resulting in contractual penalties in some cases. The Group could also face significant delays regarding the works of its furnace rebuilding or unscheduled investments such as furnace repair that become necessary following the occurrence of incidents, liability claims and a significant increase in the cost of its insurance policies.	– Three major pillars of the Group's industrial risk management policy: 1. prevention, 2. protection, and 3. anticipation. To support this approach, an organization specializing in industrial risk prevention engineering audits the Group's plants each year (all production sites before Covid, half in 2021 due to the health crisis), helps to identify risks and makes recommendations to mitigate the risks or protect the facilities. These recommendations are analyzed and implemented, in order of priority, within the framework of multi-annual action plans. – Implementation of business continuity plans at each of the Group's key sites to anticipate vulnerabilities and avoid prolonged interruptions to the supply of energy or materials needed to run machinery and equipment, in view of the risks of natural disaster and other major incident risks. Each business continuity plan defines different actions to be implemented in the event of an incident, which helps to reduce the consequences of such events. – Permanent commitment to develop and use safe industrial processes, promoting a "zero accident" culture and protecting the health and safety of its employees by implementing Environment, Hygiene, Health and Safety procedures, taking into account the main issues related to the industrial processes.

4.1.2.2. Risks associated with the failure to meet CO_2 emissions reduction targets

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Verallia has positioned itself as a leader in the sector by setting very ambitious CO_2 emissions reduction targets in October 2021, in line with the aim of limiting global warming to 1.5°C. These targets have become a major strategic focus for Verallia. The Group has further strengthened this commitment by issuing "Sustainability-Linked Bonds" that include the achievement of CO_2 emissions reduction targets in the Bond's valuation indicators. It would therefore be damaging for the Group not to achieve these objectives in terms of reputation and image with its customers, investors and employees. Indeed, CO_2 emissions reduction is now a key driver of investors' decisions, and the Group' customers are feeling a similar pressure to reduce their CO_2 emissions. As a result, they also place CO_2 intensity as a major selection factor in their procurement decisions. In addition, certain environmental regulations aimed at reducing carbon dioxide emissions and introducing carbon dioxide emission allowances have been and will continue to be adopted (see Chapter 1.5.3 "Regulatory environment"). As part of phase IV (2021–2030), the Group believes that, despite its efforts to reduce its CO_2 emissions, it will be obliged to continue its policy of purchasing allowances, for significant amounts, which could increase its operating and financial costs. Furthermore, CO_2 emissions reduction is closely linked to cullet consumption. Indeed, in the event of a shortage of cullet, it may be necessary to increase the energy consumption and the melting temperature for glass production (see "4.1.1 Risks related to changes in the price of raw materials and cullet shortages").	– The Group's new target is to reduce CO_2 emissions by 46% (scope 1 and scope 2) in absolute value, taking 2019 as the reference year for 2030 (see Section 2 of the Extra-Financial Performance Statement). – CO_2 emissions reduction is now a strategic programme of the Company, with projects covering the three major components of CO_2 emissions generation at Verallia: raw material emissions through specific projects on cullet consumption, energy consumption in our plants and the supply of low carbon or renewable energy. This program is reviewed quarterly at the Group level. The control structure has been replicated for the division's activities. In addition, scope 1 and scope 2 emissions are monitored and reviewed on a monthly basis at plant level, and reported via industrial reporting. – The Group has already implemented projects aimed at improving the energy efficiency of its industrial sites and reducing their carbon dioxide emissions in order to adapt the Group's manufacturing facilities to the current and future tightening of regulations regarding the reduction of carbon dioxide emissions. – For example, the Group's technical teams have designed a system of baffles which restrict the amount of cold air entering furnaces, generating energy savings of around 2%. These baffles are now installed during each furnace renovation; – In addition, an initiative has been put in place based on the principles of the circular economy, allowing the energy used to be recovered by extracting heat from furnaces, primarily for the purpose of heating buildings (e.g. at the Wirges and Neuburg sites in Germany). – Furthermore, the Group is working on projects involving breakthrough technologies, resulting in significant investment and expenditure, with a view in particular to designing and building low-carbon furnaces (hybrid furnaces and electric furnaces).

4.1.2.3. Risks related to IT systems

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Failure of an IT system The Group relies on its information systems to run its business (including to manage its furnaces, monitor its supplies, orders and product invoicing, communicate with its customers, manage its personnel and provide the necessary information to its various operational managers for decision-making). The management of its activity is thus increasingly dependent on information systems (infrastructure, networks and software applications). Despite a policy of strengthening and continuously monitoring the resilience and security of its information systems, a major failure or interruption resulting from an incident (such as a power outage or fire), computer virus, cyber attack or other cause could have a negative impact on the conduct of the Group's business. **Failure of an IT service provider** In addition, the Group outsources certain elements of its information systems and certain activities in order to optimize the management of its resources and improve the efficiency and security of its IT infrastructure. The Group relies on the quality of work and the expertise of its service providers in this area and, despite the care taken in selecting these providers, is therefore exposed to the risk that they may fail to fulfil their obligations. **IT access risk** The Group grants access rights to certain parts of its information systems to a significant number of its employees as well as to third parties, such as external service providers (IT service providers and consultants, in particular). Accordingly, the Group is exposed to the risk that users might be able to access data or functionalities that they were not supposed to access, which could lead, for example, to the disclosure of sensitive data or the manipulation of the Group's operational or financial data. **Data leakage risk** The Group relies on data sharing (emails, chats, documents) to collaborate, centralise information and increase efficiency. Unauthorised access to an information system or malicious use of legitimate access rights to a system or data can lead to the unauthorised disclosure of data.	– Global IT security policy and its strategy, annually reviewed, is based on five pillars: 1. stringent use of the latest technology (constant updating of systems, workstations and servers, including security at industrial sites, strong authentication for remote access, privileged user accounts and backup plan); 2. secure access and application rights; 3. detection for immediate response to threats; 4. user awareness and 5. governance based on best practices; – Various actions, carried out or under way to, strengthen the security of IT infrastructures and hardware, particularly with regard to treasury and industrial systems, which, in turn, help limit the risk of internal fraud and external intrusion. – Introduction of centralized monitoring enabling detection, analysis and rapid response (Security Operation Center); – Several annual actions to raise employee awareness of cyber risk, and in particular (phishing) and (ransomware). – Attack simulation (redteam) to test our entire strategy and processes (resilience, detection, reaction, compliance with basic procedures, awareness etc.). – Taking out a cyber risk insurance policy; – Disaster recovery plan that relies on a regularly tested backup, recovery and versioning policy for user (PC) and application (server) data, based on technological diversification and an architecture that reduces the risk of exposure to a systemic incident. – GDPR and security questionnaire for the Group's private and sensitive data inventory undertaken in connection with each new project coordinated by the security team and the legal team. Application access rights management and review of privileges granted in order to ensure that only strictly necessary privileges and authorizations are granted; Data classification; Capture of logs and audit trails for centralised analysis.

4.1.2.4. Risks related to the balance between supply and demand and the adaptation of the manufacturing facilities

DESCRIPTION OF THE RISK	RISK MANAGEMENT

Imbalance between supply and demand for glass
 	
The Group's business in its regional markets depends on both the relationship between glass packaging production capacity and the volume of demand for such packaging. The ratio of production capacity and volume of demand is a regionally relevant indicator for the Group. The cost of transporting packaging, exacerbated in some countries due to the lack of available transport, such as in Italy and Northern Europe, makes it difficult to transfer excess capacity between distant markets.
 	
This imbalance can be due to:
– the increase in production capacity in a given market, against a background of strong competition between glass packaging producers, which can lead to an imbalance between a sudden increase in supply and a gradual increase in demand;
– a sudden drop in demand, resulting in particular from unforeseeable events such as the Covid-19 pandemic, which affected, among other things, the volumes of still and sparkling wine bottles sold in 2020;
– an increase in demand that is lower than the Group's forecasts.
 	
Coupled with the essentially regional nature of the Group's markets, the occurrence of such events may result in downward pressure on prices in the market in question until demand adjusts to supply.
 	
Adaptation of the manufacturing facilities
 	
The Group's industrial organization (non-stop work over five shifts) limits the ability to immediately adapt supply to more volatile demand. The cost of capacity investments and the time these take to be implemented (the time to start-up a new furnace is around 18 to 24 months) increase the lack of flexibility. For example, the 2017, 2018 and 2019 financial years saw available capacity squeezed in Spain and Italy, markets where there had been strong growth, which led to demand exceeding supply. To meet demand, in 2019 the Group began to build a new furnace in Azuqueca, Spain and another in Villa Poma, Italy. Both furnaces were commissioned in first quarter 2021, the start-up originally planned for 2020 having been postponed due to the Covid-19 pandemic.
	– Introduction of marketing and competitive intelligence with continuous monitoring of changes in production capacity in the Group's direct and indirect markets, based on available public information and announcements made by the Group's competitors.
	– Internal network (sales and management) heedful of changes in demand and any event that could lead to under or overcapacity in the Group's markets.
	– During the development phases of the Group's business plans and budget:
	  – implementation of a steering system with regard to the Group's internal capacities ;
	  – analyses of demand and market trends ;
	  – regular updates of production capacity developments and forecasts.
	– Ability to shut down temporarily (extend the downtime due to furnace repairs, for example) or permanently some lines in response to demand and implementation of action plans to improve flexibility (line switched to the production of jars rather than bottles).
	– In France, in 2021, continuation and strengthening of efforts to boost the competitiveness of manufacturing facilities through the non-rebuild of one furnace with a view to adapt production capacity to the volume decrease on the French market.

DESCRIPTION OF THE RISK	RISK MANAGEMENT
The temporary inability to meet a sudden increase in demand for glass packaging could cause some of the Group's customers to turn to the Group's glass container competitors, or substitute other types of packaging for their products from the Group's competitors. It could even result in new conditions that could favour the export of competing products by competitors located in border areas. Lastly, the Group may have to resize, upwards or downwards, its industrial facilities in certain regions in order to adapt to these significant changes in supply or demand. These fluctuations could lead the Group to temporarily or permanently shut down certain furnaces or plants, which could entail significant costs.	

4.1.2.5. Risks related to the implementation of the operational excellence programme of the Group

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Risk related to the implementation of the operational excellence programme As part of its industrial strategy, the Group has implemented an operational excellence programme for the last several years (see Section 1.3.1 of this Universal Registration Document), strengthened in 2018 with the roll-out of the Verallia Industrial Management (VIM) 2.0 initiative. This focuses on security, quality, industrial performance, the reduction of production costs (thanks in particular to the implementation of the Performance Action Plan (PAP) to improve industrial performance), customer service and team management. This program has helped the Group to improve its adjusted EBITDA, notably through a significant decrease in cash production costs for the 2021 financial year, with a gain, net of industrial variances, of €41 million (see Section 5.2.1.8 "Adjusted EBITDA" of the Universal Registration Document). The Group intends to continue to implement this plan in support of its development strategy and the achievement of its mid-term objectives set out in Section 5.4 of this Universal Registration Document. The Group may not be able to implement this plan within the time frame and in accordance with the terms initially planned, or may not derive the benefits initially expected or maintain its competitive position.	– Implementation of a robust management system based on monthly dashboards by region and plant, reviewed each month by the Director of Operational Excellence (VIM), the Group's Operations Director and the Chairman and Chief Executive Officer, as well as three two-day in-depth reviews per year by the Group's Director of Operational Excellence (VIM) accompanied by the Group's Head of Industrial Management Control. – Reinforcement of change management at each plant and implementation of training for stakeholders, with strong support from the Group. – Two annual sessions to analyse production losses or inefficiencies (during the plan and budget phases) held to identify and select cost reduction projects for each plant, as well as the recent introduction of a new metric to measure the ability of plants to launch regular Performance Action Plan (PAP) projects. – Stringent monitoring of the progress of action plans (adjusted as often as necessary to achieve the minimum annual cost reduction target), carried out by the Operations Department and the Finance Department.

4.1.2.6. Risks related to occupational health and safety

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Failure to comply with labour legislation Human resources are one of the Group's key business assets. Labour law regulations, including occupational health and safety and the use of temporary workers, particularly affect its business. Although the Group makes significant efforts to ensure both compliance with regulations and the adequacy of employee training, qualifications and reliability, it cannot guarantee the absence of potential shortcomings in these areas. Failure by the Group or its employees, temporary staff or subcontractors to comply with these obligations could result in: – large fines, claims against it and the employing company; – the loss of authorizations and qualifications. In addition, these regulations are subject to regular changes and the strengthening of constraints; adapting the Group's organizational structure to these new constraints entails additional costs. **Risk of accidents** The Group is also exposed to the risk of accidents involving its employees or subcontractors at their workplace (particularly industrial sites) or while travelling. Despite the attention paid to safety and working conditions, the Group cannot exclude the occurrence or increase, in frequency and severity, of work-related accidents and illnesses. The Group's glass business involves employees who work in high temperature environments. In the past, in order to protect employees and facilities, the Group made use of asbestos at certain production sites (see Section 4.1.4.2 "Risks related to litigation and ongoing investigations, particularly in relation to occupational diseases").	– Permanent commitment of the Group to develop and use safe industrial processes, promote a zero accident culture and protect the health and safety of its employees. – Implementation of Health, Safety and Hygiene procedures that take into account the main issues related to industrial processes, such as, for example, workstation ergonomics, the reduction of potential exposure to dust and legionella, exposure to noise and heat, and chemical risk management (e.g. carbon dioxide, nitrogen oxide and sulphur oxide emissions). Exposure to chemicals is checked periodically at each site and monitored at Group level. – Regular checks (in the form of audits of our plants) organised by the Operations Department to ensure the effective implementation of our Health, Safety and Hygiene standards, which are reviewed and reinforced as often as necessary. – Training of subcontractors in the specific risks and in Verallia's tools, especially during furnace rebuild. Special arrangements exist for furnace rebuilds, with safety welcome desks and the appointment of local representatives, often plant personnel, who can pass on safety information. Lastly, the risk analysis of work carried out by our subcontractors is validated by the Environment, Health and Safety manager of the site or the project manager.

4.1.2.7. Risks related to relations with certain suppliers and subcontractors

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Default of certain suppliers The Group uses many suppliers of raw materials and components. The Group's top 10 suppliers accounted for approximately 19% of the Group's supplies for the 2021 financial year. For certain very specific supplies, the Group may rely on a limited number of suppliers. This is the case for the supply of soda ash, in a sector where production is highly concentrated, and for sand supplies. The default of important or exclusive suppliers, as a result of: – social movements; – unexpected stock shortages; – quality defects; – major delivery delays linked to maritime transport, aggravated by the Covid crisis; – production disruptions due to successive waves of Covid; – export restrictions or sanctions and – more generally, any disruption in supply could affect the Group's production capacity or result in additional costs. **Default of certain subcontractors** The Group may, for certain services and products provided to its customers (such as logistics or storage services), use subcontractors acting in the Group's name and on its behalf. The Group is responsible for the services provided by its subcontractors should they fail to carry out their duties in accordance with the regulations and within the agreed deadlines. In addition, the Group's subcontractors may be small companies, which may generate an important part of their revenue from the Group. In accordance with local legislation governing the termination of contracts by a party in a situation of economic dependence, the Group would be exposed to difficulties arising from the termination of the subcontract and having to pay compensation to the defaulting subcontractor. Lastly, although many measures are taken to this effect, the Group cannot guarantee that its suppliers and subcontractors comply with local labour laws and environmental and ethical standards in the course of their activities.	– Search for several suppliers where possible, with geographical diversification and selection of suppliers offering the most innovative products, combined where appropriate with multi-year contracts with key players in the sector. A strong collaborative approach aimed at sharing our volume forecasts with our critical suppliers and thus anticipating both longer delivery times and greater risks of disruption in the supply chain in this period strongly impacted by Covid. – Particular attention paid to sourcing from India and China, which represents less than 3% of our purchases, mainly relating to Capex, with an emphasis on the development of local contingency solutions. – Initiatives carried out by the Group to identify new suppliers each year, particularly to avoid any dependence on suppliers, or even to develop the in sourcing of certain critical raw materials. For example, with regard to the supply of cullet, the Group operates eight cullet processing centers, including two located in France, operated through Everglass; three located in Italy, including two operated through Verallia Italy's subsidiary Ecoglass and one operated as part of a partnership with Vetreco; two located in Germany operated as part of a partnership with Remondis; and two located in Spain, one of which is operated as part of a partnership with Calcin Iberico – Close scrutiny by the Group to ensure that its suppliers and subcontractors comply with applicable labour laws, social protection laws and social and environmental standards. The Group has drawn up a charter on employee rights, health and safety, and environmental and ethical standards, which its suppliers must sign and to which they must adhere. – Implementation of procedures for identifying cases of single-source suppliers, managed by region and at the central level; preparation of the appropriate action plans; quarterly monitoring of the progress of action plans; analysis of the financial position of critical suppliers at least once a year.

DESCRIPTION OF THE RISK	RISK MANAGEMENT
If it turns out that these suppliers and subcontractors have not complied with local labour laws or environmental or ethical standards, the Group's reputation and results could be adversely affected. In addition, the replacement of a supplier or subcontractor as a result of such events could force the Group to bear additional costs and disruptions or interruptions in production.	– Implementation of a specific ESG (Environment, Social, Governance) procedure effective in the majority of the Group's host countries. The Group has introduced a procedure for identifying environmental, social, human rights, ethics and responsible purchasing risks based on risk mapping, with supplier assessments, on-site audits and management of the associated corrective action plan (see Section 2.6.1). – Pooling of supplier creation at the regional level and rationalisation of the global supplier base managed by the Group so as to strengthen supplier monitoring and control.

4.1.2.8. Risks related to labour relations and human resources

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Risk of labour disruptions The Group's operations may be disrupted by labour disputes such as strikes, walkouts, industrial action or other social unrest, which could also have a material adverse effect on the Group's operations, profits and image. A substantial number of hours are typically lost to strikes every year in France. **Collective bargaining risks** In the various countries where its plants are located, the Group, in accordance with its principles of action and social dialogue, negotiates and concludes numerous collective agreements with the social partners, some of which are fixed-term and subject to renegotiation. Such collective bargaining has in the past, and could in the future, create industrial unrest, such as strikes, or increase labour costs through the payment of higher compensation packages. **Resource management risks, including maintaining a high level of commitment and the risk of turnover in the Group's leadership.** **Risk related to poor media crisis management** Verallia could be publicly attacked in the press and held responsible for any problem, whether internal (i.e., related to HR, labour, financial, environmental, legal matters) or external (cyber-attack, collateral victim of a media crisis affecting a competitor or business partner). As a result, Verallia would have to bear direct/indirect costs in order to deal with the situation and damage to its reputation.	– In 2021, Verallia France implemented a growth and competitiveness pact agreed upon by all of the Company's employees. The Company also signed a telework agreement and a disconnection agreement. – Agreements accompanying organizational changes linked to the implementation of new furnaces are signed on a regular basis. – The Group has set up a periodical engagement survey, the implementation of the related action plan and a succession plan reviewed periodically. – Awareness-raising programmes on well-being at work, diversity and inclusion have been introduced within the Group. These programmes contribute to the development of an inclusive workplace culture which helps to foster a positive corporate image among employees. – The Group's Communication Department manages all sensitive issues internally; crisis management procedures for incidents are followed, and press relations are governed by a communications charter that specifies the roles and responsibilities of each party.

4.1.2.9. Risks related to the Group's international operations

DESCRIPTION OF THE RISK	RISK MANAGEMENT
As of 31 December 2021, the Group operated 32 production sites (with a total of 58 operating furnaces) and 3 decoration sites in 11 countries. The Group generated 14.5% of its consolidated revenue for the 2021 financial year in Eastern Europe and Latin America, i.e. Russia, Ukraine, Brazil, Argentina and Chile. In general, the Group's activities in these countries involve higher risks than in Western European countries, including: – volatility in gross domestic product (for example, Argentina recorded a decrease in gross domestic product of (9.9%) in 2020, after having recorded a decrease of (2.0%) in 2019 and (2.6%) in 2018; Argentina recorded a growth in gross domestic product of +10.4%[1] in the first 10 months of 2021; – a relatively unstable economic situation, frequently higher and fluctuating interest rates (such as in Argentina, which is facing hyperinflation (see Section 4.1.3.1 "Risks related to exchange rates"), and Brazil), and social and political instability; – increased risks relating to corruption and business ethics; – weaknesses of health systems, which renders them vulnerable in case of a crisis such as the COVID pandemic; – sometimes significant changes in regulations, especially tax regulations, or their imperfect application and complex tax regimes, such as in Brazil, Russia or Ukraine; – difficulties in obtaining enforcement of contracts or court decisions (especially in Russia and Ukraine) or difficulties in collecting or enforcing payments, or in complying with unclear legal provisions;	– Creation of a Group and regional Risk Committee. – Regular monitoring of the effective implementation of the Group's key management procedures. – Quarterly letters of affirmation signed by regional Directors. – Stringent local monitoring of changes in the geopolitical and economic environment in countries where the Group operates. – Introduction of a compliance policy and compulsory in-house training in ethics and compliance in countries where the Group operates. – Compulsory training in embargo and sanction procedures for all the stakeholders involved; – Coordination of an insurance programme to cover all the risks of the subsidiaries locally, with MASTER policies at Group level providing coverage for differences in conditions and limits compared to local policies. – Regarding the risk of war, Definition of a business continuity plan also direct to safeguard the Company's personnel and protection from hacker attacks.

DESCRIPTION OF THE RISK	RISK MANAGEMENT
– nationalisation or expropriation of private property (expropriation without sufficient compensation to rebuild the plant or equipment identically); – customs duties, protectionist measures and licensing obligations for imports and exports; – difficulties in recruiting or retaining employees; – non-compliance with the Group's risk management procedures due to the Group's decentralised structure; – significant fluctuations in interest and exchange rates (such as the devaluation of the Argentine peso and hyperinflation in Argentina (see Note 2.4 "Transactions in foreign currencies" to the Group's consolidated financial statements for the year ended 31 December 2021) or the depreciation of the Brazilian Real); – exchange control measures and other unfavourable government intervention measures or restrictions, such as in Argentina, for example; – the risk of war, materialized in Ukraine, which first of all concerns the risk associated with safeguarding the Company's personnel, the integrity of the infrastructures and of the information system and, in general, the business continuity. The Verallia plant is located in the west of Ukraine, therefore at the date of this Universal Registration Document, less affected by the risk compared with the east of Ukraine; – sanctions risks in certain countries (Russia in particular), which are being define at the date of this Universal Registration Document; – acts of terrorism.	

Source: World Bank, IMF.

4.1.2.10. Risks related to the occurrence of natural disasters

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Natural disaster risk The Group's industrial facilities are exposed to risks related to the occurrence of natural disasters such as fires, floods, hurricanes and earthquakes (or other climatic events). Risks which, due to climate change, could tend to increase. The Group's production sites in Chile, Argentina and a few in Italy are exposed to a high risk of earthquakes. The Essen production site in Germany and the Group's production sites in part of the Po Valley in Italy are located in flood-prone areas. These climatic events may require the Group to set up additional means of protection on sites in high-risk areas, engaging additional costs. Moreover, due to the extent of the damage that may be caused by such events, insurance companies are likely to increase their costs and/or limit, or even refuse to maintain the coverage taken out by the Group for natural disasters. The occurrence of a natural disaster could result in: – the destruction of all or part of the Group's facilities and, consequently; – the increase in various costs and constraints related to repairs or associated temporary mitigation measures; – compensation for bodily injury to employees and local residents and the payment of penalties; and – the indefinite interruption of production and supply to customers, particularly in Argentina and Chile, where the Group has only one production site, which limits alternative solutions from another Group production site.	– Implementation of a global PDBI insurance programme with reputable and financially sound insurance companies. – The coverage arranged takes into account the major risks that the Group's manufacturing facilities could be exposed to, and in particular the damage and operating losses caused by natural disasters. – Establishment of a risk mitigation and business continuity plan by the Group for each site.

4.1.2.11. Risks related to defective products

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Risk of defective products In the event of products not conforming to its standards, for various reasons (such as accidental or deliberate contamination of raw materials, failure of production equipment or human error), the Group may have to suspend production and incur substantial costs in order to: – undertake the necessary corrective actions; – proceed with recall campaigns; and – compensate customers and/or those in the distribution chain and/or end consumers for the damage suffered. Even in the absence of any negligence or fault on its part, the Group could suffer damage to its image and reputation as a result of defective products, which could cause it to lose market share.	– Ensuring that all our plants comply with strict food safety regulations (Regulation (EC) No. 178/2002 of the European Parliament and of the Council of 28 January 2002) through ISO 22000, FSSC 22000 or BRC certification covering these requirements. – Drive for continuous improvement in terms of Quality Control and Manufacturing Process Control. – Removal from the production line of any packaging that does not comply with the Group's quality standards. Installation of automated testing equipment, which the Group regularly invests in, to check the quality of packaging throughout the production process at each of its production sites. The wide range of technical equipment used (video cameras, inductive and mechanical sensors, light beams etc.) means that the size of the packaging, its ability to withstand stresses and its appearance can all be checked. – Implementation of traceability procedures so that packaging can be tracked from receipt of the raw materials through to processing, production and distribution and shipping; The aim is to be able to isolate part of the production process in the event of reported issues affecting packaging quality. – Insurance policy taken out by the Group to cover any harmful consequences caused by products supplied by the Group.

4.1.2.12. Risks related to acquisitions and partnerships

DESCRIPTION OF THE RISK	RISK MANAGEMENT
The Group may consider value-creating acquisitions in order to generate additional revenue growth. However, the estimated profits from future or completed acquisitions may not materialise within the time or to the extent expected as a result of the various difficulties outlined below. The integration of newly acquired companies could result in substantial costs, as well as delays or other financial difficulties (such as the emergence of liabilities greater than those assessed during the due diligence phase of the acquisition process) and operational difficulties (such as the inaccuracy of the assumptions made in the business plan of the acquired companies, particularly with regard to synergies and performance). In addition, acquisitions in a new country and/or in a country that is not the Group's home country could involve increased risks (see 4.1.2.7). In addition, as part of its activities, the Group has entered into and may enter into a number of strategic partnerships and joint ventures with local companies, as is the case in Argentina through the Group's Rayen Curá subsidiary, in which it holds 60% of the shares, alongside the diversified Chilean group Cristalerias Chile. As part of the corresponding partnership or joint venture agreements, the Group may be required, for the purpose of making certain decisions, to seek the agreement of its partners whose interests may not be aligned with its own or who may disagree with the terms of the partnership (e.g. IVN, see Section 5.7 "Legal and arbitration proceedings").	– Definition of a strict acquisition and partnership policy in terms of strategic relevance and valuation. – Thorough legal and financial due diligence on targets. – And, in the event of consolidation, implementation of a governance mechanism to protect the Group's interests and adoption of the Group's key procedures by the newly consolidated entity.

4.1.3. Financial risks

4.1.3.1. Risks related to the exchange rate

DESCRIPTION OF THE RISK	RISK MANAGEMENT
A part of the Group's assets, liabilities, income and expenses are denominated in currencies other than the euro. The preparation of the Group's financial statements (denominated in euros) requires the conversion of these assets, liabilities, income and expenses into euros at the then-applicable exchange rates. Consequently, changes in exchange rates against the euro affect the amount of the relevant line items in the Group's financial statements even if their value remains unchanged in their original currency (foreign exchange translation risk). Beyond this conversion risk, the Group's results are not significantly affected by changes in exchange rates, since, as a general rule, the Group's costs and revenues are denominated in the same currency. This is due to the regional or local nature of the Group's markets. However, some subsidiaries located in Eastern European countries that export products in the currency of the importing country may be exposed to exchange rate fluctuations; the same applies to subsidiaries located in Latin American countries that purchase raw materials and energy or make investments in US dollars and euros (foreign exchange transaction risk). In the normal course of business, the Group may also be exposed to foreign exchange risk on certain financial liabilities denominated in a currency other than the functional currency of certain subsidiaries. The main currencies to which the Group is exposed and which are subject to foreign exchange translation risk are the Brazilian real, the Argentine peso, the Ukrainian hryvnia and the Russian ruble. The sensitivity of these currencies on equity is described in Note 20.2.2 "Foreign exchange risk" to the Group's consolidated financial statements for the year ended 31 December 2021. Moreover, following the sharp increase in the cumulative inflation rate over several years in Argentina, such that it is considered to be a hyperinflationary economy, the Group was required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" to its activities in Argentina as from 1 January 2018. Applying this standard requires the revaluation of non-monetary assets and liabilities, equity and profit and loss to reflect changes in purchasing power in local currency. These revaluations may lead to a gain or loss on the net monetary position included in net financial income. In addition, this standard requires the subsidiary's statement of income to be converted at the closing rate rather than the average rate for the period. The net impact on revenue due to hyperinflation in Argentina is disclosed in Note 5.2.4 "Fluctuations in exchange rates".	– Exchange rate movements are regularly monitored and assessed by the Group. Operational subsidiaries invoice (and are invoiced) in their functional currency wherever possible. The Group builds its production sites close to its customers wherever possible. For the subsidiaries concerned by an exposure to foreign exchange risk, subscription by the subsidiaries concerned of foreign exchange hedging derivatives either with Verallia Packaging, which concludes – in its name but for the benefit of the said subsidiaries – said transactions, or, failing that, with their relationship banks. The objective of the hedging policy is to reduce the exposure to unfavorable exchange rate fluctuations, where possible, by aligning the characteristics of the hedging instrument with the underlying in order to limit the potential sources of ineffectiveness and the impact on the Group's consolidated net income as much as possible.

4.1.3.2. Risks related to the Group's borrowings and liquidity risk

DESCRIPTION OF THE RISK	RISK MANAGEMENT
As at 31 December 2021, the Group's total gross debt amounted to €1.76 billion (see Note 17 "Borrowings and financial debts" to the Group's consolidated financial statements for the financial year ended 31 December 2021). The Group's debt could have negative consequences, including: – requiring the Group to allocate a portion of the cash flows from its operating activities towards the remuneration and repayment of its debt; – increasing the Group's vulnerability to business slowdown or economic conditions; – limiting the Group's flexibility to plan or react to changes in its activities and its sector; – limiting the Group's ability to make investments or carry out its external growth policy; – limiting the Group's ability to reward its shareholders (payment of dividends). In addition, the Group's ability to comply with the restrictions contained in the Group's various financing documents, meet its obligations, pay interest on its borrowings or refinance or repay its borrowings under the terms and conditions provided for therein will depend on its future operating performance and may be affected by several factors (including economic conditions, debt market conditions, regulatory developments etc.), some of which are independent of the Group. The Senior Credit Agreement also requires the Group to comply with a financial ratio (see Note 17.6 "Covenants" to the Group's consolidated financial statements for the financial year ended 31 December 2021). A breach by the Group of its commitments or these restrictions could constitute an event of default under the Group's various financing documents. In the event of default which is neither remedied nor waived, the creditors concerned may terminate their commitment and/or require that all outstanding amounts become immediately due. This could activate cross-default clauses on other contracts of the Group. Such events could have a material adverse effect on the Group, and even lead to its bankruptcy or liquidation. In the context of a crisis, the Group may not be able to obtain the financing or refinancing necessary to implement its investment plan or to obtain such financing or refinancing on acceptable terms. The contractual expiry dates of the Group's financial liabilities, including interest payments, are presented in Note 20.1 "Liquidity risk" of the Group's consolidated financial statements for the year ended 31 December 2021.	– The Group's overall exposure to liquidity risk is managed by the Group's Treasury and Finance Department. The Group's policy aims to ensure the sustainability of its financing and, in line with this objective, to diversify sources and stagger maturities while optimising financial costs (see Note 17.2 "Change in gross financial debt" to the Group's consolidated financial statements for the financial year ended 31 December 2021).

DESCRIPTION OF THE RISK	RISK MANAGEMENT
The Group is also exposed to the risk of interest rate fluctuations insofar as a portion of its debt bears interest at a variable rate equal to EURIBOR plus a margin. In addition to potential fluctuations in EURIBOR, the margins applicable under the Senior Credit Agreement may increase (or decrease) depending on the level of the Group's pro forma consolidated total net debt-to-EBITDA ratio. (see Section 5.2.9 "Material Contracts"). As of 31 December 2021, the Group's outstanding variable rate debt, after taking into account derivative instruments, amounted to €18.1 million and the Group's outstanding fixed rate debt amounted to €1,744.9 million, including accrued interest. The sensitivity, as at 31 December 2021, of pre-tax income to the impact of changes in the interest rate applicable to the Group's borrowing costs is presented in Note 20.2.1 "Interest rate risk" of the Group's consolidated financial statements for the year ended 31 December 2021.	– Management of interest rate risk by the Group's Treasury and Financing Department, which has implemented, in accordance with the guidelines set by the Company's Board of Directors, a policy to guarantee the financial cost of the Group's global medium-term debt against the risk of interest rate fluctuations. – Implementation by some Group subsidiaries of hedging derivatives with Verallia Packaging, which has entered into interest rate hedging transactions for this purpose, in its name and on its behalf but also for the benefit of these subsidiaries.

4.1.3.3. Risks related to substantial investments and their financing

DESCRIPTION OF THE RISK	RISK MANAGEMENT
In order to maintain the operational excellence of its industrial facilities, the Group makes significant recurring investments, representing approximately €200 million per year in recent years, including expenses related to the construction of new equipment and the reconstruction and maintenance of its existing facilities. Taking into account the "strategic" investments related to the construction of new furnaces and, since this year, to CO2 emissions reduction, the Group's total investments amounted to approximately €250 million per year over the past few years. As announced at the Investor Day on 7 October 2021, the Group will continue to pursue a disciplined investment policy, with total investments of around 10% of its consolidated revenue (excluding capitalisation of the right-of-use related to the application of IFRS 16). The Group must generally rebuild seven to eight furnaces each year on average. For example, during the year ended 31 December 2021, the Group invested €89 million to rebuild eight furnaces. The Group has decided to build a second furnace at the Jacutinga site in Brazil, which is planned to open at the end of 2022 (planned investment: €60 million), as well as a new furnace at the Campo Bom site in Brazil (€80 million, planned to open at the end of 2023) and a new furnace at the Pescia site in Italy (€70 million, planned to open in 2024). Lastly, as part of its strategic investments, the Group intends to invest significant amounts of approximately €200 million in the coming years to reduce its CO_2 emissions (see Section 5.3 "Investments" of this Universal Registration Document). The Group may be unable to finance such expenditures if it does not generate enough cash from operations or if its available credit facilities are insufficient. The Group's ability to generate cash flows depends in particular on demand for the Group's products, the cost of energy and raw materials, and the Group's success in reducing its costs (PAP). If the Group were unable to meet its investment needs for any reason, it could find itself unable to maintain and develop its production capacity, which could have an adverse effect on its business, results, financial position, non-financial position (CO_2 emissions) and outlook.	See the paragraph above "Risks related to the Group's borrowings and liquidity risk" – "Risk management". In addition, stringent and ongoing management of results (including profitability, cash and savings plan) to ensure cash generation in relation to day-to-day operations (Investment Committee).

4.1.4. Legal risks

4.1.4.1. Risks related to environmental regulations, compliance and taxation

A) Environmental regulations

DESCRIPTION OF THE RISK	RISK MANAGEMENT
The Group's activities are subject to a number of specific regulations relating to the products sold, such as regulations on compliance with industrial, safety, health and environmental standards, as well as complex and changing tax legislation in the different countries where the Group's production sites are located. **Environmental regulations** This regulation covers in particular: – pollution prevention; – the treatment of all kinds of industrial waste (especially gases and effluents); – the monitoring of industrial sites and their operating conditions, their possible decontamination (particularly of the soil); – the treatment of packaging waste, noise pollution, production; – storage, handling, transport and treatment of hazardous waste, dust and fumes; and more generally, public health and food safety (see Chapter 1 "Legislative and regulatory environment"). A tightening of the legislation applicable to the Group's activities and/or a change in its interpretation by the competent authorities could: – entail significant additional costs or investments, as was the case with environmental liability legislation based on the "polluter pays" principle and resulting from European Directive 2004/35/EC (see Chapter 9); – entail additional costs or logistical constraints for some of the Group's customers who may choose to reduce or even discontinue the use of glass packaging for their products. Regulatory developments; – affect the Group's prices, margins, capital expenditure, and operations, especially if these regulations lead to significant or structural changes in the food packaging market that could affect the Group's share of the glass market.	**Environmental regulations** – Significant and recurring investments in the renovation of the Group's industrial equipment (e.g. furnaces), the compliance and safety of production equipment and installations and productivity improvements. – ISO 14001 and ISO 45001 certification for all Group glass production sites and ISO 22000 certification for 30 glass production sites as of 31 December 2021 (see Section 1.5.1 of this Universal Registration Document), which ensure that a system exists for managing the impacts on the Group's business. – Implementation of contracts with protective clauses.

DESCRIPTION OF THE RISK	RISK MANAGEMENT
The Group's activities also require numerous permits and authorizations in various fields, including those relating to the environment, safety and public health, such as operating permits, wastewater discharge permits, water abstraction permits and authorizations for the transportation and disposal of regulated waste, which are subject to renewal, modification, suspension and possible revocation by administrative and governmental authorities. Thus, a change in legislation or the position of the authorities responsible for issuing operating permits at the date of this Universal Registration Document could force the Group to comply with nitrogen oxide emission limits that are significantly lower than those currently applicable to its production sites (for example in Ukraine and Italy). These new limits could in particular apply, depending on the country, to existing facilities, newly built furnaces or furnace rebuilds with a capacity increase. The application to the relevant sites of a much lower limit on nitrogen oxide emissions than the one currently in force could mean having to install an electrostatic precipitator at a significant unit cost in order to comply with the new limit. Environmental issues may lead governments and EU institutions to implement new regulations (see Chapter 1.5.3) that may be binding on the Group, such as the limit of 100 ppm of heavy metals per bottle applicable in the European Union, required by Directive 94/62/EC on packaging and packaging waste, as amended; as an exception, bottles made from recycled glass may contain more than 100 ppm of heavy metals, except those decorated with enamels containing even the tiniest amount of heavy metals. The implementation of these new regulations could limit the Group's ability to manufacture packaging and may result in the Group having to make significant investments in order to comply with them. In addition, the Group cannot control its customers' final exports, nor can it rule out the possibility that bottles it has produced at production sites located in the European Union in accordance with European legislation may be used for the packaging of products sold in certain states of the United States, in breach of local regulations, which in such situations would expose it to financial penalties. The Group may also be required, under European Directive 2010/75/EU on industrial emissions, as amended (the "IED Directive"), or under other laws and regulations, to conduct soil and groundwater assessments at some of its sites, which may reveal previously unknown contamination.	

B) Compliance

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Inappropriate or unlawful conduct on the part of the Group's employees, managers, and/or external third parties acting in the name of and on behalf of the Group presents a legal and reputational risk. Even more so given that the Group is present in countries with a higher risk of corruption, such as Brazil, Argentina, Chile, Russia and Ukraine, where transactions are carried out from time to time with agents or consultants in such countries. In addition, due to its market and geographical scope, the Group is also exposed to risks related to the violation of the provisions of competition law and risks related to the non-compliant processing of personal data. Any suspected or confirmed case of corruption, any breach of or non-compliance with competition law, any conduct contrary to applicable laws and regulations, and more generally, any unethical behavior that the Group's officers, employees and/or business partners reportedly engage in could expose the Group to the risk of prosecution and sanctions. This could damage its reputation, results and business prospects and lead to a loss of confidence among investors and customers.	– Introduction of a code of ethics, an anti-bribery and anti-trading in influence policy, an antitrust policy, an agents and intermediaries policy,a gift and invitation policy and rules applicable within non-profit organizations; – Implementation of a training program (competition law and "Sapin law" training via e-learning for all executives concerned); – Anonymous whistleblowing system available to employees and third parties; – An Ethics & Compliance section on the intranet, in Teams and on the Verallia website; – One compliance officer per legal entity; – Inclusion for non-compliance risks in internal audit controls and work programs; – Evaluation of specific Group partners (such as customers, suppliers and agents) according to the internal criticality assessment carried out in accordance with the Group's established methodology; – Country updates regarding legislation on personal data processing, IT analysis, identification of relevant managers and training on personal data processing.

C) Taxation

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Because of its international operations, the Group is subject to transfer pricing rules, which can be particularly complex and open to different interpretations. The Group is also subject to rules limiting the deductibility of interest in certain countries. Changes in tax legislation or its interpretation by the competent authorities could have a significant adverse effect on: – its tax position, its effective tax rate; – the amount of taxes; – the amount of other compulsory levies to which it is subject; and – its reporting obligations. Failure by the Group to comply with applicable regulations could result in financial and/or criminal sanctions, or even temporary or permanent closure of the relevant sites.	– No legal entity located in any of the nine countries listed in Annex 1 of the European Union's "list of non-cooperative tax jurisdictions" (formerly the "black" list) and in any of the fifteen countries listed in Annex 2 of the same list (formerly the "grey" list). – The Group has implemented a transfer pricing policy adapted to the different transactions carried out by the companies. – Tax monitoring is carried out by staying abreast of legislative and regulatory developments and by participating in experts' conferences.

4.1.4.2. Risks related to litigation and ongoing investigations, particularly in relation to occupational diseases

DESCRIPTION OF THE RISK	RISK MANAGEMENT
The activities of the Group's companies may give rise to legal proceedings in criminal, tax, labour and environmental matters, as well as arbitration proceedings in civil liability, competition law and intellectual property matters, and may also give rise to administrative proceedings. In addition, the Group is particularly exposed to claims relating to occupational diseases. The Group's glassmaking business involves work performed by its employees in a high-temperature environment, requiring protective equipment against heat and contact with hot parts. Similar to other industries whose activities require work to be performed in a high-temperature environment, the Group used asbestos as an insulator, mainly in protective equipment, to protect its employees and facilities. This protective equipment was used until technological advances made it possible to replace asbestos with new materials. In addition, because of the age of some of the Group's sites, some buildings were built using asbestos cement. The refurbishment or repair of these buildings results in increased costs and constraints due to the presence of such materials. The Group is also exposed, particularly in France, to: – legal proceedings for recognition of the occupational nature of asbestos-related illnesses, resulting in (i) compensation for the Group's current and former employees for gross negligence on the part of the employer and (ii) an increase in social security contributions, which depends on the social security systems in the countries in which the Group operates; – actions to have the prejudice of anxiety recognized, namely "harm suffered as a result of alleged exposure to harmful or toxic substances likely to engender a high risk of developing a serious pathology, on the basis of common law and the employer's failure to fulfil its safety obligation" (see Section 18.5 "Legal and arbitration proceedings"), resulting in compensation for employees and former employees in respect of said harm.	– Verallia is carrying out a plan to remove asbestos from its installations in each country. The implementation of this plan will continue. The target of removing all asbestos has been achieved in some countries, such as Italy in 2021; – Group Health and Safety Policy aimed at improving working conditions.

DESCRIPTION OF THE RISK	RISK MANAGEMENT
In addition, other legal actions related to the glass business may be brought by employees or former employees of the Group. These legal actions relate primarily to occupational health issues, and include: – actions related to exposure to noise generated by the forming machinery; – actions related to the use of sand in the composition of glass; – actions related to the use of certain products likely to contain heavy metals or solvents for decoration activities; – actions related to exposure to smoke inhalation; – as well as actions related to occupational diseases, such as silicosis or legionellosis, resulting from exposure to certain materials and installations present on the Group's production sites, or actions related to occupational diseases such as musculoskeletal disorders (MSD), resulting from repetitive movements. See Section 6.1 Note 18.1 for details regarding the most significant disputes.	

4.1.4.3. Risks related to customs barriers

DESCRIPTION OF THE RISK	RISK MANAGEMENT
Exports of the Group's products represent a limited portion of its revenue, but for a growing number of its customers, particularly wine and spirits producers in France, Italy and Spain, these exports account for a more significant portion. The volume of exports was impacted by the COVID pandemic but also by an additional cost related to customs tariffs. The closure of borders due to the pandemic or the increase in customs barriers and other trade restrictions imposed by certain countries could cause a slowdown in world trade and a drop in export volumes. This drop in exports would affect the Group's customers and lead to a decline in orders placed with the Group. For example, the US government increased customs duties by 25% in 2019 on products from certain countries, in particular still wines from France and Spain. Moreover, an expansion of the tax base in the United States implemented in 2019 and applicable in 2021 to all still wines, including bulk wines, as well as wine-based spirits, such as high-end cognac (sparkling wines and champagne are still excluded), will have an impact on Verallia's business which, according to internal estimates, would likely be limited, even in the event of a future increase in the rate or an extension to sparkling wines. Finally, in the trade and customs agreements governing the UK's exit from the EU on 31 January 2020, no quotas or taxes have been put in place on the export of wines and spirits to the UK.	– The natural diversification of the Group's geographical locations reduces its exposure to increases in customs barriers, which can favor countries not affected and partially offset the negative impact on others (in 2020, for example, Italian wines were not affected by the increase in customs duties imposed by the United States on French and Spanish wines in particular, and the very strong activity of our Italian customers supported our volumes while our French and Spanish customers could be affected); – Since the Group does not have any presence in the UK (and the sales volume to this destination is not significant), the impact of Brexit upon it is limited. However, it is more difficult to quantify the impact on the volumes exported by our customers to the UK; – Implementation of a regular monitoring of the negotiation process with the United States and appropriate action plan preparation.

4.2. Risk management and internal control system

4.2.1 Risk management policy

4.2.1.1 Objectives, organization, mechanisms

Objectives

Risk management is closely monitored by the Group's management, which closely involves the internal control and internal audit functions:

- risk management consists of identifying, assessing and prioritizing risks in order to ensure that the Group's risk management strategy is the most appropriate. Risk management also makes it possible to mitigate significant residual risks and to define and monitor the action plans put in place;
- the main objective of internal control is to enable the Group to achieve its objectives by defining and implementing appropriate internal controls to identify risks related to the Group's activities;
- internal audit ensures the effectiveness of internal control systems and provides recommendations for improvement where appropriate.

Organizational framework

Organization en place in 2021:

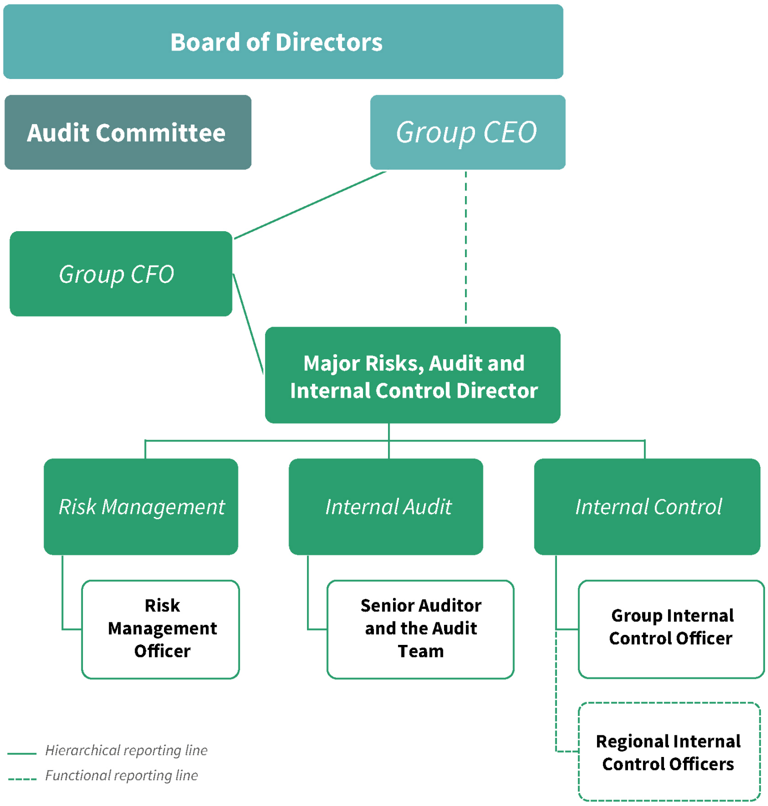
At Group level

- The identification and treatment of the Group's major risks are monitored by a dedicated team that reports directly to the Finance Department, under the supervision of the Group Risk Committee. Such an organizational structure enables the Group to identify and prevent the risks it may face. The Risk Department, which is part of the Audit and Internal Control Department, regularly reports to the Audit Committee.
- The Risk, Audit and Internal Control Department, which reports hierarchically to the Chief Financial Officer and functionally to the Group's Chairman and Chief Executive Officer, is responsible for drawing up an audit programme that monitors and takes into account the mapping of major risks. The Risk, Audit and Internal Control Department regularly reports to the Audit Committee. It plays a central role in establishing an internal control reference framework at Group and subsidiary level, defining the appropriate controls to be put in place to address the risks identified and coordinating the subsidiaries' internal control systems.

At the legal entity level

- Risk management and internal control are the responsibility of the operational departments of each of the Group's entities, under the functional control of the Group's Risk, Audit and Internal Control Department. Within each of these entities, the person responsible for risk management (generally the chief financial officer, or a person under his or her hierarchical or functional responsibility) is in charge of verifying the proper application of prevention procedures and has the possibility of implementing new procedures.

Organization of major risks, audit and internal control



Governance

– In addition, since January 2019, a Group Major Risks and Compliance Committee has been meeting in order to monitor the action plans for internal control, risk management, compliance and audit. Risk Committees also meet regularly at regional level.

Audit Committee

- **Attendees:** the members of the Audit Committee, the Chairman and Chief Executive Officer, the Chief Financial Officer, the Major Risks, Audit and Internal Control Director, the General Counsel, in presence of the Statutory Auditors
- 5 meetings per year *(including 1–2 meetings on the subject of major risks, internal control and compliance)*

Group Risk and Compliance Committee

- **Attendees:** the Chairman and Chief Executive Officer, the Chief Financial Officer, the General Counsel, the Human Resources Director, the Operations Director, the Major Risks, Audit and Internal Control Director and the Compliance Director
- 3 meetings per year, including 2 with each Regional Risk Committee

Regional Risk Committee

- **Attendees:** the Operations Director, the General Counsel, the Human Resources Director and the Chief Financial Officer for the region
- Regular meetings

Risk management and internal control system

The Group's overall risk management and internal control system is applied at different levels (sites, functional departments, subsidiaries, regions) and is based on several elements, including:

- management of industrial risks;
- management of other operational risks;
- mapping of the Group's major risks;
- mapping of the Group's corruption risks;
- monitoring the Group's internal control system; Internal control also runs an annual campaign for the self-assessment of its internal control systems by all the Group's operating entities and monitors the action plans relating to these systems;
- the compliance monitoring system;
- internal audit, which, as an independent assurance role, evaluates the effectiveness and functioning of the main processes of the audited companies, in coordination with other risk management systems, and reports to the Group Risk Committee and the Audit Committee.

The Statutory Auditors review the internal control system and procedures and carry out an annual assessment of the internal control system. They participate in all Audit Committees.

With regard to internal control and risk management, at the date of this Universal Registration Document, the Group follows the main recommendations proposed by the AMF's reference framework and application guides and the recommendations of the working group's report on the Audit Committee, published in July 2010.

Audit Plan, mission and follow-up

The internal audit mission is to provide objective assurance and propose improvements regarding the internal control system, processes and governance.

Internal audit missions are scheduled in accordance with the Audit Plan validated by the Audit Committee.

The Audit Plan includes:

- rotation of audits covering all of the Group's operational entities, based on the annual internal control self-assessment questionnaire and the specific risks related to the Group's entities;
- cross-functional audits on a specific topic related to the Group's internal control system, which may be carried out in relation to one or more of the Group's entities or the Group as a whole, depending on specific needs;
- follow-up audits of action plans on site or remotely when necessary; and
- anti-corruption audits.

The final report, including the action plans, is validated by the Internal Audit Director and sent to the Chairman and CEO and the Finance Directors of the Group and the audited entity.

The Action Plan is shared with the Group's Internal Control and progress made in connection with the implementation of the action plans is regularly monitored, in particular at the Group Risk and Compliance Committee meetings.

In order to adapt to the particular context of the COVID pandemic, an agile remote auditing system was put in place, also with the support of local service providers, where necessary.

4.2.1.2 Operational risk management

Risk management refers to the measures implemented by the Group to identify, analyze and control the risks to which it is exposed. The risk management system is regularly monitored by the management of the Group's operating entities. The Chief Executive Officers of the regions and the functional managers of Verallia report major risks to the Group Risk Committee and other operational risks to the Risk, Audit and Internal Control Department during the audit preparation phase.

As part of its major risk management procedure, the Group prepares a mapping of the major risks which are described in Section 4.1 above. The process of developing and reviewing the mapping of major risks, which was introduced in 2016 and reviewed in 2018, 2020 and 2021 (every 18 months), makes it possible to identify the major risks to which the Group is exposed and to assess, for each of them, their potential impact, taking into account their criticality (i.e. their severity and probability of occurrence), the Action Plan put in place by the Group's entities or departments, and the persons responsible for monitoring and the associated controls.

In accordance with the procedure and depending on the actual progress of each action plan, year-end adjustments are made on a case-by-case basis to the assessment of major risks.

In 2016, a specific corruption risk map was produced, the first major step in the rollout of a comprehensive anti-corruption programme in accordance with Law No. 2016-1691 of 9 December 2016 on transparency, anti-corruption and economic modernization. The Group conducted a periodic assessment of its corruption risks in light of its existing policies and controls and on the basis of an internal questionnaire sent to subsidiaries in 2017.

In 2018, the Group completed a formal mapping of its corruption risks based on the questionnaire created with the help of an external service provider. The questionnaire was sent out to subsidiaries again in 2019.

In 2020, the Group decided to work with an external service provider to update its previously prepared mapping of the potential risks related to corruption and influence peddling. The method involved identifying, analyzing and prioritizing the risks of the Group's exposure to external solicitations for corruption purposes, taking into account in particular the business segments and regions in which the Group operates. The update was intended to:

- provide a better overview of the corruption risks identified by the Group;
- adjust the risk rating method using a new version of the questionnaire sent to subsidiaries (for example, switching from gross risks to net risks in accordance with the recommendations of the Agence Française Anti-Corruption (French Anti-Corruption Agency) and compiling all the qualitative and quantitative information enabling this analysis). The survey was also accompanied by various interviews. This mapping did not reveal any new risks, but it did help to clarify the granularity and specificity of certain risks.

This update was refined in 2021.

4.2.2. Information system

The Group's IT systems come under the responsibility of the Information Systems Department and are organized by department (infrastructure, applications and cybersecurity) and by region.

Management of the Group's infrastructure and information systems and data hosting are entrusted to external service providers, industry leaders whose service commitments are managed by an internal team of technological experts and outsourced services, with the exception of certain areas relating to industrial management requiring less substantial infrastructure and managed internally by the Group. The Group owns most of its servers, with the exception of those rented on the cloud from an external provider, a leading Cloud services company.

The Group has also established a global security policy covering its information systems, taking into account, in particular, the lessons learned from the NotPetya cyber-attack (see 4.1.2 "Risks related to IT systems"). Among other things, this policy includes the establishment of an information systems security policy (also covering industrial IT), rules applicable at Group level and the implementation of high-performance security software and applications. The Group performs regular security audits on its information systems. This policy is reviewed annually to take into account the evolution of threats and the results of the various audits.

The Group's information systems include a large number of software and applications, mostly purchased off-the-shelf, such as the SAP software suite, and used in particular to manage the logistics chain, produce consolidated financial data, and manage customers, reporting, supplies and employee pay. The applications are managed at the central level by the Group Applications Director, who works with a local counterpart.

4.2.3. Insurance policies

The Group's insurance policy is coordinated by the Group's Legal Department, with the support of the operational departments.

In coordination with the Industrial Department, each Group company provides the Legal Department with the information required to identify and qualify risks that are insured or insurable and implements the useful means to ensure business continuity in the event of a disaster. On this basis, the Legal Department, with the assistance of brokers, negotiates annually with the major insurance carriers to set up the most appropriate coverage for these risks.

The Group's main policies, underwritten by internationally renowned insurance companies, include civil liability insurance and property damage and subsequent business interruption insurance. Some entities have taken out their insurance policies directly in their local market and also benefit from the coverage of the Master policies put in place for the Group.

The implementation of insurance policies is assessed on the basis of the level of coverage necessary to deal with the reasonably estimated occurrence of liability, damage or other risks. This coverage is based on the evaluations made by the insurers and the conclusions of the annual audits carried out by the engineering departments of the Group's property and casualty insurance provider. The underwriting criteria take into account the supply of the insurance market, which excludes certain risks, or imposes specific limits, for example, in the event of natural events such as floods, storms, earthquakes and tsunamis. These events could have a significant uninsured financial impact, both for the cost of reconstruction and for lost production, in the case of extreme scenarios.

Due to tougher market conditions and higher deductibles on its property and casualty programme, the Group has opted to transfer the risk on its property and casualty programme to the insurance market through a captive reinsurance company domiciled in Luxembourg. This intervenes in excess of the deductible for the amount of €2 million per loss, with a limit of €3 million in aggregate per year for all the Group entities.

The joint subsidiaries in which the Group is a minority and holds non-controlling interests are outside the scope of the above programmes. Insurance is contracted separately.

5

ANALYSIS OF FINANCIAL POSITION

Readers are invited to read the following information on the Group's results in conjunction with the Group's consolidated financial statements for the financial year ended 31 December 2021, as contained in Section 6.1 of this Universal Registration Document.

The Group's consolidated financial statements for the financial year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The Statutory Auditors' audit report on the Group's consolidated financial statements for the financial year ended 31 December 2021 is contained in Section 6.2 of this Universal Registration Document.

5.1. Highlights of the 2021 financial year

The Group is the third largest producer globally and the leading European producer (based on revenue)[1] of glass packaging for beverages and food products. In terms of volumes sold, it is the second largest producer in Latin America[2]. The Group offers innovative, customised and environmentally friendly solutions to more than 10,000[3] customers worldwide.

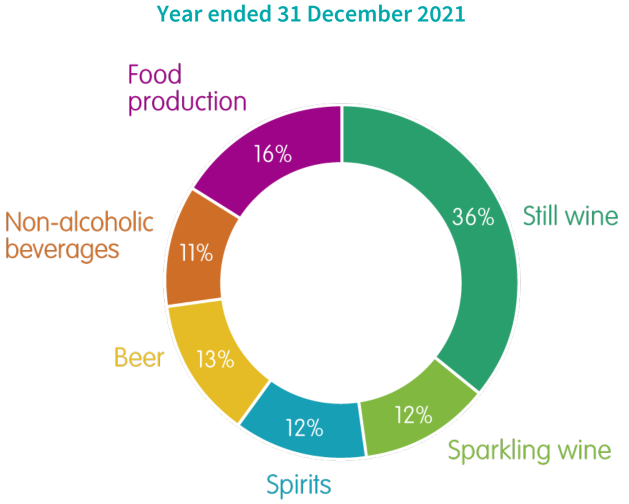
The Group uses the following segmentation for reporting purposes based on geographical area, depending on the location of the assets:

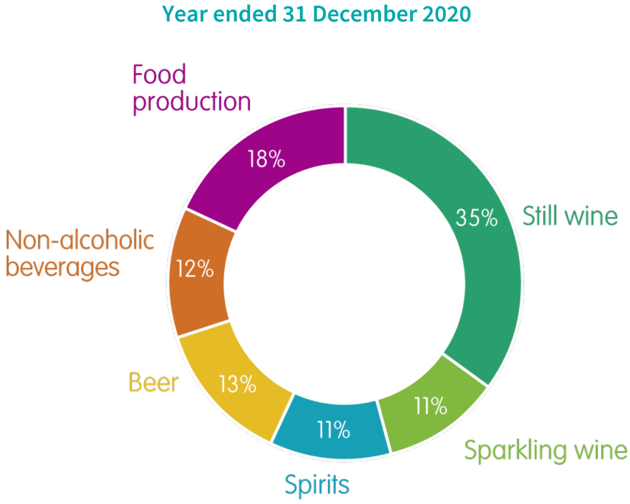
- Southern and Western Europe, comprising production plants located in France, Italy, Spain and Portugal. Southern and Western Europe accounted for 69% of consolidated revenue and 67% of the Group's adjusted EBITDA for the year ended 31 December 2021. The Group's operations in Southern and Western Europe are mainly oriented towards bottles for still and sparkling wines, packaging for spirits, and jars for food;
- Northern and Eastern Europe, comprising production plants located in Germany, Russia, Ukraine and Poland. Northern and Eastern Europe accounted for 20% of consolidated revenue and 17% of the Group's adjusted EBITDA for the year ended 31 December 2021. The Group's operations in Northern and Eastern Europe are mainly oriented towards bottles for beer, particularly in Germany, and jars and bottles for the food market;
- Latin America, comprising production plants located in Brazil, Argentina and Chile. Latin America accounted for 11% of consolidated revenue and 16% of the Group's adjusted EBITDA for the year ended 31 December 2021. The Group's operations in Latin America are mainly oriented towards bottles for still wines, as well as bottles for beer in Brazil.

The Group addresses a wide variety of end markets, ranging from bottles for still and sparkling wines to bottles for spirits, bottles for beer, jars and bottles for food and soft drinks. The breakdown of the Group's[4] revenue for the years ended 31 December 2021 and 2020 was as follows:

[1] On the basis of the revenue earned in 2021 by market players in Europe (as defined by these players), as extracted from publicly available information (annual reports and press releases in particular) and on the basis of Company estimates.
[2] Based on volumes sold in 2021 in Argentina, Brazil and Chile.
[3] Customers who placed at least one order during the 2017–2021 period.
[4] Based on revenue exclusively earned from the sale of jars and bottles, which represented 97% of the Group's consolidated revenue for the financial year ended 31 December 2021.

Breakdown of revenue by end market





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The Group's product mix showed an increase in sales for the year, with the exception of non-alcoholic beverages and food jars. Both these categories had experienced strong momentum in 2020 in the specific context of the various lockdowns and still showed an increase in the fourth quarter. The product mix continued to be marked by strong exposure to bottles for still and sparkling wines and containers for spirits, which together accounted for 60% of the Group’s revenue for the 2021 financial year. These end markets include a significant proportion of premium products which are less price-sensitive than the more standardised products, thus allowing the Group to generate higher margins on these products.

Overall, the Group's activities on the still and sparkling wine market are particularly exposed to exports, carried out by its wine-producing customers. The three most significant countries for the Group in terms of revenue, namely France, Italy and Spain, are the main exporters of still and sparkling wines in the world. The Group's activities in these markets were impacted in 2020 by both the Covid-19 pandemic and the decline in activity in the HoReCa sector, as well as by the customs barriers imposed by the United States on certain countries exporting still and/or sparkling wines. In 2021, sparkling wines and spirits enjoyed a clear rebound thanks to the continued recovery of exports to Asia and the United States.

Thus, after a volatile 2020, which was a highly variable basis for comparison from one quarter to the next, Group sales volumes in 2021 grew, returning to their pre-Covid 2019 level.

5.2. Analysis of the Group's results

5.2.1. Analysis of results for the years ended 31 December 2021

The table below presents the Group's consolidated income statement (in € millions) for each of the years ended 31 December 2021 and 2020.

CONSOLIDATED INCOME STATEMENT *(in € million)*	Year ended 31 December 2021	Year ended 31 December 2020
Revenue	**2,674.0**	**2,535.9**
Cost of sales	(2,042.4)	(1,968.2)
Selling, general and administrative expenses	(173.9)	(160.8)
Acquisition-related items	(59.7)	(60.4)
Other operating income and expenses	(4.9)	(30.1)
Operating profit	**393.1**	**316.4**
Financial income	**(56.8)**	**(45.8)**
Profit before tax	**336.3**	**270.6**
Income tax	(89.4)	(62.4)
Share of net profit (loss) of associates	2.4	1.4
Net profit	**249.3**	**209.6**

The year 2021 was marked by an improvement in the Group's financial performance compared to 2020. For 2021, this performance resulted in:

- an improvement in operating profit of +€76.7 million (+24.2%), from €316.4 million for the year ended 31 December 2020 to €393.1 million for the year ended 31 December 2021;
- an +8.4% increase in adjusted EBITDA to €678.1 million (+10.2% at constant scope and exchange rates) and an improvement in the adjusted EBITDA margin to 25.4% (up 70 basis points compared with 2020). This increase in EBITDA offsets the increase in financial costs and income tax.

Net income was €249.3 million (compared with €209.6 million in 2020). Finally, the Group continued to deleverage and had a net debt of €1,268.4 million (compared with €1,278.6 million in 2020), that is a ratio of 1.9x adjusted EBITDA for the last 12 months (2.0x in 2020).

5.2.1.1. Revenue

The Group's consolidated revenue showed a strong rise of +5.4% compared with the previous year, from €2,535.9 million for the year ended 31 December 2020 to €2,674.0 million for the year ended 31 December 2021.

At constant scope and exchange rates, revenue increased by +6.8% over the year (and by +5.0% excluding Argentina) with an acceleration in the fourth quarter, which saw organic growth of +10.2% (and +9.4% excluding Argentina). After a volatile 2020, which was a highly variable basis for comparison from one quarter to the next, Group sales volumes in 2021 grew, returning to their pre-Covid 2019 level.

The impact of the exchange rate effect is (1.3)% in 2021, (-(€33.3) million), and is mainly concentrated in the first half year. It is largely related to the depreciation of the Argentine peso and the Brazilian real and, to a lesser extent, to the Russian rouble. In the fourth quarter, the impact of exchange rates was positive by +2.2% (+€13 million).

All product categories recorded increased sales over the year, with the exception of non-alcoholic beverages and food jars. Food jars experienced strong momentum in 2020, thanks to the specific context of various lockdowns, and still showed growth in the fourth quarter of 2021. Sparkling wines and spirits rebounded sharply over the year as exports to Asia and the United States picked up.

An increase in sales prices in Latin America and a good product mix over the year at Group level also contributed to the growth in revenue.

By region, revenue for 2021 can be broken down as follows :

(in € million)	Year ended 31 December 2021	Change 2020 - 2021 In € million	In %	Year ended 31 December 2020
Southern and Western Europe	1,832.2	87.7	5.0 %	1,744.5
Northern and Eastern Europe	537.6	(16.8)	(3.0)%	554.4
Latin America	304.2	67.2	28.4 %	237.0
Consolidated revenue	**2,674.0**	**138.1**	**5.4 %**	**2,535.9**

Southern and Western Europe

Southern and Western Europe saw revenue grow by +5.0% (+5.1% at constant exchange rates and scope). The region took full advantage of new production capacities in the second half of the year. All product categories were up for the year, except food jars. Still wines and spirits recorded strong growth, after a difficult year in 2020. Sparkling wines have recovered well: the champagne market indeed achieved a record year in 2021, recording higher activity than in 2019, while prosecco continues to be popular in Italy and for exports. Beer is also doing well in all countries. Sales prices remained stable in the region.

Northern and Eastern Europe

In Northern and Eastern Europe, revenue decreased by (3.0)% ((1.8)% at constant exchange rates and scope). Exchange rate variations had a negative impact of (1.2)%, as a result of the depreciation of the Russian rouble. The decrease in revenue was concentrated in the first half of the year, with an increase in sales in the region in the second half of the year, which was particularly pronounced in sparkling wines and spirits. Sales prices also remained stable over the year.

Latin America

In Latin America, the Group reaped the benefits of having increased capacity in 2020. Revenue shows a strong increase of +28.4% (+39.3% organic growth). Annual revenue grew in all product categories except food jars. In addition, previous increases in selling prices in the region, particularly in Argentina in response to local hyperinflation, also contributed to the strong growth in revenue. Sales volumes, on the other hand, fell slightly in Argentina in the second half of the year, impacted by a fire in the third quarter which temporarily disrupted customer supply over the six-month period.

5.2.1.2. Sales costs

The cost of sales increased by +€74.2 million (+3.8%), from €1,968.2 million for the year ended 31 December 2020 to €2,042.4 million for the year ended 31 December 2021.

The change in the cost of sales is due in particular to the very sharp rise in the cost of packaging (+22.3%), transport (+11.6%) and energy (+8.3%).

As a percentage of revenue, the cost of sales contracted by 120 basis points during the year ended 31 December 2021, from 77.6% for the year ended 31 December 2020 to 76.4% for the year ended 31 December 2021. The Group managed to keep the increase in the cost of sales under control largely thanks in particular to its policy of hedging energy purchases to limit its exposure to energy price fluctuations and to the measures implemented under its industrial performance action plan (PAP) as part of the Verallia Industrial Management (VIM) 2.0 initiative.

Verallia generated a slightly positive inflation spread[5] at the Group level thanks to a strong product mix effect and despite the very sharp rise in energy, transport and packaging costs. However, the inflation spread is negative in Europe, where sales prices remained stable compared to 2020, thus not compensating for the increase in certain costs, while it was positive in Latin America thanks to dynamic sales price increases in the region.

[5] Spread represents the difference between (i) the increase in sales prices and mix applied by the Group after passing the increase in its production costs on to these prices, if required, and (ii) the increase in its production costs. The spread is positive when the increase in sales prices applied by the Group is greater than the increase in its production costs. The increase in production costs is recorded by the Group at constant production volumes and before production gap and the impact of the Performance Action Plan (PAP).

5.2.1.3. Selling, general and administrative expenses

Selling, general and administrative expenses increased by +€13.1 million (+8.1%), from €160.8 million for the year ended 31 December 2020 to €173.9 million for the year ended 31 December 2021.

Selling, general and administrative expenses include all expenses relating to general management, marketing, finance and accounting, computing, legal, human resources, technical, and research and development activities.

The increase in selling, general and administrative expenses during the year ended 31 December 2021 was mainly due to the increase in the Performance Share Plan, and other salary and selling expenses.

5.2.1.4. Other operating income and expenses

Other operating income and expenses fell significantly in 2021, from a net expense of €30.1 million for the year ended 31 December 2020 to a net expense of €4.9 million for the year ended 31 December 2021, representing a decrease of €(25.2) million.

In 2020, other operating income and expenses primarily corresponded to the €19.8 million in restructuring costs related to the transformation plan in France, including the costs related to the non-reconstruction of the furnace, impairment of assets and support measures occurring at the outset.

5.2.1.5. Operating profit

Operating profit increased by +€76.7 million (+24.2%), from €316.4 million for the year ended 31 December 2020 to €393.1 million for the year ended 31 December 2021.

The increase in operating profit for the year ended 31 December 2021 is primarily due to an improvement in the Group's profitability, marked more specifically by the rise in sales volumes, combined with the continued rationalisation of production costs under the Group's industrial performance improvement plan.

5.2.1.6. Financial result

(in € million)	Year ended 31 December	
	2021	**2020**
Interest expense excluding lease liabilities	(35.9)	(42.1)
Interest expense related to lease liabilities	(1.5)	(1.7)
Amortization of debt issuance costs, and other*	(11.0)	(11.7)
Financial income from cash and cash equivalents and other	16.0	10.0
Cost of net debt	**(32.4)**	**(45.5)**
Expenses related to refinancing	(7.0)	0.0
Foreign exchange gains and losses	(0.9)	8.0
Net interest expense related to pension plans and other benefits	(1.0)	(0.9)
Profit (loss) on net monetary position in Argentina (IAS 29)	(15.5)	(7.4)
Financial income	**(56.8)**	**(45.8)**

(*) Other: mainly corresponding to the amortization of funding costs and debt issuance premiums, as well as factoring fees and other bank charges.

Financial income decreased by €(11) million (-24%), from a net expense of €45.8 million for the year ended 31 December 2020 to a net expense of €56.8 million for the year ended 31 December 2021.

This decrease in net financial income is mainly due to foreign currency exchange effects over the period (€(8.9) million), the accelerated amortization of the upfront fees corresponding to the €1,000 million reimbursed part of the Term Loan A and the partial unwinding of related interest rate swaps (€(7.0) million), the effects of hyperinflation in Argentina (€(8.1) million), partially offset by the decrease in interest expenses on borrowings (+ €(6.2) million) and by the increase in financial investment income (+€6.2 million).

5.2.1.7. Net income

Net income grew from €209.6 million (or 8.3% of revenue) for the year ended 31 December 2020 to €249.3 million (or 9.3% of revenue) for the year ended 31 December 2021. This increase mainly stems from the improvement in adjusted EBITDA, which more than offsets the increase in financial costs and income tax.

As in previous years, net income for 2021 includes an amortization charge of €43 million and €0.36 per share (net of tax) for customer relationships recognized on the acquisition of Saint-Gobain's packaging business in 2015. Excluding this charge, net income would be €292 million and €2.37 per share. This charge was €43 million and €0.37 per share in 2020.

The share of net income attributable to the Company's shareholders amounted to €242.6 million for the year ended 31 December 2021 and €202.1 million for the year ended 31 December 2020. The share attributable to non-controlling interests amounted to €6.7 million for the year ended 31 December 2021 and €7.5 million for the year ended 31 December 2020.

5.2.1.8. Adjusted EBITDA

Adjusted EBITDA grew by +8.4% in 2021, from €625.7 million for the year ended 31 December 2020 to €678.1 million for the year ended 31 December 2021, representing an increase of +€52.4 million (+10.2% at constant scope and exchange rates). The unfavourable effect of exchange rates, concentrated in the first half of the year, reached €(11,2) million in 2021 and is mainly attributable to the depreciation of Latin American currencies as well as the depreciation of the Russian rouble.

Activity improved over the year thanks to higher sales volumes as well as a decrease in destocking compared to last year, which more than offset the additional fixed costs related to the start-up of two new furnaces (in Spain and Italy) in H1. The inventory level reached at the end of December was still lower than expected, due to the very high activity level at the end of the year.

Verallia generated a slightly positive inflation spread[6] at Group level thanks to a strong product mix[7] effect and despite the very sharp rise in the cost of energy, transportation and packaging. However, the inflation spread is negative in Europe, where sales prices have remained stable compared to 2020, thus not offsetting the strong increase in certain costs. On the other hand, inflation spread remains positive in Latin America thanks to dynamic sales price increases in the region.

The net reduction in production costs (PAP) once again strongly contributed to the improvement in EBITDA of €41 million (2.4% of production cash costs[8]).

The adjusted EBITDA margin increased to 25.4% from 24.7% in 2020.

[6] Spread represents the difference between the increase in sales prices and mix applied by the Group after passing the increase in its production costs on to these prices, if required, and the increase in its production costs. The spread is positive when the increase in sales prices applied by the Group is greater than the increase in its production costs. The increase in production costs is recorded by the Group at constant production volumes and before production gap and the impact of the Performance Action Plan (PAP).

[7] When excluding foreign currency transaction and translation effects and changes in perimeter, variations in revenue are primarily the result of changes in volumes sold or the price/mix effect. The price/mix effect is the result of a change in selling prices for the same product sold to the same customer ("pure price" effect) or a change in the customer mix (sale of the same article to different customers at different prices) or a change in the product mix (sale of different articles at different prices).

[8] Iso-volume production costs and unit prices, excluding selling, general and administrative expenses, transport costs, depreciation and amortization and provisions for claims.

In summary, the change in adjusted EBITDA consists of:

(in € million)	
2020 adjusted EBITDA	**625.7**
Activity contribution	*29.2*
Spread Price-Mix/ Costs	*4.1*
Net productivity	*40.4*
Exchange rate	*(11.2)*
Other	*(10.1)*
2021 adjusted EBITDA	**678.1**

By region, adjusted EBITDA for 2021 breaks down as follows :

Breakdown of adjusted EBITDA by region

		Change 2020 – 2021		
(in € million)	Year ended 31 December 2021	In € million	In %/bp	Year ended 31 December 2020
Southern and Western Europe				
Adjusted EBITDA	*452.8*	*33.7*	*8.0 %*	*419.1*
Adjusted EBITDA margin	*24.7 %*	*-*	*70 Pb*	*24.0 %*
Northern and Eastern Europe				
Adjusted EBITDA	*117.1*	*(9.4)*	*(7.4)%*	*126.5*
Adjusted EBITDA margin	*21.8 %*	*-*	*(104) Pb*	*22.8 %*
Latin America				
Adjusted EBITDA	*108.2*	*28.1*	*35.1 %*	*80.1*
Adjusted EBITDA margin	*35.6 %*	*-*	*177 Pb*	*33.8 %*
Consolidated adjusted EBITDA	**678.1**	**52.4**	**8.4 %**	**625.7**
Consolidated adjusted EBITDA margin	**25.4 %**	**-**	**68 Pb**	**24.7 %**

Southern and Western Europe

In Southern and Western Europe, adjusted EBITDA increased considerably by +€33.7 million (+8.0%), from €419.1 million for the year ended 31 December 2020 to €452.8 million for the year ended 31 December 2021, giving an adjusted EBITDA margin of 24.7% at 31 December 2021 compared to 24.0% at 31 December 2020. Higher sales volumes and a positive product mix drove the increase in EBITDA. However, the inflation spread turned negative in the second half of the year due to the sharp rise in certain costs. Ultimately, the region's industrial performance was also good, despite the difficulties encountered by France at the start of the year due to social movements linked to the transformation plan, which affected production.

Northern and Eastern Europe

In Northern and Eastern Europe, adjusted EBITDA totalled €117.0 million at 31 December 2021 compared with €126.5 million at 31 December 2020, bringing the margin down to 21.8% from 22.8%. This decline is mainly attributable to the negative inflation spread linked to the sharp rise in factor costs, as well as to the slight decline in volumes in the first half the year. In addition, the region's industrial performance is in line with the cost reduction objective.

Latin America

In Latin America, adjusted EBITDA increased by +€28.1 million (+35.1%), from €80.1 million for the year ended 31 December 2020 to €108.2 million for the year ended 31 December 2021, resulting in a margin of 35.6% at 31 December 2021 compared with 33.8% at 31 December 2020. This excellent performance is due to the increase in sales volumes in a highly dynamic market, combined with a positive inflation spread and solid industrial performance. Additionally, in the first half of the year, Brazil benefited from the decision of the Brazilian Federal Supreme Court on the Tax on Commerce and Services (ICMS), the positive impact of which was offset by a fire in Argentina in the third quarter.

5.2.2. Key performance indicators

The Group uses revenue (see Section 5.2.1.1 for an analysis of the change in revenue for the years ended 31 December 2021 and 2020), adjusted EBITDA, operating cash flow, cash conversion, free cash flow and capital expenditure (see Section "Capital expenditure" of this Universal Registration Document) as key performance indicators. These performance indicators are monitored by the Group regularly to analyse and assess its operations and their momentum, measure their performance, prepare earnings forecasts and take strategic decisions.

Adjusted EBITDA, operating cash flow, cash conversion and free cash flow are alternative performance measures according to AMF position No. 2015-12.

The latter are not standardised accounting measures meeting a single definition generally accepted by IFRS. They should not be considered as substitutes for operating profit, net profit or cash flows from operating activities, which are measures defined by IFRS, or a measure of liquidity.

Other issuers may calculate adjusted EBITDA, operating cash flow, cash conversion and free cash flow differently from the definitions used by the Group.

5.2.2.1. Adjusted EBITDA

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020	Change
Adjusted EBITDA (in € million)	678.1	625.7	8.4 %
Adjusted EBITDA margin	25.4 %	24.7 %	68Pb

Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortization and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plan costs, disposal-related effects and subsidiary contingencies, site closure expenses, and other items.

5.2.2.2. Cash conversion, operating cash-flow and free cash-flow

The main performance indicators used by the Group to analyse its cash flow are cash conversion, operating cash flow and free cash flow.

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020	Change
Operating cash flow	502.3	442.2	60.1
Free cash flow	329.3	315.7	13.6
Cash conversion	62.2 %	60.0 %	225Pb

Operating Cash flow

Operating cash flow represents cash flow plus the change in operating working capital .
Cash flow corresponds to operating profit adjusted for depreciation, amortization and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plan costs, disposal-related effects and subsidiary contingencies, site closure expenses and other items (i.e. adjusted EBITDA) less Capex.

Free cash flow

Cash flow from operations rose sharply to €502.3 million compared with €442.2 million in 2020, thanks to the increase in adjusted EBITDA and a sharp decline in working capital requirements. Indeed, in terms of days of sales compared with the end of December 2020, inventories have remained at a very low level given the strong activity while payment delays remain extremely low.

Reconciliation of operating profit to adjusted EBITDA, operating cash flow and free cash flow

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020	Change
Operating profit	**393.1**	**316.4**	**76.7**
Depreciation, amortisation and impairment(1)	281.1	276.4	4.7
Restructuring costs(2)	(2.7)	19.9	(22.6)
Acquisition and M&A costs	0.0	0.1	(0.1)
IAS 29, Hyperinflation (Argentina)	(4.8)	2.9	(7.7)
Management share ownership plan and associated costs(3)	10.1	5.8	4.3
Other(4)	1.3	4.3	(3.0)
Adjusted EBITDA	**678.1**	**625.7**	**52.4**
Capex(5)	(256.3)	(250.5)	(5.8)
Cash flow	**421.8**	**375.2**	**46.6**
Change in operating working capital(6)	80.5	67.0	13.5
Operating cash flow	**502.3**	**442.2**	**60.1**
Other operating impact (7)	(39.8)	(29.6)	(10.2)
Interest paid & other financial costs	(41.8)	(36.7)	(5.1)
Cash Tax	(91.4)	(60.2)	(31.2)
Free Cash Flow	**329.3**	**315.7**	**13.6**

(1) Includes amortisation of intangible assets and depreciation of property, plant and equipment (Note 5.2 to the Group's consolidated financial statements), the amortisation of intangible assets acquired through business combinations (Note 6.1 to the Group's consolidated financial statements) and impairment of property, plant and equipment (Note 6.2 to the Group's consolidated financial statements).

(2) In 2020 mainly corresponds to the transformation plan carried out in France, including the costs of shutting down the furnace and support measures in the event of staff departures (Note 6.2 to the Group's consolidated financial statements). In 2021 the amount corresponds to the re-estimation of these costs.

(3) Corresponds to share-based compensation plans and associated costs (Note 5.2 to the Group's consolidated financial statements).

(4) In 2020 corresponds primarily to donations and purchases of personal protection equipment made by the Group during the Covid-19 crisis.

(5) Excluding rights of use under IFRS 16.

(6) Taking into account only the impact of cash flows (Note 14 to the Group's consolidated financial statements).

(7) Other operating impacts consist mainly of the cash effect of IFRS 16 restatements and the impact of the change in provisions for liabilities and charges (particularly with respect to provisions for CO_2).

Cash conversion

Cash conversion is defined as the ratio between cash flow and adjusted EBITDA.

Cash flow corresponds to operating profit adjusted for depreciation, amortization and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plan costs, disposal-related effects and subsidiary contingencies, site closure expenses, and other items (i.e. adjusted EBITDA) less Capex.

Reconciliation of adjusted Ebitda to cash conversion

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020
Adjusted EBITDA	**678.1**	**625.7**
Capex (1)	(256.3)	(250.5)
Cash flow	**421.8**	**375.2**
Cash conversion	**62.2 %**	**60.0 %**

(1) Excluding rights of use under IFRS 16.

5.2.3. Changes in and cost of financial debt

The following table shows the distribution of the Group's debt at the dates indicated:

(in € million)	31 December 2021	31 December 2020	Interest rates
Sustainability-Linked Bond November 2021	492.9		1.875 %
Sustainability-Linked Bond May 2021	502.2		1.625 %
Term Loan A	497.4	1,496.7	EURIBOR* + 1,25%
Lease / Finance lease liabilities (1)	47.3	46.9	-
Other borrowings	64.2	45.8	-
Total long-term debt	**1,604.0**	**1,589.4**	**-**
Negotiable commercial paper (NEU CP)	150.2	146.4	-
Other borrowings (2)	11.0	12.1	-
Total short-term debt	**161.2**	**158.5**	**-**
Financial derivatives	**(2.2)**	**6.9**	**-**
Gross debt (3)	**1,763.0**	**1,754.8**	**-**
Cash and cash equivalents	**494.6**	**476.2**	**-**
Net debt	**1,268.4**	**1,278.6**	**-**

**Euribor with a floor rate of 0%*

(1) Figure taking into account the impact of IFRS 16 applied by the Group as of 1 January 2019.

(2) Including factoring liabilities, which correspond to assignment of receivables with recourse (see Note 14.4 "Factoring" and Note 17.2 "Change in gross debt" to the Group's consolidated financial statements for the year ended 31 December 2021).

(3) As at 31 December 2021, the Group's total gross financial debt[9] amounted to €1,763.0 million (compared with €1,754.8 million at 31 December 2020) (see Note 17.2 "Changes in gross financial debt" to the Group's consolidated financial statements for the year ended 31 December 2021).

As part of its efforts to stagger the average maturity of the Group's financial indebtedness, to continue the diversification of the Group's sources of funding, in line with its ESG objectives, and to search for competitive financing costs, the capital structure was modified with the prepayment of €1,000 million of Term Loan A during 2021, as a consequence of the Company's issuance of two Sustainability-Linked bonds, each for a total principal amount of €500 million, respectively completed on 14 May and 10 November 2021, the proceeds of which were dedicated to the partial refinancing of the Group's existing long-term financial indebtedness :

- on 14 May 2021 for a total amount of €500 million, maturing in 7 years and bearing interest at a fixed rate of 1.625% per annum;
- on 10 November 2021 for a total amount of €500 million, maturing in 10 years and bearing interest at a fixed rate of 1.875% per annum.

With two Sustainability-Linked bond issues in less than a year, Verallia demonstrates that its creditworthiness is regarded very favorably by investors, bolstered by its leadership in terms of sustainable development in the glass packaging sector in Europe. The terms and conditions of these bonds are detailed in the prospectus that respectively received visas from the French Financial Markets Authority on 11 May 2021 (visa No. 21-0150) and on 8 November 2021 (visa No. 21-0477).

[9] Corresponds to the "Financial liabilities and non-current financial derivatives" and "Financial liabilities and current derivatives" line items in the Group's consolidated balance sheet.

In April 2021, the Group decided not to extend by six months the second revolving credit facility put in place in April 2020 up to a maximum principal amount of €250 million (RCF2), with a maturity of one year and an option to extend by six months.

At 31 December 2021, net financial debt amounted to €1,268.4 million (€1,278.6 million as at 31 December 2020) at a cost of €32.4 million (versus €45.5 million as at 31 December 2020) (see Note 7 "Financial result" to the Group's consolidated financial statements for the year ended 31 December 2021).

The Group's net financial debt/adjusted EBITDA ratio stood at 1.9x as at 31 December 2021, compared with 2.0x as at 31 December 2020. The decrease in the net debt ratio below the 2.0x adjusted EBITDA threshold at the end of June 2021 enabled the Group to lower the margin on the Term Loan A and the Revolving Credit Line (RCF1) by 25 basis points.

On 31 December 2021, the Group's variable-rate financial debt portfolio after taking account of derivative instruments totaled €18.1 million (€272.6 million as at 31 December 2020), or 1% of its gross financial debt (15.5% for 2020).

The Group estimates that, for the year 2022, its financing needs will mainly include its current operating needs, investment expenses, tax payments, interest payments and, subject to its approval by the General Meeting of the Company's shareholders, the payment of a dividend. On the basis of updated cash projections, the Group believes it will be able to meet its liquidity needs during the 12 months following the date of this Universal Registration Document.

5.2.4. Fluctuations in exchange rates

The Group combines a global presence with local industrial facilities (the "Glo-Cal" model). Its customers, situated near the Group's local production plants, export products all over the world, packaged in the bottles and jars manufactured by the Group. Consequently, its results are affected by fluctuations in exchange rates.

The Group's earnings are primarily subject to a translation effect. Although the majority of the Group's consolidated revenue is denominated in euros, a significant share of its assets, liabilities, revenue and expenses is denominated in other currencies, primarily the Brazilian real, the Argentine peso, the Russian rouble and the Ukrainian hryvnia. As such, the Group's euro-denominated financial statements require the translation of these assets, liabilities, revenue and expenses into euros, at applicable exchange rates. The Group's exposure to the translation effect is not hedged.

Following the sharp increase in the cumulative inflation rate over several years in Argentina, such that is considered to be a hyperinflationary economy, the Group was obliged to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" to its operations in Argentina from 1 January 2018. Application of this standard imposes the restatement of non-monetary assets and liabilities, equity and the income statement to reflect changes in purchasing power in the local currency. These restatements may lead to a gain or loss on the net monetary position included in the financial result. For the year ended 31 December 2021, the net impact on revenue of hyperinflation in Argentina was €14 million, compared with - €(8.6) million for the year ended 31 December 2020. The impact of hyperinflation is excluded from consolidated adjusted EBITDA as presented in Section 5.2.2 "Key performance indicators".

Beyond the translation effect, the Group's earnings are not significantly affected by exchange rate fluctuations, in that the Group's operating revenues and expenses are generally generated in the same currency. This is explained by the regional or local nature of the Group's markets.

The Group is nevertheless exposed to exchange rate fluctuations on transactions when one of its subsidiaries undertakes a purchase or sale in a different currency to the operating currency. As such, subsidiaries located in Latin America and Northern and Eastern European countries that need to import raw materials produced in Southern and Western Europe, or that purchase more specifically goods or energy in US dollars, may be exposed to the impact of exchange rate fluctuations on these transactions. The Group implements hedging contracts systematically when it considers that significant financial transactions could cause exchange rate risk.

5.2.5. Contractual obligations and off-balance sheet commitments

The Group has contracted certain off-balance sheet commitments, including operating commitments and financing commitments.

As at 31 December 2021, the operating commitments given totaled €532.1 million, €523.5 million of which for non-cancellable purchase commitments.

Non-cancellable purchase commitments include firm orders for property, plant and equipment as well as purchase commitments for raw materials and services, including forward purchases of CO_2 emission allowances. The operating commitments given totalled €574.9 million for the year ended 31 December 2020.

For more information on the Group's contractual obligations and off-balance sheet commitments, see Note 23 to the Group's consolidated financial statements for the year ended 31 December 2021.

5.2.6. Group consolidated cash flows

5.2.6.1. Group consolidated cash flows for the years ended 31 December 2021 and 31 December 2020

The table below sets out the Group's cash flow for the periods ended 31 December 2021 and 31 December 2020 :

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020	Change
Net cash flow from operating activities	641.5	609.6	31.9
Net cash flow from (used in) investing activities	(271.5)	(246.4)	(25.1)
Net cash flow from (used in) financing activities	(351.5)	(89.2)	(262.3)
Increase (decrease) in cash and cash equivalents	**18.5**	**274.0**	**(255.5)**
Impact of changes in foreign exchange rates on cash and cash equivalents	0.0	(17.1)	17.1
Cash and cash equivalents at beginning of the period	**476.2**	**219.2**	**257.0**
Closing cash and cash equivalents	**494.6**	**476.2**	**18.4**

On 31 December 2021, the Group's cash and cash equivalents amounted to €494.6 million vs. €476.2 million on 31 December 2020.

5.2.6.1.1. Financing of working capital requirements

Net working capital primarily correspond to the value of inventories plus trade receivables and other operating receivables minus debts to suppliers and other operating liabilities (see Note 14 to the Group's consolidated financial statements for the year ended 31 December 2021).

The net working capital amounted to €36.8 million during the year ended 31 December 2021 and - €88.7 million during the year ended 31 December 2020.

The change in the net working capital thus amounted to +€125.5 million during the year ended 31 December 2021, compared with (€63.8) million during the year ended 31 December 2020.

The value of inventories increased during 2021 to €404.3 million as at 31 December 2021, compared with €386.9 million as at 31 December 2020, mainly reflecting less destocking compared with the previous year.

Trade receivables and other current assets also increased the 2021 to €440.1 million as at 31 December 2021, compared to €158.7 million as of 31 December 2020. This rise is principally due to changes in the fair value of energy hedges (non-cash impact).

Likewise, trade payables also increased during the year ended 31 December 2021 to €521.4 million as at 31 December 2021, compared with €367.5 million as at 31 December 2020. The rise is mainly due to inflation of energy costs.

5.2.6.1.2. Net cash flow from operating activities

The following table sets out the net cash flow from the Group's operating activities for the periods ended 31 December 2021 and 31 December 2020:

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020	Change
Net profit	**249.3**	**209.6**	**39.7**
Share of net profit of associates, net of dividends received	(2.4)	(1.4)	(1.0)
Depreciation, amortisation and impairment of assets	281.1	276.4	4.7
Gains and losses on disposals of assets	6.4	3.2	3.2
Interest expense on financial liabilities	32.0	35.4	(3.4)
Unrealised foreign exchange gains and losses	0.4	(3.2)	3.6
Gain/loss on net monetary position (IAS 29, Hyperinflation)	9.7	4.1	5.6
Unrealised gains and losses on changes in the fair value of derivatives	5.0	6.1	(1.1)
Change in inventories	(16.9)	55.3	(72.2)
Change in trade receivables, trade payables and other receivables and payables	107.2	15.8	91.4
Current tax expense	107.9	73.0	34.9
Taxes paid	(91.4)	(60.2)	(31.2)
Changes in deferred taxes and provisions	(46.8)	(4.5)	(42.3)
Net cash flow from operating activities	**641.5**	**609.6**	**31.9**

The Group's net cash flow from operating activities totaled €641.5 million for the year ended 31 December 2021 and €609.6 million for the year ended 31 December 2020.

The increase in net cash flows from the Group's business of +€31.9 million between the two periods is primarily a result of the increase in net income (see Section 5.2.1.7 "Net income" of this Universal Registration Document) and the improvement in working capital requirements.

5.6.2.1.3. Net cash flow from (used in) investing activities

The following table sets out the net cash flow attributed to the Group's investment activities for the years ended 31 December 2021 and 31 December 2020 :

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020	Change
Acquisition of property, plant and equipment and intangible assets	(256.3)	(250.5)	(5.8)
Increase (decrease) in debt on fixed assets	(10.7)	2.8	(13.5)
Acquisitions of subsidiaries, net of cash acquired	(0.2)	1.0	(1.2)
Capital expenditure	**(267.2)**	**(246.7)**	**(20.5)**
Disposals of property, plant and equipment and intangible assets	(3.5)	(0.4)	(3.1)
Disposals	**(3.5)**	**(0.4)**	**(3.1)**
Increase in loans, deposits and short-term borrowings	(2.6)	0.0	(2.6)
Reduction in loans, deposits and short-term borrowings	1.8	0.7	1.1
Changes in loans and deposits	**(0.8)**	**0.7**	**(1.5)**
Net cash flow used in investing activities	**(271.5)**	**(246.4)**	**(25.1)**

The Group's net cash flow from Net cash flows from the Group's investing activities totaled -€271.5 million for the year ended 31 December 2021 and-€246.4 million for the year ended 31 December 2020. These flows correspond mainly to acquisitions of property, plant and equipment and intangible assets (or capital expenditure (Capex) (see Section 5.3 "Capital expenditure" of this Universal Registration Document)).

Net cash flow attributed to the Group's investing activities varied by -€25.1 million between the two periods, mainly due to the decrease in debt on fixed assets.

Indeed, 2020 was marked by the delivery of two new furnaces, one at the Azuqueca site (Spain) and the other at the Villa Poma site (Italy).

5.2.6.1.4. Net cash flow from financing activities

The following table sets out the net cash flow attributed to the Group's financing activities for the years ended 31 December 2021 and 31 December 2020:

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020	Change
Capital increase (decrease)	15.7	20.1	(4.4)
Dividends paid	(114.2)	(13.1)	(101.1)
(Increase) decrease in treasury stock	(221.1)	0.0	(221.1)
Transactions with shareholders	**(319.6)**	**7.0**	**(326.6)**
Capital increases of subsidiaries subscribed by third parties	0.0	0.0	0.0
Dividends paid to non-controlling interests by consolidated companies	(1.5)	(2.2)	0.7
Transactions with non-controlling interests	**(1.5)**	**(2.2)**	**0.7**
Increase (decrease) in bank overdrafts and other short-term borrowings	2.9	(40.9)	43.8
Increase in long-term debt	1,039.1	207.0	832.1
Decrease in long-term debt	(1,041.0)	(228.5)	(812.5)
Financial interest paid	(31.4)	(31.6)	0.2
Change in gross debt	**(30.4)**	**(94.0)**	**63.6**
Net cash flow from financing activities	**(351.5)**	**(89.2)**	**(262.3)**

The Group's net cash flow from financing activities amounted to €(351.5) million for the year ended 31 December 2021 compared to - €89.2 million for the year ended 31 December 2020.

The main cash flow for the year ended 31 December 2021 concerned :

- transactions with shareholders amounting to €(319.6) million, which include the capital increase reserved for employees (+€15.7 million), dividends paid (€(114.2) million) and the repurchase of treasury shares (€(221.1) million).
- the change in gross debt, amounting to €(30.4) million, which includes the partial repayment of the Term Loan A (€(1,000) million), the Sustainability-Linked bond issues (+€1,000 million) as well as the interest paid (€(31.4) million) (see Note 17 "Borrowings and financial liabilities" to the Group's consolidated financial statements as at 31 December 2021).

5.2.7. Date of the most recent financial information

31 December 2021.

5.2.8. Significant change in the financial position

As at the date of this Universal Registration Document, there are no significant changes in the financial position.

5.2.9. Important contracts

Important contracts other than those entered into in the ordinary course of business are :

5.2.9.1. Senior Facilities Agreement (Term Loan A)

Prior to its IPO, the Group entered, on 17 July 2019, into a new Senior Facilities Agreement called "Senior Term and Revolving Facilities Agreement" with an international banking syndicate, for a period of five years from the date of the drawing of the Term Loan A, which took place on 7 October 2019. The Senior Facilities Agreement is governed by French law and provides two lines of credit for a total principal amount of €2.0 billion, broken down as follows:

- a term loan (Term Loan A) for the initial principal amount of €1,500.0 million, with a maturity of five years from 7 October 2019, repayable in full at maturity. As at 31 December 2021, the outstanding amount of the Term Loan A totalled €500.0 million after two early repayments in May and November 2021, each for €500.0 million;
- a revolving credit facility (which can be used up to a maximum principal amount of €50.0 million as a swingline loan (a very short-term line)) for a maximum principal amount of €500.0 million with a maturity of five years from 7 October 2019. At 31 December 2021, the €500.0 million revolving credit facility is fully available.

The Senior Facilities Agreement also provides for additional uncommitted term and revolving loans subject to meeting certain conditions.

The loans borrowed under the Senior Facilities Agreement bear interest at a variable rate indexed to EURIBOR, in each case with a floor rate at 0% and increased by the applicable margin. The applicable margin was initially set at (i) 1.75% per annum for the term loan (Term Loan A) and (ii) 1.35% per annum for the revolving facility, in each case with an up or down adjustment mechanism (ratchet). The following fees will also be due on the revolving credit facility: (i) a commitment fee due for the available credit commitment of each lender under the revolving credit facility a rate of 30% of the applicable margin and (ii) use fees of 20 basis points, or, as the case may be, 40 basis points respectively in the case of drawing above a threshold of 33.1/3%, or, as the case may be, 66.2/3% of the commitments available under the revolving credit facility.

At 31 December 2021, the margin applicable to the term loan was 1.25% per annum and the margin applicable to the revolving credit facility (in case of drawdown) was 0.85% per annum.

The table below shows the breakdown of the margins that apply to each of the facilities as a function of the ratio of the Group's total net debt to pro forma consolidated EBITDA as defined in the Senior Facilities Agreement. These margins are reviewed on a semi-annual basis.

Leverage ratio (total net debt/*pro forma* consolidated EBITDA)	Revolving Loan Margin	Term Loan A margin
Less than or equal to 1.00	0.35%	0.75%
Higher than 1.00 and less than or equal to 1.50	0.60%	1.00%
Higher than 1.50 and less than or equal to 2.00	0.85%	1.25%
Higher than 2.00 and less than or equal to 2.50	1.10%	1.50%
Higher than 2.50 and less than or equal to 3.00	1.35%	1.75%
Higher than 3.00	1.60%	2.00%

Total net debt is defined as being the Group's consolidated financial debt excluding intra-group debt and obligations relating to interest rate and foreign exchange risk hedging instruments, after deduction of cash and cash equivalents. Pro forma consolidated EBITDA corresponds to adjusted EBITDA as defined in this Universal Registration Document.

5.2.9.2. Sustainability-Linked bonds

On 14 May and 10 November 2021, the Company issued two Sustainability-Linked bonds in line with the Sustainability-Linked Bond Principles of the International Capital Markets Association:

- a Sustainability-Linked bond with a principal amount of €500.0 million, maturing in 7 years and bearing interest at a fixed rate of 1.625% per annum, rated BB+by Standard & Poor's[10];
- a Sustainability-Linked bond with a principal amount of €500.0 million, maturing in 10 years and bearing interest at a fixed rate of 1.875% per annum, rated BB+ by Standard & Poor's[11].

These coupon may be revised upwards starting from the first interest period after 31 December 2025 until the maturity of the bonds, depending on the achievement of two sustainability performance targets, namely:

- reducing Verallia's annual CO_2 emissions (Scopes 1 and 2) to 2,625kt CO_2 for the year 2025 (15% reduction compared to CO_2 emissions in 2019); and
- achieving a 59% use of external cullet[12] in its production by 2025 (an increase of 10 points compared to 2019).

Failure to meet either of these targets may, if applicable, raise the coupon by 12.5 basis points for the first issue in May 2021 and by 10 basis points for the second issue in November 2021.

5.2.9.3. Negotiable European Commercial Paper (NEU CP) programme (June 2018)

The Group has a Negotiable European Commercial Paper (NEU CP) short-term financing programme, implemented in June 2018, with an initial maximum principal amount of €250.0 million, rising to €400 million in July 2019.

The outstanding amount issued at 31 December 2021 was €150.2 million bearing an average interest rate of 0.17%.

The outstanding amount issued at 31 December 2020 was €146.4 million bearing an average interest rate of 0.26%.

5.2.9.4. Factoring program (September 2015)

In September 2015, the Group set up a pan-European factoring program with Eurofactor (CALF) and CIC, for a total maximum amount of €400.0 million, maturing in December 2022 and covering trade receivables of certain operating subsidiaries of the Group located in France, Germany, Italy, Spain and Portugal. The Group also has local lines for certain countries (Brazil and Argentina in particular) to benefit from financing of up to an additional €50 million.

[10] Prospectus approved by the French Financial Markets Authority on May 11, 2021 under visa 21-150.
[11] Prospectus approved by the French Financial Markets Authority on November 8, 2021 under visa 21-477.
[12] Recycled glass.

5.3. Capital Expenditure

5.3.1. The Group's main capital expenditure

The Group's total capital expenditure amounted to €256.3 million for the year ended 31 December 2021, compared with €250.5 million for the year ended 31 December 2020. This capital expenditure comprised recurring capital expenditure and strategic capital expenditure as indicated in the table below:

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020
Recurring investments	218.2	203.4
As % of revenue	8.2 %	8.0 %
Strategic investments	38.1	47.1
Total investments	**256.3**	**250.5**
As % of revenue	**9.6 %**	**9.9 %**

The Group exercises its activities in a highly capital-intensive industry that requires constant investments to maintain and/or increase production capacity, modernise the Group's assets and technology, and comply with regulations. To this end, the Group implements a disciplined Capex policy primarily aimed at guaranteeing that its furnaces are operational and as efficient as possible (especially in terms of energy consumption) and at ensuring that the scaling of its production facilities is permanently adjusted to changes in supply and demand and available capacity on the market.

Recurring Capex[13] primarily concerns the renovation of furnaces and maintenance operations. Although the Group's research and development efforts have allowed it to increase the lifespan of its furnaces to up to 10 to 12 years or even 14 years in some cases, its furnaces still need to be rebuilt periodically, as the refractory bricks with which they are built wear away on contact with molten glass and energy consumption increases as furnaces become worn down. Strategic Capex corresponds to acquisitions of strategic assets that significantly enhance the Group's capacity or its scope (for example, the acquisition of plants or similar facilities, greenfield or brownfield investments), including the building of additional new furnaces. Since 2021, it has also included Capex related to the implementation of the CO_2 emissions reduction plan (See Section "Research and development").

In 2021, non-recurring investments mainly concerned the construction of a new furnace in Brazil at the Jacutinga site, as well as investments related to CO_2 emission reductions.

5.3.2. Main capital expenditure in progress or planned for the future

The Group intends to pursue a disciplined Capex strategy, with recurring Capex totaling around 10% of the Group's consolidated revenue (excluding capitalisation of the right of use related to application of IFRS 16 "Leases").

In addition, Verallia will continue to implement its ESG roadmap, particularly through Capex related to the implementation of the CO_2 emission reduction plan, with a view to achieving its target of a 46% reduction in Scope 1 and 2 emissions by 2030 in absolute terms (base year 2019) and keeping its Scope 3 emissions below 40% of total emissions by 2030. The above-mentioned investments also include the construction of three new furnaces by 2024 (two in Brazil and one in Italy) for a total investment of around €200 million.

[13] Recurring Capex represents acquisitions of property, plant and equipment and intangible assets needed to maintain the value of an asset and/or adapt to market demands as well as environmental, health and safety requirements. It mainly includes furnace renovation and maintenance of IS machines.

5.4. Outlook

5.4.1. Trend information

The Group's outlook presented below, which is taken from the Group's overall strategy, is not intended as forecasts or as estimates of the Group's results.
The Group makes no undertaking and gives no guarantee as to the achievement of the perspectives contained in this section.

- 2022 outlook:

The Group's medium-term financial objectives for 2022-2024 are set out in the table below:

	2022-2023-2024	Assumptions
Organic revenue growth[(1)]	+4-6% CAGR	· Half from volumes and half from price/mix · Moderate raw material and energy cost inflation after 2022
Adjusted EBITDA margin	28%-30% in 2024	· Positive price/cost inflation spread · Net PAP > 2% of cash production costs (i.e. > €35 million per annum)
Cumulative free cash-flow[(2)]	Some 900 million over 3 years	· Recurring and strategic Capex at around 10% of sales · Including CO_2 related investments and 3 new furnaces by 2024
Earnings per share (excluding PPA)[(3)]	Approximately €3 in 2024	· Average cost of financing (before tax) at approximately 2% · Effective tax rate: approximately 27%
Shareholder return policy	Dividend per share growth > 10% per annum + accretive share buybacks	· Net income growth > 10% per year · Investment grade trajectory (net debt leverage < 2x)

(1) At constant exchange rates and scope.

(2) Cash flow from operations - Other operating impact - Financial interest paid and other financing costs - Taxes paid.

(3) Earnings per share excluding a charge for amortisation of customer relationships recognised on acquisition of Saint-Gobain's packaging business, of approximately €0.38/share (net of tax).

In addition to its financial objectives, Verallia continues to implement its ESG roadmap and confirms its ambitious environmental objectives announced on 7 October 2021, as outlined below:

- 46% reduction in Scope 1 and 2 emissions by 2030 in absolute terms (base year 2019)[14] ;
- Scope 3 emissions maintained below 40% of total emissions in 2030 ;
- Net Zero in 2050 for Scope 1 and 2 emissions.

5.4.2. Forecasts

The forecasts for the year ended 31 December 2022 presented below are based on data, assumptions and estimates that the Group considers reasonable at the date of this Universal Registration Document. These data and assumptions are subject to change or to be modified as a result of uncertainties due to the economic, financial, accounting, competitive, regulatory and tax environments, among others, or as a result of other factors of which the Group is unaware of at the date of this Universal Registration Document. In addition, the materialisation of certain risks described in Chapter 4 "Risk Factors" of this Universal Registration Document could have an impact on the Group's operations, financial position, results or outlook, and thus jeopardize its forecasts. Furthermore, achieving these forecasts presupposes the success of the Group's strategy. Therefore, the Group makes no undertaking and gives no guarantee as to the achievement of the forecasts contained in this section.

The forecasts presented below and their underlying assumptions were prepared in accordance with the provisions of delegated Regulation (EU) No. 2019/980 and ESMA recommendations on forecasts.

[14] Target to be validated by the SBT initiative.

5.4.2.1. Assumptions

The Group has prepared its forecasts for the year ending 31 December 2022 in accordance with the accounting methods applied in the Group's consolidated financial statements for the year ended 31 December 2021.

These forecasts are primarily based on the following assumptions for the year ending 31 December 2022:

- **Internal assumptions:**
- – the continued implementation of the Group's strategy as described in Chapter 1 of this Universal Registration Document, particularly the continued deployment of the Group's operational excellence program and the industrial performance improvement plan (performance action plan (PAP)), including the reduction of costs,
- – the continued implementation of the Group's dynamic pricing policy with the possibility of passing increases in its production costs on to its customers and also generating a positive spread on its sales, and the continuation of its risk hedging policy tied to changes in the costs of raw materials and energy;
- **macro-economic and market assumptions:**
- – the absence of any significant change in the regulatory and fiscal environment existing on the date of this Universal Registration Document,
- – the absence of material worsening of the Covid-19 crisis which would result in a strengthening of lockdown measures being in force as of the date of this Universal Registration Document,
- – the absence of deterioration in the geopolitical context, which would notably result in a significant increase in energy cost inflation.

5.4.2.2. Outlook for the financial year ending on 31 December 2022

Provided that the situation linked to the COVID-19 pandemic and to the geopolitical context does stabilize, Verallia is expecting a sharp growth in its annual revenue.

In the current environment of accelerating inflation observed since the second half of 2021, Verallia anticipates a significant increase in its production costs in 2022, of which energy is a major factor.

In this highly inflationary climate, the Group is aiming for an increase in adjusted EBITDA to a level above €700 million. Adjusted EBITDA margin percentage will be mathematically reduced due to the dilutive impact of the strong revenue growth.

Verallia continues to implement its ESG roadmap and reiterates the ambitious financial and environmental objectives announced on October 7th 2021.

In the geopolitical context of the conflict between Russia and Ukraine, Verallia published a press release on February 28, 2022. The Group's exposure to Ukraine remains limited with one plant located in the West part of the country and sales representing around €50 million in 2021 (less than 2% of total Group sales). Half of the production was sold to local customers while the rest was mostly exported to the rest of Europe.
Regarding Russia, net sales amounted to approximately €90 million in 2021 (less than 3.5% of total Group sales) with a local activity. Exports and new investments have been stopped. As these activities are considered essential to the food chain, the Group has decided to maintain its operations in Russia.
It should be noted that the consequences of the conflict (direct and indirect) are changing rapidly, generating very high volatility which is likely to affect forecasts.

5.5. Dividends

For the year ended 31 December 2020, the Company's General Meeting of Shareholders held on 15 June 2021 approved the proposal to pay out a dividend of €0.95 per share.

For the year ended 31 December 2021, the Company's General Meeting of Shareholders held on 11 May 2022 will be asked to approve the payment of a dividend of €1.05 per share.

The Group's dividend policy aims to increase the dividend per share by a minimum of 10% per annum over the period 2022 - 2024, subject to approval by the Company's General Meeting of Shareholders.

5.6. Regulated agreements and commitments, and transactions with related parties

5.6.1. Related-party transactions and related-party agreements

5.6.1.1. Agreements and commitments authorised and entered into during the past financial year

As part of its efforts to stagger the average maturity of the Group's financial debt, to continue to diversify the Group's sources of financing and to seek competitive financing costs, on 16 December 2021 the Company signed an agreement for an instalment loan for a total principal amount of €30 million with Bpifrance (an affiliate of Bpifrance Participations, a shareholder of the Company, and of Bpifrance Investissement, a member of the Company's Board of Directors). This loan, fully drawn down as at 31 December 2021, bears interest at a fixed rate of 0.40% per annum and has a maturity of three years. The purpose of the loan is to finance and/or refinance the working capital requirements and/or capital expenditure of the Company and its subsidiaries within the meaning of Article L.233-3 of the French Commercial Code. The repayment of the amounts due under the loan is subject to a joint and several guarantee by Verallia Packaging, a wholly-owned subsidiary of the Company.

The conclusion of this related-party agreement was authorised by the Board of Directors at its meeting of 6 December 2021 and will be subject to ratification by the Company's General Meeting of Shareholders to be held on 11 May 2022.

5.6.1.2 Agreements and commitments approved in previous years, the performance of which continued during the past financial year

None.

5.6.2. Main related-party transactions

The Group's related parties include the Company's shareholders, its non-consolidated subsidiaries, associates (equity-accounted companies), and entities over which the Group's various managers exercise at least significant influence.

Figures specifying the relationships with these related parties are provided in Note 22 to the consolidated financial statements for the year ended 31 December 2021 presented in Section 6.1 of this Universal Registration Document.

The agreements entered into with related parties and/or the performance of which continued during the past financial year are :

- an agreement for a €10 million instalment loan signed on 11 December 2018 between Verallia Packaging, a Company subsidiary, and Bpifrance Financement (now known as Bpifrance), an affiliate of Bpifrance Participations, a shareholder of the Company, and Bpifrance Investissement, a member of the Company's Board of Directors, aimed at financing and refinancing the cash requirements of Verallia Packaging and its subsidiaries. This loan bore interest at a rate of 0.70% per annum and was repaid in full by 31 December 2021; and
- an agreement signed in 2021 between Verallia Packaging, a subsidiary of the Company, and Bpifrance, an affiliate of Bpifrance Participations, a shareholder of the Company, and Bpifrance Investissement, a member of the Company's Board of Directors, for a total amount of €100,000, aimed at providing Bpifrance with financial and logistical support in the context of Bpifrance's organisation of the "BIG Tour", which will take place from 16 July 2021 to 20 August 2021, and the "Bpifrance Inno-Generation" event on 7 October 2021.

5.6.3. Statutory Auditors' special report on related-party agreements

(General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2021)

This is a free translation into English of the statutory auditors' special report on related party agreements of the Company 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 auditing standards applicable in France

To the General annual meeting

In our capacity as Statutory Auditors of Verallia SA (hereinafter the "Company"), we hereby report to you on related party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code (Code de commerce) in relation to the implementation during the year of agreements already approved by the General Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be submitted for the approval of the General Shareholders' Meeting

Agreements authorized and entered into during the year

In accordance with Article L. 225-40 of the French Commercial Code (*Code de commerce*), we were informed of the following agreement entered into during the year and authorized in advance by your Board of Directors.

Amortising loan from BPIFRANCE

Concerned person:

Bpifrance, affiliate of Bpifrance Participations, shareholder of Verallia, and of Bpifrance Investissement, member of the Board of Directors of Verallia.

Nature and purpose:

At its meeting of December 6, 2021, your Board of Directors authorized the conclusion by Verallia of an amortising loan agreement for a total principal amount of 30 million euros with Bpifrance.

In accordance with this authorisation, the company entered into, on December 16, 2021, an amortising loan agreement for a total principal amount of €30 million with Bpifrance.

Terms:

This loan, fully drawn down on December 31, 2021, bears interest at a fixed rate of 0.40% per annum and has a three-year maturity. Reimbursement of the sums due under the loan is subject to a joint and several guarantee from Verallia Packaging, a subsidiary 100% owned by Verallia.

Reasons justifying his interest for the company:

This contract is part of Verallia's efforts to stagger the average maturity of the financial debt of the company and its subsidiaries, to continue to diversify the Group's sources of financing and to seek financing costs competitive.

Its purpose is to finance and/or refinance the working capital requirement and/or investment expenditure of the company and its subsidiaries within the meaning of Article L.233-3 of the French Commercial Code (Code de commerce).

Agreements authorised by the General Shareholder’s Meeting

We were informed of no agreement which was authorised by the General Shareholder’s Meeting and could have been going on in the course of the year

Neuilly-sur-Seine and Paris, 16 February 2022
The Statutory Auditors

PricewaterhouseCoopers Audit	BM&A
Itto El Hariri	Eric Seyvos

5.7. Legal and arbitration proceedings

During its ordinary course of business, the Group may find itself involved in legal, arbitration, administrative or regulatory proceedings which may include litigation with its clients, suppliers, competitors, employees as well as with tax or other authorities. As at the date of this Universal Registration Document, the Group is not aware of any governmental, legal or arbitration proceedings (including any of which the Group is aware, are pending or are at risk of being launched), other than those mentioned below, that are likely to have a material impact on the Company's or Group's financial position or profitability or have had a material impact on them over the past twelve months.

The Group recognises a provision if there is sufficient likelihood that such disputes will incur costs payable by the Company or by one of its subsidiaries, and if the amount of these costs can be reasonably estimated. At 31 December 2021, the Group's total provisions for litigation amounted to €6.5 million (see Note 18.1 to the Group's consolidated financial statements for the year ended 31 December 2021 included in Section 18.1 of this Universal Registration Document).

Arbitration proceedings against Verallia Brasil, the Group's Brazilian subsidiary, relating to the Indústria Vidreira do Nordeste LTDA (IVN) joint venture

In 2013, Verallia Brasil, a Company subsidiary, set up a joint venture with a local partner, Ipiaram Empreendimentos e Participações Ltda. (Ipiaram), the purpose of which was to build and operate a glass manufacturing facility in the Brazilian state of Sergipe. The plant came onstream in 2015.

In January 2017, Ipiaram launched arbitration proceedings with the International Chamber of Commerce (ICC) against Verallia Brasil regarding the interpretation of certain provisions within the shareholders' agreement; Ipiarim felt that it was entitled to exercise the undertakings to purchase granted under the partnership agreements and therefore that it no longer had to participate in the governance of IVN.

On 18 June 2020, the court of arbitration delivered its final ruling and rejected all the claims made by Ipiaram against Verallia Brasil. Ipiaram submitted a request for clarification with the aim of overturning the arbitration decision, but the request was rejected on 15 October 2020 and the ruling was delivered to the parties concerned on 3 November 2020. The arbitration proceedings were declared closed on 15 December 2020.

On 3 December 2020, Ipiaram commenced proceedings to annul the court of arbitration's final ruling and also requested interim proceedings to suspend the effects of the court of arbitration's decision. The court rejected this second request on 18 December 2020.

On 9 February 2021, Ipiaram initiated proceedings to set aside the arbitral award in the São Paulo courts, citing the bias of the arbitrators. On 11 November 2021, Verallia Brazil and Ipiaram submitted their conclusions, specifying the evidence they intend to produce. The court may order the production of new evidence or proceed to give judgement in the case.

The Group deems it unnecessary to recognise any provisions in respect of this arbitration case given the decisions handed down by the court of arbitration and legal authorities.

On 26 October 2018, Ipiaram and the Group sold all their respective interests in the IVN joint venture to a Brazilian glass manufacturer.

Litigation between Verallia Italia and Nelson Servizi

In December 2014, Verallia Italia, as a supplier, and Nelson Servizi, as a distributor, renewed their previously agreed distribution contract and established mutual undertakings to sell and buy standard and customised bottles for the Cuban market for the years 2015, 2016 and 2017.
During the last few months of 2015, the Group decided to cease all commercial activity for the Cuban market starting from the second half of 2016. Verallia Italia therefore offered Nelson Servizi an out-of-court settlement to terminate their ongoing relationship. In response, Nelson Servizi suspended all payments to Verallia Italia.

In February 2016, Verallia Italia informed Nelson Servizi that said distribution contract would be cancelled if Nelson Servizi did not settle its debts towards it. That same month, Verallia Italia received a summons from Nelson Servizi ordering it (i) to fulfil its obligations under the distribution contract that was renewed in December 2014, (ii) to compensate Nelson Servizi for damages resulting from the breach of the distribution contract and from Verallia Italia's behaviour, and (iii) to compensate Nelson Servizi for damages resulting from Nelson Servizi's economic dependence on Verallia Italia. Nelson Servizi thus requested that Verallia Italia be ordered to pay damages amounting to €11 million.

Nelson Servizi won the initial trial in April 2021. As the ruling was not suspensive, Verallia Italia paid out €1.8 million and recognised a provision reversal of €4.1 million. Verallia has appealed against the ruling.

Asbestos-related litigation

As at the date of this Universal Registration Document, the Group is involved in proceedings and litigation regarding alleged exposure to asbestos-containing materials at certain of its French facilities.

Gross negligence (inexcusable fault)

In France, since the late 1990s, several former and current employees of the Group or their assignees have filed lawsuits for recognition of the employer's inexcusable fault against the Group's French subsidiary, Verallia France; their aim has been to obtain damages, in addition to the compensation they received from the French social security authorities for occupational illnesses resulting from their alleged exposure to asbestos-containing materials. In recent years, the French courts have responded favourably to some of their demands. At 31 December 2021, the amount provisioned in respect of these claims stood at €2 million.

Classification of the Cognac facility as an asbestos-contaminated site

In recent years, employee representatives from the Group have asked the French Ministry of Labour, Health and Employment to place the Cognac facility in France on the list of manufacturing, spraying and insulation facilities involving asbestos, potentially entitling asbestos workers to early retirement benefits. In January 2007, the Ministry rejected the request to classify the Cognac facility after an investigation was carried out at the site. Following this rejection, a claim was submitted to the administrative courts. In 2013, the Council of State finally reiterated the Ministry's position and refused to place the Cognac facility on the list for the period 1976-1996.

Thereafter, another investigation was organised for the period 1964-1975 and the Ministry once again rejected the request to place the Cognac facility on the above-mentioned list. Following this rejection, another claim was submitted to the administrative courts. On 4 February 2019, the Bordeaux Administrative Court of Appeal reiterated the ruling handed down by the Administrative Court of Poitiers not to place the Cognac facility on the list for the period 1964-1975. The time-limit to appeal against this decision has now expired so the case is closed. The Cognac facility has therefore not been placed on the list of manufacturing, spraying and insulation facilities involving asbestos.

If the Cognac facility had been placed on this list of manufacturing, spraying and insulation facilities involving asbestos, the Group's employees who worked at the facility between 1964 and 1975 could have benefited from early retirement; and the Group's employees and former employees who were allegedly exposed to asbestos-containing materials at the facility could potentially have obtained damages as compensation for anxiety resulting from this alleged exposure based on a burden of proof regime that exempts them from having to prove their asbestos exposure and their employer's negligence. This risk has now been extinguished. However, new legal precedents set in French jurisdictions regarding anxiety have broadened the scope of harm suffered by alleged victims and the claims that can be made accordingly (see below).

Claims for compensation for anxiety

At 31 December 2021, 98 lawsuits had been filed by employees or former employees of the Group claiming compensation for anxiety caused by their alleged exposure to asbestos-containing materials at the Group's French facilities.

A provision has been recognised for this risk in the amount of €1.6 million.

As at the date of this Universal Registration Document, only one of the plaintiffs had claimed to have fallen ill as a result of exposure to asbestos-containing materials.

The scope of anxiety suffered by alleged victims has been broadened following a decision taken in late 2019 by the Chamber for Social and Labour Matters of the French Court of Cassation. Instead of having to prove that they were employed by a manufacturing, spraying and insulation facility involving asbestos, an employee who can prove that they were exposed to a harmful or toxic substance giving rise to a high risk of developing a serious illness and anxiety as a result of said exposure can now claim compensation on the grounds of common law and their employer's breach of its health and safety obligations. Further lawsuits could therefore be filed based on exposure to substances other than asbestos.

6

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the financial statements for the year ended 31 December 2020 and corresponding Statutory Auditors' report provided in Chapter 18 of the Company's Universal Registration Document approved by the French Financial Markets Authority on 29 April 2021 under number R.21-014, and the financial statements for the year ended 31 December 2019 and corresponding Statutory Auditor's report provided in Chapter 18 of the Company's Registration Document approved by the French Financial Markets Authority on 29 April 2020 under number R.20-006, are included for reference in this Universal Registration Document.

6.1. The Group's consolidated financial statements

Statement of consolidated financial position

(in € million)	Note	31 December 2021	2020
ASSETS			
Goodwill	9	530.2	529.7
Other intangible assets	10	372.2	430.9
Property, plant and equipment	11	1,351.1	1,288.5
Investments in associates	3.3	5.1	2.0
Deferred tax	8.2	64.7	27.1
Other non-current assets	13	152.1	30.8
Non-current assets		**2,475.4**	**2,309.0**
Short-term portion of non-current assets		1.3	—
Inventories	14.1	404.3	386.9
Trade receivables and other current assets	14.2	440.1	158.7
Current tax receivables	14	1.2	5.0
Cash and cash equivalents	15	494.6	476.2
Current assets		**1,341.5**	**1,026.8**
Total Assets		**3,816.9**	**3,335.8**
EQUITY & LIABILITIES			
Share capital	16.1	413.3	416.7
Consolidated reserves	16	333.1	121.6
Equity attributable to shareholders		**746.4**	**538.3**
Non controlling interests		53.3	39.5
Equity		**799.7**	**577.8**
Non-current financial liabilities and derivatives	17	1,569.0	1,569.1
Provisions for pensions and other employee benefits	19	117.5	134.0
Deferred tax	8.2	263.8	146.0
Provisions and other non-current financial liabilities	18	21.3	24.1
Non-current liabilities		**1,971.6**	**1,873.2**
Current financial liabilities and derivatives	17	197.2	185.7
Current portion of provisions and other non-current financial liabilities	18	39.5	59.8
Trade payables	14.3	521.4	367.5
Current tax liabilities	14	23.6	21.8
Other current liabilities	14.3	263.9	250.0
Current liabilities		**1,045.6**	**884.8**
Total Equity and Liabilities		**3,816.9**	**3,335.8**

Consolidated statement of income

(in € million)	Note	Year ended 31 December 2021	2020
Revenue	5.1	**2,674.0**	**2,535.9**
Cost of sales	5.2	(2,042.4)	(1,968.2)
Selling, general and administrative expenses	5.2	(173.9)	(160.8)
Acquisition-related items	6.1	(59.7)	(60.4)
Other operating income and expenses	6.2	(4.9)	(30.1)
Operating profit		**393.1**	**316.4**
Net financial income (expense)	7	**(56.8)**	**(45.8)**
Profit (loss) before tax		**336.3**	**270.6**
Income tax	8	(89.4)	(62.4)
Share of net profit (loss) of associates	3.3	2.4	1.4
Net profit (loss) for the year		**249.3**	**209.6**
Attributable to shareholders of the Company		***242.6***	***202.1***
Attributable to non-controlling interests		***6.7***	***7.5***
Basic earnings per share (in €)	16.4	**2.01**	**1.67**
Diluted earnings per share (in €)	16.4	**2.01**	**1.67**

Consolidated statement of comprehensive income

(in € million)	Note	Year ended 31 December 2021	2020
Net profit (loss) for the year		**249.3**	**209.6**
Items that may be reclassified to profit or loss			
Translation differences		1.7	(113.0)
Changes in fair value of cash flow hedges		342.8	38.6
Deferred tax on items that may subsequently be reclassified to profit or loss	8.2	(93.4)	(10.1)
Total		**251.1**	**(84.5)**
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liability (asset)	19.1	11.8	(4.0)
Deferred tax on items that will not be reclassified to profit or loss	8.2	(3.2)	1.3
Total		**8.6**	**(2.7)**
Other comprehensive income (loss)		**259.7**	**(87.2)**
Total comprehensive income (loss) for the year		**509.0**	**122.4**
Attributable to shareholders of the Company		*502.2*	*123.1*
Attributable to non-controlling interests		*6.8*	*(0.7)*

Consolidated statement of cash flows

(in € million)	Note	Year ended 31 December 2021	2020
Net profit (loss) for the year		**249.3**	**209.6**
Share of net profit (loss) of associates, net of dividends received	3.3	(2.4)	(1.4)
Depreciation, amortisation and impairment of assets		281.1	276.4
Gains and losses on disposals of assets	6.2	6.4	3.2
Interest expense on financial liabilities	17.7	32.0	35.4
Unrealised gains and losses on changes		0.4	(3.2)
Gain/loss on net monetary position (IAS 29, Hyperinflation)		9.7	4.1
Unrealised gains and losses on changes in the fair value of derivatives		5.0	6.1
Change in inventories		(16.9)	55.3
Change in trade receivables, trade payables and other receivables and payables		107.2	15.8
Current tax expense	8.1	107.9	73.0
Taxes paid		(91.4)	(60.2)
Changes in deferred taxes and provisions		(46.8)	(4.5)
Net cash flows from operating activities		**641.5**	**609.6**
Acquisition of property, plant and equipment and intangible assets	10 & 11	(256.3)	(250.5)
Increase (decrease) in debt on fixed assets	14	(10.7)	2.8
Acquisitions of subsidiaries, net of cash acquired		(0.2)	1.0
Deferred payment related to the acquisition of a subsidiary		—	—
Capital expenditures		**(267.2)**	**(246.7)**
Disposals of property, plant and equipment, intangible assets included related costs		(3.5)	(0.4)
Disposals		**(3.5)**	**(0.4)**
Increase in loans, deposits and short-term borrowings		(2.6)	—
Reduction in loans, deposits and short-term borrowings		1.8	0.7
Changes in loans and deposits	13	**(0.8)**	**0.7**
Net cash flows from (used in) investing activities		**(271.5)**	**(246.4)**
Capital increase (reduction)	16	15.7	20.1
Dividends paid		(114.2)	(13.1)
(Increase) decrease in treasury stock		(221.1)	—
Transactions with shareholders of the parent company		**(319.6)**	**7.0**
Capital increases of subsidiaries subscribed by third parties		—	—
Dividends paid to non-controlling interests by consolidated companies		(1.5)	(2.2)
Transactions with non-controlling interests		**(1.5)**	**(2.2)**
Increase (reduction) in bank overdrafts and other short-term borrowings	17	2.9	(40.9)
Increase in long-term debt	17	1,039.1	207.0
Reduction in long-term debt	17	(1,041.0)	(228.5)
Financial interest paid		(31.4)	(31.6)
Change in gross debt		**(30.4)**	**(94.0)**
Net cash flows from (used in) financing activities		**(351.5)**	**(89.2)**
Increase (reduction) in cash and cash equivalents		**18.5**	**274.0**
Impact of changes in foreign exchange rates on cash and cash equivalents		—	(17.1)
Impact of changes in fair value on cash and cash equivalents		—	—
Opening cash and cash equivalents		**476.2**	**219.2**
Closing cash and cash equivalents		**494.6**	**476.2**

Consolidated statement of change in equity

(in € million)	Note	Number of shares	Share capital	Share premium	Treasury shares	Translation reserve	Hedging reserve	Other reserves and retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
As of 31 December 2019		**118,393,942**	**400.2**	**78.4**		**(27.6)**	**(42.4)**	**(22.4)**	**386.2**	**33.4**	**419.6**
Other comprehensive income						(104.8)	38.7	(12.9)	**(79.0)**	(8.2)	**(87.2)**
Net profit (loss) for the year								202.1	**202.1**	7.5	**209.6**
Total comprehensive income for the year						**(104.8)**	**38.7**	**189.2**	**123.1**	**(0.7)**	**122.4**
Capital increase for the Group Savings Plan _ Verallia SA		1,064,999	3.6	16.5					**20.1**		**20.1**
Capital increase for receiving dividends in the form of new shares _ Verallia SA		3,813,878	12.9	73.3				1.3	**87.5**		**87.5**
Dividends / distribution of share premium								(100.6)	**(100.6)**	(1.4)	**(102.0)**
Cancellation of Treasury shares											
Share-based compensation								5.1	**5.1**	0.1	**5.2**
IAS 29 Hyperinflation								6.9	**6.9**	4.6	**11.5**
Change in non-controlling interests							0.1	10.3	**10.4**	3.6	**14.0**
Other						(16.6)		16.2	**(0.4)**	(0.1)	**(0.5)**
As of 31 December 2020		**123,272,819**	**416.7**	**168.2**		**(149.0)**	**(3.6)**	**106.0**	**538.3**	**39.5**	**577.8**
Other comprehensive income						3.5	340.3	(84.2)	**259.6**	0.1	**259.7**
Net profit (loss) for the year								242.6	**242.6**	6.7	**249.3**
Total comprehensive income for the year						**3.5**	**340.3**	**158.4**	**502.2**	**6.8**	**509.0**
Capital increase for the Group Savings Plan _ Verallia SA	16.1	616,364	2.0	13.7					**15.7**		**15.7**
Distribution of Dividends (per share : 0.95 euro)	16.1							(114.2)	**(114.2)**	(2.2)	**(116.4)**
Purchase of shares					(221.1)				**(221.1)**		**(221.1)**
Cancellation of Treasury shares		(1,600,000)	(5.4)	(43.4)	48.8						
Sales of treasury shares					7.2			(7.2)			
Share-based compensation								8.6	**8.6**	(0.2)	**8.4**
IAS 29 Hyperinflation								14.1	**14.1**	9.4	**23.5**
Change in non-controlling interests											
Other								2.8	**2.8**		**2.8**
As of 31 December 2021		**122,289,183**	**413.3**	**138.5**	**(165.1)**	**(145.5)**	**336.7**	**168.5**	**746.4**	**53.3**	**799.7**

Contents

NOTE 1 – INFORMATION ON THE GROUP

1.1 INCORPORATION AND CREATION

1.1.1 COMPANY NAME

At 31 December 2021, the Company's corporate name is "Verallia" and has been since 20 June 2019.

1.1.2 PLACE OF REGISTRATION AND REGISTRATION NUMBER

The Company is registered in the Nanterre Trade and Companies Register under number 812 163 913.

LEI: 5299007YZU978DE0ZY32

1.1.3 DATE OF INCORPORATION AND TERM OF THE COMPANY

The Company is incorporated for a period of 99 years starting from its registration on 23 June 2015, unless it is dissolved early or extended on the joint decision of its shareholders in accordance with the law and Articles of Association.

The financial year begins on 1 January and ends on 31 December of each year.

1.1.4 REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

The Company's registered office is located at 31 Place des Corolles, Tour Carpe Diem, Esplanade Nord, 92400 Courbevoie, France.

At 31 December 2021, the Company is a *société anonyme* (limited company) governed by French law.

1.2 OPERATIONS

With industrial operations in 11 countries, Verallia is the world's third-largest producer of glass packaging for beverages and food products. In 2021, the Group produced approximately 16 billion bottles and jars. The Group boasts a sound position in Western and Eastern Europe, as well as in Latin America. Its main subsidiaries are located in the following countries: France, Italy, Germany, Spain, Portugal, Argentina and Brazil. Verallia employs around 10,000 people worldwide and operates 32 glass production facilities.

NOTE 2 – BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 DECLARATION OF COMPLIANCE AND APPLICABLE STANDARDS

The Verallia Group's consolidated financial statements for the period ended 31 December 2021 have been prepared in accordance with international accounting standards (IFRS) as published by the IASB (International Accounting Standards Board) and adopted in the European Union in compliance with European Regulation No. 1606/2002 of 19 July 2002. They were approved by the Board of Directors on 16 February 2022.

International accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their interpretations. This reporting framework can be found on the European Commission's website[15].

The consolidated financial statements are presented in millions of euros, with amounts rounded up or down to the nearest million. So rounding differences may appear between different financial statements. In addition, adjustments may have been made in the notes to the financial statements in respect of prior periods in order to conform to the presentation of the current year with no impact on the financial statements.

[15] https://ec.europa.eu/info/index_en

The accounting principles applied are identical to those applied to the consolidated financial statements at 31 December 2020 except for the following standards, amendments and interpretations applied starting from 1 January 2021:

Amendments to IAS 39, IFRS 7 and IFRS 9: Interest Rate Benchmark Reform - Phase 2	1 January 2021
IFRIC IAS 19 decision – Allocation of post-employment benefits to the period of service (IAS 19)	May 2021

These new texts had no material impact on the financial statements.

Application of the Phase 1 amendments to IFRS 9/IAS 39 relating to the interest rate benchmark reform, published in September 2019 and adopted by the European Union on 15 January 2020, will not compromise interest rate hedging relations despite the reform. Application of Phase 2 of the interest rate benchmark reform to financial instruments had no material impact on the Group's financial statements. The Group has analysed and introduced the necessary contractual changes for the main contracts concerned.

The IFRS Interpretations Committee approved a new position on the terms and conditions for assessing the periods of service to which an entity attributes benefits in the case of certain defined benefit plans. The Group measured and recognised the impacts of the final IFRS IC decision (IAS 19) over the course of the financial year, and they were not material.

The Group is in the process of examining an IFRS IC decision published in April 2021 "Configuration or Customisation Costs in a Cloud Computing Arrangement" (IAS 38 "Intangible assets"). This decision had not yet taken effect by 31 December 2021 due to the operationally complex nature of the research and analysis it requires and will be in the first half of 2022. However, the Group does not anticipate any significant impacts.

The Group did not apply the following new standards, amendments and interpretations, which were not yet effective:

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS PUBLISHED BUT NOT YET EFFECTIVE OR EARLY ADOPTED BY THE GROUP	
Annual improvements _ Cycle 2018 - 2020	1 January 2022
Amendments to IAS 12 - Removal of the exemption from initial recognition of deferred taxes arising from lease assets/liabilities	1 January 2023
Amendments to IAS 8 : Definition of accounting estimates	1 January 2023
Amendments to IAS 1: Disclosure of accounting methods	1 January 2023
Amendments to IAS 1: Classification of liabilities as current or non-current	1 January 2023

2.2 ESTIMATES AND JUDGEMENTS

In preparing consolidated financial statements, Management relies on estimates and assumptions that may affect the amounts of assets, liabilities, income and expenses, as well as the information presented in the notes. These estimates and assumptions are reviewed on a regular basis to ensure that they are reasonable in light of the Group's history, economic conditions and the information available to the Group.

Actual results may differ from the estimates used. Major sources of estimation uncertainty may result in significant adjustments to the amounts of assets and liabilities in the subsequent year. Besides making use of estimates, the Group's Management must exercise judgement in selecting and/or applying the most appropriate accounting treatment for certain transactions and activities and in defining the terms of its application.

The main estimates and judgements made by Management in preparing these consolidated financial statements are as follows

Management's main judgements and estimates	Note
Assessment of the recoverable value of goodwill and fixed assets	9 & 12
Recoverability of deferred tax assets	8
Measurement of provisions and other financial liabilities	18.1
Measurement of defined benefit obligations and plan assets	19.1

2.3 VALUATION PRINCIPLES

The consolidated financial statements were prepared on a historical cost basis with the exception of:

- certain financial assets and liabilities measured using the fair value model (Note 21);
- defined benefit plan assets (Note 19.1).

ACCOUNTING PRINCIPLES

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The methods used to measure the fair value of financial and non-financial assets and liabilities as defined above are classified according to the following three fair value levels:

- **level 1:** fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **level 2**: fair value measured using inputs other than quoted prices in active markets that are observable either directly (price) or indirectly (price-derived data);
- **level 3:** fair value inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.4 TRANSACTIONS IN FOREIGN CURRENCIES

ACCOUNTING PRINCIPLES

The Group's presentation currency is the euro, which is also the functional currency of the Group's parent company. Each Group entity determines its own functional currency, and all its financial transactions are then measured in that currency.

The financial statements of subsidiaries that have a functional currency other than the presentation currency are translated using the closing rate method:

- assets and liabilities, including goodwill and fair value adjustments in the context of acquisition accounting, are translated into euros at the closing rate, i.e. the daily rate on the closing date;
- statement of income and cash flow items are translated into euros at the average rate for the period, unless significant differences are recognised.

The resulting foreign currency translation differences are recognised in other comprehensive income, with a corresponding entry in the translation reserve in shareholders' equity. When a foreign entity is sold, the cumulative amount of foreign currency translation differences in equity relating to that entity is reclassified to profit or loss.

Transactions denominated in foreign currency are converted into euros at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate, and the resulting translation differences are recognised in the statement of income in financial income or expense. Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable on the day of the transaction.

Differences arising from the translation of borrowings, loans or advances that are substantially part of the net investment in a foreign entity are recognised in other comprehensive income, with a corresponding entry in the translation reserve in equity, and reclassified to profit or loss on disposal of the net investment.

Hyperinflation in Argentina

In 2018, Argentina was considered a "hyperinflationary" economy within the meaning of IFRS, rendering IAS 29 "Financial reporting in hyperinflationary economies" applicable.

Accordingly, the Group has applied IAS 29 since 1 January 2018. Adoption of IAS 29 requires the restatement of the non-monetary assets and liabilities, equity and statement of income of the Group's Argentine subsidiary in order to reflect the change in the purchasing power of its functional currency. The gain or loss on the net monetary position is included in financial income or expense. Moreover, the financial information for the Group's Argentine subsidiary is translated into euros by applying the exchange rate prevailing on the closing date of the relevant period.

On 20 March 2020, the IASB Interpretations Committee published its position with respect to accumulated translation differences in a hyperinflationary economy. The Group therefore transferred the translation differences accumulated on its Argentine subsidiary at 1 January 2018 to the translation reserve.

The rates selected for the main currencies were as follows:

	2021		2020	
	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (EUR/BRL)	6.29	6.38	6.35	5.88
Argentine peso (EUR/ARS)*	116.20	112.32	103.40	80.73
Russian rouble (EUR/RUB)	84.07	87.21	91.57	82.54
Ukrainian hryvnia (EUR/UAH)	30.92	32.30	34.74	30.78

- *In accordance with IAS 29, all financial information is translated at the closing rate for subsidiaries located in a country considered to be "hyperinflationary" (applicable to Argentina since 2018).*

NOTE 3 – CONSOLIDATION METHODS AND SCOPE OF CONSOLIDATION

ACCOUNTING PRINCIPLES

Basis of consolidation

The consolidated financial statements include the assets and liabilities, income and cash flows of the Company and its subsidiaries. All balances and reciprocal transactions between companies controlled by the Group are eliminated.

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed or entitled to variable returns because of its relationship with the entity and has the ability to affect those returns because of the power it holds over it. The interests acquired in these entities are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases to be exercised. See Note 3.3 for more information on associates.

3.1 CHANGES IN THE SCOPE OF CONSOLIDATION

ACCOUNTING PRINCIPLES

Business combinations

Business combinations are accounted for in accordance with IFRS 3 "Business combinations" using the acquisition method.

Goodwill corresponds to:

- the fair value of the consideration transferred; plus
- the amount recognised for any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of any pre-existing equity interest in the acquired company; less
- the net recognised amount (generally at fair value) of the identifiable assets acquired and liabilities assumed.

When the difference is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration for the acquisition is measured at fair value, which is the sum of the fair values, at the acquisition date, of the assets transferred, the liabilities incurred or assumed, and the equity securities issued in exchange for the acquisition of control of the acquired company. When the consideration transferred by the Company in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at fair value. Subsequent changes in the fair value of the contingent consideration corresponding to debt instruments are recognised in profit or loss.

Acquisition-related costs are recorded as expenses when incurred and recognised in "Items related to acquisitions" in the consolidated statement of income.

At the acquisition date, the Group recognises identifiable assets acquired and liabilities assumed (identifiable net assets) in the subsidiary, based on their fair value at that date (with some exceptions). The assets and liabilities recognised may be adjusted for a maximum of 12 months from the acquisition date, based on new information gathered on the facts and circumstances existing at the acquisition date.

For business combinations resulting in less than a 100% interest, the non-controlling interest in the acquired company (i.e. any interest that gives its holders the right to a share of the net assets of the acquired company), as at the acquisition date, is measured:

- either at fair value, so that a portion of the goodwill recognised at the time of the combination is allocated to the non-controlling interest (the "full goodwill" method);
- or based on the share of the identifiable net assets of the acquired company, so that only goodwill attributable to the Group is recognised (the "partial goodwill" method).

The method applied is selected depending on factors specific to each transaction.

In 2015, the Company, via its Verallia Packaging subsidiary, acquired substantially all the entities and operations of the Saint-Gobain Group's Packaging Division; non-controlling interests acquired were measured according to the "partial goodwill" method.

Changes in equity interests (%) in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a gain or loss of control are accounted for as equity transactions – in other words, as transactions with shareholders acting in that capacity. The difference between the fair value of any consideration paid and the carrying amount of the share of the subsidiary's net assets acquired or disposed of is recorded in equity.

Commitments to purchase non-controlling interests

Commitments to purchase non-controlling interests result in the recognition in the financial statements of a liability in "Provisions and other non-current financial liabilities", which is the present value of the estimated exercise price of the put option on non-controlling interests, with a corresponding reduction in non-controlling interests and equity attributable to owners of the parent company for the balance, if any. Any subsequent change in the fair value of the liability is recognised through an adjustment to equity.

Assets and liabilities held for sale and discontinued operations

When the Group expects to recover the value of an asset or group of assets through its sale rather than its use, the asset in question is presented separately on the "Assets held for sale" line in the statement of financial position, in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". Liabilities related to such assets, if any, are also presented on a separate line of the statement of financial position ("Liabilities related to assets held for sale").

Assets classified as such are measured at the lesser of the carrying amount or the fair value, less the cost of selling them. Assets classified as assets held for sale cease to be depreciated from the date they qualify for classification as assets held for sale.

A discontinued operation is either a component of the Group from which it has separated or an activity that is classified as held for sale and:

- which represents a separate major line of business or geographical area of operations; and
- is part of a single, coordinated plan to dispose of a separate line of business or geographical area of operations; or
- is an activity acquired exclusively for resale.

When an activity is classified as a discontinued operation, the comparative statement of income and statement of cash flows are restated as if the activity had met the criteria for an activity that was discontinued from the start of the comparative period.

In these financial statements, no non-current assets meet the criteria for classification as assets held for sale and no operations were sold during the year.

ESTIMATES AND ASSUMPTIONS MADE BY MANAGEMENT

The determination of the fair value of assets and liabilities at the acquisition date causes the Group to make estimates using several methods with the help of independent valuation experts. These estimates are based on a number of assumptions and assessments.

The significant assumptions used to determine the allocation of fair value include the following valuation methods: the cost approach, the revenue approach and the market approach. These methods are based on cash flow projections and related discount rates, sector indices, market prices for replacement cost and comparable market transactions.

3.1.1 Changes in 2021

There were no significant changes in the scope of consolidation.

3.1.2 Changes in 2020

There were no significant changes in the scope of consolidation.

3.2 LIST OF THE MAIN CONSOLIDATED ENTITIES

		% interest as of 31 December		
Entity	Country	2021	2020	Consolidation method
Verallia SA	France	100.0 %	100.0 %	Parent company
Horizon Holdings Germany	Germany	100.0 %	100.0 %	Full consolidation
Verallia Deutschland	Germany	96.8 %	96.8 %	Full consolidation
Rayen-Cura	Argentina	60.0 %	60.0 %	Full consolidation
Verallia Brasil	Brazil	100.0 %	100.0 %	Full consolidation
Inversiones Verallia Chile	Chile	100.0 %	100.0 %	Full consolidation
Verallia Chile	Chile	100.0 %	100.0 %	Full consolidation
Horizon Holdings Vitrum Spain	Spain	100.0 %	100.0 %	Full consolidation
Verallia Spain	Spain	99.9 %	99.9 %	Full consolidation
Etablissements René Salomon	France	100.0 %	100.0 %	Full consolidation
Everglass	France	100.0 %	100.0 %	Full consolidation
Saga Décor	France	100.0 %	100.0 %	Full consolidation
Société Charentaise de Décor	France	100.0 %	100.0 %	Full consolidation
Verallia France	France	100.0 %	100.0 %	Full consolidation
Verallia Packaging	France	100.0 %	100.0 %	Full consolidation
VOA Verrerie d'Albi	France	Merged*	100.0 %	/
Verallia Italia	Italy	100.0 %	100.0 %	Full consolidation
CAP Verallia	Luxembourg	100.0 %	100.0 %	Full consolidation
Verallia Polska	Poland	100.0 %	100.0 %	Full consolidation
Verallia Portugal	Portugal	99.9 %	99.9 %	Full consolidation
Kavminsteklo Zao	Russia	95.9 %	95.4 %	Full consolidation
Zao Kamyshinsky Steklotarny ZA	Russia	93.3 %	93.3 %	Full consolidation
Verallia Ukraine	Ukraine	96.8 %	96.8 %	Full consolidation

* *Company merged in Verallia France.*

3.3 INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES

ACCOUNTING PRINCIPLES

Associates

Associates are companies over which the Group exercises significant influence, i.e. the power to participate in financial and operating policy decisions, but without exercising control or joint control over such policies. They are recognised in the consolidated financial statements using the equity method.

Equity method

Under the equity method, an investment in an associate must initially be recognised at the acquisition cost and then adjusted based on the Group's share of the profit or loss and, where applicable, its share of the associate's other items of comprehensive income as well as dividends. Goodwill is included in the carrying amount of the investment. Any losses or reversals of the value of investments and any gains or losses on the sale of investments in companies accounted for under the equity method are presented under "Share of net income of associates" in the statement of income.

Gains from transactions with equity-accounted entities are eliminated via a corresponding entry of equity-accounted securities in proportion to the Group's interest in the Company. Losses are eliminated in the same way as gains, but only insofar as they are not indicative of impairment.

The Group holds several interests in associates, none of which is of a significant size individually:

		Main % interest as of 31 December		
Entity	**Country**	**2021**	**2020**	**Consolidation method**
Vetreco SRL	Italy	40.0 %	40.0 %	Equity method
Cogeneradores Vidrieros	Spain	25.8 %	25.8 %	Equity method
Verre Recycling	Germany	40.0 %	—	Equity method

Changes in investments in associates break down as follows:

	Year ended 31 December	
(in € million)	**2021**	**2020**
Opening		
Gross amount	2.0	0.6
Impairment	—	—
Investments in associates – Net amount	**2.0**	**0.6**
Changes during the year		
Translation differences	—	—
Transfers, share issues and other movements	0.7	—
Dividend paid	—	—
Share of profit (loss) of associates	2.4	1.4
Total changes	**3.1**	**1.4**
Closing		
Gross amount	5.1	2.0
Impairment	—	—
Investments in associates – Net amount	**5.1**	**2.0**

The table below presents the main financial information concerning investments in associates (presented at 100%):

	Year ended 31 December	
(in € million)	**2021**	**2020**
Equity	13.2	6.6
Total assets	50.7	32.4
Total revenue	54.5	30.4
Net profit (loss) for the year	**5.5**	**2.0**

NOTE 4 – SEGMENT INFORMATION

ACCOUNTING PRINCIPLES

Definition of operating segments

In accordance with IFRS 8 "Operating segments", segment reporting must reflect the operating segments for which results are regularly reviewed by the chief operating decision-maker (CODM) in order to make decisions about resources to be allocated to the segments and to assess their performance.

4.1 BASIS FOR SEGMENTATION

In accordance with the provisions of IFRS 8 "Operating segments", the Group has identified the following 3 operating segments corresponding to the geographical areas in which the assets are located:

- **Southern and Western Europe**, comprising production plants located in France, Italy, Spain and Portugal. Verallia's operations in this region are focused mainly on bottles of still and sparkling wines and spirits containers, market segments characterised by export-driven growth;

- **Northern and Eastern Europe**, comprising sites located in Germany, Russia, Poland and Ukraine. The Group's activities in Northern and Eastern Europe are focused mainly on beer bottles, particularly in Germany, as well as food jars and bottles, largely for local markets;
- **Latin America**, comprising sites located in Brazil, Argentina and Chile. The Group's activities in Latin America are focused mainly on bottles for still wines, a market segment dominated by exports, as well as beer bottles, particularly in Brazil.

The above operating segments correspond to the reporting segments in the absence of consolidation by the Group.

This sector breakdown reflects the Group's management organization set up at the time of the initial public offering in 2019 and its internal reporting system as submitted to the Board of Directors, which is Verallia's chief operating decision-maker (CODM). This reporting method makes it possible to assess the performance of the operating segments, based on adjusted EBITDA, and to decide on the allocation of resources, particularly investments.

4.2 KEY PERFORMANCE INDICATORS

The Group uses the following aggregates to assess the performance of the operating segments presented:

- revenue, corresponding to the revenue presented in the consolidated financial statements;
- capital expenditure, corresponding to the Group's acquisitions of property, plant and equipment and intangible assets;
- adjusted EBITDA, an indicator for monitoring the underlying performance of businesses adjusted for certain non-recurring expenses and/or income liable to distort the Company's performance.

Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortization and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plans, subsidiary disposal-related effects and contingencies, plant closure costs and other items.

As it is an aggregate not directly presented in the consolidated statement of income, a reconciliation with the consolidated financial statements prepared under IFRS is presented in accordance with the provisions of IFRS 8:

		Year ended 31 December	
(in € million)	Notes	2021	2020
Net profit (loss) for the year		**249.3**	**209.6**
Net financial income		56.8	45.8
Income tax		89.4	62.4
Share of net result of associates		(2.4)	(1.4)
Operating profit		**393.1**	**316.4**
Depreciation, amortisation and impairment	A	281.1	276.4
Restructuring costs	B	(2.7)	19.8
Acquisition and M&A costs		—	0.1
IAS 29, Hyperinflation (Argentina)		(4.8)	2.9
Management share ownership plan and associated costs	C	10.1	5.8
Disposal and subsidiaries risks		—	—
Other	D	1.3	4.3
Adjusted EBITDA		**678.1**	**625.7**

A. Includes depreciation and amortisation of intangible assets and property, plant and equipment (**Note 5.2**), amortisation of intangible assets acquired through business combinations (**Note 6.1**) and depreciation of property, plant and equipment (**Note 6.2**).

B. In 2020 mainly corresponds to the transformation plan carried out in France, including the costs of shutting down the furnace and support measures in the event of staff departures (Note 6.2 to the Group's consolidated financial statements). In 2021 the amount corresponds to the re-estimation of these costs.

C. Corresponds to share-based compensation plans and associated costs (**Note 5.2**).

D. In 2020 corresponds primarily to donations and purchases of personal protection equipment made by the Group during the Covid-19 crisis.

Note that the Group does not monitor any segment liability indicator as financial debt is managed centrally and not at the level of the three reporting segments.

4.3 SEGMENT INFORMATION

		Year ended 31 December 2021				
(in € million)	Notes	Northern and Eastern Europe	Southern and Western Europe	Latin America	Eliminations	Group total
Revenue from activities with external customers	5.1	537.6	1,832.2	304.2	—	2,674.0
Inter-segment revenue		23.4	2.3	0.1	(25.8)	—
Total segment revenue		**561.0**	**1,834.5**	**304.3**	**(25.8)**	**2,674.0**
Adjusted EBITDA	**4.2**	**117.1**	**452.8**	**108.2**	**—**	**678.1**
o/w impact of IFRS 16		*1.9*	*15.6*	*1.3*	—	*18.8*
Capital expenditure*		**51.0**	**165.3**	**39.9**	**—**	**256.2**

**Excluding rights of use under IFRS 16*

		Year ended 31 December 2020				
(in € million)	Notes	Northern and Eastern Europe	Southern and Western Europe	Latin America	Eliminations	Group total
Revenue from activities with external customers	5.1	554.4	1,744.5	237.0	—	2,535.9
Inter-segment revenue		10.4	2.4	0.4	(13.2)	—
Total segment revenue		**564.8**	**1,746.9**	**237.4**	**(13.2)**	**2,535.9**
Adjusted EBITDA	**4.2**	**126.5**	**419.1**	**80.1**	**—**	**625.7**
o/w impact of IFRS 16		*2.2*	*16.2*	*1.2*	—	*19.6*
Capital expenditure*		**54.2**	**175.2**	**21.1**	**—**	**250.5**

**Excluding rights of use under IFRS 16*

4.4 BREAKDOWN OF REVENUE BY "END MARKET"

In accordance with IFRS 8.32, the Group presents below a breakdown of revenue according to the use expected to be made of its glass packaging (notion of "end market" as defined internally):

	Year ended 31 December	
(in € million)	2021	2020
Still wines	946.3	855.1
Sparkling wines	300.3	275.0
Spirits	302.9	277.5
Beers	339.9	322.8
Food	419.9	452.0
Soft drinks	290.3	294.4
Others	74.4	59.1
Revenue	**2,674.0**	**2,535.9**

4.5 ENTITY-LEVEL INFORMATION

In accordance with IFRS 8.33, revenue generated in France and internationally is presented in **Note 5.1**.

In addition, the geographical breakdown of non-current assets (other than goodwill, customer relationships and fair value adjustments to property, plant and equipment, financial instruments, deferred tax assets and post-employment benefit assets) is presented below.

	Year ended 31 December	
(in € million)	2021	2020
France	303.4	285.9
Italy	340.7	336.1
Spain	212.1	220.8
Germany	187.1	191.9
Other countries	306.9	251.9
Total	**1,350.2**	**1,286.6**

The Group does not monitor customer relationships by country, so they were excluded from the analysis of non-current assets by country.

4.6 INFORMATION ABOUT THE MAIN CUSTOMERS

None of the Group's customers individually accounted for more than 10% of revenue in 2021 or 2020.

NOTE 5 – OPERATING INCOME AND EXPENSES

5.1 REVENUE

ACCOUNTING PRINCIPLES

Verallia's operations mainly concern the manufacture of glass packaging for beverages and food products (bottles and jars).

In accordance with commercial practices and norms in the Group's markets, commercial agreements with customers generally do not involve a commitment in respect of purchase volumes or significant penalties in the event of cancellation. In addition, no significant initial lump sum payments are made. Thus, each order combined with a possible framework agreement represents a contract within the meaning of IFRS 15. Contracts generally run for less than one year so, under the terms of IFRS 15, the order book is not presented. The costs of obtaining contracts are not material.

Each agreement contains a performance obligation corresponding to the delivery of bottles and jars. The revenue generated from the sale of bottles and jars is recognised when the control of the asset is transferred to the customer, i.e. when the product is shipped or delivered, according to Incoterms rules.

In its operations, the Group does not resort to any intermediaries when selling goods to its customers other than transport services. As a result, agent/principal analysis is not relevant.

Revenue is the amount receivable for goods provided in the normal course of business, excluding amounts collected on behalf of third parties, such as sales taxes, goods and services taxes, and value added taxes.

Moulds are recognised as property, plant and equipment insofar as their purchase does not constitute a separate performance obligation (no transfer of control to customers).

Contracts have no funding component since the time between revenue recognition and payment is generally short. As a result, the Group does not adjust the transaction price based on the time value of money. Moreover, contract assets and liabilities are not material.

Revenue by country of origin

	Year ended 31 December	
(in € million)	2021	2020
France	732.1	730.6
Italy	573.6	525.5
Spain	419.1	381.1
Germany	409.4	416.2
Other countries	539.8	482.5
Total revenue	**2,674.0**	**2,535.9**

The country of origin is the location of the entity invoicing the sales.

5.2. EXPENSES BY FUNCTION AND BY NATURE

ACCOUNTING PRINCIPLES

Cost of sales

Cost of sales includes all costs directly or indirectly related to the products sold. The main components are the cost of raw materials, energy, wages and transport, and the depreciation of production equipment.

Selling, general and administrative expenses

Selling, general and administrative expenses include all expenses relating to general management, marketing, finance and accounting, computing, legal, human resources, technical, and research and development activities.

The breakdown of cost of sales and selling, general and administrative expenses by type of expense is as follows:

		Year ended 31 December	
(in € million)	Notes	2021	2020
Raw materials, energy, transport and other production costs		(1,470.9)	(1,414.1)
Personnel expenses	A	(524.5)	(501.1)
Depreciation and amortisation	B	(220.9)	(213.8)
Total cost of sales and selling, general and administrative expenses	C	**(2,216.3)**	**(2,129.0)**

A. Personnel expenses include:
   - €3.1 million in 2021 and €3.3 million in 2020 in respect of costs relating to post-employment benefits (**Notes 19.1 and 19.2**);
   - €10.1 million in 2021 and €5.8 million in 2020 in respect of costs relating to share-based compensation plans (**Note 19.3**).

B. Includes amortization of intangible assets and property, plant and equipment (Notes 10 and 11), with the exception of customer relationships which are recognized in "Acquisition-related items".

C. Includes research and development expenses of €3.6 million in 2021 and €4.5 million in 2020.

NOTE 6 – OTHER OPERATING INCOME AND EXPENSES

6.1 ACQUISITION-RELATED ITEMS

ACACCOUNTING PRINCIPLES

Acquisition-related items mainly cover the impact of the adjustments recognised in connection with the purchase price allocation (amortisation of assets exclusively recognised through business combinations, such as customer relationships), as well as acquisition costs including miscellaneous fees and due diligence costs in connection with actual or prospective acquisitions. These items are presented separately from "selling, general and administrative expenses" on account of their materiality.

		Year ended 31 December	
(in € million)	Notes	2021	2020
Acquisition and M&A costs	A	0.5	(0.1)
Amortisation of intangible assets acquired through business combinations	B	(60.2)	(60.3)
Acquisition-related items		**(59.7)**	**(60.4)**

A. Acquisition and M&A costs mainly correspond to the reversal of the provision set aside for IPO fees.

B. Represents the amortisation of customer relationships (original gross amount of €740 million in 2015) over a 12-year useful life.

6.2 OTHER OPERATING INCOME AND EXPENSES

AACCOUNTING PRINCIPLES

Other operating income and expenses reflect significant events occurring during the period that may distort the reading of the Company's performance. They mainly include gains and losses on disposals, impairment losses, significant litigation outside the normal course of business, restructuring costs incurred upon the disposal or closure of operations, and costs in relation to downsizing measures.

Other operating income and expenses break down as follows:

		Year ended 31 December	
(in € million)	Notes	2021	2020
Gains on disposals of assets		—	0.2
Reversals of asset impairment		—	—
Other income		**—**	**0.2**
Restructuring costs	A	2.7	(19.8)
Losses on disposals of assets and scrapped assets	B	(6.3)	(3.4)
Impairment of assets		(0.4)	(2.3)
Others	C	(0.9)	(4.8)
Other expenses		**(4.9)**	**(30.3)**
Other expenses – net		**(4.9)**	**(30.1)**

A. In 2020, restructuring costs and asset impairments corresponded mainly to the transformation plan carried out in France, including the costs of not rebuilding a furnace, asset impairments and redundancy aid measures totaling €19.8 million. The impact at 31 December 2021 corresponds to the revaluation of these costs.

B. In 2021, this item consisted mainly of losses incurred following a fire in Argentina and scrapped assets in Germany.

C. At 31 December 2020, this item consisted mainly of donations and purchases of industrial protective equipment during the Covid-19 public health crisis.

NOTE 7 – FINANCIAL INCOME AND EXPENSES

ACCOUNTING PRINCIPLES

Financial income and expenses mainly include interest expense on borrowings, accretion of financial assets and provisions, financial expense related to pension plans and other post-employment benefits, factoring fees, bank charges, changes in the fair value of derivative instruments not designated as hedging instruments, and unrealised and realised foreign exchange gains and losses. They also include interest on lease liabilities determined in accordance with IFRS 16 for all leases (excluding exemptions).

Financial income is mainly comprised of incomes from cash and cash equivalents.

(in € million)		Year ended 31 December	
	Note	2021	2020
Interest expense excluding lease liabilities	A	(35.9)	(42.1)
Interest expense related to lease liabilities		(1.5)	(1.7)
Amortisation of debt issuance costs, and other *		(11.0)	(11.7)
Financial income from cash and cash equivalents and other	B	16.0	10.0
Cost of net debt		**(32.4)**	**(45.5)**
Expenses related to refinancing	C	(7.0)	—
Foreign exchange gains and losses	D	(0.9)	8.0
Net interest expense related to pension plans and other benefits	19.1	(1.0)	(0.9)
Profit (loss) on net monetary position in Argentina (IAS 29)	2.5	(15.5)	(7.4)
Net financial income (expense)		**(56.8)**	**(45.8)**

* *Other: mainly corresponding to the amortisation of funding costs and debt issuance premiums, as well as factoring fees and other bank charges.*

A. Corresponds to interest expense on borrowings (described in Note 17).

B. Corresponds to interest income on investments, primarily in Argentina and on interest rate hedging derivatives.

C. Corresponds to the partial accelerated amortisation of Term Loan A issuance costs and the partial early unwinding of interest rate swaps, following the partial repayments of Term Loan A made in May and November 2021 for a total amount of €1,000 million (described in Note 17).

D. Corresponds mainly to local-currency foreign exchange impacts on the Brazilian, Russian, Ukrainian and Argentina subsidiaries, and the effects of variations in foreign exchange derivatives.

NOTE 8 – INCOME TAXES

ACCOUNTING PRINCIPLES

Income tax expense represents the sum of current tax and deferred tax.

Tax expense is calculated based on the tax laws in force or substantively in force as of the reporting date in the countries where the Company and its subsidiaries operate.

The amount of current tax payable (or recoverable) is determined based on the best estimate of the amount of tax that the Group expects to pay (or recover) and reflecting any potential associated uncertainties.

The Group is subject to income tax in France, Spain, Germany, Italy and several other jurisdictions.

Current tax and deferred tax are recognised in profit or loss unless they relate to items that have been recognised in other comprehensive income or directly in equity. If current tax or deferred tax arises from the initial recognition of a business combination, the tax effect is included in the recognition of the business combination.

Deferred tax assets and liabilities are recognised on the basis of temporary differences between the carrying amounts of assets and liabilities on the balance sheet and their respective tax values (with some exceptions).

The impact of a change in tax rates and tax laws on deferred income tax assets and liabilities is generally recognised as tax income/expense over the period that the change was substantively in effect. Deferred tax assets and liabilities are measured at the expected tax rates for the period of realisation of the asset or settlement of the liability, based on tax rates and tax laws prevailing or substantively in force on the reporting date.

Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits only if it is probable that the Group will have sufficient future taxable profits against which they can be used. They are reviewed at each reporting date and are impaired if it no longer appears likely that sufficient future taxable income will be available. To determine whether deferred tax assets should be recognised in respect of tax loss carryforwards, the Group applies various criteria that take into account the likely recovery period based on economic projections and the strategy for recovering tax losses over the long term applied in each country.

ESTIMATES AND ASSUMPTIONS MADE BY MANAGEMENT

Management's judgement is necessary to determine the extent to which tax losses can be recovered by the Group, resulting in the recognition of a deferred tax asset. In assessing the recognition of deferred tax assets, Management considers whether it is more likely than not that they will be used. Ultimately, deferred tax assets will be used if sufficient taxable income is available during periods in which temporary differences become deductible. Estimates of taxable profit and the use of tax loss carryforwards are based on the earnings forecast in the budget, the medium-term plan and, if necessary, supplementary estimates.

8.1 INCOME TAX

The table below shows the breakdown of income tax expense:

	Year ended 31 December	
(in € million)	**2021**	**2020**
France	(12.5)	(8.4)
Outside France	(95.4)	(64.6)
Current tax	**(107.9)**	**(73.0)**
France	4.5	8.3
Outside France	14.0	2.3
Deferred tax	**18.5**	**10.6**
Total income tax	**(89.4)**	**(62.4)**

8.2 ANALYSIS OF DEFERRED TAXES ON THE BALANCE SHEET

In the consolidated balance sheet, changes in net deferred taxes are as follows:

	Year ended 31 December	
(in € million)	2021	2020
Opening	**(118.9)**	**(124.3)**
Deferred tax (expense)/benefit	18.5	10.7
Changes in deferred taxes related to actuarial gains and losses IAS19 and the fair value of cash flow hedge	(96.6)	(8.8)
Translation and hyperinflation adjustments	(1.0)	3.6
Other	(1.1)	(0.1)
Closing	**(199.1)**	**(118.9)**

The table below shows net deferred taxes by type:

	Year ended 31 December	
(in € million)	2021	2020
Deferred tax assets	64.7	27.1
Deferred tax liabilities	(263.8)	(146.0)
Net deferred tax	**(199.1)**	**(118.9)**
Pensions	16.6	20.9
Depreciation and amortisation, accelerated amortisation and regulated provisions	(167.5)	(178.1)
Tax loss carryforwards	19.8	28.9
Other *	(68.0)	9.4
Total	**(199.1)**	**(118.9)**

** Other: mainly corresponding to hedging instruments at 31 December 2021.*

At 31 December 2021, deferred tax losses carried forward recognised as assets amounted to €19.8 million (€28.9 million at 31 December 2020) and were generated mainly in France. These tax losses can be carried forward indefinitely.

Under the Group's business plans, tax loss carryforwards began being used in 2020 and will continue to be used for a period of 3 years.

Taking into account the improved prospect of generating taxable earnings in the short term in Russia, deferred tax assets were recognised in 2020 and 2021 for a portion of the tax losses.

Unrecognised deferred tax assets related to tax losses, in the amount of €10.5 million (€13.3 million at 31 December 2020), mainly concern Chile.

8.3 TAX PROOF

The reconciliation between the income tax shown in the consolidated statement of income and the theoretical tax that would be incurred based on the rate prevailing in the country where the parent company of the Group (France) resides is as follows:

(in € million)	Notes	Year ended 31 December 2021	2020
Profit (loss) before tax		**336.3**	**270.6**
Tax rate in France (%)		28.40 %	32.02 %
Theoretical tax expense		**(95.5)**	**(86.6)**
Difference in tax rates between countries	A	4.0	13.6
Non recognised deferred tax assets		2.3	2.3
Permanent differences	B	12.7	3.9
Tax not levied on taxable profits	C	(5.2)	(6.9)
Impact of changes in local tax rate		(1.3)	0.0
Withholding tax		(0.5)	(0.3)
Other	D	(5.9)	11.6
Total income tax		**(89.4)**	**(62.4)**

A. This item corresponds mainly to improved earnings generation at subsidiaries with lower tax rates.

B. Corresponds mainly to the revaluation of assets following the tax provisions in Italy in 2021.

C. These taxes mainly include the CVAE tax in France and IRAP tax in Italy.

D. Corresponds mainly in 2021 to the recognition of provisions for tax risks. In 2020, the amount corresponds to the Patent Box (tax regime in Italy authorised with retroactive effect).

8.4 TAX CONSOLIDATION

The calculation of income tax expense takes into account specific local rules applicable to Verallia entities, including tax consolidation adopted by Verallia in France and Spain as well as in Germany under the country's Organschaft rules.

In France, Verallia SA is the head of the French tax group.

8.5 UNCERTAINTY OVER TAX TREATMENTS

Uncertain tax positions include risk estimations, litigation and disputes, be they actual or probable, regarding the calculation of income tax. Any of the Group's entities may be subject to a tax audit or even be asked by the local tax authorities to make adjustments. These requested adjustments along with any uncertain tax positions identified by the Group give rise to the recognition of a liability, the amount of which is reviewed regularly in accordance with the criteria set out in the IFRIC 23 interpretation "Uncertain tax positions".

Uncertain tax positions amounted to €11.3 million at 31 December 2021 (€9.3 million at 31 December 2020) and mainly concerned proposed rectifications, notifications of income tax adjustments and requests for information received from the tax authorities.

NOTE 9 – GOODWILL

ACCOUNTING PRINCIPLES

At the acquisition date, goodwill is measured in accordance with the accounting standards applicable to business combinations, as described in **Note 3.1.**

For the purposes of impairment testing (**Note 12**), goodwill is allocated to the cash-generating unit (or group of cash-generating units) benefiting from the synergies of the business combination, depending on the level at which the return on investments is monitored for internal management purposes. A cash generating unit (CGU) is the smallest identifiable group of assets generating cash inflows that are largely independent of those generated by the entity's other assets. CGUs are defined on the basis of industrial organisation and correspond to countries.

In view of the Group's activities, goodwill is tested at the level of groups of CGUs corresponding to the Group's operating segments (**Note 4**).

Goodwill is not amortised but is tested for impairment at each year-end or whenever events or changes in circumstances indicate that it may be impaired.

Impairment losses affecting goodwill cannot be reversed. The methods applied by the Group to perform impairment tests are described in **Note 12.**

The change in the net value of goodwill is as follows:

(in € million)	Northern and Eastern Europe	Southern and Western Europe	Latin America	Total
As of 31 December 2020				
Gross amount	99.8	378.5	51.4	529.7
Net amount	**99.8**	**378.5**	**51.4**	**529.7**
Changes during the year				
Translation differences	0.0	0.0	0.5	0.5
Total changes	**0.0**	**0.0**	**0.5**	**0.5**
As of 31 December 2021				
Gross amount	99.8	378.5	51.9	530.2
Net amount	**99.8**	**378.5**	**51.9**	**530.2**

NOTE 10 – OTHER INTANGIBLE ASSETS

ACCOUNTING PRINCIPLES

Other intangible assets mainly include customer relationships, patents, trademarks, software and development costs. They are carried at historical cost less accumulated amortisation and depreciation. Intangible assets acquired in a business combination are recorded at fair value at the acquisition date.

Customer relationships are measured using the multi-period excess earnings method, in accordance with IFRS 13 "Fair value measurement". The useful life of customer relationships is estimated based on the period during which the economic benefits of the asset are consumed. Customer relationships identified during the acquisition of Saint-Gobain's Glass Packaging Division in 2015 are being amortised on a straight-line basis over an estimated useful life of 12 years.

Costs incurred for in-house software development – mainly configuration, programming and testing costs – are recognised as intangible assets and are generally amortised over a period of 5 years.

Patents and purchased computer software are amortised over their estimated useful lives, not exceeding a period of 20 years for patents and 3 to 5 years for software.

Research costs are expensed in the year in which they are incurred. Process development costs meeting the recognition criteria of IAS 38 are included in intangible assets and amortised over their estimated useful lives (not exceeding 5 years) from the date of first sale of the products to which they relate.

Other intangible assets break down as follows:

(in € million)	Customer relationships	Software	Other	Total
As of 31 December 2020				
Gross amount	727.8	29.6	12.3	769.7
Cumulative amortisation and impairment	(318.5)	(18.4)	(1.9)	(338.8)
Net amount	**409.3**	**11.2**	**10.4**	**430.9**
Changes during the year				
Changes in scope and transfers	0.0	1.7	(1.6)	0.1
Acquisitions	0.0	1.2	5.1	6.3
Disposals	0.0	0.0	(0.3)	(0.3)
Translation differences	0.2	0.0	0.0	0.2
Amortisation and impairment	(59.9)	(4.5)	(0.6)	(65.0)
Total changes	**(59.7)**	**(1.6)**	**2.6**	**(58.7)**
As of 31 December 2021				
Gross amount	719.2	40.7	15.8	775.7
Cumulative amortisation and impairment	(369.6)	(31.1)	(2.8)	(403.5)
Net amount	**349.6**	**9.6**	**13.0**	**372.2**

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING PRINCIPLES

Property, plant and equipment

Property, plant and equipment is recorded at historical cost less any accumulated depreciation and impairment charges. This cost includes incidental expenses directly attributable to the acquisition. Property, plant and equipment acquired in a business combination is carried at its fair value on the acquisition date. Borrowing costs incurred for the construction and acquisition of property, plant and equipment requiring a long period of preparation before it can be used are included in the cost of the associated asset. Property, plant and equipment other than land is depreciated using the component approach on a straight-line basis over the estimated useful lives of:

Main plants and office buildings	30-40 years
Other buildings	15-25 years
Machinery and other production equipment	5-16 years
Vehicles	3-5 years
Furniture, accessories, computer and office equipment	4-16 years

Equipment notably includes the moulds used in the product manufacturing process. They are depreciated on the basis of "beaten costs", i.e. production units.
Government grants for purchases of property, plant and equipment are recognised as deferred income under "Other current liabilities" and recorded in the statement of income as the asset is amortised.

Leases

IFRS 16 defines a lease as a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

So it was decided that certain logistics management contracts including materials handling and inventory management services as well as the rental of sites dedicated to Verallia contain a lease component in that the dedicated site corresponds to an identified asset, the Group obtains substantially all the economic benefits generated by this asset and it has the right to control the use of the dedicated site.

The Group records a right-of-use asset and a lease liability on the lease's start date. The right-of-use asset is initially measured at cost then, subsequently, at cost less any cumulative depreciation and any cumulative impairment losses. The amount may be adjusted according to certain cases of remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments outstanding at the lease's start date. The discount rate applied corresponds to the interest rate implicit in the agreement or, if that rate cannot be readily determined, at the incremental borrowing rate (based on terms and not maturities). It is the latter that the Group generally applies as its discount rate.

The lease liability is subsequently increased by the interest expense and reduced by the amount of rent paid. It is remeasured in the event of an amendment to future lease payments resulting from a change in an index or rate used to determine those payments, a new estimate of the amounts expected to be paid under a residual value guarantee or, where applicable, a remeasurement on the exercise of an option to purchase the underlying asset or extend the lease term or on the non-exercise of a termination option (which thus become reasonably certain).

The Group has opted to analyse assets and liabilities together in order to determine its deferred taxes. A deferred tax liability was thus recognised for the net amount of taxable and deductible temporary differences.

The Group's main leases cover warehouses, offices, forklift trucks and other industrial equipment, and vehicles, with the Group owning substantially all its property, plant and equipment. They are essentially fixed-rent agreements (possibly with index clauses).

Lease terms for warehouses and offices vary by country.

The Group takes the following into account when assessing the reasonable certainty of renewal or termination options being exercised:

- the financial conditions for the optional periods (attractive rents);
- with regard to property, their location (strategically located near Group factories and/or client sites) and any alterations made to the layout;
- in some cases, the Group's operational plans and their impact on the use of a leased property.

For equipment and vehicles, rental periods generally range from 3 to 6 years.

Property, plant and equipment breaks down as follows:

(in € million)		Year Ended	
	Note	31 December 2021	31 December 2020
Assets owned	A	1,305.6	1,242.9
Assets leased	B	45.5	45.6
Property, plant and equipment		**1,351.1**	**1,288.5**

A. The property, plant and equipment owned by the Group break down as follows:

(in € million)	Land	Buildings	Machinery and equipment	Assets in progress	Total
As of 31 December 2020					
Gross amount	64.1	249.3	1,779.7	199.8	2,292.9
Cumulative depreciation and impairment	(0.8)	(86.1)	(961.1)	(2.0)	(1,050.0)
Net amount	**63.3**	**163.2**	**818.6**	**197.8**	**1,242.9**
Changes during the period					
Changes in scope and other	—	0.1	—	—	0.1
Acquisitions	—	2.1	44.5	203.5	250.1
IAS 29, Hyperinflation	0.6	5.1	7.8	1.5	15.0
Disposals	—	(0.1)	(2.9)	—	(3.0)
Translation differences	(0.1)	(1.4)	(0.5)	0.9	(1.1)
Depreciation and impairment	(0.1)	(15.0)	(183.3)	(0.1)	(198.5)
Transfers	0.0	26.1	250.3	(276.4)	0.0
Total changes	**0.4**	**16.9**	**115.9**	**(70.6)**	**62.6**
As of December 31, 2021					
Gross amount	64.6	316.1	2,158.1	128.5	2,667.3
Cumulative depreciation and impairment	(0.9)	(136.0)	(1,223.7)	(1.1)	(1,361.7)
Net amount	**63.7**	**180.1**	**934.4**	**127.4**	**1,305.6**

B. Rights of use break down as follows:

(in € millions)	Buildings	Machinery and equipment	Others	Total
Net carrying amount as of 31 December 2020	**33.8**	**11.8**	**—**	**45.6**
Additions during the period	14.3	9.1	—	23.4
Reductions during the period	(4.4)	(1.7)	—	(6.1)
Depreciation during the period	(10.1)	(7.3)	—	(17.4)
Net carrying amount as of December 31 2021	**33.6**	**11.9**	**—**	**45.5**

NOTE 12 – IMPAIRMENT OF GOODWILL AND FIXED ASSETS

The carrying amounts of goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually and whenever events or changes in circumstances indicate that they may be impaired. Other fixed assets are tested for impairment whenever events or changes in circumstances indicate that they may be impaired. Such events or situations are related to material and adverse changes affecting the economic environment and the assumptions or objectives identified at the time of acquisition.

Fixed assets are tested at the level of the CGUs, corresponding generally to their respective countries.

Goodwill is tested at the level of CGU groups, corresponding to the operating segments, i.e. Southern and Western Europe, Northern and Eastern Europe, and Latin America. The breakdown of goodwill generated at the time of the acquisition of Compagnie de Saint-Gobain's packaging activities in 2015 was based on the contribution of each group of CGUs to EBITDA.

When the carrying amount of CGUs or groups of CGUs exceeds their recoverable amount, an impairment loss is recognised and allocated first to the carrying amount of any goodwill allocated to the groups of CGUs.

The recoverable amount of the CGUs or groups of CGUs is the greater of the fair value net of exit costs and the value in use, which is measured against their expected future discounted cash flows.

Impairment losses recorded against goodwill cannot be reversed through profit or loss. For property, plant and equipment and other intangible assets, impairments recognised in previous periods may be reversed, taking into account the depreciation adjustment, if there is an indication that the loss of value no longer exists and that the recoverable amount of the asset is greater than its carrying amount.

ESTIMATES AND ASSUMPTIONS MADE BY MANAGEMENT

The assumptions, judgements and estimates on which impairment tests are based are the main assumptions used to estimate recoverable amounts when calculating value in use (discount rate, perpetual growth rate, expected cash flows), all of which depend on an assessment of the economic and financial environment.

At 31 December 2021 and 2020, the recoverable amount of the groups of CGUs was determined on the basis of value in use. No goodwill impairment was recognised in financial years 2021 or 2020.

Impairment tests have been carried out on the basis of discounting revised future cash flows that reflect the Group's current best estimate of the expected impacts of the economic conditions of recovery from the health crisis. In addition, the Group's commitments to invest in reducing CO_2 emissions are included in the estimates for the coming years.

Cash flow projections

Projections of future cash flows correspond to the budget for the coming year, the strategic plan for the following two years and an extrapolation for the fourth and fifth years.

The Group uses a number of macroeconomic assumptions to determine its cash flows: exchange rates, GDP growth, inflation, variations in commodity, energy and packaging prices. As regards energy, the Group establishes its assumptions based on expected variations in underlying energy price data (Brent, TTF, NCG). These assumptions are determined using external data and by incorporating the hedging arrangements made.

In addition, the Group takes into account the schedule for maintenance stoppages (furnaces and machines) and for rolling out the Performance Action Plan (to improve its industrial performance).

The extrapolation carried out for the two test years (years 4 and 5) is based on growth and margin rates and WCR that are relatively close to those of the last year of the plan.

Cash flows beyond this five-year period are extrapolated using a constant perpetual growth rate determined on the basis of past performance and market growth forecasts.

The assumptions used to execute the plan are based on economic growth assumptions and consistent with past performance.

Main assumptions used to estimate the value in use of each group of CGUs

	Year ended 31 December	
	2021	2020
Southern and Western Europe		
Discount rate	5.5%	5.8 %
Perpetual growth rate	1.5%	1.5 %
Northern and Eastern Europe		
Discount rate	5.1%	5.5 %
Perpetual growth rate	1.5%	1.5 %
Latin America		
Discount rate	11.4%	12.5 %
Perpetual growth rate	1.5%	1.5%

The discount rate is the segment's weighted average cost of capital (WACC) for each group of CGUs.

When carrying out impairment tests on the Latin America group of CGUs, uncertainty about the inflation rate applicable in Argentina for the long term and the proven capacity of Argentine entity Rayen Curá in 2021 to pass hyperinflation onto its selling prices prompted the Group to conduct impairment tests based on the euro, as it did in 2020. A perpetual growth rate of 1.5% was used.

Sensitivity analysis

The Group has analysed the sensitivity of its impairment tests to the main assumptions used to determine the recoverable amount of each group of CGUs to which the goodwill is allocated, namely the discount rate, the long-term growth rate used to determine the terminal value and the terminal-year cash flows as they represent a significant portion of the recoverable amount.

For 2021, and for each of the three groups of CGUs, no impairment losses would be recorded in the event of a 1 percentage point increase in the WACC, a 0.5 percentage point reduction in the perpetual growth rate or a 10% decline in terminal-year cash flows.

NOTE 13 – OTHER NON-CURRENT ASSETS

The table below shows the breakdown of other non-current assets:

		Year ended 31 December	
(in € million)	Notes	2021	2020
Equity securities	21	6.2	6.3
Loans, deposits and guarantees	21	20.2	20.7
Pension plan surpluses	19.1.2	5.6	3.8
Other *		120.1	—
Total other non-current assets		**152.1**	**30.8**

* *The line "others" correspond mainly to the variation of fair value of value of energy hedging derivatives.*

Loans, deposits and guarantees include reserves and escrow accounts for factoring agreements (Note 14.4). The table below shows changes in the net carrying amount of other non-current assets:

(in € million)	Equity securities	Loans, deposits and guarantees	Pension plan surpluses	Other	Total
As of 31 December 2020					
Gross amount	6.9	27.7	3.8	—	38.4
Impairment	(0.6)	(7.0)	—	—	(7.6)
Net amount	**6.3**	**20.7**	**3.8**	**—**	**30.8**
Changes during the year					
Increase (decrease)	0.2	(0.5)	—	—	(0.3)
Impairment	(0.3)	—	—	—	(0.3)
Translation differences	—	—	—	—	—
Transfers and other movements	—	—	1.8	120.1	121.9
Total changes	**(0.1)**	**(0.5)**	**1.8**	**120.1**	**121.3**
As of 31 December 2021					
Gross amount	7.1	27.2	5.6	120.1	160.0
Impairment	(0.9)	(7.0)	—	—	(7.9)
Net amount	**6.2**	**20.2**	**5.6**	**120.1**	**152.1**

NOTE 14 – CHANGE IN NET WORKING CAPITAL

The change in net working capital in 2021 and 2020 was as follows:

(in € million)	Notes	31 December 2020	Impact of cash flows	Foreign exchange and other	31 December 2021
Inventories	14.1	386.9	16.9	0.5	404.3
Operating receivables	14.2	143.8	69.8	(0.8)	212.8
Operating liabilities	14.3	(512.3)	(178.0)	0.4	(689.9)
Debts to suppliers of fixed assets		(91.4)	10.7	0.0	(80.7)
Operating working capital		**(73.0)**	**(80.6)**	**0.1**	**(153.5)**
Other receivables (non-operating) *	14.2	14.9	(2.1)	214.5	227.3
Other liabilities (non-operating)	14.3	(13.8)	(5.8)	5.0	(14.6)
Current tax assets and liabilities		(16.8)	(7.6)	2.0	(22.4)
Total working capital		**(88.7)**	**(96.1)**	**221.6**	**36.8**
Change in working capital		**(63.8)**			**125.5**

Reconciliation with the condensed consolidated statement of cash flows :	
Change in inventory	(16.9)
Change in trade receivables, trade payables and other receivables/payables	107.2
Current tax expense	107.9
Income taxes paid	(91.4)
Increase (decrease) in debt to suppliers of fixed assets	(10.7)
Total	**96.1**

**Other receivables (non operating): the column "foreign exchange and other" correspond mainly to the variation of fair value of energy hedging derivatives.*

14.1 INVENTORIES

ACCOUNTING PRINCIPLES

Inventories are carried at the lesser of their acquisition cost or probable net realisable value. The cost of inventories includes purchase costs, production costs and other costs incurred to bring inventories to their current location and condition. It is generally determined using the weighted average cost method and, in some cases, the first-in, first-out method (FIFO). The probable net realisable value is the sale price in the ordinary course of business, less estimated completion and sale costs. Inventory acquired in a business combination is carried at its fair value on the acquisition date. The impact of underutilised capacity is excluded when measuring inventory.

Inventory can be impaired to reflect the loss in value of inventories. For inventories of finished products, the provision generally relates to inventories whose realisable value is lower than the net carrying amount, inventories not meeting marketing quality standards, and inventories whose slow turnover is liable to result in deterioration.

The change in net inventories is as follows:

(in € million)	31 December 2021			31 December 2020		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Raw materials	139.5	(19.4)	120.1	130.3	(19.0)	111.3
Inventories of work in progress	1.7	(1.6)	0.1	2.2	(1.8)	0.4
Finished goods	294.2	(10.1)	284.1	285.7	(10.5)	275.2
Total inventories	**435.4**	**(31.1)**	**404.3**	**418.2**	**(31.3)**	**386.9**

14.2 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

ACCOUNTING PRINCIPLES

Accounting

Trade receivables are initially recognised at fair value and then measured at amortised cost using the effective interest rate method, net of impairment losses (if any). As trade receivables are generally due within one year, their nominal value is close to their fair value.

On the other hand, receivables with recourse (receivables that are not guaranteed by the factor because they exceed the provisions of either the insurance or factoring arrangement) included in the factoring programme are managed based on the "hold to collect and sell" business model and are measured at fair value in the balance sheet with a corresponding entry in other comprehensive income.

Amortisation

The impairment policy for trade receivables and related accounts is described in **Note 21**.

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020
Trade receivables and related accounts	**121.6**	**99.3**
Advances to suppliers	6.2	4.1
Prepaid social security contributions	0.6	0.2
Other taxes paid in advance and recoverable (other than income taxes)	55.2	30.7
Other operating receivables	29.3	9.4
Derivatives assets	225.6	11.2
Other non-trade receivables	1.6	3.8
Other current assets	**318.5**	**59.4**
Trade receivables and other current assets	**440.1**	**158.7**

The change in the impairment of trade receivables is as follows:

(in € million)	Year ended 31 December 2021	Year ended 31 December 2020
Opening balance	**10.3**	**7.4**
Additions	1.4	5.7
Reversals	(2.7)	(2.5)
Translation differences	—	(0.3)
Closing balance	**9.0**	**10.3**

The table below shows the ageing of trade receivables at 31 December 2021 and 2020:

	Year ended 31 December	
(in € million)	2021	2020
Accounts receivable not yet due	**114.2**	**90.8**
Accounts receivable past due	**7.4**	**8.5**
Under 30 days	5.3	6.7
Between 30 and 90 days	1.2	0.5
Beyond 90 days	0.9	1.3
Total trade receivables (net amounts)	**121.6**	**99.3**

14.3 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

ACCOUNTING PRINCIPLES

Trade payables and other current liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method. Trade payables and related accounts, other payables and accrued liabilities are generally due within one year, such that their nominal value is close to their fair value.

Trade payables and other current liabilities break down as follows:

	Year ended 31 December	
(in € million)	2021	2020
Trade payables	**521.4**	**367.5**
Customer down payments	24.1	18.8
Debts on fixed assets	80.7	91.4
Grants received	10.6	5.3
Accrued personnel expenses	98.0	87.5
Tax liabilities (other than income tax)	10.2	11.7
Derivative liabilities	4.0	8.5
Other	36.3	26.8
Other current liabilities	**263.9**	**250.0**
Total trade payables and other current liabilities	**785.3**	**617.5**

14.4 FACTORING

ACCOUNTING PRINCIPLES

Under a non-recourse factoring agreement, when the Group has transferred substantially all the risks and rewards of ownership of the receivables, the receivables are derecognised from the consolidated balance sheet.

In accordance with IFRS 9, transferred receivables are derecognised when the factoring agreement transfers the constructive rights to the cash flows and substantially all the associated risks and rewards (transfers of non-recourse receivables) to the assignee.

When trade receivables are sold with limited recourse and substantially all the risks and rewards of these receivables are not transferred, the receivables remain in the consolidated balance sheet. Cash inflows and outflows related to factoring agreements for which the Group does not derecognise receivables are presented on a net basis as cash flows related to financing activities. Contracts through which the Group derecognises receivables result in changes in trade receivables, which are recognised as cash flows from operating activities.

In September 2015, the Group arranged a pan-European factoring programme with Eurofactor for a maximum amount of €400 million (maturing in December 2022) and covering the receivables of certain entities within its two European segments. The Group also has local lines in certain countries (primarily Brazil and Argentina) giving it access to additional financing of up to €50 million.

	Year ended 31 December	
(in € million)	2021	2020
Assignment of receivables without recourse	334.8	302.4
Assignment of receivables with recourse	12.6	13.9
Total receivables assigned	**347.4**	**316.3**

Under the factoring agreements, the risk of dilution is covered by establishing reserves and escrow accounts in an amount corresponding to approximately 3% of the receivables transferred in 2021 and 2020. The amounts thus recorded in "Other non-current assets" at 31 December 2021 and 31 December 2020 were €12.3 million and €11.2 million, respectively.

In addition, the Group has entered into various reverse factoring programmes offered by some of its clients and amounting to €28.7 million in 2021 and €25.7 million in 2020.

NOTE 15 – CASH AND CASH EQUIVALENTS

ACCOUNTING PRINCIPLES

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits held with other banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into a known amount of cash and subject to an insignificant risk of change in value.

Statement of cash flow

The statement of cash flow is prepared using the indirect method on the basis of consolidated net income/loss and is broken down into three categories:

- **cash flow from operating activities**: including taxes, acquisition costs relating to takeovers and payments received as grants;
- **cash flow from investing activities**: in particular in the event of a takeover (excluding acquisition costs), a loss of control (including transaction costs), acquisitions and disposals of non-consolidated investments, associate companies and joint ventures, as well as acquisitions and disposals of fixed assets (including fees and deferred payments) excluding leases;
- **cash flow from financing activities:** including issuance and repayment of loans, issuance of equity instruments, shareholder equity transactions (including transaction costs and any deferred payments), interest paid (cash flows related to financial expense), treasury share transactions and dividends paid.

The balance of cash and cash equivalents is as follows:

	Year ended 31 December	
(in € million)	2021	2020
Cash	395.5	433.1
Cash equivalents	99.2	43.1
Total cash and cash equivalents	**494.6**	**476.2**

The Group has access to a portion of the cash held by certain subsidiaries through the payment of dividends or through inter-company loans. However, local constraints may delay or restrict this access, including monetary restrictions in some foreign jurisdictions.

The Verallia Group's policy is to centralise the liquidity of its subsidiaries at Verallia Packaging where possible.

Bank guarantees are disclosed in **Note 23.2.**

NOTE 16 – EQUITY

16.1 SHARE CAPITAL

The change in the number of shares and share capital was as follows:

(in €)	Number of shares	Face value	Share capital
As of 31 December 2020	**123,272,819**	**3.38**	**416,662,128**
Capital Increase / Issue of ordinary share (24 June 2021)	616,364	3.38	2,083,310
Cancellation of treasury shares (24 June 2021)	(1,600,000)	3.38	(5,408,000)
As of 31 December 2021	**122,289,183**	**3.38**	**413,337,439**

At 31 December 2021, the share capital amounted to €413,337,438.54 and consisted of 122,289,183 ordinary shares with a nominal value of €3.38 each.

CAPITAL INCREASE FOR THE GROUP SAVINGS PLAN

On 24 June 2021, the Chief Executive Officer recognised a capital increase reserved for employees and corporate officers of a total nominal amount of €2,083,310.32 via the issue of 616,364 new ordinary shares with a share premium of €13,646,298.96.

CAPITAL REDUCTION

On 24 June 2021, the Company carried out a capital reduction by cancelling 1.6 million treasury shares that it had acquired under its share buyback programme.

16.2 TREASURY SHARES

REPURCHASE OF TREASURY SHARES

At 31 December 2021, Verallia held 5,517,943 treasury shares that it had acquired as follows:

- Buy Back of 2.1 million shares on 5 March 2021 at a unit price of €28.75;
- Buy Back of 1.6 million shares on 11 June 2021 at a unit price of €30.50 and cancellation of the shares repurchased on 24 June 2021;
- final allocation of 250,852 shares to employees (managers) on July 24, 2021 under the shareholding plan;
- Buy Back of 3.7 million shares on 5 November 2021 at a unit price of €30.50.

LIQUIDITY AGREEMENT

In 2019, the Company signed an AMAFI liquidity agreement with Rothschild Martin Maurel for market-making purposes with respect to its own shares on the regulated market of Euronext Paris. The liquidity agreement took effect on 6 January 2020 for an initial term of 12 months, renewable by tacit agreement for successive 12-month periods.

At 31 December 2021, the liquidity account amounted to €3.4 million and the Company did not hold any treasury shares through this liquidity contract.

16.3 TRANSLATION RESERVE

In financial year 2020, the €104.8 million decrease in the translation reserve was primarily due to the depreciation of the Brazilian real and Russian rouble.

In financial year 2021, the €3.5 million increase in the translation reserve was primarily due to the appreciation of the Brazilian real.

16.4 EARNINGS PER SHARE

16.4.1 Basic earnings per share

Basic earnings per share were calculated based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding excluding treasury shares:

	Year ended 31 December	
	2021	2020
Group's share of net profit (loss) (in € million)	242.6	202.1
Number of shares	120,537,838	120,773,979
Basic earnings per share (in €)	**2.01**	**1.67**

16.4.2. Diluted earnings per share

Diluted earnings per share were calculated based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding excluding treasury shares, after adjusting for the effects of all potential dilutive ordinary shares:

	Year ended 31 December	
	2021	2020
Group's share of net profit (loss) (in € million)	242.6	202.1
Diluted number of shares	120,662,776	120,817,304
Diluted earnings per share (in €)	**2.01**	**1.67**

The Group factored in the dilutive impact resulting from its performance share allocation plans.

NOTE 17 – BORROWINGS AND FINANCIAL LIABILITIES

17.1 NET FINANCIAL DEBT

Net financial debt includes all financial liabilities and derivatives on current and non-current financial liabilities, minus the amount of cash and cash equivalents.

The table below shows the change in net financial debt:

		Year ended 31 December	
(in € million)	Note	2021	2020
Financial debt - Non current	17.2	1,568.1	1,562.5
Financial debt - Current	17.2	197.1	185.4
Financial derivative instruments - net	17.2	(2.2)	6.9
Gross debt		**1,763.0**	**1,754.8**
Cash and cash equivalents	15	(494.6)	(476.2)
Net debt		**1,268.4**	**1,278.6**

17.2 CHANGE IN GROSS FINANCIAL DEBT

SUSTAINABILITY-LINKED BONDS

On 14 May 2021, the Company issued sustainability-linked bonds in compliance with the International Capital Markets Association's Sustainability-Linked Bond Principles for a total principal amount of €500 million, with a 7-year maturity (maturing on 14 May 2028) and bearing interest at a fixed rate of 1.625% per annum[16]. Verallia Packaging, a wholly-owned subsidiary of the Company and lead holding of the Group, has granted a joint and several guarantee *(cautionnement solidaire)*. The bonds were admitted to trading on the regulated market of Euronext Paris. Standard & Poor's assigned a BB+ rating to this bond issue.

The coupon may be revised upwards starting from the first interest period following 31 December 2025 and until maturity, depending on the achievement of two sustainability performance targets:

- reducing Verallia's annual CO2 emissions (scopes 1 and 2) to 2,625 kt CO2 for the year 2025 (corresponding to a 15% decrease from its 2019 baseline); and
- reaching a 59% rate of external cullet usage in its production operations by 2025 (corresponding to a 10-point increase from its 2019 baseline).

Failure to meet either of these targets may raise the coupon by 12.5 basis points.

The proceeds from this bond issue, i.e. €500 million, were used to prepay part of the existing Term Loan A.

On 10 November 2021, the Company issued a sustainability-linked bond in compliance with the International Capital Markets Association's Sustainability-Linked Bond Principles for a total principal amount of €500 million, with a 10-year maturity (maturing on 10 November 2031) and bearing interest at a fixed rate of 1.875% per annum[17]. Verallia Packaging, a wholly-owned subsidiary of the Company and lead holding of the Group, has granted a joint and several guarantee (*cautionnnement solidaire*). The bonds were admitted to trading on the regulated market of Euronext Paris. Standard & Poor's assigned a BB+ rating to this bond issue.

The coupon may be revised upwards starting from the first interest period following 31 December 2025 and until maturity, depending on the achievement of two sustainability performance targets:

- reducing Verallia's annual CO2 emissions (scopes 1 and 2) to 2,625 kt CO2 for the year 2025 (corresponding to a 15% decrease from its 2019 baseline); and
- reaching a 59% rate of external cullet usage in its production operations by 2025 (corresponding to a 10-point increase from its 2019 baseline).

Failure to meet either of these targets may raise the coupon by 10 basis points.

The proceeds from this bond issue, i.e. €500 million, were used to prepay part of the existing Term Loan A.

These two transactions have enabled the Group to further diversify its sources of funding by accessing the bond market, lengthen its average debt maturity profile and increase visibility on its commitment to sustainability.

TERM LOAN A

On 14 May and 10 November 2021, the Group proceeded with two prepayments of €500 million each of the outstanding principal amount under Term Loan A, which had been fully drawn on 7 October 2019 up to a principal amount of €1,500 million and maturity on 7 October 2024. At 31 December 2021, the outstanding principal amount of Term Loan A was €500 million.

The applicable margin was initially set at Euribor +175 basis points (floor rate of 0%) with an upward or downward adjustment mechanism (margin ratchet). This ratchet mechanism was activated in August 2020 and again in July 2021 resulting in a new applicable margin of 125 basis points. Since April 2021, Term Loan A has been indexed to the 1-month Euribor rate.

[16] Prospectus approved by the French Financial Markets Authority on May 11, 2021 under visa 21-150.
[17] Prospectus approved by the French Financial Markets Authority on November 8, 2021 under visa 21-477

REVOLVING CREDIT FACILITIES – RCF

In April 2021, the Group decided not to extend by 6 months the second revolving credit facility arranged in April 2020 for a maximum principal amount of €250 million (RCF2) with a one-year maturity and extendable by 6 months.

At 31 December 2021, the Group therefore had a single revolving credit facility for a maximum principal amount of €500 million (RCF1), which was arranged on 7 October 2019 to mature on 7 October 2024 and which remains fully undrawn.

NEGOTIABLE EUROPEAN COMMERCIAL PAPERS (NEU CP)

The outstanding amount issued at 31 December 2021 was €150.2 million bearing an average interest rate of 0.17%.

As of 31 December 2020, outstanding issues amounted to €146.4 million at an average rate of 0.26%.

AMORTISING LOAN FROM BPIFRANCE, A VERALLIA SHAREHOLDER (RELATED PARTY AGREEMENT)

In its efforts to extend the Group's average debt maturity profile, to continue diversifying its sources of funding and to obtain competitive funding costs, the Company entered into an amortising loan agreement with Bpifrance on 16 December 2021 for a total principal amount of €30.0 million. The loan was fully drawn at 31 December 2021; it bears interest at a fixed rate of 0.40% per annum and has a 3-year maturity.

Verallia Packaging, a wholly-owned subsidiary of the Company and lead holding of the Group, has granted a joint and several guarantee (*cautionnement solidaire*).

This related party agreement was entered into after being approved by the Board of Directors during its meeting held on 6 December 2021, and it will be submitted for approval at the Company's General Shareholders' Meeting to be held on 11 May 2022.

GROSS FINANCIAL DEBT AT 31 DECEMBER 2021

At 31 December 2021, the €500 million revolving credit facility had not been drawn.

(in € million)	Notes	Notional or maximum amount	Currency	Contractual interest rate	Effective interest rate	Final maturity	Type of facility	Deferred expenses and bond premiums	Carrying amount as of 31 December 2021		Total as of 31 December 2021
									Non-current	Current	
Sustainability-Linked Bond November 2021		500.0	EUR	1.875 %	2.07 %	10/11/2031	Maturity	8.5	491.6	1.3	492.9
Sustainability-Linked Bond May 2021		500.0	EUR	1.625 %	1.72 %	14/05/2028	Maturity	2.9	497.0	5.2	502.2
Revolving credit facility (floor 0%) RCF1		500.0	EUR	Euribor + 0,85%	0.85 %	07/10/2024	Revolving	1.7	—	—	—
Term Loan A (floor 0%)		500.0	EUR	Euribor + 1,25%	1.47 %	07/10/2024	Maturity	1.7	496.6	0.8	497.4
Lease liabilities	17.5								33.1	14.2	47.3
Other borrowings									49.8	14.4	64.2
Total long-term debt									***1,568.1***	***35.9***	***1,604.0***
Negotiable commercial paper (NEU CP)		400.0	EUR							150.2	150.2
Other borrowings										11.0	11.0
Total short-term debt										***161.2***	***161.2***
Total financial debt									**1,568.1**	**197.1**	**1,765.2**
Financial derivatives liability	20.2								0.9	0.1	1.0
Financial Debt and financial derivatives liability									**1,569.0**	**197.2**	**1,766.2**
Financial derivatives asset	20.2								(3.2)	—	(3.2)
Gross debt									**1,565.8**	**197.2**	**1,763.0**

GROSS FINANCIAL DEBT AT 31 DECEMBER 2020

At 31 December 2020, the two revolving credit facilities of €500 million and €250 million had not been drawn.

(in € million)	Notes	Notional or maximum amount	Currency	Contractual interest rate	Effective interest rate	Final maturity	Type of facility	Deferred expenses and bond premiums	Carrying amount as of 31 December 2020 Non-current	Carrying amount as of 31 December 2020 Current	Total as of 31 December 2020
Revolving credit facility (floor 0%) RCF2		250.0	EUR	Euribor + 1,95%	1.95 %	24/04/2021	Revolving	0.3	—	—	—
Revolving credit facility (floor 0%) RCF1		500.0	EUR	Euribor + 1,10%	1.10 %	07/10/2024	Revolving	2.4	—	—	—
Term Loan A (floor 0%)		1,500.0	EUR	Euribor + 1,50%	1.64 %	07/10/2024	Maturity	7.1	1,490.6	6.1	1,496.7
Lease liabilities	17.5								30.6	16.3	46.9
Other borrowings									41.3	4.5	45.8
Total long-term debt									***1,562.5***	***26.9***	***1,589.4***
Negotiable commercial paper (NEU CP)		400.0	EUR							146.4	146.4
Other borrowings										12.1	12.1
Total short-term debt									***—***	***158.5***	***158.5***
Total financial debt									**1,562.5**	**185.4**	**1,747.9**
Financial derivatives liability	20.1.2								6.6	0.3	6.9
Financial Debt and financial derivatives liability									**1,569.1**	**185.8**	**1,754.8**
Financial derivatives asset	20.1.2								—	—	—
Gross debt									**1,569.1**	**185.8**	**1,754.8**

17.3 THE GROUP'S DEBT STRUCTURE

The interest rates applicable to the Group's entire portfolio of financial liabilities, after incorporating derivative instruments, are as follows:

	Year ended 31 December	
(in € million)	2021	2020
Fixed-rate debt	1,744.9	1,482.2
Floating-rate debt	18.1	272.6
Gross debt	**1,763.0**	**1,754.8**

17.4 DEBT REPAYMENT SCHEDULE

The debt maturity profile of the Group's financial liabilities and derivatives is as follows:

	Year ended 31 December	
(in € million)	2021	2020
Less than one year	197.2	185.7
Between one and five years	562.5	1,548.5
More than five years	1,003.4	20.6
Gross debt	**1,763.0**	**1,754.8**

At 31 December 2021, borrowings of under a year consisted primarily of NEU CP (negotiable commercial paper) in the amount of €150 million versus €147 million in 2020.

17.5 LEASE LIABILITIES

At 31 December 2021, lease liabilities amounted to €47.3 million.

(in € million)	Leases current Terms Debts	Leases non current Terms Debts	Lease debts
31 December 2020	**16.3**	**30.6**	**46.9**
Reductions during the period	(18.7)	—	(18.7)
Additions and modifications of contracts during the period	15.0	2.6	17.6
Capitalized Interests	1.5	—	1.5
Change in Group Structure	—	—	—
Other	—	—	—
31 December 2021	**14.2**	**33.2**	**47.3**

The maturity profile for lease liabilities is as follows:

(in € million)	Year ended 31 December 2021
Less than one year	14.2
In one to five years	28.8
In more than five years	4.2
Total lease liabilities	**47.3**

17.6 COVENANTS

SENIOR FACILITIES AGREEMENT

The Senior Facilities Agreement contains certain negative covenants, for instance the Group cannot:

- grant collateral;
- enable Group companies that are neither guarantors nor borrowers under the Senior Facilities Agreement to incur debt for a cumulative amount exceeding 20% of the Group's consolidated net debt;
- sell assets;
- conduct certain mergers, demergers, partial asset transfers and similar transactions; or
- make changes to the type of business conducted by the Group,

in each case, subject to de minimis thresholds and exceptions usual in this type of financing.

The Senior Facilities Agreement also includes undertakings, for instance to maintain insurance policies, to comply with applicable laws, to keep the borrowings at least at the same rank as the unsecured financial indebtedness of the borrowers and guarantors under the Senior Facilities Agreement, to have certain of the Group's material subsidiaries accede as guarantors (*caution solidaire*) to the Senior Facilities Agreement and to ensure that the consolidated EBITDA of all Group members having acceded as guarantors to the Senior Facilities Agreement together accounts for at least 80% of the Group's consolidated EBITDA (as defined in the Senior Facilities Agreement). Lastly, under the Senior Facilities Agreement, a leverage ratio should be complied with limiting the amount of financial indebtedness that the Group's members are in a position to incur. Therefore the Group is required to keep its leverage ratio (total net debt/ pro forma consolidated EBITDA) below or equal to 5x until the Senior Facilities Agreement expires; such leverage ratio is tested at the end of each half-year period.

No payment default had occurred and was continuing under the Senior Facilities Agreement as at 31 December 2021.

SUSTAINABILITY-LINKED BONDS

The prospectus relating to each Sustainability-Linked bond issuance both include an undertaking, for the Company and certain Group material subsidiaries, not to pledge their respective assets as guarantee for the payment obligations of the Company, or any of the aforementioned material subsidiaries, under any future bond financial indebtedness, in the event where bond creditors under the Sustainability-Linked bonds would not be treated pari passu.

17.7 CHANGE IN DEBT

The change in financial debt in 2021 was as follows:

(in € million)	31 December 2020	Cash inflows	Cash outflows	Discount effects and other*	Interest expense	Change in the scope of consolidation	Translation differences	31 December 2021
Non-current financial liabilities and derivatives	**1,569.1**	**1,038.8**	**(1,016.8)**	**(21.8)**	**—**	**—**	**(0.3)**	**1,569.0**
Current financial liabilities and derivatives (excluding interest)	178.2	3.2	(25.7)	32.0	1.5	—	0.2	189.4
Interest on long-term debt	7.5	—	(29.8)	—	30.5	—	(0.4)	7.8
Current financial liabilities and derivatives	**185.7**	**3.2**	**(55.5)**	**32.0**	**32.0**	**—**	**(0.2)**	**197.2**
Financial liabilities and financial derivatives liability	**1,754.8**	**1,042.0**	**(1,072.3)**	**10.2**	**32.0**	**—**	**(0.5)**	**1,766.2**
Financial derivatives asset	0.0	—	—	(3.2)	—	—	—	(3.2)
Gross debt	**1,754.8**	**1,042.0**	**(1,072.3)**	**7.0**	**32.0**	**—**	**(0.5)**	**1,763.0**

** Mainly consists of lease liabilities in application of IFRS 16*

Reconciliation with the consolidated statement of cash flows

Increase (reduction) in bank overdrafts and other short-term borrowings	2.9	
Increase in long-term debt	1,039.1	
Reduction in long-term debt		(1,041.0)
Financial interest paid		(31.4)
Total	**1,042.0**	**(1,072.4)**

NOTE 18 – PROVISIONS AND OTHER NON-CURRENT FINANCIAL LIABILITIES

The change in provisions in financial year 2021 breaks down as follows:

(in € million)	Provisions for claims, litigation and other	Provisions for environmental risks	Provisions for restructuring and employee benefit expenses	Provisions for risks relating to associates	Other risks	Total provisions	Liabilities relating to investments	Total provisions and other liabilities
As of 31 December 2020								
Current portion	3.3	2.6	20.4	—	33.6	59.9	—	59.9
Non-current portion	6.4	11.7	1.0	—	3.9	23.0	0.9	23.9
Total provisions	**9.7**	**14.3**	**21.4**	**0.0**	**37.5**	**82.9**	**0.9**	**83.8**
Changes during the period								
Additions	2.9	1.6	1.5	—	20.7	26.7	—	26.7
Reversals (unused)	(3.2)	(1.2)	(6.4)	—	(2.0)	(12.8)	—	(12.8)
Reversals (used)	(3.0)	(0.9)	(6.1)	—	(29.5)	(39.5)	—	(39.5)
Other (reclassifications and translation differences)	0.1	0.8	0.5	—	1.1	2.5	—	2.5
Total changes	**(3.2)**	**0.3**	**(10.5)**	**0.0**	**(9.7)**	**(23.1)**	**0.0**	**(23.1)**
As of 31 December 2021								
Current portion	3.8	3.7	9.9	—	22.1	39.5	—	39.5
Non-current portion	2.7	10.9	1.0	—	5.8	20.4	0.9	21.3
Total provisions	**6.5**	**14.6**	**10.9**	**0.0**	**27.9**	**59.9**	**0.9**	**60.8**

18.1 PROVISIONS AND CONTINGENT LIABILITIES

ACCOUNTING PRINCIPLES

A provision is made when (i) the Group has a legal or current implicit obligation towards a third-party resulting from a past event, (ii) an outflow of resources will probably be necessary for the Group to extinguish the obligation, and (iii) the amount of the obligation can be reliably estimated.

Provisions primarily concern obligations associated with litigation, restructuring plans and other risks identified with respect to the Group's operations. Provisions with settlement dates that can be reliably estimated are discounted.

When a current obligation is unlikely to exist, the Group recognises a contingent liability, unless there is little likelihood of an outflow of resources embodying an economic benefit.

Contingent liabilities assumed during a business combination are recognised at their fair value on the acquisition date.

In compliance with regulations on carbon dioxide (CO2) emission allowances, and in light of the Group's allowances deficit, the Group accordingly recorded a provision.

When the Group is in deficit (CO_2 allowances to be surrendered for CO_2 emitted during the year in excess of the stock of CO_2 emission allowances allocated free of charge), it recognises a provision to cover the expected allowances deficit so as to be able to surrender the allowances in April of the following year. Measurement of the provision takes into account the price of forward purchases made for the following year and the spot price on 31 December of the current year for the balance not covered by forward purchases.

CO_2 emission allowances allocated free of charge or purchased are recognised in the Group's inventory of raw materials.

ESTIMATES AND ASSUMPTIONS MADE BY MANAGEMENT

Estimates primarily concern valuations of liabilities and contingent liabilities, especially provisions for litigation and other Group risks.

18.1.1 Provisions for claims, litigation and other

These provisions mainly concern provisions for claims, litigation and other commercial risks, primarily in France and Italy.

Litigation between Verallia Italia and Nelson Servizi

In December 2014, Verallia Italia, as a supplier, and Nelson Servizi, as a distributor, renewed their previously agreed distribution contract and established mutual undertakings to sell and buy bottles for the Cuban market for the years 2015, 2016 and 2017. In 2015, the Group decided to cease all commercial activity for the Cuban market starting from the second half of 2016. In response, Nelson Servizi suspended all payments to Verallia Italia.

Verallia Italia then informed Nelson Servizi that said distribution contract would be cancelled if Nelson Servizi did not settle its debts towards it. Nelson Servizi thus requested that Verallia Italia be ordered to pay damages amounting to €11 million.

By the closing date, the Group had made a payment of €1.8 million and recognised a provision reversal of €4,1 million.

Verallia Italia has lodged an appeal against the court decision.

18.1.2 Provisions for environmental risks

Provisions for environmental risks cover the costs of environmental protection measures, asbestos-related costs and the costs of waste disposal relating to the reconstruction of furnaces.

Asbestos-related litigation

Charges of gross negligence (inexcusable fault)

In France, since the late 1990s, several former and current employees of the Group or their assignees have filed lawsuits against the Group's French subsidiary, Verallia France, for gross negligence; their aim has been to obtain damages, in addition to the compensation they received from the French social security authorities, along with an increase in said compensation for occupational illnesses resulting from their alleged exposure to asbestos-containing materials. In recent years, the French courts have responded favorably to some of their demands.

At 31 December 2021, the amount provisioned in respect of these claims stood at €2 million.

Claims for compensation for anxiety

At 31 December 2021, 98 lawsuits had been filed by employees or former employees of the Group claiming compensation for anxiety caused by their alleged exposure to asbestos-containing materials at the Group's French facilities.

At the closing date, a single plaintiff had claimed to have fallen ill as a result of exposure to asbestos-containing materials.

At 31 December 2021, the amount provisioned for all claims amounts to €1.6 million.

18.1.3 Provisions for restructuring and personnel expenses

Provisions for restructuring and personnel expenses amounted to €10.9 million at 31 December 2021 and €21.4 million at 31 December 2020.

They mainly concern the transformation plan carried out in France, after it was decided not to rebuild the oldest of the three furnaces at the Cognac facility, and redundancy aid measures.

18.1.4 Provisions for other risks

Provisions for other risks mainly concern the provision relating to the Group's deficit with respect to its CO2 allowances for the period covering Phase IV (2021-2030) of the Quotas Directive.

With respect to the provision for CO_2 allowance deficits, emission projections were calculated for Phase IV of the European plan which started in 2021 and are based on the detailed estimates made periodically by the Group's industrial management. Management measures the Group's capacity utilisation according to market trends and any upgrades made to its production facilities.

For Phase IV, the Group already anticipates that the number of allowances that will be allocated free of charge will be lower than the number of allowances allocated to it free of charge during Phase III, and that in any event it will probably not be able to meet its obligations to surrender its carbon dioxide emissions, which will force it to continue its policy of acquiring allowances on the market, for significant amounts.

In order to secure the prices at which it will have to acquire allowances in 2022, the Group has made forward purchases of carbon dioxide allowances on the market for a total amount, as of December 31, 2021, of €12.9 million, corresponding to a large part of the expected shortfalls.

The valuation of the provision is based on the price of forward purchases made by the Group and the spot price at the end of the year for the balance not covered by forward purchases.

For the year 2021, the Group's deficit recorded amounts to €18.3 million (€31.1 million in 2020). The decrease in the provision corresponds to the surrender of 2020 allowances, whereas the settlement of forward purchases in April 2021 in connection with the end of Phase III resulted in a cash outflow of €28.5 million.

18.1.5 Risks relating to associates

Context

In 2013, Verallia Brasil, a Company subsidiary, set up a joint venture governed by Brazilian law (Industria Vidreira de Nordeste – "IVN") with a local partner, Ipiaram Empreendimentos e Participações Ltda (Ipiaram). Verallia Brasil held a majority stake in this joint venture, the purpose of which was to build and operate a glass manufacturing facility in the Brazilian state of Sergipe. The plant came onstream in 2015.

Verallia Brasil's shareholding was equity-accounted and then sold in October 2018.

Bank guarantees/Shareholder loans

In addition, at 31 December 2016, the shareholder loans traditionally granted to IVN by Verallia Brasil were fully impaired in the amount of 55.6 million Brazilian reals (corresponding to €15 million at the average exchange rate in 2016). In 2018, this impairment loss was fully recovered following the disposal of the shareholding in the amount of 55.6 million Brazilian reals (corresponding to €13 million at the average exchange rate of 2018).

Disposal

The Group and Ipiaram completed the disposal of their shareholdings in IVN on 26 October 2018. A €14 million gain was recognised in financial year 2018 in respect of this disposal.

Arbitration

In January 2017, Ipiaram launched arbitration proceedings with the International Chamber of Commerce (ICC) against Verallia Brasil regarding the interpretation of certain provisions in the partnership agreements signed by the two parties; Ipiaram felt entitled to exercise the undertakings to purchase granted by Verallia Brasil under these partnership agreements. At the closing date, these arbitration proceedings were still under way.

At 31 December 2019, Ipiaram's claim was estimated at 104 million Brazilian reals in total damages (i.e. approximately €17 million at the closing exchange rate on 31 December 2021); the Group, meanwhile, considered that there were no grounds for the claim.

On 18 June 2020, the court of arbitration delivered its final ruling and rejected all the claims made by Ipiaram against Verallia Brasil. Ipiaram submitted a request for clarification with the aim of overturning the arbitration decision, but the request was rejected on 15 October 2020 and the ruling was delivered to the parties concerned on 3 November 2020. The arbitration proceedings were declared closed on 15 December 2020.

On 3 December 2020, Ipiaram commenced proceedings to annul the court of arbitration's final ruling and also requested interim proceedings to suspend the effects of the court of arbitration's decision. The court rejected this second request on 18 December 2020.

Verallia Brasil commenced proceedings on 25 February 2021 to enforce the arbitration decision. On 23 April 2021, Ipiaram transferred the corresponding amount to the Brazilian court. Verallia Brasil is awaiting a court decision authorising it to withdraw the funds deposited with the court in an escrow account.

The Group deems it unnecessary to recognise any provisions in respect of this arbitration case given the decisions handed down by the court of arbitration and legal authorities.

18.2 OTHER NON-CURRENT FINANCIAL LIABILITIES

ACCOUNTING PRINCIPLES

Other non-current financial liabilities primarily consist of put options granted to minority shareholders in subsidiaries and liabilities relating to the acquisition of securities in the Group's companies, including additional considerations for acquisitions made. Liabilities relating to the put options correspond to the present value of their estimated exercise price, with a corresponding decrease in interests not conferring control and in equity attributable to owners of the parent company. Any subsequent change in the fair value of the liability is recognised through an adjustment to equity.

The Group did not recognise any change in other non-current liabilities in 2021.

NOTE 19 – PROVISIONS FOR PENSIONS AND SIMILAR LIABILITIES

Provisions for pensions and other employee benefits break down as follows:

		31 December	
(in € million)	Notes	2021	2020
Annuities payable to plan beneficiaries		74.4	82.2
Flat-rate compensation		33.8	41.5
Post-employment medical benefits		5.5	6.3
Provisions for pensions and other liabilities	**19.1**	**113.7**	**130.0**
Other long-term benefits	19.2	3.9	4.0
Provisions for pensions and other employee benefits		**117.5**	**134.0**

The Group's workforce breaks down as follows:

	31 December	
	2021	2020
Managers	1,004	968
Administrative employees	2,217	2,199
Other employees	6,393	6,468
Total	**9,614**	**9,635**

The workforce presented corresponds to the average number of people employed by the Group over the year.

19.1 PENSION LIABILITIES AND OTHER POST-EMPLOYMENT BENEFIT LIABILITIES

ACCOUNTING PRINCIPLES

Defined benefit plans

Defined benefit pension plans refer to plans where the Group is committed officially or through an implicit obligation to an amount or level of benefits and therefore bears the associated medium- or long-term risk.

After retiring, the Group's former employees are entitled to pension benefits in accordance with applicable laws and regulations in the respective countries in which the Group operates. Supplemental pension liabilities also apply in some of the Group's companies, in France and also in other countries. The group's liabilities with respect to pensions and retirement benefits are established at the end of the reporting period with the assistance of independent actuaries, on an actuarial basis, using the projected unit credit method which incorporates projected final salaries on retirement and economic conditions in each country. These liabilities can be funded by pension funds or plan assets, and a provision is recognised in the consolidated balance sheet for the portion not funded by assets.

The Group contributes to defined benefit plans which determine the level of retirement benefits an employee will receive on their retirement. These plans mainly concern Germany, Spain, Italy and France.

In France, employees receive retirement benefits depending on their years of service and their last salary on the date of their retirement. This flat-rate amount is determined according to the applicable collective agreement.

Retired former employees in Spain and Germany receive benefits other than retirement benefits, for instance for healthcare. The Group's obligations under these plans are calculated on an actuarial basis and provisions are recognised accordingly in the consolidated balance sheet.

Remeasurements of the net defined benefit liability (asset), comprising actuarial gains and losses, the return on plan assets (excluding amounts factored into the calculation of net interest on net liabilities) and the change in the effect of the asset ceiling (if any, excluding amounts factored into the calculation of net interest on net liabilities), are recognised immediately in "Other comprehensive income".

Provisions are also made, on an actuarial basis, for other long-term employee benefits such as long-service awards and bonuses in various countries. Actuarial gains and losses relating to these other long-term benefits are recognised immediately in the statement of income.

Interest expenses relating to these liabilities and returns on the corresponding plan assets are valued by the Group using the discount rate applied to estimate the liability at the start of the period and are recognised in financial income as "Net interest expense relating to pension plans and other benefits".

Defined contribution plans

Defined contribution pension plans are those for which the Group's only obligation is to pay a contribution but the Group has no obligation as regards the level of benefits paid.

Contributions into defined contribution plans are expensed as incurred.

ESTIMATES AND ASSUMPTIONS USED BY MANAGEMENT

The present value of defined benefit pension liabilities depends on a certain number of factors that are determined on an actuarial basis using assumptions about population growth and financial/economic factors. The assumptions used to calculate defined benefit pension liabilities and net pension costs include the discount rate and the rate of future salary growth. Management takes advice from external consultants and actuaries to establish these estimates and assumptions. Any material change in these assumptions could result in a material change in the personnel expenses recognised in the consolidated statement of income and in the remeasurements recognised in other comprehensive income offset against equity.

19.1.1 Main economic and financial assumptions used to measure defined benefit pension liabilities and plan assets

Pension liabilities and other post-employment benefit liabilities are calculated on an actuarial basis using the projected unit credit method applied to estimated final salaries.

i. Rate assumptions

Assumptions about mortality, staff turnover and salary growth factor in economic conditions and population trends in each individual country.

Discount rates are established by region depending on the bond yields of high-quality companies at the end of the financial year. The discount rates used for the Group's main plans are as follows:

	Year ended 31 December	
(In %)	**2021**	**2020**
Discount rate	0.9% to 1.2%	0.5% to 0.7%
Salary increases including long-term inflation	1.8% to 2.3%	1.8% to 2.3%
Long-term inflation rate	1.5 %	1.5 %

ii. Sensitivity analysis

The sensitivity analyses carried out imply the following outcomes for defined benefit pension liabilities:

	Year ended 31 December	
(in € million)	**2021**	**2020**
Impact of 0.5% increase in discount rate	(9.0)	(10.0)
Impact of 0.5% decrease in discount rate	10.1	11.1
Impact of 0.5% increase in inflation rate	8.4	9.3

19.1.2 Change in pension liabilities and other post-employment benefit liabilities

i. Net carrying value of the provision

The table below shows defined benefit pension liabilities relating to the Group's pension liabilities and other post-employment benefit plans along with the corresponding plan assets:

		Year ended 31 December	
(in € million)	Notes	**2021**	**2020**
Provisions for pensions and other post-employment benefit liabilities	19	113.7	130.0
Pension plan surpluses		(5.6)	(3.8)
Net pension liabilities and other post-employment benefit liabilities		**108.0**	**126.2**

ii. Liability analysis

The total amount of the Group's pension liabilities and other post-employment benefit liabilities breaks down as follows:

	31 December 2021					31 December 2020				
(in € million)	Spain	Germany	Other Western European countries	Other	Total	Spain	Germany	Other Western European countries	Other	Total
Average duration (in years)					**13.3**					**13.3**
Defined benefit liabilities - funded plans	35.0		0.1		35.1	37.7		0.2		37.9
Defined benefit liabilities - unfunded plans	5.0	74.4	33.6	0.7	113.7	5.5	82.5	41.4	0.6	130.0
Fair value of plan assets	(39.6)		(1.2)		(40.8)	(40.7)		(1.0)		(41.7)
Deficit (Surplus)	**0.4**	**74.4**	**32.5**	**0.7**	**108.0**	**2.5**	**82.5**	**40.6**	**0.6**	**126.2**
Asset ceiling					**—**					**—**
Net pension liabilities and other post-employment benefit liabilities					**108.0**					**126.2**

iii. Plan assets

Plan assets primarily consist of insurance policies. They are invested in low-risk assets.

iv. Change in pension liabilities and other post-employment benefit liabilities

Changes in pension liabilities and other post-employment benefit liabilities break down as follows:

(in € million)	Notes	Pension liabilities and other post-employment benefit liabilities	Fair value of plan assets	Net pension liabilities and other post-employment benefit liabilities
As of 31 December 2019		**171.1**	**(46.4)**	**124.7**
Fluctuations during the year				
Current service cost		3.3	—	3.3
Net interest expense	7	1.0	(0.1)	0.9
Reductions/settlements		—	—	—
Past service cost		—	—	—
Contributions to the pension plan		—	—	—
Translation differences		(0.1)	—	(0.1)
Employee benefit expenses recognised in the income statement		**4.2**	**(0.1)**	**4.1**
Payment of benefits		(9.7)	3.1	(6.6)
Business combination		—	—	—
Remeasurement of net liabilities (net assets)		2.3	1.7	4.0
Other		—	—	—
Total movements during the year		**(3.2)**	**4.7**	**1.5**
As of 31 December 2020		**167.9**	**(41.7)**	**126.2**
Fluctuations during the year				
Current service cost		3.1	—	3.1
Net interest expense	7	1.6	(0.6)	1.0
Reductions/settlements		(0.1)	—	(0.1)
Past service cost		0.1	—	0.1
Contributions to the pension plan		—	0.1	0.1
Translation differences		—	—	—
Employee benefit expenses recognised in the income statement		**4.7**	**(0.5)**	**4.2**
Payment of benefits		(9.6)	2.7	(6.9)
Business combination		—	—	—
Remeasurement of net liabilities (net assets)		(10.6)	(1.3)	(11.9)
Other *		(3.6)	—	(3.6)
Total movements during the year		**(19.1)**	**0.9**	**(18.2)**
As of 31 December 2021		**148.8**	**(40.8)**	**108.0**

**Impact of IFRIC/IAS 19.*

19.2 OTHER LONG-TERM BENEFITS

Defined benefit pension liabilities are generally calculated on an actuarial basis according to the same method as for pension liabilities.

At 31 December 2021, provisions for other long-term employee benefits primarily included long-service awards payable by the subsidiaries in France amounting to €2.1 million (€2.2 million at 31 December 2020) and bonuses amounting to €1.4 million in Germany (€1.4 million at 31 December 2020).

19.3 SHARE OWNERSHIP PLAN

19.3.1 Share ownership plan

The Group's compensation policy is aimed at retaining and motivating talented employees, and at involving managerial staff in its performances, mainly through a long-term incentive plan in the form of bonus share awards subject to performance criteria linked to the Group's long-term strategy.

For this purpose, when the Group listed on the regulated market of Euronext Paris, it set up a performance share allocation plan spanning a period of three years from 2019 to 2021 (the "2019/2021 Plan"), corresponding to at most 1% of the Company's share capital and allocated in three tranches.

The final allocation of shares each year under the 2019/2021 Plan is decided subject to (a) the continued employment of the employee or executive concerned and (b) performance criteria that are (i) 70% dependent on targets set for adjusted EBITDA and net debt before dividend payouts and share buybacks, measured over the previous two years combined, and (ii) 30% dependent on the achievement of a share performance target, starting from the Company's initial public offering, relative to the share performances of companies listed in the SBF 120 index on the Euronext Paris stock exchange.

A first allocation of shares corresponding to a maximum of 0.33% of the Company's share capital was made in July 2019 covering a period of two years and subject to performance criteria being met.

The July 2019 Plan was ultimately allocated with 250,852 shares delivered on 24 July 2021 based on fulfilment of the performance criteria in percentage terms by the end of the plan.

A second tranche of shares corresponding to a maximum of 0.33% of the Company's share capital was allocated in March 2020 covering a period of two years and subject to performance criteria being met.

In accordance with the delegation of authority granted to it by the Combined General Shareholders' Meeting of 10 June 2020, the Board of Directors decided on 23 February 2021 to set up two new performance share allocation plans spanning, respectively, a two-year period covering 2021 to 2022 (the "2021-2022 Plan") and a three-year period covering 2021 to 2023 (the "2021-2023 Plan"). After taking these two new plans into consideration, the Board of Directors also decided to cancel the third tranche of performance shares under the 2019-2021 Plan.

The final allocation of shares awarded under the 2021/2022 Plan and 2021/2023 Plan will go ahead with no discount applied subject to (a) the continued employment of the employee or executive concerned and (b) financial and non-financial performance criteria being met. The 2021-2022 Plan and 2021-2023 Plan are consistent with latest market practices, for instance in terms of the performance criteria applied.

At 31 December 2021, the number of potential ordinary shares under these two new plans is 494,871.

19.3.2 Accounting impacts

Fair values applied to these share ownership plans were measured taking the features of these plans into account. Expenses incurred in relation to these plans and associated costs recognised in the consolidated statement of income were €10.1 million for the financial year ended 31 December 2021. Expenses incurred in relation to these plans and associated costs recognised in the consolidated statement of income were €5.8 million for the financial year ended 31 December 2020.

19.4 GROUP SAVINGS PLANS

The Group has set up a Group savings plan (PEG) for all its French employees and an International Group savings plan (PEGI) for those located in the other countries in which it operates.

On 24 June 2021, the Company carried out a share capital increase reserved for employees under the Group Savings Plan (PEG) and International Group Savings Plan (PEGI). Employees subscribed to the operation either via the Verallia FCPE in the case of those located in France, Brazil, Poland and Portugal, or directly in the case of those located in Germany, Spain, Italy and Chile.

The number of shares subscribed under this share capital increase was 616,364.

At 31 December 2021, employee shareholders - whether direct shareholders or shareholders through the Verallia FCPE - held 3.5% of Verallia's share capital as a result of share capital increases reserved for employees carried out under the PEG and PEGI.

NOTE 20 – FINANCIAL RISK MANAGEMENT

The Group's financial risk management strategy aims to secure liquidity for the Group and minimise the impact of volatility in interest rates, commodity prices including energy and exchange rates on its costs and cash flows, while maintaining the financial flexibility the Group needs to successfully roll out its commercial strategies.

20.1 LIQUIDITY RISK

In a crisis scenario, the Group might not be able to obtain the financing or refinancing needed to cover its investment plans from the credit or equity markets, or it might not be able to do so on acceptable terms.

The Group's overall exposure to liquidity risk is managed by the Group's Treasury and Financing Department.

The table below shows the contractual deadlines applicable to the Group's financial liabilities, including its interest payments.

		31 December 2021					
(in € million)	Note	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Current and non-current portion of long-term debt (including interest)	17	1,604.0	1,784.8	59.5	53.4	594.0	1,077.9
Other liabilities, including derivative financial instruments	17	1.0	1.0	1.0	—		
Short-term debt	17	161.2	161.2	161.2			
Total borrowings	**17**	**1,766.2**	**1,947.1**	**221.7**	**53.4**	**594.0**	**1,077.9**
Trade payables and related accounts	14.3	521.4	521.4	521.4			
Other payables and accrued liabilities, including commodity derivative financial instruments	14.3	263.9	263.9	263.7	—	0.1	
Total financial liabilities		**2,551.5**	**2,732.3**	**1,006.9**	**53.5**	**594.2**	**1,077.9**

At 31 December 2021, the Group had one revolving credit facility, RCF1, of €500 million fully undrawn. In April 2021, the Group did not prolong for six months the second revolving credit facility of €250.0 million made available to it in April 2020 (RCF2), with a one-year maturity, extendable by six months at the Group's option.

		31 December 2020					
(in € million)	Note	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Current and non-current portion of long-term debt (including interest)	17	1,589.4	1,697.1	58.9	61.0	1,556.6	20.6
Other liabilities, including derivative financial instruments	17	6.9	5.9	3.7	2.2		
Short-term debt	17	158.5	158.5	158.5			
Total borrowings	17	**1,754.8**	**1,861.5**	**221.1**	**63.2**	**1,556.6**	**20.6**
Trade payables and related accounts	14.3	367.5	367.5	367.5			
Other payables and accrued liabilities, including commodity derivative financial instruments	14.3	250.0	250.0	249.7	—	0.3	
Total financial liabilities		**2,372.3**	**2,479.0**	**838.3**	**63.2**	**1,556.9**	**20.6**

The Group had two revolving credit facilities at 31 December 2020, the €500 million RCF1 and the €250 million RCF2, both undrawn.

20.2 MARKET RISKS

20.2.1 Interest rate risk

The Group's overall exposure to debt-related interest rate risk is managed by its Treasury and Financing Department. The subsidiaries using derivative instruments generally do so with Verallia Packaging as the counterparty. The Group's policy is to secure the cost of its medium-term debt by managing the risk of an increase in interest rates, while at the same time optimising it.

At the end of December 2020, the Group hedged a large portion of its exposure to a rise in the Euribor rate through interest rate swaps of a nominal value of €1,250 million and maturing at the end of August 2022.

After repaying some of its variable-rate debt in May and November 2021, the Group unwound a total of €750 million of interest rate swaps, thus bringing the nominal value of its hedges at the end of December 2021 to €500 million.

In December 2021, the Group purchased interest rate caps taking effect from August 2022 (when the existing swaps mature) for a nominal value of €200 million.

	31 December 2021		31 December 2020	
Interest rates	Notional amount in currency millions	Fair value	Notional amount in currency millions	Fair value
Interest rate swap	500.0	(1.0)	1,250.0	(6.2)
Interest rate CAP	200.0	2.9		
Total interest rate derivative financial instruments		**1.9**		**(6.2)**

Interest rate derivatives: derivative instruments hedging interest rate risk are referred to as cash flow hedging instruments.

Hedges are set up in such a way as to align the main characteristics of the underlying with those of the derivatives, so the inefficiency to be recorded is non-significant for the periods presented herein.

In a context of negative interest rates (1-month Euribor) at the end of 2021, a change of 50 basis points in interest rates on a forward-looking basis would have no impact on the cost of financial debt. The Group was exposed to a similar situation in 2020 with the 6-month Euribor rate.

(in € million)	2021	2020
Impact of 50 base point (bp) increase	—	—
Impact of 50 base point (bp) decrease	—	—

20.2.2 Currency risk

Currency risk includes the following:

- **transaction risk:** occurring during the normal course of business. The Group mostly operates locally, and most of its receivables and payables are denominated in the subsidiary's functional currency;
- **financial risk:** occurring during the normal course of business for certain financial liabilities denominated in a currency other than the functional currency.

	31 December 2021	
Foreign exchange - devise	Notional amount in currency millions	Fair value
Currency derivatives - EUR/CLP	20.9/21 214.8	0.3
Currency derivatives - EUR/USD	7.8/9.1	(0.1)
Currency derivatives - EUR/GBP	7.4/6.4	(0.1)
Currency derivatives - EUR/ARS	5.2/677.1	(0.2)
Currency derivatives - EUR/BRL	1.4/9.0	0.0
Currency derivatives - USD/ARS	8.7/1 085.3	(0.6)
Currency derivatives - USD/BRL	6.50/34.6	(0.3)
Total currency derivative financial instruments		**(1.0)**

	31 December 2020	
Foreign exchange - devise	Notional amount in currency millions	Fair value
Currency derivatives - EUR/CLP	22.9/20 739	(0.8)
Currency derivatives - EUR/USD	11.6/13.5	0.3
Currency derivatives - EUR/GBP	8.6/7.8	—
Currency derivatives - EUR/ARS	1.9/227	(0.1)
Currency derivatives - USD/ARS	4.2/448	(0.4)
Currency derivatives - USD/BRL	6.5/35	(0.2)
Total currency derivative financial instruments		**(1.0)**

- **Currency derivatives:** derivative instruments hedging commercial transactions are referred to as fair value hedging instruments and cash flow hedging instruments. Derivative instruments hedging financial transactions are referred to as fair value hedging instruments.
- **Translation risk:** occurring as a result of the consolidation in euros of the financial statements of subsidiaries that have a different functional currency. Any fluctuation in the exchange rates of these currencies against the euro has an impact on the Group's equity. The Group's main exposures are to the Argentine peso, the Brazilian real, the Russian rouble and the Ukrainian hryvnia.

2021	Groups's equity	
(in € million)	Euro appreciation +10%	Euro depreciation -10%
Brazilian real	(15.6)	19.1
Argentine peso	(7.0)	8.6
Russian rouble	(7.0)	8.5
Ukrainian hryvnia	(2.8)	3.4

2020	Groups's equity	
(in € million)	Euro appreciation +10%	Euro depreciation -10%
Brazilian real	(13.6)	16.6
Argentine peso	(4.8)	5.8
Russian rouble	(5.6)	6.8

20.2.3 Risk related to commodity prices

The Group is exposed to variations in the prices of the commodities, including energy, that it uses in its operational activities. The Group may sometimes limit its exposure to fluctuations in energy prices by using swaps to hedge some of its energy purchases. Energy hedges (excluding purchases at fixed prices negotiated directly with suppliers by the Purchasing Department) are arranged, as far as possible, by the Group's Treasury and Financing Department in accordance with the instructions received from the Group's Purchasing Department and in keeping with the directives established by the Board of Directors.

	31 December 2021	
Commodities	Notional amount in currency millions	Fair value
Commodity derivatives fuel swaps (€)	8.0	0.1
Commodity derivatives gas swaps (€)	150.5	258.8
Commodity derivatives electricity swaps (€)	63.1	81.0
Total commodity derivative financial instruments		**339.9**

	31 December 2020	
Commodities	Notional amount in currency millions	Fair value
Commodity derivatives fuel swaps (€)	6.8	0.0
Commodity derivatives gas swaps (€)	105.4	(1.5)
Commodity derivatives electricity swaps (€)	40.0	4.9
Total commodity derivative financial instruments		**3.4**

- **Energy derivatives:** derivative instruments hedging the risk of fluctuations in energy prices are referred to as cash flow hedging instruments. Hedges are set up in such a way as to align the main characteristics of the underlying with those of the derivatives, so the inefficiency to be recorded is non-significant for the periods presented herein.

20.2.4 Financial counterparty risk

The Group may be exposed to the risk of a default by one of the banking counterparties that manages its cash or any of its other financial instruments. Such a default could result in a financial loss for the Group. Application of IFRS 13 "Fair value measurement", requiring the incorporation of counterparty risk when measuring derivative instruments, had no material impact on the Group's financial statements at 31 December 2021 and 2020.

NOTE 21 – FINANCIAL INSTRUMENTS

ACCOUNTING PRINCIPLES

Initial recognition and measurement

Trade receivables are initially recognised when they are created. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, in the case of an item not measured at fair value through profit or loss (FVTPL), the transaction costs that are directly attributable to its acquisition or issue. A trade receivable with no significant financing component is initially measured at its transaction price.

Classification and subsequent measurement

Financial assets

At initial recognition, a financial asset is classified as having been measured either at amortised cost, at fair value through other comprehensive income (FVOCI) with a distinction made between debt instruments and equity instruments, or at fair value through profit or loss (FVTPL).

Financial assets are not reclassified after initial recognition unless the Group changes its economic model for managing financial assets, in which case all financial assets affected are reclassified on the first day of the first financial year following the change in economic model.

A financial asset is measured at amortised cost if it meets the following two conditions and is not designated as at FVTPL:

- it is held as part of a business model whose objective is to hold assets in order to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets the following two conditions and is not designated as at FVTPL:

- it is held as part of a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payment of principal and interest on the principal amount outstanding.

At initial recognition of an equity instrument that is not held for trading, the Group has the irrevocable option to present subsequent adjustments to the fair value of this instrument in other comprehensive income. This choice is made for each instrument.

All financial assets not classified as being measured at amortised cost or at FVOCI using the method described above are measured at FVTPL. This includes all derivative financial assets (see below). At initial recognition, the Group has the irrevocable option to designate a financial asset that would otherwise meet the conditions to be measured at amortised cost or at FVOCI as being at FVTPL, if this designation makes it possible to eliminate or significantly reduce an accounting mismatch that would otherwise have arisen.

Financial assets – assessing whether contractual cash flows are solely payment of principal and interest

For the purposes of this assessment, the term "principal" is defined as being the fair value of the financial asset at initial recognition. "Interest" is defined as being the consideration of the time value of money, the credit risk associated with the principal amount outstanding during a particular period of time, and other basic lending risks and costs (for example, liquidity risk and administrative expenses), as well as the profit margin.

The Group takes into consideration the instrument's contractual terms when assessing whether contractual cash flows are solely payment of principal and interest.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are then measured at their fair value. Net gains and losses, including any interest income or dividends, are recognised through profit or loss. However, see Note 20 for derivative instruments designated as hedging instruments.
Financial assets at amortised cost	These assets are then measured at amortised cost using the effective interest method. Impairment losses are deducted from the amortised cost. Interest income, currency gains and losses, and impairment losses are recognised through profit or loss. Any gains or losses from derecognition are recognised through profit or loss.
Debt instruments at FVOCI	These assets are then measured at their fair value. Interest income calculated using the effective interest method, currency gains and losses, and impairment losses are recognised through profit or loss. Other net gains and losses are recognised through other comprehensive income. At derecognition, cumulative gains and losses in other comprehensive income are reclassified to profit or loss.
Equity investments at FVOCI	These assets are then measured at their fair value. Dividends are recognised as income in profit or loss, unless the dividend clearly corresponds to the recovery of some of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

In accordance with IFRS 9, financial liabilities are classified as being measured at amortised cost or at FVTPL. A financial liability is classified as being at FVTPL if it is considered to be held for trading, whether it is a derivative or was designated as such at initial recognition. Financial liabilities at FVTPL are measured at fair value and the resulting net gains and losses, including any interest expense, are recognised through profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and currency gains and losses are recognised through profit or loss. Any gains or losses resulting from derecognition are also recognised through profit or loss.

See **Note 20** for financial liabilities designated as hedging instruments.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the financial asset.

The Group carries out transactions through which it transfers assets recognised in its balance sheet but retains all or substantially all the risks and rewards of ownership of the transferred assets. In such cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at its fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

When a financial liability measured at amortised cost is modified without being derecognised, a gain or loss is recognised through profit or loss. The calculated gain or loss corresponds to the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Derivative financial instruments and hedge accounting under IFRS 9

The Group holds derivative financial instruments to hedge currency risk, interest rate risk, commodity risk and energy risk. Embedded derivatives are separated from the host contract and considered separately if the host contract is not a financial asset and if certain criteria are met.

Derivatives are first measured at their fair value. Subsequent to initial recognition, derivative instruments are measured at their fair value and changes therein are generally recognised in profit or loss.

The Group designates certain derivative instruments as being hedging instruments to hedge the variability of cash flows relating to highly probable forecast transactions resulting from movements in exchange rates, interest rates, commodity prices or energy prices. At inception of a designated hedging relationship, the Group documents the risk management objective and the strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether variations in cash flows from the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedged item, determined using the present value, as from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventory, the amount that has been accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount that has been accumulated in the hedging reserve is reclassified to profit or loss in the same period(s) as when the hedged forecast future cash flows affect profit or loss.

If the hedge no longer meets hedge qualifying criteria or if the hedging instrument is sold, expires, is terminated or exercised, hedge accounting is then discontinued prospectively. If hedge accounting of cash flow hedges ceases to apply, the amount that has been accumulated in the hedging reserve remains recognised in equity until, in the case of the hedging of a transaction giving rise to the recognition of a non-financial item, it is included in the cost of the non-financial item on its initial recognition or, in the case of other cash flow hedges, until it is reclassified to profit or loss in the same period(s) as when the hedged forecast cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

Impairment of receivables

The Group recognises impairment losses for expected credit losses (ECL) for:

- financial assets measured at amortised cost; and
- contract assets.

Impairments for losses on trade receivables and contract assets are measured at an amount equal to full lifetime ECL.

To determine whether the credit risk of a financial asset has increased significantly since initial recognition, and to estimate ECL, the Group considers reasonable and supportable information that is relevant and available and does not involve undue cost or effort. This consists of quantitative and qualitative information and analyses based on the Group's past experience and on an informed credit assessment, including prospective information.

Impairments for losses on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off if the Group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to recovery procedures in accordance with the Group's credit policy.

ESTIMATES AND ASSUMPTIONS USED BY MANAGEMENT

As indicated above, the Company uses estimates to determine impairments for trade receivables.

Classification and fair value measurement

Financial assets and liabilities are classified as follows:

		31 December 2021									
		Accounting categories						Fair value measurement based on:			
(in € million)	Notes	Amortised cost	Fair value through other comprehensive income – equity instruments	Fair value through other comprehensive income – debt instruments	Mandatorily at fair value through profit or loss	Fair value – hedging instruments	Carrying amount	Level 1: prices quoted on active markets	Level 2: significant observable inputs	Level 3: significant nonobservable inputs	Total financial instruments at fair value
Equity investments - nongroup	13		6.2				6.2			6.2	6.2
Loans, deposits and receipts	13	21.5					21.5		21.5		21.5
Trade receivables and related accounts (excluding current tax receivables)	14.2	84.8		12.6			97.4		97.4		97.4
Derivative instruments hedging financial risk	20.2					3.2	3.2		3.2		3.2
Derivative instruments hedging operating risk (*)	14.2 & 20.2					342.7	342.7		342.7		342.7
Cash and cash equivalents	15	395.5			99.2		494.6	485.9	8.8		494.6
Total financial assets		**501.9**	**6.2**	**12.6**	**99.2**	**345.9**	**965.7**	**485.9**	**473.6**	**6.2**	**965.7**
Sustainability-Linked Bond November 2021	17	(492.9)					(492.9)	(504.3)			(504.3)
Sustainability-Linked Bond May 2021	17	(502.2)					(502.2)	(512.6)			(512.6)
Term Loan A and revolving credit facility (unused)	17	(497.4)					(497.4)		(497.4)		(497.4)
Financial liabilities on finance leases		(47.3)					(47.3)		(47.3)		(47.3)
Other long-term liabilities	17	(55.3)		(8.9)			(64.2)		(64.2)		(64.2)
Total long-term debt		**(1,595.1)**	**—**	**(8.9)**	**—**	**—**	**(1,604.0)**	**(1,016.9)**	**(608.9)**	**—**	**(1,625.8)**
Derivative instruments hedging financial risk (**)	20.2					(1.0)	(1.0)		(1.0)		(1.0)
Total long-term debt and financial derivatives liability		**(1,595.1)**		**(8.9)**			**(1,605.0)**		**(609.9)**		**(1,626.8)**
Negotiable commercial paper (NEU CP)	17	(150.2)					(150.2)		(150.2)		(150.2)
Other short-term liabilities	17	(7.3)		(3.7)			(11.0)		(11.0)		(11.0)
Total short-term debt		**(157.5)**	**—**	**(3.7)**	**—**	**—**	**(161.2)**		**(161.2)**		**(161.2)**
Derivative instruments hedging operating risk (*)	14.3 & 20.2					(4.0)	(4.0)		(4.0)		(4.0)
Trade payables and related accounts	14.3	(521.4)					(521.4)		(521.4)		(521.4)
Other payables and accrued liabilities	14.3	(259.8)					(259.8)		(259.8)		(259.8)
Total financial liabilities		**(2,533.9)**	**—**	**(12.6)**	**—**	**(5.0)**	**(2,551.5)**	**(1,016.9)**	**(1,556.4)**	**—**	**(2,573.3)**
Total		**(2,032.1)**	**6.2**	**—**	**99.2**	**340.9**	**(1,585.8)**	**(531.1)**	**(1,082.8)**	**6.2**	**(1,607.7)**

** All commodity swaps are designated as cash flow hedges.*

*** Interest rate swaps (payer fixed / receiver variable) taken out by the Group are designated as cash flow hedges.*

		31 December 2020									
		Accounting categories						Fair value measurement based on:			
	Notes	Amortised cost	Fair value through other comprehensive income – equity instruments	Fair value through other comprehensive income – debt instruments	Mandatorily at fair value through profit or loss	Fair value – hedging instruments	Carrying amount	Level 1: prices quoted on active markets	Level 2: significant observable inputs	Level 3: significant nonobservable inputs	Total financial instruments at fair value
Equity investments - nongroup	13		6.4				6.4			6.4	6.4
Loans, deposits and receipts	13	20.7					20.7		20.7		20.7
Trade receivables and related accounts (excluding current tax receivables)	14.2	138.2		13.9			152.1		152.1		152.1
Derivative instruments hedging financial risk	20.2						0.1		0.1		0.1
Derivative instruments hedging operating risk (*)	14.2 & 20.2					11.5	11.5		11.5		11.5
Cash and cash equivalents	15	433.1			43.1		476.2	462.7	13.5		476.2
Total financial assets		**592.0**	**6.4**	**13.9**	**43.1**	**11.6**	**667.0**	**462.7**	**197.9**	**6.4**	**667.0**
Term Loan A and revolving credit facility (unused)	17	(1,496.7)					(1,496.7)		(1,496.7)		(1,496.7)
Financial liabilities on finance leases	17	(46.9)					(46.9)		(46.9)		(46.9)
Other long-term liabilities	17	(37.8)		(8.0)			(45.8)		(45.8)		(45.8)
Total long-term debt		**(1,581.4)**	**—**	**(8.0)**	**—**	**—**	**(1,589.4)**	**—**	**(1,589.4)**	**—**	**(1,589.4)**
Derivative instruments hedging financial risk (**)	20.2					(6.9)	(6.9)		(6.9)		(6.9)
Total long-term debt and financial derivatives liability		**(1,581.4)**	**—**	**(8.0)**	**—**	**(6.9)**	**(1,596.3)**	**—**	**(1,596.3)**	**—**	**(1,596.3)**
Negotiable commercial paper (NEU CP)	17	(146.4)					(146.4)		(146.4)		(146.4)
Other short-term liabilities	17	(6.2)		(5.9)			(12.1)		(12.1)		(12.1)
Total short-term debt		**(152.6)**	**—**	**(5.9)**	**—**	**—**	**(158.5)**	**—**	**(158.5)**	**—**	**(158.5)**
Derivative instruments hedging operating risk (*)	14.3 & 20.2					(8.5)	(8.5)		(8.5)		(8.5)
Trade payables and related accounts	14.3	(367.5)					(367.5)		(367.5)		(367.5)
Other payables and accrued liabilities	14.3	(241.5)					(241.5)		(241.5)		(241.5)
Total financial liabilities		**(2,343.0)**	**—**	**(13.9)**	**—**	**(15.4)**	**(2,372.3)**	**—**	**(2,372.3)**	**—**	**(2,372.3)**
Total		**(1,751.0)**	**6.4**	**—**	**43.1**	**(3.8)**	**(1,705.3)**	**462.7**	**(2,174.5)**	**6.4**	**(1,705.3)**

** All commodity swaps are designated as cash flow hedges.*

*** Interest rate swaps (payer fixed/receiver variable) taken out by the Group are designated as cash flow hedges.*

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants.

Fair value is based on market inputs and commonly used valuation models, and may be confirmed in the case of complex instruments by reference to values quoted by independent financial institutions.

NOTE 22 – RELATED PARTIES

ACCOUNTING PRINCIPLES

Under IAS 24 "Related party disclosures", a related party is a person or an entity that is related to the reporting entity.

It can be any of the following:
- a person or company that has control over the Group;
- a Group associate;
- a joint venture;
- a member of the Company's key management personnel (or a member of that person's family).

A related party transaction is a transfer of resources, services or obligations between the Group and this related party.

22.1 TRANSACTIONS WITH ASSOCIATES

The scope of associates is defined in Note 3.3.

The amounts shown in the Group's accounts relating to associates are as follows:

		Year ended 31 December	
	(in € million)	**2021**	**2020**
Statement of financial position	Non-current assets	—	—
	Current assets	3.2	—
	Non-current liabilities	—	—
	Current liabilities	1.5	1.1
Income statement	Revenue	—	—
	Cost of sales	25.9	13.4
	Financial income	—	—

Transactions were carried out in normal market conditions, that is in conditions similar to those that would usually apply between independent parties.

22.2 TRANSACTIONS WITH SHAREHOLDERS

22.2.1 Loan taken out with Bpifrance

On 11 December 2018, Verallia Packaging, a wholly owned subsidiary of the Company, and Bpifrance Financement (now Bpifrance), signed an agreement for a €10 million instalment loan aimed at financing and refinancing the cash requirements of Verallia Packaging and its subsidiaries. The loan carried interest at an annual rate of 0.70% and was fully reimbursed at 31 December 2021.

In its efforts to extend the Group's average debt maturity profile, continue diversifying its sources of funding and obtain competitive funding costs, the Company reached an instalment loan agreement for a total principal amount of €30.0 million on 16 December 2021 with Bpifrance (an affiliate of Bpifrance Participations, which is a shareholder in the Company, and Bpifrance Investissement, which is a member of the Company's Board of Directors). The loan was fully drawn at 31 December 2021; it carries interest at an annual fixed rate of 0.40% and has a maturity of 3 years. Its purpose is to finance and/or refinance the working capital requirement and/or investment expenditure of the Company and its subsidiaries within the meaning of Article L. 233-3 of the French Commercial Code. Verallia Packaging, a wholly owned subsidiary of the Company, stands as joint and several guarantor for the repayment of the amounts due under this loan.

22.2.2 Partnership with Bpifrance

In 2021, an agreement was reached between Verallia Packaging, a subsidiary of the Company, and Bpifrance, an affiliate of Bpifrance Participations (which is a shareholder in the Company) and Bpifrance Investissement (which is a member of the Company's Board of Directors), amounting to a total of €100,000. The purpose of this agreement was to provide Bpifrance with financial and logistical support to organise its "BIG Tour" event running from 16 July 2021 to 20 August 2021 and its "Bpifrance Inno Génération" event held on 7 October 2021.

22.2.3 Services contract

The Group has no services contracts with its shareholders.

22.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Group's key management personnel are its Management team, which includes the following:

- the Chief Executive Officer
- the Chief Financial Officer
- segment Directors
- the Human Resources Director, responsible for Communications and CSR
- the Vice-President of Operations
- the Chief Legal Officer, responsible for Compliance and Insurance

The compensation of key management personnel shown in the statement of income for the period (including employer contributions and social security contributions on bonus share awards) is as follows:

	Year ended 31 December	
(in € million)	**2021**	**2020**
Short-term employee benefits	7.2	4.7
Post-employment benefits	0.2	0.9
Other long-term benefits	—	—
Termination benefits	—	—
Share-based payment	3.5	2.0
Total	**10.9**	**7.6**

The compensation of members of the Board of Directors (attendance fees) corresponds to the amounts recorded in the statement of income over the period.

Attendance fees allocated to non-executive officers in respect of their mandates at the Company amounted to €0.4 million in 2021 versus €0.4 million in 2020.

NOTE 23 – CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET COMMITMENTS

23.1 COMMITMENTS OF OPERATING ACTIVITIES

(in € million)	Notes	Year ended 31 December 2021	2020
OPERATING COMMITMENTS GIVEN			
Non-cancellable purchase commitments	23.1.1	523.5	566.6
Other operating commitments given	23.1.2	8.6	8.3
Total operating commitments given		**532.1**	**574.9**
OPERATING COMMITMENTS RECEIVED			
Commitments received	23.1.3	**67.2**	**8.8**

23.1.1 Non-cancellable purchase commitments

Non-cancellable purchase commitments include firm orders for property, plant and equipment as well as purchase commitments for commodities and services.

(In € million)		2021	Payments due		
			Less than 1 year	1 to 5 years	More than 5 years
Non-cancellable purchase commitments					
- Non-current assets	A	104.4	83.1	21.4	—
- Commodities and energy	B	349.8	263.0	86.7	—
- Services		59.5	45.3	14.2	—
- Other		9.8	8.0	1.8	—
Total		**523.5**	**399.5**	**124.0**	**—**

(In € million)		2020	Payments due		
			Less than 1 year	1 to 5 years	More than 5 years
Non-cancellable purchase commitments					
- Non-current assets	A	95.8	86.3	9.5	—
- Commodities and energy	B	399.5	264.6	134.2	0.8
- Services		62.1	38.5	23.6	—
- Other		9.2	8.8	0.4	—
Total		**566.6**	**398.2**	**167.6**	**0.8**

A. Corresponds mainly to purchase commitments made for the building and rebuilding of furnaces.

B. Includes CO_2 emission allowances futures qualifying for the "own use" exemption.

23.1.2 Other operating commitments given

Other operating commitments given consist primarily of guarantees relating to the environment.

23.1.3 Operating commitments received

Operating commitments received amounted to €67.2 million at 31 December 2021 and to €8.8 million at 31 December 2020. They consist primarily of guaranteed receivables and operating commitments.

23.2 FINANCING COMMITMENTS

The Group's main commitments with respect to its borrowings and financial liabilities are described in Note 17.

The Group had current assets pledged as collateral in the amount of €45.0 million at 31 December 2021 versus €43.7 million at 31 December 2020. They consist mainly of bank guarantees and tangible collateral.

Other financial commitments given amounted to €20.8 million at 31 December 2021 versus €15.4 million in 2020. These commitments consist mainly of letters of comfort for local loan guarantees.

The Group also received financial commitments in the amount of €559.7 million at 31 December 2021 versus €758.7 million in 2020. These commitments consist primarily of a €500 million credit facility (RCF1). (See Note 17 for more information).

As part of the process of listing the Company's shares for trading on the regulated market of Euronext Paris, on 7 October 2019 the Group refinanced the facilities that had been made available to it under the facilities agreement signed on 7 August 2015, primarily by drawing on the term loan (Term Loan A) made available to Verallia Packaging under the facilities agreement signed on 17 July 2019 by the Company as the Parent Company, Verallia Packaging as the Borrower and Guarantor, and an international banking syndicate (the "Senior Facilities Agreement").

The Senior Facilities Agreement provides two lines of credit for a total principal amount of €2.0 billion, broken down as follows:

- a term loan (Term Loan A) in euros of an initial principal amount of €1,500.0 million, with a maturity of five years starting from 7 October 2019 and repayable via a bullet payment. At 31 December 2021, the outstanding amount of Term Loan A was €500.0 million following two early repayments of €500.0 million each made in May and November 2021, and the margin was 1.25% per annum; and
- a revolving credit facility of a maximum principal amount of €500.0 million, with a maturity of five years starting from 7 October 2019. At 31 December 2021, the €500.0 million revolving credit facility remained fully undrawn.

Under the Senior Facilities Agreement, the Company stands as joint and several guarantor ("Guarantor") for the payment and repayment obligations of Verallia Packaging and of the Group's other companies that have adhered to the Senior Facilities Agreement as guarantors (i.e. Verallia France, Verallia Italia, Verallia Brasil, Verallia Spain, Verallia Portugal and Verallia Deutschland), for a maximum principal amount of €2.0 billion (plus interest, fees and commissions) and within the legal and contractual limits set out in Article 22.13 (Limitation of Liabilities of French Guarantors) of the Senior Facilities Agreement.

NOTE 24 – AUDIT FEES

	PricewaterhouseCoopers				BM&A and partners				Total			
	Amount (before tax)		%		Amount (before tax)		%		Amount (before tax)		%	
(in € million)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Audit, certification and review of parent company and consolidated financial statements	**1.2**	**1.3**	**80 %**	**95 %**	**0.5**	**0.6**	**83 %**	**100 %**	**1.7**	**1.9**	**81 %**	**96 %**
Verallia SA	*0.3*	*0.4*	*20 %*	*28 %*	*0.3*	*0.3*	*50 %*	*53 %*	*0.6*	*0.7*	*29 %*	*35 %*
Fully-consolidated subsidiaries	*0.9*	*0.9*	*60 %*	*68 %*	*0.2*	*0.3*	*33 %*	*47 %*	*1.1*	*1.2*	*52 %*	*61 %*
Services other than certification of financial statements	**0.3**	**0.1**	**20 %**	**5 %**	**0.1**	**0.0**	**17 %**	**— %**	**0.4**	**0.1**	**19 %**	**4 %**
Verallia SA	*0.2*	*0.1*	*13 %*	*4 %*	*0.1*	*0.0*	*17 %*	*— %*	*0.3*	*0.1*	*14 %*	*3 %*
Fully-consolidated subsidiaries	*0.1*	*0.0*	*7 %*	*— %*	*0.0*	*0.0*	*0 %*	*— %*	*0.1*	*—*	*5 %*	*1 %*
TOTAL	**1.5**	**1.4**	**100 %**	**100 %**	**0.6**	**0.6**	**100 %**	**100 %**	**2.1**	**2.0**	**100 %**	**100 %**

Non-audit services provided by the Statutory Auditors to Verallia and its subsidiaries relate mainly to procedures related to the issuance of bonds and audit procedures carried out as an independent third party on the management report on CSR information.

NOTE 25 – EVENTS AFTER THE CLOSING DATE

No significant events occurred after the close on 31 December 2021.

6.2. Statutory Auditors' report on the consolidated financial statements

(For the year ended 31 December 2021)

This is a free 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 information concerning the Group presented in 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.

To the General Annual Meeting

Opinion

In compliance with the engagement entrusted to us by your General Annual Meeting and by the decision of the sole shareholder, we have audited the accompanying consolidated financial statements of Verallia for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2021 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

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 these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" Section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from 1 January 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments - Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

Description of risk

The carrying amount of goodwill at 31 December 2021 was €530 million and is recognised as indicated in Note "3.1 - Changes in scope" and Note 9 "Goodwill".

Management conducts impairment tests, as described in Note 12 "Impairment of goodwill and non-current assets" at least once a year and whenever there is an indication of impairment. Impairment indicators may correspond to events or situations related to material and adverse changes affecting the economic environment and the assumptions or objectives identified at the time of acquisition.

Goodwill is tested at the level of groups of cash-generating units (CGUs) corresponding to the operating segments as defined by the Group. An impairment loss is recognised when the carrying amount of a group of CGUs exceeds its recoverable amount.

We deemed the measurement of the recoverable amount of these assets to be a key audit matter due to the potentially significant nature of any impairment and the high level of judgement and estimation required by management for this assessment. Management's judgement is based on assumptions relating to future trends in sales, renewal investments and changes in working capital requirements linked to the operation of these assets, as well as the determination of an appropriate discount rate applied to future cash flows.

How our audit addressed this risk

We assessed the appropriateness and relevance of the approach used by management to determine the groups of CGUs at the level of which goodwill impairment tests are performed.

We gained an understanding of and examined the procedure implemented by Group management to conduct impairment tests.

We also assessed the appropriateness of the model used to calculate the value in use based on the discounted cash flow method and reviewed, by sampling, the calculations made by management.

We verified the consistency of the cash flow projections by comparing them with:

- management's most recent estimates, as presented to the Board of Directors during the budget process;
- the cash flow projections used in the previous impairment tests for the years 2022 to 2025; and
- historical projections for 2021 and the performance for that year.

We interviewed management to analyse the main assumptions used in the impairment tests and to obtain explanations to enable us to corroborate these assumptions.

With the assistance of our valuation experts, we performed an independent analysis of certain key assumptions used by management in its tests and analyses, including the discount rate and the perpetual average annual growth rate of future cash flows, with reference to both external market data and analyses of comparable companies.

We also compared sensitivity analyses to certain key variables in the valuation model to assess the materiality of potential impacts on the assets' recoverable amount.

We also examined the appropriateness of the disclosures provided in Note 12 "Impairment of goodwill and non-current assets" to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their 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. This information should be reported on by an independent third party.

Report on other legal and regulatory requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We also proceeded, in accordance with the professional standard on the diligence of the Statutory Auditors relating to the annual and consolidated financial statements presented according to the single European electronic information format, to the verification of compliance with this format defined by the European Regulation Delegate No. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in I of Article L.451-1-2 of the Monetary and Financial Code, prepared under the responsibility of the Chairman and CEO. With regard to consolidated accounts, our due diligence includes checking that the markup of these accounts complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic information format.

It is not our responsibility to verify that the consolidated financial statements which will be effectively included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Verallia in the Articles of Association dated 18 June 2015 for PricewaterhouseCoopers Audit and by a decision of the sole shareholder of 24 July 2019 for BM&A.

At 31 December 2021, PricewaterhouseCoopers Audit and BM&A were in the seventh consecutive year and the third year of their engagement, respectively, and the third year since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated 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 expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of 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 taken by users on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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;
- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain 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 Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

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 any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute 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, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French code of ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris, 16 February 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	BM&A
Itto El Hariri	Eric Seyvos

6.3. Parent company annual financial statements

Parent company balance sheet

In thousands of euros	Notes	31 December 2021 Gross	Amort. & Dep	Net	31 December 2020 Net
ASSETS					
Intangible assets		—	—	—	—
Property, plant and equipment		—	—	—	—
Financial assets		1,792,212.0	1,352.6	1,790,859.4	673,418.9
Equity interests	3.1.2	665,747.2	—	665,747.2	665,747.2
Other financial assets		111,894.6	1,352.6	110,542.0	—
Loans	3.1.1	1,006,907.1	—	1,006,907.1	—
Other financial assets		7,663.1	—	7,663.1	7,671.7
TOTAL NON-CURRENT ASSETS	**3.1**	**1,792,212.0**	**1,352.6**	**1,790,859.4**	**673,418.9**
Trade receivables and related accounts		—		—	—
Other receivables		103,817.0		103,817.0	205,752.5
Investments		53,163.0		53,163.0	—
Cash and equivalents		699.6		699.6	11,709.3
TOTAL CURRENT ASSETS	**3.2**	**157,679.6**		**157,679.6**	**217,461.7**
Prepaid expenses		12.7		12.7	9.4
Charges to be spread over several periods		5,853.1		5,853.1	—
Premiums on the redemption of debentures		5,535.0		5,535.0	—
TOTAL ASSETS		**1,961,292.4**	**1,352.6**	**1,959,939.9**	**890,890.0**
LIABILITIES					
Share capital	3.3.1			413,337.4	416,662.1
Additional paid-in capital	3.3.2			138,524.2	168,269.9
Legal reserve				21,489.6	14,186.6
Retained earnings				162,733.1	138,155.5
Net profit (loss) for the period				152,130.9	146,057.7
Regulated provisions				—	—
EQUITY	**3.3**			**888,215.2**	**883,331.8**
Provisions for liabilities				195.1	—
Provisions for charges				16,089.1	1.0
PROVISIONS FOR LIABILITIES AND CHARGES	**3.4**			**16,284.2**	**1.0**
Borrowings and similar liabilities				1,036,501.3	—
Prepayments received on orders in progress				—	—
Trade payables and related accounts				1,379.0	1,845.7
Tax and social security liabilities				4,275.8	1,332.2
Other liabilities				13,284.4	4,379.1
LIABILITIES	**3.5**			**1,055,440.5**	**7,557.0**
Deferred income				—	—
TOTAL LIABILITIES				**1,959,939.9**	**890,890.0**

Parent company statement of income

(In thousands of euros)	Notes	Year ended 31 December 2021	2020
Net revenue	4.1	**875.1**	**2,469.0**
Write-back of depreciation and provisions - Operating charges transferts		6,189.4	0.9
Other income		48.8	—
Total operating income		**7,113.4**	**2,470.0**
Other purchases and external charges		15,992.2	2,585.2
Taxes and similar duties		271.0	501.1
Wages and salaries		9,068.6	1,918.5
Payroll taxes		2,576.9	398.6
Depreciation, amortisation and provisions		335.8	—
Other expenses		524.9	439.5
Total operating expenses		**28,769.4**	**5,842.9**
Operating profit	4.2	**(21,656.0)**	**(3,372.9)**
Income from other securities and receivables		157,661.7	130,000.0
Other interest payable and similar income		6,907.1	561.5
Positive translation adjustment		0.9	—
Total financial income		**164,569.8**	**130,561.5**
Depreciation, amortisation and provisions for financial items		1,432.6	–
Other interest payable and similar income		6,501.3	—
Negative translation adjustment		1.8	0.9
Total financial expenses		**7,935.8**	**0.9**
Financial result	4.3	**156,634.0**	**130,560.6**
Recurring profit before tax		**134,978.0**	**127,187.7**
Total non-recurring income		23,109.6	92.8
Total non-recurring expenses		23,601.8	113.1
Non-recurring profit/(loss)		**(492.2)**	**(20.3)**
Corporate tax (tax consolidation gains)	4.4	17,645.1	18,890.2
Total income		**212,437.8**	**152,014.4**
Total expenses		**60,307.0**	**5,956.9**
Net profit (loss) for the period		**152,130.9**	**146,057.6**

NOTES TO THE 2021 PARENT COMPANY FINANCIAL STATEMENTS

At 31 December 2021, the Company's corporate name is "Verallia" (hereinafter the "Company") and has been since 20 June 2019. The Company operates a holding activity.

The Company is incorporated for a period of 99 years starting from its registration on 23 June 2015, unless it is dissolved early or extended on the joint decision of its shareholders in accordance with the law and articles of association.

The financial year begins on 1 January and ends on 31 December of each year.

The Company's 2021 annual financial statements were approved by the Board of Directors on 16 February 2022.

The notes below form an integral part of the annual financial statements.

NOTE 1 – HIGHLIGHTS OF THE FINANCIAL YEAR

The main events having resulted in a change in the Company's share capital and equity were as follows:

Repurchase, cancellation and allocation of shares

During the course of 2021, the Company:

- repurchased 2,100,000 treasury shares at a unit price of €28.75 on 5 March 2021 (for the purpose of covering the Group's future employee share ownership programmes and performance share allocation plans);
- repurchased 1,600,000 treasury shares at a unit price of €30.50 on 11 June 2021 (for the purpose of cancelling them); and
- cancelled 1,600,000 treasury shares at a unit price of €30.50 on 24 June 2021;
- allocated 250,852 treasury shares at a unit price of €28.75 to Group employees in July 2021 under the 2019-2021 performance share allocation plan; and
- repurchased 3,668,675 shares at a unit price of €30.50 on 5 November 2021 (for the purpose of subsequently using them for payment or exchange as part of a potential external growth transaction).

Capital increase - Capital reduction

The following transactions went ahead on 24 June 2021:

- a capital increase of a total nominal amount of €2,083,310.32 by issuing a total of 616,364 new ordinary shares in the Company with a nominal value of €3.38 each; the capital increase (share premium included) thus amounted to €15,729,609.28; and
- the cancellation of 1,600,000 treasury shares with a nominal value of €3.38 each, the difference between the repurchase value of the cancelled shares and their nominal value constituting a share premium of €43,392,000 counting towards the "Share premium" account which thus increased to €46,415,288.19.

On completion of these transactions, the share capital amounted to €413,337,438.54 and consisted of 122,289,183 ordinary shares with a nominal value of €3.38 each.

Debt financing

Sustainability-linked bond issues

In May 2021, the Company issued a sustainability-linked bond in compliance with the International Capital Markets Association's Sustainability-Linked Bond Principles for a total principal amount of €500,000.0 thousand with a 7-year maturity and bearing interest at a fixed rate of 1.625% per annum.

In November 2021, the Company issued a second sustainability-linked bond for a total principal amount of €500,000.0 thousand with a 10-year maturity and bearing interest at a fixed rate of 1.875% per annum.

The coupons may be revised upwards (under a coupon ratchet mechanism) starting from the first interest period following 31 December 2025 and until maturity, depending on the achievement of two sustainability performance targets:

- reducing Verallia's annual CO_2 emissions (scopes 1 and 2) to 2,625 kt CO_2 by 2025 (corresponding to a 15% decrease from its 2019 baseline); and
- increasing the percentage of external cullet used in its production operations to 59% by 2025 (implying a 10-point increase from 2019).

Failure to meet either of these targets may raise the coupon by 12.5 basis points for the bond maturing in 2028 and by 10 basis points for the bond maturing in 2031.

Bpifrance amortising loan

On 16 December 2021, the Company entered into an amortising loan agreement for a total principal amount of €30,000.0 thousand with Bpifrance, an affiliate of Bpifrance Participations, which is a direct shareholder of Verallia SA. The loan was fully drawn at 31 December 2021; it bears interest at fixed rate of 0.40% per annum and has 3-year maturity.

This related party agreement was entered into after being approved by the Board of Directors during its meeting held on 6 December 2021, and it will be submitted for approval at the Company's General Shareholders' Meeting to be held on 11 May 2022.

Dividend payout

The Company's Combined General Shareholders' Meeting of 15 June 2021 voted to pay a cash dividend per share of €0.95. The dividends were paid on 5 July 2021 and amounted to a total of €114,177.0 thousand.

NOTE 2 - MAIN ACCOUNTING PRINCIPLES AND VALUATION METHODS

2.1. Accounting principles

The financial statements were prepared according to the General Chart of Accounts in compliance with Regulation ANC No. 2014-03, the provisions set out in French law and generally accepted accounting principles applied in France.

General accounting conventions were applied, with the principle of prudence being observed based on the following core assumptions:

- that the business is a going concern;
- that accounting policies are consistent from one accounting period to the next;
- that there is a clear cut-off between accounting periods;

and in accordance with the general rules for preparing and presenting annual financial statements.

The basic method used to evaluate accounting items is the historical cost method.

2.2. Main methods used

2.2.1. Financial assets

Equity interests

Equity interests are initially recognised at their acquisition cost or transfer value, excluding ancillary expenses.

Periodically, such as at the end of each financial year, securities are valued at their value in use corresponding to what the entity would be prepared to pay out to obtain the equity interest if it were to acquire it at that time.

Estimates of value in use factor in various criteria including the share of individual shareholders' equity, the share of consolidated net carrying value and future discounted cash flows based on business plans (or projected long-term budgets), excluding financial expenses but after tax.

An impairment charge is recognised when the value in use of the securities is below their net book value. Unrealised capital gains are not recognised. However, any impairment charges recognised are adjusted.

Other long-term investments

Treasury shares held by Verallia are recorded under "Other long-term investments", with the exception of those recorded under marketable securities. At the end of each financial year, these treasury shares, with the exception of those held for the purpose of a capital reduction, are valued at the average price for the last month of the fiscal year. Where necessary, an impairment loss is recorded.

2.2.2. Translation of receivables and liabilities denominated in foreign currencies

Payables and receivables not under any currency risk hedging arrangement appear in the balance sheet at the year-end exchange rate.

The Company applies Regulation ANC No. 2015-05 relating to futures and hedging operations and applicable to financial years starting from 1 January 2017.

2.2.3. Cash and equivalents and bank loans and overdrafts

Cash and equivalents comprise securities immediately convertible into cash at their nominal value.

2.2.4. Marketable securities and negociable commercial papers

Treasury shares

Shares purchased to cover future employee share ownership programmes and performance share plans are recorded as marketable securities.

At the closing date, impairment test is performed only on treasury shares intended for allocation to employees and not allocated to a specific plan.

An impairment loss is recognised if the inventory value (average stock market price for the last month before year-end close) is lower than the book value.

Other shares

Shares are recorded at acquisition cost. An impairment loss is recognised if the share price at the end of the financial year is lower than the book value.

2.2.5. Provisions for liabilities and charges

Provisions for liabilities and charges (excluding retirement benefits and long-service awards)

A provision is recognised when the Company has an obligation (legal or implicit) towards a third party resulting from past events that can be reliably estimated and that will probably lead to an outflow of resources.

Retirement benefits and long-service awards

Retirement benefits are presented as off-balance sheet commitments.

Actuarial estimates of benefits granted are made using the projected unit credit method based on final salaries and pension rights established on the valuation date.

Long-term service awards are provisioned in the financial statements.

2.2.6. Tax consolidation

Since 1 July 2015, the Company has been the parent company of a tax group. Since 1 January 2019, this group has consisted of Verallia SA, Verallia Packaging, Verallia France, Everglass, Etablissements René Salomon, Saga Décor, Obale and Société Charentaise de Décor.

VOA Verrerie d'Albi has been removed from the scope of tax consolidation by being merged into Verallia France on 30 June 2021, with a retroactive accounting and tax effect at 1 January 2021.

The consolidation convention applies the principle of tax neutrality for consolidated subsidiaries. In their relations with the consolidating parent company, subsidiaries pay their taxes as if they were taxed individually.

NOTE 3 – NOTES TO THE BALANCE SHEET

3.1. Fixed assets

3.1.1. Table of changes in fixed assets

In thousands of euros	Notes	January 1st, 2021	Increases	Decreases	31 December 2021
GROSS AMOUNT					
Intangible assets (I)		—	—	—	—
Property, plant and equipment (II)		—	—	—	0.0
- Equity interests	A	665,747.2	—	—	665,747.2
- Other long term securities	B	—	160,694.6	48,800.0	111,894.6
- Loans	C	—	1,006,907.1	0.0	1,006,907.1
- Other financial assets	D	7,671.7	30,747.2	30,755.8	7,663.1
Financial assets (III)		**673,418.9**	**1,198,348.9**	**79,555.8**	**1,792,212.0**
NON-CURRENT ASSETS (I+II+III)		**673,418.9**	**1,198,348.9**	**79,555.8**	**1,792,212.0**
DEPRECIATION / AMORTIZATION					
Intangible assets (I)		—	—	—	—
Property, plant and equipment (II)		—	—	—	—
- Equity interests		—	—	—	—
- Other long term securities	B	—	(1,352.6)	—	(1,352.6)
- Loans		—	—	—	—
- Other financial assets		—	—	—	—
Financial assets (III)			**(1,352.6)**		**(1,352.6)**
DEPRECIATION / AMORTIZATION (I+II+III)		**0.0**	**(1,352.6)**	**0.0**	**(1,352.6)**
NET VALUE		**673,418.9**			**1,793,564.6**

A. At 31 December 2021, equity interests recognised consisted of the shares in Verallia Packaging.

B. Other long term securities correspond to the repurchase of :

- 1,600,000 treasury shares on 11 June 2021, cancelled on 24 June 2021 ;
- 3,668,675 treasury shares on November 2021.

At 31 December 2021, as the average closing price of the shares was lower than their book value, an impairment provision for shares other than those under a liquidity agreement was recognised in the amount of €1,352.6 thousand.

The net book value of these shares at 31 December 2021 was €110,541.9 thousand.

C. Loans consisted of:

- a €500,000.0 thousand loan to its wholly owned subsidiary Verallia Packaging, arranged on 14 May 2021; the loan bears interest at a fixed rate of 1.715% per annum and has a 7-year maturity
- a €500,000.0 thousand loan to its wholly owned subsidiary Verallia Packaging, arranged on 10 November 2021; the loan bears interest at a fixed rate of 2.045% per annum and has a 10-year maturity

  Both loans include a mechanism whereby the applicable interest rate can be revised upwards, based on the coupon ratchet mechanism referred to in the documentation relating to the two bond issues mentioned above;
- accrued interest in the amount of €6,907.1 thousand concerns these loans as at 31 December 2021.

D. Other financial assets consisted of:

- net merger losses in the amount of €4,292.0 thousand in connection with the merger-acquisition of the Company's subsidiary Horizon Holdings I on 7 October 2019
- a liquidity agreement which was signed with Rothschild Martin Maurel on 20 December 2019 and which took effect on 6 January 2020 before being amended on 9 November 2020 (Note 3.3.3), including:

- on the one hand, the resources made available to Rothschild Martin Maurel, i.e. a balance of €3,371.0 thousand at 31 December 2021;
- and, on the other hand, treasury shares. Transactions during the period were as follows:
  - cumulative purchases made under the liquidity agreement of 1,652,814 shares for a total amount of €47,643.7 thousand,
  - cumulative sales of 1,652,814 shares for a total amount of €47,614.8 thousand.

  At 31 December 2021, Verallia SA did not own any treasury shares under the liquidity agreement.

  At 31 December 2021, no impairment provisions were recognised.

3.1.2. Table of subsidiaries and equity interests

Subsidiaries and equity interests	Gross value of shares held	Net value of shares held	Loans and advances granted by the Company	Guarantees and endorsements given by the Company	Net revenue for the last financial year	Profit(loss) for the last financial year	Dividends received by the Company during the financial year
						Detailed information	
- Subsidiaries (capital ownership >50%)							
Verallia Packaging	665,747.2	665,747.2	1,000,000.0	—	78,535.4	139,494.8	157,661.7
quity interests (capital ownership 10% to 50%)							

The Verallia Packaging subsidiary operates an active holding company activity for the Verallia Group.

3.2. Current assets

In thousands of euros		31 December 2021			31 December 2020
Receivables on current assets	**Notes**	**Maturing in < 1 year**	**Maturing in > 1 year**	**Total**	**Total**
Trade receivables and related accounts		—	—	—	—
Other receivables		93,733.7	10,083.3	103,817.0	205,752.5
State - corporate tax receivable	A	1,967.3	—	1,967.3	4,155.8
State - other receivables	B	1,976.5	—	1,976.5	940.4
Group - tax consolidation current account		—	—	—	—
Group - other receivables	C	89,789.9	10,083.3	99,873.2	200,656.2
Total		**93,733.7**	**10,083.3**	**103,817.0**	**205,752.5**

A. Corporate tax receivables consisted of refundable tax credits transferred by consolidated companies for tax consolidation purposes for a total amount of €1,967.3 thousand, versus €4,155.8 thousand at 31 December 2020.

B. Other receivables (State) corresponded to VAT credits totalling €1,976.5 thousand, versus an amount of €940.4 thousand at 31 December 2020.

C. Other receivables (Group) amounting to €99,873.3 thousand consisted mainly of:

- the current account under the centralised cash management arrangement with Verallia Packaging in the amount of €86,486.9 thousand;
- the reinvoicing to subsidiaries of shares delivered to their employees under the 2019-2021 performance share allocation plan in the amount of €306.4 thousand;
- accrued receivables in the amount of €13,080.0 thousand relating to the 2021-2022 and 2021-2023 performance share allocation plans.

  At 31 December 2021, no impairment provisions were recognised for receivables.

Marketable securities and cash and cash equivalents

In thousands of euros			
Investments and Cash and equivalents	Notes	31/12/2021	31/12/2020
Treasury shares pending allocation to employees	A	53,163.0	—
INVESTMENTS		**53,163.0**	—
Treasury - Current accounts	B	699.6	11,709.3
CASH AND EQUIVALENTS		**699.6**	**11,709.3**
TOTAL		**53,862.6**	**11,709.3**

A. The Company repurchased 2,100,000 treasury shares on 5 March 2021 at a unit price of €28.75. In July 2021, it allocated 250,852 shares to Group employees under the 2019-2021 performance share allocation plan. The balance of marketable securities at 31 December 2021 was €53,163.0 thousand, corresponding to 1,849,148 shares.

At 31 December 2021, no impairment provisions were recognised.

B. At 31 December 2021, the balance of the cash current accounts was €699.6 thousand.

Expenses allocated over several years

In thousands of euros		31.12.2021		
Charges to be spread over several periods	Gross amount	Amortisation beginning of year	Amortisation of year	Net value
Cost of loan issues SLB May 2021	3,231.8	—	293.2	2,938.6
Cost of loan issues SLB November 2021	2,956.7	—	42.2	2,914.6
TOTAL	**6,188.5**	**—**	**335.4**	**5,853.1**

Expenses to be allocated over several years consist of bond issuance costs under the financing arrangements made in May 2021 and November 2021 (see Section on “Highlights of the financial year”).

The Company has decided to apportion these costs over the duration of the bank financing arrangements.

At 31 December 2021, the amount remaining to be amortised was €5,853.1 thousand.

Bond issuance premium

In thousands of euros		31.12.2021		
Issuance premiums	Gross amount	Amortisation beginning of year	Amortisation of year	Net value
Issuance premiums - SLB November 2021	5,615.0	—	80.0	5,535.0
TOTAL	**5,615.0**	**—**	**80.0**	**5,535.0**

The premium is apportioned over the duration of the bond, based on the preferred method, so a corresponding amortisation charge of €80.0 thousand was recognised in financial year 2021, bringing the net book value of premiums to €5,535.0 thousand at 31 December 2021.

3.3. Equity

3.3.1. Composition of the share capital

(in €)	Number of shares	Face value	Share capital
31 December 2020	**123,272,819**	**3.38**	**416,662,128**
Capital Increase / Issue of ordinary share (24 June 2021)	616,364	3.38	2,083,310
Capital Decrease / Cancellation of treasury shares (24 June 2021)	1,600,000.00	3.38	5,408,000
31 December 2021	**122,289,183**	**3.38**	**413,337,439**

At 31 December 2021, the share capital amounted to €413,337,438.54 and consisted of 122,289,183 ordinary shares with a nominal value of €3.38 each.

Capital increase for the Group Savings Plan

A capital increase of a nominal amount of €2,083,310.32 was carried out on 24 June 2021 by issuing 616,364 ordinary shares with a nominal value of €3.38 each; the capital increase (share premium included) thus amounted to €15,729,609.28 in total.

Capital reduction by way of a cancellation of treasury shares

Concurrently, on 24 June 2021, a capital reduction was carried out by cancelling 1,600,000 treasury shares of a nominal value of €3.38 each acquired under the share buyback programme. The share capital was thus reduced by a total amount of €5,408,000.

The difference between the repurchase value of the cancelled shares and their nominal value constituted a share premium of €43,392,000 counting towards the "Share premium" account.

3.3.2. Change in equity

In thousands of euros	Share capital	Premiums	Profit (loss) & Other	Equity
Au 31 December 2020	**416,662.1**	**168,269.9**	**298,399.8**	**883,331.7**
Capital increase / Increase in nominal value (24 June 2021)	2,083.3	13,646.3	—	15,729.6
Capital decrease / Cancellation of treasurt shares (24 June 2021)	(5,408.0)	(43,392.0)		(48,800.0)
Income Approbation (15 june 2021)	—	—	(114,177.1)	(114,177.1)
Net profit (loss) for the period	—	—	152,130.9	152,130.9
Au 31 December 2021	**413,337.4**	**138,524.2**	**336,353.6**	**888,215.1**

Details about changes in the share capital appear in Section 3.3.1.

3.3.3 Liquidity agreement

On 20 December 2019, the Company signed an AMAFI liquidity agreement with Rothschild Martin Maurel for market-making purposes with respect to its own shares on the regulated market of Euronext Paris. This liquidity agreement took effect on 6 January 2020 for an initial term of 12 months, renewable by tacit agreement for successive 12-month periods. Implementation of the agreement involved €2,500,000 being credited to the liquidity account.

An amendment to the liquidity agreement was signed on 9 November 2020 to increase the amount allocated to the liquidity account to €3,400,000 (Note 3.1.1).

The Company acquired 1,652,814 shares and sold 1,652,814 shares under the liquidity agreement over the course of 2021.

3.4 Provisions for liabilities and charges

Provisions for charges at 31 December 2021 amounted to €1 thousand and consisted of provisions for long-service awards.

The balance of provisions for liabilities at 31 December 2021 corresponded to a tax risk provision in the amount of €195.1 thousand and a provision for performance share allocation plans in the amount of €16,088.6 thousand.

3.5 Liabilities

In thousands of euros		31.12.2021				31.12.2020
Liabilities	**Notes**	**Maturity 0 to 1 year**	**Maturity 1 to 5 years**	**Maturity > 5 years**	**Total**	**Total**
Borrowings and similar liabilities	A	16,501.3	20,000.0	1,000,000.0	1,036,501.3	—
Trade payables and related accounts	B	1,379.0	—	—	1,379.0	1,845.7
Tax and social security liabilities	C	4,275.8	—	—	4,275.8	1,332.2
Other liabilities	D	13,284.4	—	—	13,284.4	4,379.1
Total		**35,440.5**	**20,000.0**	**1,000,000.0**	**1,055,440.5**	**7,557.0**
Borrowings reimbursed over the year		1,030,000.0				
Borrowings reimbursed over the year		0.0				

A. Borrowings and similar liabilities comprise:

- sustainability-linked bonds issued in May 2021 in the amount of €500,000.0 thousand (see note on "Highlights of the financial year");
- sustainability-linked bonds issued in November 2021 in the amount of €500,000.0 thousand (see note on "Highlights of the financial year");
- the Bpifrance loan contracted in November 2021 in the amount of €30,000.0 thousand (see note on "Highlights of the financial year");
- accrued interest in the amount of €6,501.3 thousand concerns these borrowings as at 31 December 2021.

B. At 31 December 2021, trade payables and related accounts amounted to a total of €1,379.0 thousand, of which €919.3 thousand of provisions for miscellaneous and external services fees.

C. At 31 December 2021, tax and social security liabilities totalled €4,275.8 thousand; they mainly consisted of liabilities relating to Company employees and corporate officers in the amount of €4,172.4 thousand and tax liabilities in the amount of €103.3 thousand.

D. Other liabilities of a total amount of €13,284.4 thousand comprised intragroup liabilities, of which:

- current accounts for management fees and shareholder expenses in the amount of €8,968.9 thousand;
- the tax consolidation current account in the amount of €4,315.6 thousand (see Section 2.2.5).

NOTE 4 – NOTES TO THE STATEMENT OF INCOME

4.1 Revenue

Revenue came to €875.1 thousand in 2021, versus €2,469.0 thousand in 2020.

It corresponded to the reinvoicing of management fees to Verallia Packaging.

4.2 Operating profit (loss)

The operating result came to (€21,656.0) thousand in 2021, versus €(3,372.9) thousand in 2020.

It consisted mainly of the following :

- reinvoicing in 2021 of services by Verallia Packaging for €6,440.7 thousand;
- the accounting of personnel expenses related to the allocation of performances shares plan (programs 2019 first and second tranches, programs 2021-2022 and 2021 -2023) for €5,511.5 thousand;
- in addition, we recorded fees related to the issuance costs for the setting up of the 2 bonds amounted to €6,188.5 thousand, this amount was capitalized (operating charges transferred) and amortised over the 2 bonds period.

4.3 Financial income (expense)

The financial result came to €156,634.0 thousand in 2021, versus €130,560.7 thousand in 2020.

It consisted of the following:

- financial income of €164,569.8 thousand in 2021, including €157,661.7 thousand from the dividend payments received from the subsidiary Verallia Packaging;
- financial expense of €7,935.8 thousand in 2021, versus €1.0 thousand in 2020. The financial expense increased due to interest expenses on the sustainability-linked bonds in the amount of €6,500.0 thousand and the impairment provision for shares other than those under a liquidity agreement in the amount of €1,352.6 thousand (see Note 3.1.1).

4.4 Non-recurring profit (loss)

The non-recurring result came to €(492.2) thousand in 2021, versus €(20.3) thousand in 2020. The change was mostly due to the provision for tax risk in the amount of €195.1 thousand and to the losses incurred from the repurchase of shares under the liquidity agreement in the amount of €106.1 thousand.

Exceptional expenses of €23,300.6 thousand are mainly due to expenses related to the allocation of performance shares plans for employees of the Group and are subject to exceptional income related to reinvoicing for an amount of €23,012.1 thousand.

4.5 TAXES

At 31 December 2021, Verallia SA recognised a net corporate tax gain of €17,645.0 thousand under the French tax consolidation regime, of which a research tax credit of €781.4 thousand.

In the absence of any tax consolidation, the Company would have recognised zero corporate tax.

NOTE 5 – OFF-BALANCE SHEET COMMITMENTS

5.1. PENSIONS

The Company's commitments relating to retirement benefits are not provisioned.

These commitments totalled €15.2 thousand at 31 December 2021, versus €324.4 thousand in 2020.

5.2. OTHER COMMITMENTS

5.2.1. Commitments given

On 7 October 2019, as part of the process of listing the Company's shares for trading on the regulated market of Euronext Paris, the Group refinanced the facilities that had been made available to it under the facilities agreement signed on 7 August 2015, primarily by drawing on the term loan (Term Loan A) made available to Verallia Packaging under the facilities agreement signed on 17 July 2019 by the Company in its capacity as the parent company, Verallia Packaging in its capacity as the borrower and guarantor, and an international banking syndicate (the "Senior Facilities Agreement").

The Senior Facilities Agreement provides two lines of credit for a total principal amount of €2.0 billion, broken down as follows:

- a term loan (Term Loan A) in euros for an initial principal amount of €1,500.0 million with a maturity of five years starting from 7 October 2019 and refundable via a bullet payment. At 31 December 2021, the outstanding amount of Term Loan A was €500.0 million following two early repayments of €500.0 million each made in May and November 2021, and the margin was 1.25% per annum; and
- a revolving credit facility of a maximum principal amount of €500.0 million with a maturity of five years starting from 7 October 2019. At 31 December 2021, the revolving credit facility of €500.0 million remained fully undrawn.

Under the Senior Facilities Agreement, the Company stands as joint and several guarantor ("Guarantor") for the payment and repayment obligations of Verallia Packaging and the Group's other companies that adhered to the Senior Facilities Agreement as guarantors (i.e. Verallia France, Verallia Italia, Verallia Brasil, Verallia Spain, Verallia Portugal and Verallia Deutschland), for a maximum principal amount of €2.0 billion (plus interest, fees and commissions) and within the legal and contractual limits set out in Article 22.13 (Limitation of Liabilities of French Guarantors) of the Senior Facilities Agreement.

5.2.2. Commitments received

For the purposes of the two sustainability-linked bonds issued in May and November 2021, Verallia Packaging, a wholly owned subsidiary of the Company, stands as joint and several guarantor for the payment and repayment obligations under the bond issues in question, in both cases up to a maximum principal amount of €500.0 million (plus interest, fees and commissions).

For the purposes of the €30.0 million Bpifrance loan agreed in December 2021, Verallia Packaging, a wholly owned subsidiary of the Company, stands as joint and several guarantor for the payment and repayment obligations up to a maximum principal amount of €30.0 million (plus interest, fees and commissions).

NOTE 6 – OTHER INFORMATION

6.1. Workforce

The Company comprises three employees and one corporate officer at 31 December 2021, as it did at 31 December 2020.

6.2. Compensation of Board members

The compensation of members of the Board of Directors (attendance fees) corresponds to the amounts recorded in the statement of income over the period.

Attendance fees allocated to non-executive officers in respect of their mandates at Verallia SA amounted to €419.5 thousand, versus €441 thousand in 2020.

NOTE 7 – EVENTS AFTER THE CLOSING DATE

None.

6.4. Payment times and results for the last five years

Information on payment times for suppliers and customers

In accordance with Articles L.441-6-1, D.441-1 and D.441-4 of the French Commercial Code, information about payment deadlines applicable to suppliers and clients is presented below:

	Article D.441 I. -1°: Invoices received not paid						Article D.0.I.-2°: Issued invoices not paid					
(in € million)	0 day (area code)	1 to 30 days	31 to 60 days	61 to 90 days	Beyond 90 days	Total (1 day and more)	0 day (area code)	1 to 30 days	31 to 60 days	61 to 90 days	Beyond 90 days	Total (1 day and more)
(A) Late payment instalments												
Number of invoices concerned	2	27	14	—	—	41	—	2	—	—	2	4
Total amount of invoices concerned (including VAT)	0.2	401.8	7,829.6	—	—	8,231.4	—	-1,146.9	—	—	306.4	-840.5
Percentage of the total amount of the invoices concerned (including VAT)	—	0.02%	0.49%	0,00%	0,00%	0.51%	—	—	—	—	—	—
Percentage of revenue for the year (including VAT)	—	—	—	—	—	—	0,00%	-12.27%	0,00%	—		-8.99%
(B) Invoices excluded from (A) relating to debts or receivables that are contentious or not recorded in the accounts												
Total number of invoices excluded	—	—	—	—	—	—	—	—	—	—	—	—
Total amount of excluded invoices (including VAT)	—	—	—	—	—	—	—	—	—	—	—	—
(C) Reference terms of payment used (contractual or legal period – Article L.41-6 or Article L.43-1 of the French Commercial Code												
Payment terms used to calculate late payments	Contractual periods: cash, 30 days end of month on the 1st / 15th Legal terms: 45 days						Contractual terms: not applicable Legal terms: not applicable					

Table of results for the last five years

Description	31 December 2017	31 December 2018	31 December 2019	31 December 2020	31 December 2021
Capital at year end					
Share capital (en euros)	137,513,521	137,513,521	400,171,524	416,662,128	413,337,439
Number of ordinary shares oustanding	229,189,201	229,189,201	118,393,942	123,272,819	122,289,183
Number of convertibles bonds outstanding	0.00	0.00	0.00	0.00	0.00
II - Operations and earning (in millions of euros)					
Revenues before sales tax	0.00	0.00	0.00	0.00	0.00
Income before income tax, amortization and provisions	-19,181	-20,734	10,191	127,188	152,538
Income tax	14,404	19,245	25,796	18,890	17,645
Income after income tax but before amortization and provisions	-4,775	-1,489	35,987	146,059	170,183
Income after income tax, amortization and provisions	-4,775	-1,489	35,985	146,058	152,131
Net income distributed	—	—	—	—	114,177
III - Earnings per share (in euros)					
Income after tax but before depreciation, amortization and provisions	-0.02	-0.01	0.30	1.18	1.39
Income after tax, amortization and provisions	-0.02	-0.01	0.30	1.18	1.24
Dividend paid per share	—	—	0.85	0.95	1.05*
IV - Employees (in millions of euros)					
Number of employees	0	0	2	3	3
Total payroll costs for the period	0	0	252	1,918	4,500
Employee benefits expense	0	0	93	339	1,634

** Subject to approval by the Company's General Meeting of Shareholders: scheduled for 11 May 2022.*

6.5. Statutory Auditors' report on the parent company financial statements for the year ended 31 December 2021

This is a free 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.

To the General Annual Meeting,

Opinion

In compliance with the engagement entrusted to us by your General Annual Meeting and by the decision of the sole shareholder, we have audited the accompanying financial statements of Verallia for the year ended 31 December 2021.

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 at 31 December 2021 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 Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" Section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from 1 January 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of investments in subsidiaries

Description of risk

Investments in subsidiaries are initially recognised at cost or at their transfer value. A provision for impairment is recognised when the value in use of the investments in subsidiaries is less than their net carrying amount. The estimate of value in use takes into account various criteria, including the Company's share of equity, consolidated net assets and discounted future cash flows on the basis of business plans (or long-term forecast budgets) excluding interest and after tax, as described in Note 2.2.1. "Financial assets" Section "Equity interests" to the financial statements.

At 31 December 2021, they comprise investment in Verallia Packaging, which is recorded in the balance sheet for an amount of €666 million, i.e. 34% of total assets.

The measurement of the value in use of these investments in subsidiaries, which requires management to exercise its judgement in selecting the items to be considered and the assumptions used, is sensitive to the economic environment and the uncertainty inherent in evaluating future prospects and is a determining factor in assessing Verallia 's financial position, assets and liabilities.

We therefore deemed the valuation of investments in subsidiaries to be a key audit matter.

How our audit addressed this risk

On the basis of the information provided to us, we verified that the estimated value of investments in subsidiaries determined by management were based on an appropriate measurement method and underlying data.

Our work consisted mainly in verifying that management's estimate of value in use was based on (i) enterprise values determined on the basis of the same assumptions as those used for the impairment tests carried out by the Group within the scope of the operations of the subsidiary Verallia Packaging and the subsidiaries that it holds directly or indirectly, and (ii) consolidated net debt within this scope.

We have assessed the appropriateness of the approach used by management to assess the value in use of Verallia Packaging shares.

We also ensured that the value in use was consistent with the Group's stock market capitalisation.

Lastly, we examined the appropriateness of the disclosures in the notes to the financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-9 and L. 22-10-10 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (Code commerce) relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Format of the presentation of the financial statements intended to be included in the annual financial report

We also proceeded, in accordance with the professional standard on the diligence of the Statutory Auditors relating to the annual and consolidated financial statements presented according to the single European electronic information format, to the verification of compliance with this format defined by the European Regulation Delegate No. 2019/815 of 17 December 2018 in the presentation of the financial statements intended to be included in the annual financial report mentioned in I of Article L. 451-1-2 of the Monetary and Financial Code, prepared under the responsibility of the Chairman and CEO.

Based on our work, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic information format.

It is not our responsibility to verify that the financial statements that will be effectively included by your company in the annual financial report filed with the AMF correspond to those on which we have carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Verallia in the Articles of Association dated 18 June 2015 for PricewaterhouseCoopers Audit and by a decision of the sole shareholder of 24 July 2019 for BM&A.

At 31 December 2021, PricewaterhouseCoopers Audit and BM&A were in the seventh consecutive year and the third year of their engagement, respectively, and the third year since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of 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 expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective 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 of 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 taken by users on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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;
- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute 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, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French code of ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris, 16 February 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	BM&A
Itto El Hariri	Eric Seyvos

7

INFORMATION ABOUT THE COMPANY, ITS SHARE CAPITAL AND OWNERSHIP STRUCTURE

7.1. Legal information

7.1.1. Company name

At the date of this Universal Registration Document, the Company's name is "Verallia".

7.1.2. Registration location and number

The Company is registered in the Nanterre Trade and Companies Register under number 812 163 913.

7.1.3. Date of incorporation and term of the Company

The Company is incorporated for a period of 99 years starting from its registration on 23 June 2015, unless it is dissolved early or extended on the joint decision of its shareholders in accordance with the law and Articles of Association.

The financial year begins on 1 January and ends on 31 December of each year.

7.1.4. Headquarters, legal form and governing laws

The Company's registered office is located at 31 Place des Corolles, Tour Carpe Diem, Esplanade Nord, 92400 Courbevoie, France. The telephone number of the registered office is +33 1 71 13 11 00.

At the date of this Universal Registration Document, the Company is a French public limited company (*société anonyme*).

The address of the Company's website is: www.verallia.com. The information provided on the Company's website is not part of this Universal Registration Document.

7.1.5. Memorandum and Articles of Association

7.1.5.1. Corporate purpose

The Company's corporate purpose, in France and other countries, is as follows:

- the purchase, subscription, holding, management, transfer or contribution of shares or other transferable securities in all French and foreign companies;
- any provision of services and consulting in the fields of human resources, information technology, management, communication, finance, law, marketing and purchasing for its subsidiaries and holdings;
- the ownership, management and disposition of the Company's trademarks, patents and intellectual property rights and those of its subsidiaries and holdings;
- the provision of any type of financial assistance as Group finance company to companies belonging to the same corporate group as the Company;
- the granting of any surety bonds or guarantees for the benefit of any company in its group or within the normal course of business of any company in its group;
- and in general, any transaction, whether financial, commercial, industrial, civil, of real estate or other, directly or indirectly related to the above-mentioned corporate purpose and to any similar or connected purpose, and able to facilitate, directly or indirectly, the object pursued by the Company, its expansion, development and corporate assets.

7.1.5.2. Provisions of the Articles of Association relating to administrative and management bodies

The description below summarises the main provisions of the Articles of Association relating to the Board of Directors, in particular its mode of operation and powers.

(a) Board of Directors (Articles 15, 16 and 17 of the Articles of Association)

Composition

The Company will be managed by a Board of Directors with at least three members and no more than eighteen members, subject to the exceptions permitted by law.

The Board of Directors may appoint one or more non-voting members; however, it may not have more than two non-voting members. Non-voting members may be individuals or legal persons, but need not be shareholders. The term of office of non-voting members shall be four years, unless they resign or the Board decides to terminate the appointment early. The duties of non-voting members, including any compensation, shall be decided by the Board of Directors. Non-voting members shall be eligible for re-election. They shall be invited to meetings of the Board of Directors and shall participate in discussions in an advisory capacity.

Appointment

During the Company's existence, Directors shall be appointed, re-elected or removed from office under the conditions laid down by applicable laws and regulations and by the Articles of Association.

Duties

Directors shall serve a four-year term of office.

Directors will be eligible for re-election. They may be removed at any time by the Ordinary General Meeting.

Directors must not be more than 75 years of age (it being specified that the number of Directors who are over the age of 70 May not exceed one third of the Directors in office) and shall be subject to applicable laws and regulations on multiple mandates.

Identity of Directors

Directors may be natural persons or legal persons. Upon being appointed, legal persons shall appoint a permanent representative who will be subject to the same conditions and requirements and have the same responsibilities as if he or she were a Director in his or her own right, without prejudice to the joint and several liability of the legal person he or she represents.

The term of office of the permanent representative will be the same as that of the legal person he or she represents.

If the legal person revokes the mandate of its permanent representative, it will be required to inform the Company of such revocation immediately by registered letter, together with the name of its new permanent representative. The same will apply in the event of the death, resignation or prolonged incapacity of the permanent representative.

Employee-representative Directors

In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, the Board of Directors shall include an employee-representative Director. This Director will be elected from among the employees of the Company and its direct or indirect subsidiaries whose registered office is in France, subject to the conditions laid down in Article L. 225-28 of the French Commercial Code.

If the number of members of the Board of Directors exceeds the number of Directors mentioned in the first paragraph of Article L. 225-27-1-II of the French Commercial Code, and provided that this criterion is still met on the date of the appointment, a second employee-representative Director will be appointed by the European Works Committee.

Employee-representative Directors shall be appointed for a four-year term expiring at the end of the General Shareholders' Meeting approving the financial statements for the previous financial year, held in the year in which their mandate expires. The mandate of employee-representative Directors will be renewable.

Shareholder employee-representative Directors

When the report presented annually by the Board of Directors at the General Shareholders' Meeting in accordance with Article L. 225-102 of the French Commercial Code shows that the shares held by employees of the Company, as well as by its affiliates within the meaning of Article L. 225-180 of the French Commercial Code, represent more than 3% of the Company's share capital, a shareholder employee-representative Director shall be appointed by the Ordinary General Shareholders' Meeting, in accordance with the procedures laid down by applicable laws and regulations and by the Company's Articles of Association.

The shareholder employee-representative Director shall be appointed for a four-year term expiring at the end of the General Shareholders' Meeting approving the financial statements for the previous financial year, held in the year in which their mandate expires. However, the mandate shall automatically be terminated and the shareholder employee-representative Director shall be deemed to have resigned automatically in the event that he or she ceases to be an employee of the Company (or of an affiliated company within the meaning of Article L. 225-180 of the French Commercial Code) or a shareholder (or a member of the FCPE (employee investment fund) holding shares in the Company).

These provisions shall cease to apply if, at the close of a financial year, the percentage of capital held by the Company's employees, as well as by its affiliates within the meaning of Article L. 225-180 of the French Commercial Code, represents less than 3% of the share capital, it being specified that the mandate of any director appointed pursuant to the above provisions shall expire at the end of the term.

Chairman of the Board of Directors

The Board of Directors shall elect one of its members as Chairman, provided that member is a natural person.
The Chairman shall be appointed for the duration of his or her mandate as Director. He or she will be eligible for re-election.

Deliberations of the Board of Directors

The Board of Directors shall perform the duties and exercise the powers conferred on it by law, the Company's Articles of Association and the Internal Rules of the Board of Directors. The Board of Directors shall determine and monitor the implementation of the Company's overall business strategy. It shall examine any and all matters pertaining to the efficient operation of the Company and make decisions about any and all issues concerning the Company, within the limits of the Company's corporate purpose and except for those issues that, by law, can only be decided upon by shareholders at a General Meeting. The Board of Directors shall perform any inspections and audits it deems necessary.

The Board of Directors shall be convened by the Chairman or by one of its members as often as the interests of the Company so require; the frequency and duration of meetings of the Board of Directors shall be such as to permit a thorough examination and discussion of the matters within the Board's remit.

The Board of Directors may legitimately conduct business, even without being formally convened, if all members are present or represented.

Certain decisions of the Board of Directors can be taken by written consultation of Directors, in the conditions of the applicable legislative and regulatory provisions.

At least half of the Board members must be present for decisions taken at Board meetings to be valid. Decisions will be taken by a simple majority of Directors present or represented. In the event of a tie, the Chairman of the meeting shall have the deciding vote.

(b) Executive management (Article 18 of the Articles of Association)

Management model

The Company's executive management shall be the responsibility either of the Chairman of the Board of Directors or of another individual appointed by the Board of Directors (from among its members), who shall have the title of Chief Executive Officer.

The Board of Directors may choose between these two executive management models at any time, and at least upon the expiration of the mandate of the Chief Executive Officer or the mandate of the Chairman of the Board of Directors, if the Chairman is also responsible for executive management of the Company.

Shareholders and third parties will be informed of this choice in accordance with regulatory conditions.

If responsibility for the Company's executive management is assumed by the Chairman of the Board of Directors, the provisions that follow regarding the Chief Executive Officer will also apply to the Chairman. He or she will then have the title of Chairman and Chief Executive Officer.

Executive management

Following a proposal from the Chief Executive Officer, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer, who will have the title of Deputy Chief Executive Officer.
There may not be more than two Deputy Chief Executive Officers.

Age limit – Term of office – Compensation

The Chief Executive Officer and the Deputy Chief Executive Officers may not be more than 65 years of age.

The mandate of the Chief Executive Officer or Deputy Chief Executive Officers shall be determined upon their appointment, but may not exceed their mandate as Director, where applicable.

Removal from office

The Chief Executive Officer may be removed from office by the Board of Directors at any time. The same shall apply, following a proposal from the Chief Executive Officer, to the Deputy Chief Executive Officers.

If the Chief Executive Officer ceases or becomes unable to perform his or her duties, the Deputy Chief Executive Officers will retain their duties and powers until the new Chief Executive Officer is appointed, unless otherwise decided by the Board.

The Board of Directors shall determine the compensation of the Chief Executive Officer and the Deputy Chief Executive Officers.

Powers of the Chief Executive Officer and Deputy Chief Executive Officers

The Chief Executive Officer will be fully empowered to act on behalf of the Company in any and all circumstances. The Chief Executive Officer shall exercise those powers within the scope of the corporate purpose and subject to the powers expressly reserved by law for Shareholder Meetings and for the Board of Directors.

He or she represents the Company in its dealings with third parties. The Company will be bound by the actions of the Chief Executive Officer even if such actions are beyond the scope of the corporate purpose, unless the Company can prove that a third party knew that the action concerned was beyond the scope of the corporate purpose or had constructive knowledge thereof in view of the circumstances. The publication of the Articles of Association alone may not be deemed to constitute evidence of such knowledge.

Decisions of the Board of Directors limiting the powers of the Chief Executive Officer will not be binding on third parties.

In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and duration of the powers granted to Deputy Chief Executive Officers. The Deputy Chief Executive Officers shall have the same powers with respect to third parties as the Chief Executive Officer.

The Chief Executive Officer or the Deputy Chief Executive Officers may, within the limits set by applicable legislation, delegate such powers as they deem appropriate, for one or more specified purposes, to any representatives, even outside the Company, individually or meeting as a committee or commission, with or without the possibility of substitution, subject to the limitations provided by law. Such powers may be permanent or temporary, and may or may not include the possibility of substitution. Any authority thus delegated shall remain in full effect notwithstanding the expiration of the term of office of the person granting them.

7.1.5.3. Rights, privileges and restrictions attached to shares (Articles 10, 11, 12 and 13 of the Articles of Association)

Fully paid-up ordinary shares will be in registered or bearer form, at the shareholder's option, under the conditions laid down by applicable regulations.

Each share confers the right to a share of the Company's profits and net assets in proportion to the percentage of the share capital it represents. In addition, each share carries the right to vote and the right to representation at General Shareholders' Meetings, according to the statutory conditions and the Articles of Association.

A double voting right shall be established for fully paid-up registered shares that have been continuously held by the same shareholder for a minimum period of two (2) years.

In accordance with the provisions of the second paragraph of Article L. 225-123 of the French Commercial Code, in the event of a share capital increase by capitalisation of reserves, profits or issue premiums, a double voting right shall be granted upon their issuance to new shares allocated free of charge to a shareholder on the basis of his or her existing shares with a double voting right.

This double voting right may be exercised at any General Meeting.

The double voting right will automatically lapse when the share is converted to bearer form or ownership is transferred.

Shareholders shall only bear losses to the extent of their contributions.

The rights and obligations attached to the share will be transferred to the new owner in the event of a change of ownership. Ownership of a share is deemed to imply acceptance of the Articles of Association and of the decisions of General Shareholders' Meetings.

Whenever it is necessary to hold several shares in order to exercise a particular right, holders of single shares or of fewer shares than the required number will have no rights in respect of the Company, the shareholders being responsible in this case for arranging to group together the necessary number of shares.

The Company regards its shares as indivisible.

Co-owners of shares will be represented at General Shareholders' Meetings by one of the co-owners or by a sole representative. In the event of disagreement, the representative will be appointed by a court of law at the request of the co-owner who first takes action.

If the shares are subject to usufruct, their book entry will mention the existence of the usufruct. Unless otherwise agreed and notified to the Company by registered letter with acknowledgement of receipt, the voting right will belong to the usufructuary at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings.

Registered and bearer ordinary shares will be freely negotiable, unless otherwise provided by laws or regulations. Shares will be recorded in book-entry form. The sale of shares involving the Company or third parties will take place by account transfer, in accordance with the terms defined by the applicable laws and regulations.

7.1.5.3.4. Changes in share capital and rights attached to shares

Unless otherwise stipulated in the Articles of Association, changes to the rights attached to shares will be subject to statutory provisions.

7.1.5.5. General Shareholders' Meetings (Article 19 of the Articles of Association)

Notice of Meeting and venue

General Shareholders' Meetings will be convened in accordance with the statutory conditions, forms and time frames.

They will be held at the registered office or at any other venue indicated in the Notice of Meeting.

Agenda

The General Meeting agenda will be set out in the Notice of Meeting and shall be set by the person calling the meeting.

The General Meeting may only deliberate upon matters included on the agenda; nevertheless, it may, in all circumstances, remove one or more Directors from office and replace them.

One or more shareholders, representing at least the percentage of the share capital required by law, and acting in accordance with the statutory conditions and time frames, may request the inclusion of draft resolutions on the agenda.

Access to General Meetings

All shareholders will have the right to attend General Meetings and to participate in deliberations, either in person or by proxy.

All shareholders may participate in General Meetings, in person or by proxy, in accordance with the regulatory conditions, subject to proof of their identity and ownership of their securities in book-entry form under the conditions laid down in the applicable laws and regulations.

If the Board of Directors authorises the use of means of telecommunication, as published in the Notice of Meeting, shareholders who participate in the General Meeting by video-conference or by means of telecommunication or remote transmission, including the internet, enabling them to be identified under the conditions laid down by applicable regulations, will be deemed present for the purpose of calculating the quorum and majority.

Any shareholder may vote by post or by proxy in accordance with applicable regulations using a form issued by the Company and sent to the Company under the conditions laid down in applicable regulations, including by electronic means or by means of remote transmission, if authorised by the Board of Directors. Said form must be received by the Company in accordance with the regulatory conditions in order to be taken into account.

The minutes of General Meetings will be drawn up and copies shall be certified and issued in accordance with applicable regulations.

The legal representatives of shareholders without legal capacity and natural persons representing corporate shareholders may take part in meetings, irrespective of whether or not they personally are shareholders.

Attendance register, officers, minutes

An attendance register will be kept at each General Meeting containing the information required by law.

General Meetings will be chaired by the Chairman of the Board of Directors or, in his/her absence, by a Director specially appointed for this purpose by the Board. Failing this, the Meeting shall elect its own Chairman.

The role of scrutineer will be performed by the two members of the General Meeting, present and accepting this role, who have the most votes either personally or as proxies.

The meeting officers will appoint a secretary, who need not be a shareholder.

The meeting officers will have the task of verifying, certifying and signing the attendance register, ensuring that the meeting takes place in an orderly fashion, resolving matters that arise during the meeting, monitoring the voting process, ensuring that it is properly applied, and overseeing the drafting of the minutes.

Minutes of Board meetings and copies or extracts of said minutes are prepared, and certified copies are made in accordance with the applicable regulations.

Ordinary General Meeting

The Ordinary General Meeting is required to take all decisions that do not have the effect of amending the Articles of Association. The Ordinary General Meeting shall be held at least once a year, within six months of each financial year-end, to approve the financial statements for that financial year and the consolidated financial statements.

It will only be deemed to be quorate when first called if the shareholders present or represented, or having voted by post, possess at least one fifth of the shares with voting rights. No quorum is required when a meeting is convened for a second time.

The meeting shall act by a majority of the votes of the shareholders present or represented or who voted by post.

Extraordinary General Meeting

The Extraordinary General Meeting alone is authorised to amend the provisions of the Articles of Association. However, it may not increase the commitments of shareholders, except in the context of transactions resulting from a reverse share split lawfully carried out.

It shall only be quorate if the shareholders present, represented or having voted by post possess at least one quarter of voting shares at first call and one fifth of voting shares at second call. In the absence of this second quorum, the second meeting may be postponed until a later date, which may be no more than two months after the date on which it was originally convened.

It shall act by a two-thirds majority of the votes of the shareholders present, represented or having voted by post.

However, the Extraordinary General Meeting may not under any circumstances, except by unanimous agreement of the shareholders, increase the commitments of shareholders, nor interfere with the equality of their rights

7.1.5.6. Provisions that delay, postpone or prevent a change of control of the Company

The Articles of Association contain no provisions that delay, postpone or prevent a change of control of the Company.

7.1.5.7. Ownership threshold disclosures and identification of shareholders (Article 14 of the Articles of Association)

While the Company's shares are admitted to trading on a regulated market, in addition to the ownership threshold disclosures expressly provided for by applicable laws and regulations, any natural or legal person who directly or indirectly holds, alone or in concert, a percentage of the capital or voting rights (calculated in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and the provisions of the French Financial Markets Authority General Regulation) equal to or greater than 1% of the capital or voting rights, or any multiple thereof, even if above the thresholds stipulated in the statutory and regulatory provisions, shall notify the Company of the total number (i) of shares and voting rights that he or she holds, directly or indirectly, alone or in concert, (ii) of securities giving access in the future to the Company's capital that he or she owns, directly or indirectly, alone or in concert, and the voting rights potentially attaching thereto, and (iii) of existing shares in issue that such person may acquire by virtue of an agreement or financial instrument mentioned in Article L. 211-1 of the French Monetary and Financial Code. Said notification must be made by registered letter with acknowledgement of receipt within four trading days of breaching the relevant threshold.

The requirement to inform the Company will also apply, within the same time frame and under the same conditions, if the shareholder's interest in the capital or voting rights falls below one of the above-mentioned thresholds.

In the event of non-compliance with the threshold disclosure requirement referred to above and at the request, recorded in the minutes of the General Shareholders' Meeting, of one or more shareholders representing at least 3% of the Company's capital or voting rights, shares exceeding the percentage that should have been disclosed shall be deprived of voting rights for a period of two years following the date of disclosure.

The Company reserves the right to inform the public and shareholders either of the information disclosed to it or of the failure of the person concerned to comply with the above-mentioned requirement.

7.1.5.8. Identification of securities holders (Article 10 of the Articles of Association)

While the Company's shares are admitted to trading on a regulated market, the Company is entitled to require the identification of holders of securities conferring voting rights immediately or in the future at its Shareholders' Meetings, as well as the quantities of securities held, under the conditions provided for by the laws and regulations in force.

In accordance with the provisions of Article L. 228-3-3 of the French Commercial Code, where the person who is the subject of a request referred to above has not sent the information within the time provided for by the legislative and regulatory provisions in force or has sent incomplete or erroneous information relating either to his or her capacity, or to the owners of the securities, or to the quantity of securities held by each of them, the shares or securities giving immediate or deferred access to the share capital and for which this person has been registered will be deprived of voting rights for any Shareholders' Meeting held until the date on which identification request has been fulfilled. The payment of the corresponding dividend will also be deferred until that date.

7.1.5.9. Special clauses governing changes in share capital

Regarding changes in share capital, the Company's Articles of Association contain no specific provisions that are more stringent than the statutory provisions.

7.2. Shareholders

7.2.1. Main shareholders

The table below provides a breakdown of the Company's share capital and voting rights as at 31 December 2019:

Shareholders	Total number of shares	% of share capital and voting rights
Horizon Investment Holdings (1)	65,505,178	55.3%
Bpifrance Participations	8,861,539	7.5%
Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)(2)	10,185,185	8.6%
Managers	5,814,108	4.9%
Employees (FCPE Verallia and direct shareholding)	3,019,530	2.6%
Public	25,008,402.00	21.1%
Total	**118,393,942**	**100%**

(1) Company wholly owned by Horizon Parent Holdings S.à.r.l., which is indirectly owned by AIF VIII Euro Leverage, L.P., an investment fund managed by an affiliate of Apollo Global Management, Inc.

(2) Acting through Lepton Fund Ltd., a fund managed by BW Gestão de Investimentos Ltda., a wholly owned subsidiary of Brasil Warrant Administração de Bens e Empresas S.A.

The table below provides a breakdown of the Company's share capital and voting rights as at 31 December 2020 :

Shareholders	Total number of shares	% of share capital and voting rights
Horizon Investment Holdings(1)	45,477,896.00	36.9%
Bpifrance Participations	9,189,887	7.5%
Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)(2)	27,405,390.00	22.2%
Employees (FCPE Verallia and direct shareholding)	3,957,833.00	3.2%
Public	37,241,813.00	30.2%
Total	**123,272,819.00**	**100%**

(1) Company wholly owned by Horizon Parent Holdings S.à.r.l., which is indirectly owned by AIF VIII Euro Leverage, L.P., an investment fund managed by an affiliate of Apollo Global Management, Inc.

(2) Acting through Lepton Fund Ltd., a fund managed by BW Gestão de Investimentos Ltda., a wholly owned subsidiary of Brasil Warrant Administração de Bens e Empresas S.A.

The table below provides a breakdown of the Company's share capital as at 31 December 2021 (with regard to voting rights, as from 7 October 2021, a double voting right applies to fully paid-up registered shares that have been continuously held by the same shareholder for a minimum of two years):

Shareholders	Total number of shares	% of capital
Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)(1)	32,464,406	26.55 %
Bpifrance Participations	9,189,887	7.51 %
Employees (FCPE Verallia and direct shareholding)	4,246,179	3.47 %
Treasury shares	5,517,943	4.51 %
Public	70,870,768	57.96 %
Total	**122,289,183**	**100%**

(1) Acting through Kaon V, a sub-fund (wholly owned by Lepton Fund Ltd, a fund managed by BW Gestão de Investimentos Ltda. (BWGI), itself owned up to 99.955% by Brasil Warrant Administração de Bens e Empresas S.A) of Kaon Investment Fund ICAV, an Irish collective asset-management vehicle whose investment manager is BWGI.

To the Company's knowledge, the table below provides a breakdown of the Company's share capital as at the date of this Universal Registration Document:

Shareholders	Total number of shares	% of capital
Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)[(1)]	34,190,450	27.96 %
Bpifrance Participations	9,189,887	7.51 %
Employees (FCPE Verallia and direct shareholding)	4,246,179	3.47 %
Treasury shares	5,517,943	4.51 %
Public	69,144,724	56.54 %
Total	**122289183**	**100%**

(1) Acting through Kaon V, a sub-fund (wholly owned by Lepton Fund Ltd, a fund managed by BW Gestão de Investimentos Ltda, (BWGI), itself owned up to 99.955% by Brasil Warrant Administração de Bens e Empresas S.A) of Kaon Investment Fund ICAV, an Irish collective asset-management vehicle whose investment manager is BWGI.

7.2.1.1. Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)

BWSA, a Brazilian investment company that has been operating for six decades, has successfully forged partnerships around the world with leading companies in their sector, as well as their reference shareholders and founders, in a variety of sectors, such as financial services, natural resources, agriculture, consumer products, distribution and industry. BWSA now focuses its business in the banking and mining sectors of Brazil. Recently, BWSA acquired a joint ownership interest in Alpargatas, Latin America's largest footwear manufacturer (including the manufacturer of the "Havaianas" flip-flops). BWSA also manages the investments of the BWSA Group through BWGI, an asset management entity, established in 2008.

7.2.1.2 Bpifrance Participations

A state-owned subsidiary of the Caisse des Dépôts et Consignations, Bpifrance SA provides credit and equity for entrepreneurs and businesses from their start-up to their listing on the stock exchange. Bpifrance Participations is a société anonyme (French joint stock company), 100% of which is held by Bpifrance SA. Its objective is to provide long-term support to mid-caps with potential in order to accelerate their growth, strengthen their innovation capacity and promote their international development. The investments made by Bpifrance Participations are made on its behalf by the management company Bpifrance Investissement.

7.2.2. Statement relating to control of the Company

As at 31 December 2021, the Company is not "controlled" within the meaning of Article L. 233-3 of the French Commercial Code.

The Company was informed on 19 April 2021 that João Moreira Salles, the Kaon Investment Fund ICAV fund (acting only for its Kaon V sub-fund), the Lepton Fund Ltd., the company BW Gestão de Investimentos Ltda. and the company Brasil Warrant Administração de Bens e Empresas S.A., on the one hand, and Michel Giannuzzi, Chairman and CEO of the Company, and the members of the Giannuzzi family group, on the other hand, had signed on 16 April 2021 a collective retention commitment under the Dutreil law relating to 32,305,694 Company shares, representing 26.21% of the Company's share capital and voting rights as at the date of the commitment. This retention commitment was entered into pursuant to Article 787 B of the French General Tax Code for a period of two years, not renewable by tacit agreement. It does not contain any clause providing for preferential conditions for the sale or acquisition of Company shares in favour of the signatories and does not constitute a concerted action vis-à-vis the Company.

7.2.3. Agreements that could lead to a change of control

None.

7.2.4. Changes in the Company's capital over the past three years

Date	Type of transaction	Capital before transaction	Number of shares before transaction	Number of shares after transaction	Nominal value	Capital after transaction
20/09/2019	Capital increase	137,513,520.60	229,189,201	230,144,132	€1.69	388,943,583
20/09/2019	Combination of shares	388,943,583.08	230,144,132	115,072,066	€3.38	388,943,583
07/10/2019	Capital increase and reduction	388,943,583.08	115,072,066	118,393,942	€3.38	400,171,524
25/06/2020	Capital increase	400,171,523.96	118,393,942	119,458,941	€3.38	403,771,221
09/07/2020	Capital increase	403,771,220.58	119,458,941	123,272,819	€3.38	416,662,128
24/06/2021	Capital increase and reduction	416,662,128.22	123,272,819	122,289,183	€3.38	413,337,439

7.2.5. Employee ownership of shares

7.2.5.1. Stock options and free share grants

The Company has implemented a long-term incentive policy for senior executives, including its Chairman and Chief Executive Officer, in line with market practices (see Section 3.3 "Remuneration of corporate officers" of this Universal Registration Document).

7.2.5.2. Profit-sharing and incentive agreements

7.2.5.2.1. Profit-sharing agreements

In France, the Group's companies benefit from profit-sharing, depending on performance, in accordance with the statutory conditions. In 2021 Verallia France, VOA (which has since been merged into Verallia France) and TBE have made profit-sharing payments.

7.2.5.2.2. Incentive agreements

In France, employees in most of the Group's companies are eligible for a share of their company's profits, calculated according to performance indicators such as safety, quality, output and operating income.

In other countries, profit-sharing agreements exist in Germany, Italy, Spain, Portugal, Ukraine, Brazil, Argentina and Chile.

7.2.5.2.3. Employee savings plans, similar plans and employee share ownership

The Group has a group savings plan (PEG) for French companies and an International Group savings plan (PEGI) for its foreign companies, allowing eligible employees to participate in offers reserved for them through a Verallia employee investment fund, invested in Verallia securities (the "FCPE"). This FCPE is an investment option for employees of Group companies participating in Group savings plans, either through the Group Savings Plan (PEG), through the International Group Savings Plan (PEGI), or by direct shareholding for the offer reserved for employees only, in order to invest their savings in diversified funds.

Employee share ownership

In 2021, the countries (other than France) participating in the PEGI in direct shareholding were Italy, Spain, Germany and Chile. Other countries eligible to the employee share ownership programme participate through the Verallia FCPE.

In this respect, thanks to operations launched each year by the Group since 2016, more than 3,000 employees have become company shareholders through the Verallia FCPE and direct shareholding, reaching a capital share of 3.5% as at 31 December 2021, after deduction of early releases carried out by employees in the second half of 2021, as allowed by the regulation in certain special individual situations (such as marriage, divorce, birth of a third child, departure from the Company, etc.).

The Company's shareholders, meeting on 15 June 2021 in a Combined General Meeting, delegated to the Board of Directors in their 19th and 20th resolutions the authority to decide to increase the Company's share capital in one or more times, up to a maximum nominal amount of €12,000,000, per issue of new shares of the Company, reserved for eligible employees and corporate officers of the Company and of French and foreign companies linked to it under the terms of Articles L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labour Code, members of a company savings plan of the Group.

On 27 October 2021, the Board of Directors of the Company decided to issue new ordinary shares for employees who are members of a Group corporate savings plan; the main features of the transaction were laid down and the Chairman and CEO of the Company was delegated the powers necessary to implement the transaction in the first half of 2022.

7.3. Information on the share capital

7.3.1. Non-equity securities

During the course of the 2021 financial year, the Company carried out the following operations:

- on 14 May 2021, the issuance of “sustainability-linked” bonds, with a nominal unit value of €100,000, for a total principal amount of €500 million, maturing on 14 May 2028, bearing interest at the fixed rate of 1.625% p.a. (excluding rate adjustment), for the purposes of partially refinancing the Group’s existing long-term financial debt; and
- on 10 November 2021, the issuance of “sustainability-linked” bonds, with a nominal unit value of €100,000, for a total principal amount of €500 million, maturing on 10 November 2031, bearing interest at the fixed rate of 1.875% p.a. (excluding rate adjustment), for the purposes of partially refinancing the Group’s existing long-term financial indebtedness.

These bonds are non-equity securities admitted to trading on the regulated market of Euronext Paris.

7.3.2. Other securities providing access to share capital

At the date of this Universal Registration Document, the Company had not issued any equity securities other than the ordinary shares described in Section 7.3.6.1 of this Universal Registration Document.

7.3.3. Conditions governing any acquisition rights and/or any obligations attached to capital subscribed but not paid up

None.

7.3.4. Share capital of any Group company under option or agreed to be put under option

None.

7.3.5. Exercise of voting rights, double voting rights, voting rights limitations

See Section 7.1.5.3. of this Universal Registration Document.

7.3.6. Factors that may have an impact in the event of a public offer

The following are the items that may have an impact in the event of a public offer.

7.3.6.1. Structure of the Company's capital

As at 31 December 2021, the Company's share capital is €413,337,438.54, divided into 122,289,183 ordinary shares, with a nominal value of three euros thirty-eight cents (€3.38), fully paid up, all of the same class.

The table below provides a breakdown of the Company's share capital and voting rights as at 31 December 2021:

Shareholders	Total number of shares	% of share capital	Total number of theoretical voting rights	% of theoretical voting rights
Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)[(1)]	32,464,406	26.55%	32,464,406	24.18%
Bpifrance Participations	9,189,887	7.51%	18,051,426	13.44%
Employees (FCPE Verallia and direct shareholding)	4,246,179	3.47%	4,246,179	3.16%
Treasury shares	5,517,943	4.51%	5,517,943	4.11%
Public	70,870,768	57.96%	73,910,803	55.11%
Total	**122,289,183**	**100%**	**134,277,562**	**100%**

(1) Acting through Kaon V, a sub-fund (wholly owned by Lepton Fund Ltd., a fund managed by BW Gestão de Investimentos Ltda. (BWGI), itself owned up to 99.955% by Brasil Warrant Administração de Bens e Empresas S.A.) of Kaon Investment Fund ICAV, an Irish collective asset-management vehicle whose investment manager is BWGI.

At 31 December 2021, the number of registered shareholders is 1,504 individuals or legal entities.

At the close of the financial year ending 31 December 2021, employee share ownership as defined in Article L. 225-102 of the French Commercial Code represented 3.5 % of the Company's share capital.

To the Company's knowledge, with the exception of BWSA and Bpifrance Participations, no other shareholder holds more than 5% of the share capital or voting rights.

Major Holding Notification

During 2021, the Company was informed of the following threshold crossing as provided for by law and Articles of Association:

- by letter dated 27 January 2021, that Lepton Fund (a fund managed by the company BW Gestão de Investimentos Ltda (BWGI), itself 99.955%-owned by BWSA, with the remaining 0.045% held by the BWSA's managers) had committed to transfer before 5 March 2021 13,177,554 Company shares to the Irish fund Kaon V (a sub-fund of Kaon Investment Fund ICAV, itself an Irish asset manager fully owned by BWSA and BWGI and having BWGI as its management company). Upon completion of this transaction, Lepton Fund has fallen below the statutory and legal thresholds of 22%, 21%, 20%, 19%, 18%, 17%, 16%, 15%, 14%, 13% and 12% and Kaon V has exceeded the statutory and legal thresholds of 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% and 10%.
- by letter dated 2 March 2021, that Lepton Fund had committed to transfer 14,227,836 Company shares to the Irish fund Kaon V. Upon completion of this transaction, Lepton Fund has fallen below the statutory and legal thresholds of 11%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2% and 1% and Kaon V has exceeded the statutory and legal thresholds of 11%, 12%, 13%, 14%, 15%, 16%, 17%, 18%, 19%, 20%, 21% and 22%;
- by letter dated 8 March 2021, that BWSA (acting through funds managed by its subsidiary BWGI) intended to exceed the statutory thresholds of 23% and 24% of the share capital and voting rights of the Company in the context of the off-market acquisition by BWSA of 2,600,000 Company shares from Horizon Investment Holding (HIH);
- by letter dated 9 March 2021, that HIH had fallen below, on 9 March 2021, the legal and statutory thresholds of 36%, 35%, 34%, 33%, 32%, 31%, 30% and 29% of the share capital and voting rights of the Company in the context of the off-market sale by HIH of 10,500,000 Company shares;
- by letter dated 15 March 2021, that Lepton Fund had transferred 2,600,000 Company shares to the Irish fund Kaon V. Upon completion of this transaction, Lepton Fund has fallen below the statutory and legal thresholds of 2% and 1%, and Kaon V has exceeded the statutory thresholds of 23% and 24%;

- by letter dated 24 May 2021 from Threadneedle Asset Management Holdings Limited, that Ameriprise Financial Group held, as at 20 May 2021, 3.014% of the share capital and voting rights of the Company;
- by letter dated 28 May 2021, that Mondrian Investment Partners held, as at 27 May 2021, 2.01% of the share capital and 1.69% of the voting rights of the Company;
- by letter dated 10 June 2021, that BWSA (acting through funds managed by its subsidiary BWGI) had exceeded the statutory thresholds of 25% and 26% of the share capital and voting rights of the Company in the context of the off-market acquisition by BWSA of 2,459,016 Company shares from Horizon Investment Holding (HIH);
- by letter dated 14 June 2021, that HIH had fallen below, on 9 June 2021, the legal and statutory thresholds of 28%, 27%, 26%, 25%, 24%, 23%, 22%, 21%, 20% and 19% of the share capital and voting rights of the Company in the context of the off-market sale by HIH of 12,500,000 Company shares;
- by letter dated 21 June 2021 from Threadneedle Asset Management Holdings Limited, that Ameriprise Financial Group held, as at 17 June 2021, 2.98% of the share capital and voting rights of the Company;
- by letter dated 1 July 2021, that HIH had fallen below, on 28 June 2021, the statutory thresholds of 18% and 17% of the share capital and voting rights of the Company in the context of the off-market sale by HIH of 2,500,000 Company shares;
- by letter dated 16 July 2021 from Amundi, that the Verallia FCPE had exceeded the statutory threshold of 3% of the share capital and voting rights and held, at that date, 3.17% of the share capital and voting rights of the Company;
- by letter dated 30 July 2021 from Threadneedle Asset Management Holdings Limited, that Ameriprise Financial Group held, as at 26 July 2021, 3.025% of the share capital and voting rights of the Company;
- by letter dated 14 October 2021 from Caisse des Dépôts et Consignations (CDC), that on 9 October 2021, Bpifrance Participations had exceeded the statutory threshold of 8% of the voting rights of the Company and that CDC had exceeded, indirectly (mainly via Bpifrance Participations), the legal threshold of 10% of the voting rights of the Company;
- by letter dated 14 October 2021, that Invesco held, as at 6 October 2021, 3% of the share capital and of the voting rights of the Company;
- by letter dated 18 October 2021 from Amundi, that the Verallia FCPE had fallen below the statutory threshold of 3% of the voting rights and held, at that date, 2.94% of the voting rights of the Company;
- by letter dated 19 October 2021, that BWSA (acting through the funds managed by its subsidiary BWGI) had fallen below the statutory threshold of 26% of the voting rights of the Company;
- by letter dated 28 October 2021, that Invesco held, as at that date, 2.97% of the share capital and 2.85% of the voting rights of the Company;
- by letter dated 3 November 2021, that Invesco held, as at that date, 4.37% of the share capital and 4.20% of the voting rights of the Company;
- by letter dated 3 November 2021, that Blackrock held, as at that date, 1.03% of the share capital and 0.99% of the voting rights of the Company;
- by letter dated 8 November 2021, that Blackrock held, as at that date, 1.06% of the share capital and 1.02% of the voting rights of the Company;
- by letter dated 11 November 2021 from Threadneedle Asset Management Holdings Limited, that Ameriprise Financial Group held, as at 8 November 2021, 4.18% of the share capital and 4.028% of the voting rights of the Company;
- by letter dated 10 November 2021 from CDC, that on 8 November 2021, CDC had exceeded, indirectly (mainly via Bpifrance Participations), the legal and statutory threshold of 10% of the share capital of the Company;
- by letter dated 17 November 2021 from CDC, that on 11 November 2021, CDC had exceeded, indirectly (mainly via Bpifrance Participations), the statutory threshold of 11% of the voting rights of the Company;
- by letter dated 24 November 2021 from Amundi, that the Verallia FCPE had fallen below the statutory threshold of 3% of the share capital and held, as at that date, 2.99% of the share capital of the Company; and
- by letter dated 21 December 2021 from CDC, that on 18 December 2021, CDC had exceeded, indirectly, the legal threshold of 15% and the statutory thresholds of 11%, 12%, 13%, 14% and 15% of the voting rights of the Company and that, due to the same cause, Bpifrance Participations had exceeded the legal threshold of 10% and the statutory thresholds of 9%, 10%, 11%, 12% and 13% of the voting rights of the Company; and

– by letter dated 23 December 2021, that BWSA (acting through the funds managed by its subsidiary BWGI) had fallen below the legal and statutory threshold of 25% of the voting rights of the Company.

7.3.6.2. Statutory restrictions on the exercise of voting rights and transfers of shares or the provisions of agreements brought to the Company's attention pursuant to Article L. 233-11 of the French Commercial Code

Statutory restrictions on the exercise of voting rights and transfers of shares or the provisions of agreements brought to the Company's attention pursuant to Article L.233-11 of the French Commercial Code, as well as the rules applicable to the appointment and replacement of the members of the Board of Directors and the agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights are described in Sections 7.2.3 "Agreements that could lead to a change of control", 7.1.5.3 "Rights, privileges and restrictions attached to shares" and 7.1.5.7. "Ownership threshold disclosures and identification of shareholders (Article 14 of the Articles of Association)" of this Universal Registration Document. The powers of the Board of Directors, in particular the issuance or buyback of shares and agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, are described in Sections 7.2.2 "Statement relating to control of the Company" and 7.1.5.6 "Provisions that delay, postpone or prevent a change of control of the Company" of this Universal Registration Document.

7.3.6.3. Direct or indirect interests in the capital of the Company of which it is aware under Articles L. 233-7 and L. 233-12 of the French Commercial Code

The direct or indirect interests in the share capital of the Company of which it is aware under Articles L.233-7 and L.233-12 of the French Commercial Code are described in the share ownership table above (see Section 7.3.6.1 "Structure of the Company's capital" of this Universal Registration Document).

7.3.6.4. List of holders of any security with special control rights and the description of those rights and control mechanisms provided for in a potential employee ownership system, when the control rights are not exercised by the latter

There are no holders of securities with special control rights or control mechanisms provided for in any employee ownership system, when the supervisory rights are not exercised by the latter.

7.3.6.5. Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights

See Section 7.2.2

7.3.6.6. Powers of the Board of Directors in respect of share capital increase and share buyback

Information on the powers of the Board of Directors with respect to share capital increases is detailed in Section 7.5.3 "Delegations and current authorisations granted by the General Shareholders' Meeting with respect to share capital increases" of this Universal Registration Document.

Share buyback program

The General Shareholders' Meeting held on 15 June 2021 authorized, for a period of 18 months from the date of the meeting, the Board of Directors with the right to sub-delegate as permitted by law, in accordance with the provisions of Articles L.22-10-62 et seq. of the French Commercial Code, to purchase, on one or more instalments and at such times as it shall determine, a number of shares of the Company not exceeding 10% of the total number of shares constituting the share capital at any given time, or 5% of the total number of shares constituting the share capital if they are shares acquired by the Company with a view to their retention and subsequent delivery in payment or exchange as part of a merger, spin-off or contribution. However, under no circumstances may the number of shares held by the Company result in the Company holding at any time more than 10% of the shares constituting its share capital.

The Board of Directors may decide to acquire shares in order:

- to ensure the liquidity and make the market for the Company's securities through an investment service provider acting independently under a liquidity agreement in accordance with the market practice adopted by the French Financial Markets Authority on 2 July 2018;
- to allocate shares to employees of the Company and other Group entities, and particularly in the context of (i) profit-sharing, (ii) any Company stock option plan under the provisions of Articles L.225-177 et seq. of the French Commercial Code, or (iii) any savings plan in accordance with Articles L.3331-1 et seq. of the French Labour Code or (iv) any awarding of performance shares under the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, and to carry out any hedging in relation to such transactions, under the conditions set out by the market authorities and at such times as the Board of Directors or the person acting on behalf of the Board of Directors may determine;
- to deliver the Company's shares when exercising rights attached to transferable securities conferring entitlement by way of redemption, conversion, exchange, presentation of a warrant or any other means to the allotment of the Company's shares under applicable regulations, and to carry out any hedging in relation to such transactions, under the conditions set out by the market authorities and at such times as the Board of Directors or the person acting on behalf of the Board of Directors may determine;
- to hold the Company's shares and subsequently deliver them in payment or exchange in connection with any external growth, merger, spin-off or contribution transactions;
- to cancel the Company's shares in order to reduce the share capital;
- to implement any market practice accepted by the French Financial Markets Authority and in general carry out any transaction in compliance with applicable regulations.

The maximum unit purchase price may not be greater than €54, excluding costs.

However, the Board of Directors may, in the event of transactions affecting the Company's share capital, and in particular a change in the nominal value of shares, a share capital increase by the capitalisation of reserves followed by the creation and allocation of performance shares, a stock split or a reverse stock split, adjust the above-mentioned maximum purchase price to take into account the impact of such transactions on the value of the Company's shares.

The purchase, sale or transfer of such shares may be effected and paid for by any means permitted under applicable regulations, on a regulated market, on a multilateral trading facility, with a systematic internaliser or over the counter, in particular through block purchases or sales, through the use of options or other financial derivatives, warrants or, more generally, transferable securities granting entitlement to shares in the Company, at such times as the Board of Directors may determine.

The Board of Directors is fully authorised, with the right to sub-delegate as permitted by law, to proceed, in compliance with the relevant statutory and regulatory provisions, with the permitted reallocation of shares repurchased for one of the programme's objectives to one or more of its other objectives, or to sell them on exchange or over the counter.

In accordance with the legal requirements, the Board of Directors shall inform the General Shareholders' Meeting of the transactions carried out.

It will be proposed to the Combined General Meeting of the Company's Shareholders to be held on 11 May 2022 to renew the share buyback programme, under the same conditions, in the sixteenth resolution.

Liquidity agreement

On 20 December 2019, the Company entered into a liquidity agreement with Rothschild Martin Maurel in accordance with the market practice adopted by the French Financial Markets Authority on 2 July 2018 to ensure liquidity and make the market for the Company's stock. This liquidity agreement took effect on 6 January 2020 for an initial term of 12 months, renewable by tacit agreement for successive 12-month periods. As part of the implementation of this liquidity agreement, an initial amount of €2.5 million was credited to the liquidity account. This amount was increased to €3.4 million by way of an amendment to the liquidity agreement, entered into on 9 November 2020.

Share buybacks in the context of sales of stakes by Horizon Investment Holding

On 5 March 2021, Horizon Investment Holding sold a stake of about 9% in the Company, by way of accelerated bookbuilding, as part of which the Company bought back 2.1 million of its shares at a unit price of €28.75. The shares were used by the Group to meet future employee share ownership programs and long-term incentive plans in order to prevent any dilutive impact arising therefrom.

On 9 June 2021, Horizon Investment Holding sold a stake of about 10% in the Company, by way of accelerated bookbuilding, as part of which the Company bought back 1.6 million of its shares at a unit price of €30.50. The repurchased shares were cancelled.

On 3 November 2021, Horizon Investment Holding sold its remaining stake in the Company, by way of accelerated bookbuilding, as part of which the Company bought back 3.7 million of its shares at a unit price of €30.50. The repurchased shares will be retained for subsequent payment or exchange in the context of a potential external growth transaction.

7.3.6.7. Agreements entered into by the Company that are amended or terminated in the event of a change in control of the Company

Agreements entered into by the Company that are likely to be amended or terminated in the event of a change of control of the Company are detailed in Section 5.2.9 “Important contracts” of this Universal Registration Document.

7.3.6.8. Agreements providing for indemnifying members of the Board of Directors or employees of the Company if they resign or are dismissed without real and serious cause or if their employment ends due to a public offer

The Group has put in place agreements providing for indemnity for the termination of office of the Chairman and Chief Executive Officer. Detailed information is given in Section 3.3.1 of this Universal Registration Document.

7.3.6.9. Summary statement of the transactions referred to in Article L. 621-18-2 of the French Monetary and Financial Code carried out during financial year 2021

The table below presents a summary statement (Article 223-26 of the General Regulation of the French Financial Markets Authority) of the transactions referred to in Article L.621-18-2 of the French Monetary and Financial Code carried out during financial year 2021:

Interested person	Financial instrument	Type of transaction	Transaction date	Transaction place	Unit price (€)	Transaction amount (€)
Lepton Fund(1)	Shares	Contribution	22 January 2021	Outside the trading platform	N/A	N/A
Pierre Vareille(2)	Shares	Disposal	25 February 2021	Euronext Paris	31.3637	2,195,459
Pierre Vareille	Shares	Disposal	26 February 2021	Euronext Paris	30.4432	913,296
Lepton Fund	Shares	Contribution	1 March 2021	Outside the trading platform	30.45	433,237,606
Lepton Fund	Shares	Pledge	1 March 2021	Outside the trading platform	N/A	N/A
Horizon Investment Holding(3)	Shares	Disposal	5 March 2021	Outside the trading platform	28.75	301,875,000
Lepton Fund	Shares	Acquisition	5 March 2021	Outside the trading platform	28.75	74,750,000
Lepton Fund	Shares	Contribution	11 March 2021	Outside the trading platform	30.7	79,820,000
Michel Giannuzzi(4)	Shares	Contribution	15 March 2021	Outside the trading platform	31.2	21,840,000
Kaon V(1)	Shares	Pledge	24 March 2021	Outside the trading platform	N/A	N/A
Horizon Investment Holdings	Shares	Disposal	9 June 2021	Outside the trading platform	30.5	381,250,000
Kaon V(1)	Shares	Acquisition	9 June 2021	Outside the trading platform	30.5	74,999,988
Horizon Investment Holding	Shares	Disposal	28 June 2021	Outside the trading platform	31.3	78,250,000
Michel Giannuzzi	Shares	Allocation	24 July 2021	Outside the trading platform	N/A	N/A
Horizon Investment Holding	Shares	Disposal	3 November 2021	Outside the trading platform	30.5	609,325,828
Michel Giannuzzi	Shares	Disposal	17 November 2021	Euronext Paris	32.02	973,600
Michel Giannuzzi	Shares	Donation	16 December 2021	Outside the trading platform	29.42	5,884,000.00

(1) Legal person related to BW Gestão de Investimentos Ltda. and Brasil Warrant Administração de Bens e Empresas, Directors.

(2) Member of the Board of Directors.

(3) Legal person related to Robert Seminara, member of the Board of Directors, and Claudia Scarico, non-voting member, at the transaction date.

(4) Chief Executive Officer and Chairman of the Board of Directors.

7.4. The security market

7.4.1. Listing exchange and indices

The Verallia SA share is listed on Paris Euronext, Segment A, and is eligible for the deferred settlement service (SRD).

Fact sheet for the Verallia SA share

VRLA
LISTED
EURONEXT

ISIN code	FR0013447729
Listing exchange	Continuously traded on Euronext Paris, compartment A
Ticker	Bloomberg: VRLA FP / Reuters: VRLA.PA
Indices	SBF 120/CAC Mid 60/CAC All shares/MSCI Global Small Cap/CAC Industries
Eligibility of the share	SRD (deferred settlement service) and PEA (share savings plan)
Nominal value	€3.38
Number of shares outstanding as at 31 December 2021	122,289,183
Price as at 31 December	30.96
Market capitalisation as at 31 December (€)	3,786,073,106

Credit rating (long-term/outlook)

As at 31 December	2021	2020
Moody's	Ba1/Stable	Ba3/Stable
Standard & Poor's	BB+/Positive	BB+/Stable

In April 2021, Moody's upgraded the Company's long-term credit rating from Ba3 to Ba2, outlook stable. Then in November 2021, the rating was upgraded to Ba1, outlook stable.

In October 2021, Standard & Poor's upgraded the outlook from stable to positive, while maintaining its rating at BB+.

In addition, the two sustainability-linked bond issues made by the Company, respectively in May and November 2021, were both rated BB+ by Standard & Poor's.

A short-term rating for the NEU CP programme of Verallia Packaging, an active holding company wholly owned by the Company, is also available: the Spread Research rating was upgraded in April 2021 from SR-3 to SR-2.

7.4.2. Stock-market price of the Verallia share and transaction volume

Evolution of restated value

Month	Average price (closing price)	Highest	Lowest	Monthly volumes	Market capitalisation (€)
January 2021	28.57	30.00	26.65	1,290,305	36,951,160
February 2021	29.71	32.30	27.10	1,383,934	41,669,220
March 2021	30.71	32.00	29.35	1,642,371	50,289,280
April 2021	32.09	33.90	30.70	1,108,736	35,691,540
May 2021	32.88	34.14	31.60	1,181,599	38,919,450
June 2021	31.55	33.12	30.52	3,217,506	100,704,100
July 2021	31.04	31.84	29.80	1,429,805	44,329,990
August 2021	31.17	32.78	29.96	929,803	29,055,830
September 2021	30.31	32.16	29.56	1,537,448	46,710,480
October 2021	32.08	33.80	29.00	2,135,319	68,216,520
November 2021	31.30	32.54	29.26	4,025,513	126,165,200
December 2021	30.13	31.4	29.16	1,850,276	55,560,250
Extremes and averages		34.14	26.65	1,811,051	56,188,585
Total				**21,732,615**	**674,263,020**

Source: Euronext Paris (monthly information, extremes and averages over the period).

Management of the registered securities register

The register of pure registered securities is managed by the institution:

Société Générale Securities Services

32 rue du Champ de Tir - CS 30812 - 44312 Nantes, France Cedex 3

Management of the liquidity agreement

The liquidity agreement is managed by Rothschild Martin Maurel.

Monitoring by analysts

COMPANY	ANALYST
Berenberg	Fraser Donlon
BofA	Joffrey Bellicha Meller
Citi	Ephrem Ravi and James Perry
Credit Suisse	Lars Kjellberg
CM-CIC	Francis Prêtre and Alexandre Gérard
Deutsche Bank	Matthias Pfeifenberger
Exane	Francisco Ruiz
Kepler Cheuvreux	Charles-Louis Scotti
ODDO BHF	Jean-François Granjon
Raiffeisen	Markus Remis
Santander	Alejandro Conde
Société Générale	Guillaume Muros

7.4.3. Shareholder information policy

7.4.3.1. 2022 financial communication calendar

16 February 2022: Annual results for 2021.

20 April 2022: Revenue for Q1 2022.

11 May 2022: 2022 Annual Shareholders' General Meeting.

27 July 2022: Results for H1 2022.

19 October 2022: Revenue for Q3 2022.

For the publication of financial results, the press release will be issued after the close of the Euronext Paris market. A conference call/presentation will be held the following day at 9.00 am CET, via an audio webcast service (live and replay).

This timetable is indicative and may be modified if necessary. Publications will take place after the close of the Euronext Paris market.

7.4.3.2. Information to individual shareholders and institutional investors

Since its initial public offering, the Company has maintained a relationship of trust with its shareholders, both individual and institutional, based on dialogue and transparency.

The Company is committed to keeping its shareholders informed about its activities, strategy and growth outlook in a transparent and accurate manner and on an ongoing basis.

Information media

To this end, the Company makes all published financial information (press releases, Universal Registration Document, financial presentations etc.) available to the public via its website at www.verallia.com, which is accessible in both French and English.

Universal Registration Document and annual financial report

These documents can be downloaded from the Verallia website. Printed versions are also available free of charge on request from the Company.

Meetings with shareholders

With the desire to establish a permanent dialogue with its individual and institutional shareholders, the Company takes part in numerous presentations and meetings throughout the year:

Annual General Shareholders' Meeting

An occasion for listening and for dialogue with the Board of Directors, the Company's General Shareholders' Meeting is a strong and recurring event in the relationship between the Company and its shareholders. In particular, it is the occasion for reviewing the highlights and the strategy implemented in the past financial year. It gives all shareholders the opportunity to take part in important decisions concerning the Company by expressing their opinion through resolutions put to a vote. Due to the public health crisis, the 2020 and 2021 General Meetings were held in closed session. The Company deeply regrets having been unable to engage in closer dialogue with its shareholders on these occasions, and hopes to hold its 2022 General Meeting on a face-to-face basis, if the public health situation allows this.

Meetings with investors

The Company takes part in numerous meetings and conference calls with investors in the form of one-on-ones, segment-specific conferences and roadshows, in both France and abroad (London, Frankfurt, Madrid, Nordic countries, United States).

Information meetings

When the public health situation allows, two SFAF (French Society of Financial Analysts) meetings are organised each year for the presentation of annual and half-yearly results to the financial community (investors, analysts, financial press).

Two conference calls are also organised for the publication of results for the first and third quarters.

Each meeting or conference call is also conducted using an audio webcast service (live and replay), and the presentation of results is made available at www.verallia.com at the Section "Investors".

Finally, the Company organized an "ESG Day" on21 January 2021, during which it presented its roadmap and its ambitions at the Group level up to 2025 in terms of ESG. It also organized an "Investor Day" on 7 October 2021, during which it reviewed the performance and results achieved since its IPO and outlined its strategy and objectives for the years 2022-2024. These presentations remain available on the www.verallia.com website, in the "Investors" Section.

Procedures for shareholder participation in General Meetings

Shareholders' participation in General Meetings is governed by the laws and regulations in force applicable to companies whose securities are admitted to trading on a regulated market, as well as by Article 19 of the Company's Articles of Association, which specifies the procedures for such participation. In accordance with Article 19 of the Company's Articles of Association, if the Board of Directors authorises the use of means of telecommunication, as published in the Notice of Meeting, shareholders who participate in the General Meeting by video-conference or by means of telecommunication or remote transmission, including the internet, enabling them to be identified under the conditions laid down by the applicable regulations, will be deemed present for the purpose of calculating the quorum and majority.

The Company's last General Shareholders' Meeting was held on 15 June 2021 at first call. Due to the ongoing health crisis and the French Government's extension, by an order of 2 December 2020, of the order issued on 25 March 2020[18] allowing the simplification and adaptation of the rules regarding the calling, notification, holding and deliberation of General Shareholders' Meetings, the Company's Board of Directors decided to hold the 2021 Annual General Shareholders' Meeting in closed session. That meeting was webcast on the Company's website: www.verallia.com, with a replay made available on the same site.

[18] Order No. 2020-321 of 25 March 2020 (as amended by Order No. 2020-1497 of 2 December 2020) and Decree No. 2020-418 of 10 April 2020 (as amended by Decree No. 2020-1614 of 18 December 2020 and Decree No. 2021-255 of 9 March 2021).

7.5. Summary table of the Board of Directors' delegations of authority and power

7.5.1. Subscribed share capital

At the date of this Universal Registration Document, the Company's share capital stood at €413,337,438.54, divided into 122,289,183 ordinary shares, with a nominal value of three euros thirty-eight euro cents (€3.38), fully paid up and all of the same class.

7.5.2. Shares held in treasury by the Company or for its account

At 31 December 2021, the Company held 5,517,943 treasury shares.

At 31 December 2021, under its liquidity agreement, the Company does not hold any equity shares.

7.5.3. Delegations and authorizations granted by the General Shareholders' Meetings in respect of share capital increases

The General Meeting of the Company's Shareholders held on 15 June 2021 adopted the following financial delegations:

Type of delegated authority	Maximum duration	Maximum nominal amount
Authorisation to trade in the Company's shares	18 months	Capped at 10% of the total number of shares constituting the share capital or 5% of the total number of shares with a view to their retention and subsequent delivery in payment or exchange in connection with any external growth transactions.
Authorisation granted to the Board of Directors to reduce the share capital by cancelling treasury shares	26 months	Capped at 10% of the share capital in any 24-month period
Delegation of authority to the Board of Directors to increase the share capital by capitalisation of reserves, profits or premiums or any other amount for which capitalisation is allowed	26 months	€83 million (approximately 20% of the share capital)
Delegation of authority to the Board of Directors to decide to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, with application of pre-emption rights	26 months	€208 million (1) (approximately 50% of the share capital) €750 million for debt securities (3)
Delegation of authority to the Board of Directors to decide to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, by way of a public offering other than that specified in Article L. 411-2 of the French Monetary and Financial Code, with waiver of pre-emption rights (4)	26 months	€83 million (1) (2) (approximately 20% of the share capital) €750 million for debt securities (3)
Delegation of authority to the Board of Directors to resolve to issue, with waiver of pre-emption rights, shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, in the context of public offerings provided for in subSection 1 of Article L. 411-2 of the French Monetary and Financial Code	26 months	€83 million (1) (2) (approximately 20% of the share capital) €750 million for debt securities (3)

Type of delegated authority	Maximum duration	Maximum nominal amount
Authorisation to the Board of Directors, in the event of issuance with waiver of pre-emption rights, by way of a public offering, to set the issue price in accordance with the terms and conditions defined by the General Shareholders' Meeting	26 months	10% of the capital per year
Authorisation for the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without pre-emption rights	26 months	Regulatory limit (currently 15% of the original issue)[1]
Delegation of authority to the Board of Directors to issue shares or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, without pre-emption rights, in return for contributions in kind	26 months	10% of the capital[1] €750 million for debt securities [3]
Delegation of authority to the Board of Directors to resolve to issue shares reserved for members of an employee savings plan with waiver of pre-emption rights in favour of those members	26 months	€12 million [1] (approximately 3% of the share capital)
Delegation of authority to the Board of Directors to increase the share capital by issuing shares with waiver of pre-emption rights in favour of a specific category of beneficiaries (employees and corporate officers of the Company and its affiliated entities)	18 months	€12 million [1] (approximately 3% of the share capital)

(1) The aggregate maximum nominal amount of share capital increases that may be made pursuant to this delegation of authority shall count towards the overall limit of €208 million of the capital for immediate and/or future share capital increases.

(2) The aggregate maximum nominal amount of share capital increases that may be made pursuant to this delegation of authority will count towards the sub-limit of €83 million of the capital for share capital increases with waiver of pre-emption rights by way of a public offering.

(3) The aggregate maximum nominal amount of debt securities that may be issued pursuant to this delegation of authority shall count towards the overall limit of €750 million applicable to the issuance of debt securities.

(4) Including as part of a public exchange offer initiated by the Company (Article L.22-10-54 of the French Commercial Code).

At its meeting held on 28 July 2021, the Board of Directors adopted its additional report, drafted in accordance with the provisions of Articles L. 225-129-5 and R. 225-116 of the French Commercial Code, relating to the share capital increase of the Company, without shareholders' pre-emption rights, by way of share issuance reserved to employees of the Group, for a total nominal amount of €2,083,310.32, with a share premium of €13,646,298.96, completed on 24 June 2021 under the delegation of authority granted by the twentieth resolution of the Combined General Shareholders' Meeting held on 10 June 2020.

At its meeting held on 27 October 2021, the Board of Directors made use of the delegation granted to the Board of Directors in the context of the 19th and 20th resolutions of the Company's Combined General Shareholders' Meeting held on 15 June 2021, in respect of the continuation of the Group's employee share ownership plan, through the issuance of new shares reserved for eligible employees and corporate officers of the Company and/or companies related to the Company within the meaning of Articles L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code who are members of a Verallia Group/Corporate Savings Plan for a nominal maximum amount equal to 0.5% of the Company' share capital. The characteristics of such operation (timetable, amount of the contribution...) have been set by the Board of Directors: in particular, eligible employees may subscribe for shares at a subscription price equal to the reference price (the average of the share prices quoted during the 20 trading days preceding the date of the decision fixing the opening date for subscriptions), minus a maximum discount of 20%.

In addition, the Company carried out the following share buybacks in the 2021 financial year:

- on 5 March 2021, the Company bought back 2.1 million of its shares from Horizon Investment Holding (which sold a stake of about 9% in the Company by way of accelerated bookbuilding). The shares were used by the Group to meet future employee share ownership programs and long-term incentive plans in order to prevent any dilutive impact arising therefrom;
- on 9 June 2021, the Company bought back 1.6 million of its shares from Horizon Investment Holding (which sold a stake of about 10% in the Company by way of accelerated bookbuilding). The repurchased shares were cancelled on 24 June 2021;

- on 3 November 2021, the Company bought back approximately 3.7 million of its shares from Horizon Investment Holding (which sold its remaining stake in the Company by way of accelerated bookbuilding). The repurchased shares will be retained for subsequent payment or exchange in the context of a potential external growth transaction.

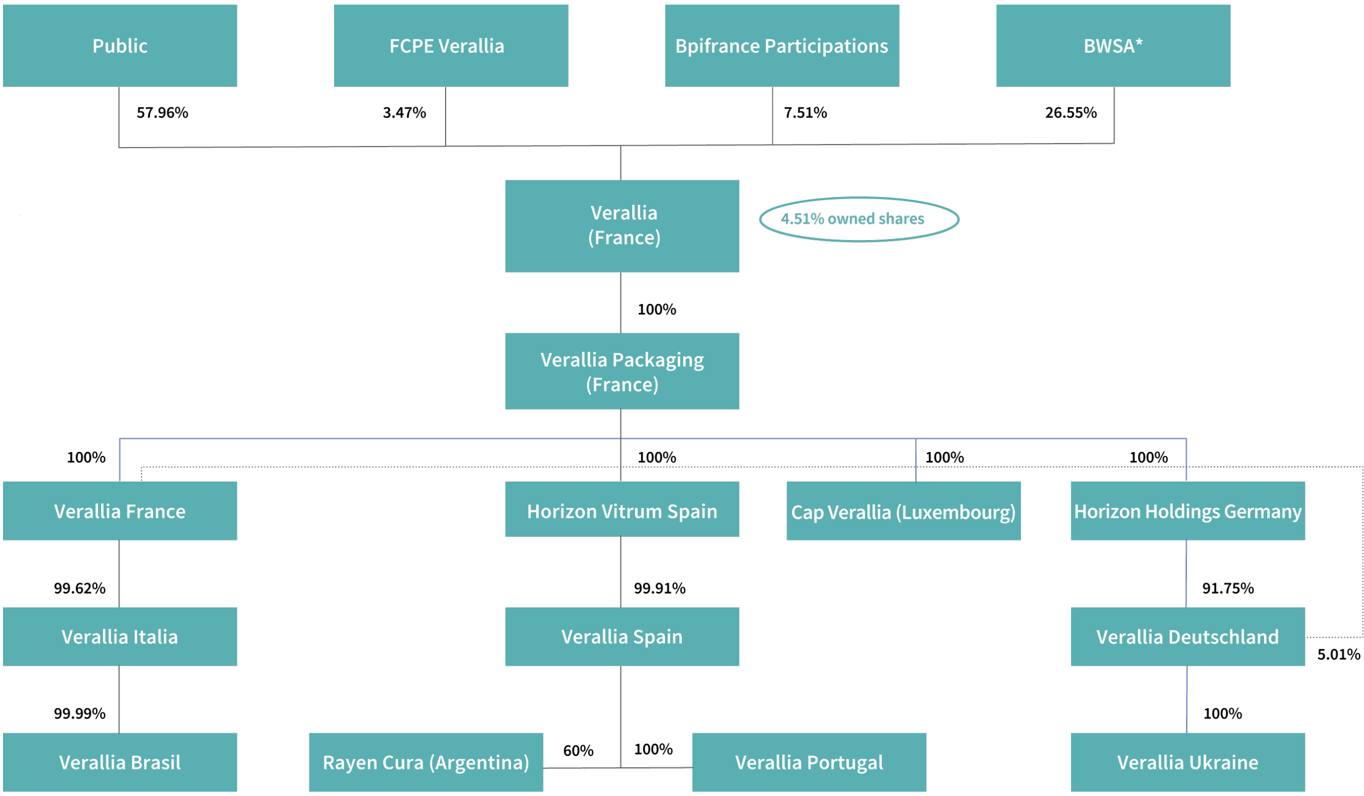
All of these buybacks were carried out in accordance with the authorisations granted by the Board of Directors to the Chairman and Chief Executive Officer of the Company in the context of the 11th and 12th resolutions of the Combined General Meeting of the Company's Shareholders held on 10 June 2020 and of the 10th and 11th resolutions of the Combined General Meeting of the Company's Shareholders held on 15 June 2021.

7.6. Subsidiaries and equity interests

7.6.1. Information on ownership interests

Information on ownership interests is contained in Note 3 of the Group's consolidated financial statements for the year ended 31 December 2021.

7.6.2. Simplified Group organizational chart as of 31 December 2021



**Acting through Kaon V, a sub-fund (wholly owned by Lepton Fund Ltd., a fund managed by BW Gestão de Investimentos Ltda. (BWGI), itself owned up to 99.955% by Brasil Warrant Administração de Bens e Empresas S.A.) of Kaon Investment Fund ICAV, an Irish collective asset-management vehicle whose investment manager is BWGI.*

7.6.3. Subsidiaries and equity interests

i. Principal subsidiaries

The principal direct or indirect subsidiaries of the Company as of 31 December 2021 are described below:

- Verallia Packaging is a French simplified joint-stock company (*société par actions simplifiée*), capitalised at €5,992,464, with its registered office at Tour Carpe Diem, Place des Corolles, Esplanade Nord, 92400 Courbevoie, France, and registered under number 811 530 302 in the Nanterre Trade and Companies Register;
- Verallia France is a French simplified joint stock company (*société par actions simplifiée*), capitalised at €34,378,708, with its registered office at Tour Carpe Diem, Place des Corolles, Esplanade Nord, 92400 Courbevoie, France, and registered under number 722 034 592 in the Nanterre Trade and Companies Register;
- Verallia Italia S.p.A. is an Italian stock company (*società per azioni*), capitalised at €14,845,808.64, with registered office at Via Del Lavoro 1, 36045 Lonigo, Loc. Almisano (Vicenza), Italy, and registered under number 00730720240 (tax code) in the Vicenza Companies Register (registro delle imprese di Vicenza);

- Verallia Brasil S.A. is a Brazilian company, capitalised at 688,590,008.84 Brazilian reals, with registered office at Rua Werner Von Siemens, Nº 111, Torre A, 8th Floor, Lapa de Baixo, São Paulo/SP, Brazil, and registered under number 60.853.942/0001-44 in the National Register of Legal Entities;
- Verallia Spain is a Spanish joint stock company (*sociedad anónima*), capitalised at €40,171,921.80, with registered office at Principe de Vergara 132, 28046 Madrid, Spain and registered under number CIF A19001304, volume 1355, page 814, Sheet M-95028 in the Spanish Business Register (Registradores de España);
- Verallia Portugal is a Portuguese joint stock company (*sociedade anônima*), capitalised at €22,446,000, with registered office at Rua da Vidreira 68, Fontela, 3090 641 Figueira da Foz, Portugal, and registered under number NIPC 501793160 in the Portuguese Commercial Register (registo comercial);
- Rayen Curá is an Argentine company capitalised at 74,112,250 Argentine pesos, with its registered office at Calle Carril Nacional, Nº 6070, Rodeo de la Cruz, Mendoza, Argentina, and registered under number 3627, page 327, volume A of the Public Commerce Registry of Mendoza;
- Verallia Deutschland is a German company (*aktiengesellschaft*), capitalised at €26,000,000, with registered office at 1-8 Oberlandstrasse, 88410 Bad Wurzach, Germany, and registered under number HRB 610192 in the German Business Register (Handelregister B des Amtsgerichts Um);
- Verallia Ukraine is a Ukrainian company, capitalised at 362,006,759.40 Ukrainian hryvnias, with its registered office at 1 Promyslova St., Village of Zorya, Rivnensky Rayon, Rivnenska Oblast, 35314, Ukraine and registered under number 22555135 in the Ukrainian Business Register.

ii. Recent acquisitions and disposals

The Group’s recent acquisitions and disposals are described in Section 6.1, note 3.1.1 of this Universal Registration Document.

8

GENERAL MEETING OF 11 MAY 2022

8.1. Agenda

The Company's next Combined (Ordinary and Extraordinary) General Meeting will take place:

on Wednesday 11 May, 2022 at 2:00 p.m.,

31 Place des Corolles, Tour Carpe Diem, Esplanade Nord, 92400 Courbevoie

The audio will be broadcast live and the meeting will be available on the Company's website (www.verallia.com) for a year.

The Company's Combined (Ordinary and Extraordinary) General Meeting will be convened to consider the following agenda:

Ordinary matters:

1. Approval of the Company's statutory financial statements for the financial year ended 31 December 2021;
2. Approval of the Company's consolidated financial statements for the financial year ended 31 December 2021;
3. Allocation of the profit/loss for the financial year ended 31 December 2021 and setting the dividend at €1.05 per share;
4. Approval of the regulated agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code and of the Statutory Auditors' special report;
5. Appointment of Patrice Lucas as Director;
6. Appointment of Didier Debrosse as Director;
7. Appointment of a Director representing employee shareholders in accordance with Article 15.7 ("Board of Directors – Director representing employee shareholders") of the Company's Articles of Association (titular candidate: Beatriz Peinado Vallejo[1]); candidacy approved by the Company's Board of Directors;
8. Appointment of a Director representing employee shareholders in accordance with Article 15.7 ("Board of Directors – Director representing employee shareholders") of the Company's Articles of Association ((titular candidate: Matthieu Cantin / substitute candidate: Pedro Barandas[2]);
9. Approval of the information required in respect of Article L.22-10-9 I. of the French Commercial Code relating to the compensation of corporate officers;
10. Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended 31 December 2021 or awarded for the same year to the Chairman and Chief Executive Officer of the Company;
11. Approval of the compensation policy for the Chairman and Chief Executive Officer (Michel Giannuzzi from 1 January 2022 to 11 May 2022);
12. Approval of the compensation policy for the Deputy Chief Executive Officer (Patrice Lucas from 1 February 2022 to 11 May 2022);
13. Approval of the compensation policy for the Chief Executive Officer (Patrice Lucas as of 12 May 2022);
14. Approval of the compensation policy for the Chairman of the Board of Directors (Michel Giannuzzi as of 12 May 2022);
15. Approval of the Directors' compensation policy;
16. Authorisation granted to the Board of Directors to trade the Company' shares;

[1] In accordance with Article 15.7 ("Board of Directors – Director representing employee shareholders") of the Company's Articles of Association, since provision is made for only one Director representing employee shareholders, only the candidate who receives the most votes from shareholders either present or represented at the Ordinary General Meeting will be appointed.

[2] In accordance with Article 15.7 ("Board of Directors – Director representing employee shareholders") of the Company's Articles of Association, since provision is made for only one Director representing employee shareholders, only the candidate who receives the most votes from shareholders either present or represented at the Ordinary General Meeting will be appointed.

Extraordinary matters:

17. Authorisation granted to the Board of Directors to reduce the Company' share capital by cancelling treasury shares;
18. Delegation of authority to the Board of Directors to increase the share capital by capitalisation of reserves, profits or premiums or any other amount for which capitalisation is allowed;
19. Delegation of authority to the Board of Directors to increase the share capital, with shareholders' pre-emption rights preserved, by issuing shares and/or equity securities granting access to other equity securities and/or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued;
20. Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, with a compulsory priority period, through public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code;
21. Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing shares and/or equity securities granting access to other equity securities and/or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued, with an optional priority period, through offers to the public other than those referred to in Article L.411-2 of the French Monetary and Financial Code;
22. Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, as part of public offerings referred to in point 1 of Article L.411-2 of the French Monetary and Financial Code;
23. Authorisation granted to the Board of Directors, in the event of an issue without shareholders' pre-emption rights, through public offerings, to set the issue price in accordance with the procedure decided by the General Meeting, up to a limit of 10% of the capital per annum;
24. Authorisation granted to the Board of Directors to increase the amount of an issuance, with or without shareholders' pre-emption rights;
25. Delegation of necessary powers to the Board of Directors to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, in return for contributions in kind;
26. Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing Company shares reserved for members of company savings plan;
27. Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing shares in favour of a specific category of beneficiaries;
28. Amendment of Article 15.3 ("Board of Directors – Service") of the Company's Articles of Association; and
29. Powers for purposes of legal formalities

8.2. Presentation of draft resolutions

Report of the Board of Directors dated 16 February 2022 to the General Meeting of 11 May 2022

Approval of the Company's statutory financial statements and consolidated financial statements for the year ended 31 December 2021 and allocation of the profit/loss for the financial year – option for the payment of dividend in shares (1st to 3rd resolutions on ordinary matters)

Your General Meeting is first called to approve the Company's statutory financial statements (1st resolution) and consolidated financial statements (2nd resolution) for the year ended 31 December 2021 and to set the dividend for the financial year (3rd resolution).

The Company's statutory financial statements for the year ended 31 December 2021 show a profit of €152,130,867.24 and a profit carried forward of €162,733,148.26 . It is proposed to allocate this profit to the legal reserve in an amount of €7,606,543.36, to the dividend in an amount of €128,403,642.15, and to the retained earnings account in an amount of €178,853,829.99. The Board of Directors also proposes to set the amount of the dividend at €1.05 per share.

The dividend to be distributed will be detached from the shares on 19 May 2022 and paid on 23 May 2022.

Approval of the related-party agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code and of the Statutory Auditors' special report (4th resolution on ordinary matters)

As part of its efforts to spread out the average maturity of the Group's financial indebtedness, to continue to diversify the Group's funding sources and to seek out competitive borrowing costs, on 16 December 2021, the Company entered ino an amortising loan agreement, for a principal amount of €30 million, with Bpifrance (an affiliate of Company shareholder Bpifrance Participations and of Bpifrance Investissement, a member of the Company's Board of Directors). This loan, which was fully drawn down at 31 December 2021, bears interest at a fixed rate of 0.40% *per annum* and has a 3-year maturity. It aims to finance and/or refinance the working capital needs and/or capital expenditure of the Company and its subsidiaries, in support of its growth strategy.

The entry into of this related-party agreement was authorised by the Board of Directors during its meeting held on 6 December 2021 and is now submitted for ratification by your General Meeting: you are asked to approve the special report by the Company's Statutory Auditors on the related-party agreements mentioned in Articles L.225-38 et seq. of the French Commercial Code and the aforementioned loan agreement (4th resolution).

Appointment of two new Directors: Patrice Lucas and Didier Debrosse (5th and 6th resolutions on ordinary matters)

Upon recommendation of the Nomination Committee, the Board of Directors asks your General Meeting to vote on the appointment of Patrice Lucas and Didier Debrosse as Directors for a four-year term.

With respect to Mr. Patrice Lucas, the Board of Directors deems it essential that the CEO participate in Board discussions as a Director (5th resolution).

Mr. Patrice Lucas has built his career within the automotive industry for the last 30 years, including 15 years at Tier 1 Automotive Supplier Valeo and 15 years at the original equipment manufacturer PSA/Stellantis. Having graduated in mechanical engineering from the University of Technology of Compiègne, which included a year at the University of Illinois, he obtained a Master's in Quality Management from the engineering institute ENSAM in Paris and joined Valeo in 1991 as a quality engineer. He subsequently took on various roles there as an engineer, then as a plant Director in Mexico and finally as general manager of a European business unit. In 2006, he joined the PSA group as Senior Vice-President in the engineering organization. In 2010, he was then appointed Light Commercial Vehicles Programme Director, with responsibility for updating the product range and for lifecycle management. In 2014, Mr. Patrice Lucas became Executive Vice-President and a member of the Global Executive Committee, in charge of Corporate Planning and Strategy: he was responsible for overseeing strategic plans, optimising R&D, allotting capital expenditure in accordance with the Product Plan, and looking after matters pertaining to commercial development (including the acquisition of Opel). In 2018, he was appointed Head of Latin America Operations at the PSA group. In January 2021, Mr. Patrice Lucas was named Deputy Chief Engineering Officer at Stellantis and joined the Group's Executive Committee in this capacity.

Mr. Didier Debrosse's appointment would allow the Board of Directors to benefit from an industry expertise bolstered by his recent experience at one of the world's leading brewers (6th resolution). Mr. Didier Debrosse has held top managerial positions at several international consumer goods companies: Beiersdorf Nivea, Mondelez International and Heineken. After working in sales, he held positions in purchasing, human resources and finally senior management up to December 2019. At Heineken, he successively headed up French, Western European and Brazilian operations. He played an active role in two major acquisitions for the Heineken group: S&N in 2008 and Brasil Kirin in 2016. This gave him considerable experience in business consolidations and in liaising with competition authorities. Mr. Didier Debrosse has also served as a Director of Chr. Hansen in Denmark and Compania Cervecerias Unidas in Chile. He is currently Chairman of the Board of Directors of Baru Panama and FIFCO in Costa Rica.

The Board has also confirmed that Mr. Didier Debrosse can be appointed as an Independent Director because he fulfils all the independence criteria contained in paragraph 9.5 of the AFEP-MEDEF Code, as described in more detail in Section 3.1.4.5 of Chapter 3 of the Company's 2021 Universal Registration Document.

Appointment of a Director representing shareholder employees (7th and 8th resolutions on ordinary matters)

In view of the employee stake in the Company's capital (3.5% at 31 December 2021, both direct and via the Verallia employee investment fund – FCPE), the appointment of a Director representing employee shareholders must be put before the General Shareholders' Meeting, in compliance with the provisions of Articles L.225-23 and L.22-10-5 of the French Commercial Code.

In this context, Ms Beatriz Peinado Vallejo has been elected as a candidate for the position of Director representing employee shareholders by majority vote over two rounds among those employees who hold their shares directly; her appointment will be put before the General Shareholders' Meeting of 11 May 2022 (7th resolution). Her candidacy has been approved by the Board of Directors during its meeting held on 16 February 2022.

Ms Beatriz Peinado Vallejo, born in 1970, a graduate of Law School at Complutense University of Madrid, holds a Master degree in Compliance by the Charles III University of Madrid. From 2007 to 2015, she was Head of Legal Department at Loxam-Hune Group (rental of equipments for construction and public building) for Iberia. From 2005 to 2007, she was Vice-Director of Legal Department at Sigla, S.A. (VIPS Group) in Iberia, dedicated to leisure and restoration activities. Prior to that, from 1996 to 2005, she was Head of Legal Department at Tengelmann España, S.A. (Tengelmann Group), dedicated to hard-discount supermarkets, for Iberia. She is currently Verallia Iberia´s Legal Director, compliance officer and Secretary of the Board of Directors.

Mr. Matthieu Cantin and Mr. Pedro Barandas have also been designated by the FCPE's Supervisory Board as titular and substitute candidate respectively for the position of Director representing employee shareholders; their appointment will be put before the General Shareholders' Meeting of 11 May 2022 (8th resolution).

Mr. Matthieu Cantin, born in 1980, alumni of the Kedge Business School in Bordeaux, holder of a Master's degree in international purchasing, holds the position of Group Purchasing Analyst at Verallia. He was also responsible for purchasing categories at the level of industrial equipment, first in France, then at Group level, between 2011 and 2020. Before joining the glass industry and Verallia, he held various positions in industrial purchasing in electrical safety, within the dedicated division of Stanley Black and Decker from 2008 to 2011 as well as in the semiconductor sector at Altis semiconductor, co-acquisition IBM/Infineon (now a subsidiary of the foundry X-Fab), from 2005 to 2008.

Mr. Pedro Barandas, born in 1975, is a graduate of the École nationale supérieure de l'électronique et de ses applications (ENSEA). Before joining Verallia, he worked for integration companies such as Altran and Steria for key accounts (Delphi, Total, the Ministry of Economy and Finance or the National Forestry Office) as part of the deployment of projects using the SAP integrated management software package. He joined Saint-Gobain Emballage in 2008 as Head of SAP Development and became Manager of Development Integration and Business Intelligence in 2017. He is now responsible for an international team of about twenty developers of different technologies.

The candidate who will have obtained the highest number of vote from shareholders either present or represented at the General Meeting of 11 May 2022 will be appointed Director representing employee shareholders.

Approval of the information required in respect of Article L.22-10-9 I. of the French Commercial Code relating to the compensation of corporate officers (9th resolution on ordinary matters)

Your General Meeting is asked to approve the information mentioned in Article L.225-37-3 I. of the French Commercial Code, as shown in the corporate governance report in Chapter 3 of the Company's 2021 Universal Registration Document.

This resolution is submitted to you in the context of the reform introduced by the provisions relating to the compensation of corporate officers of listed companies resulting from the Law of 22 May 2019 relating to the growth and transformation of companies ("Loi Pacte").

Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind attributable or paid to Michel Giannuzzi, Chairman and Chief Executive Officer of the Company, for the year ended 31 December 2021 (10th resolution on ordinary matters)

Are submitted to the approval of your General Meeting the fixed, variable and exceptional components of the total remuneration and benefits in kind attributable or paid to Michel Giannuzzi, as Chairman and Chief Executive Officer for the financial year ended 31 December 2021, as shown in the corporate governance report included in Chapter 3 of the Company's 2021 Universal Registration Document.

Approval of the compensation policy for the Chairman and Chief Executive Officer (Michel Giannuzzi from 1 January 2022 to 11 May 2022) (11th resolution on ordinary matters)

Your General Meeting is asked to approve the compensation policy for Michel Giannuzzi, Chairman and Chief Executive Officer of the Company, from 1 January 2022 to 11 May 2022, as shown in the corporate governance report in Chapter 3 of the Company's 2021 Universal Registration Document.

Approval of the compensation policy for the Deputy Chief Executive Officer (Patrice Lucas from 1 February 2022 to 11 May 2022) (12th resolution on ordinary matters)

Your General Meeting is asked to approve the compensation policy for Patrice Lucas, Deputy Chief Executive Officer of the Company, from 1 February 2022 to 11 May 2022, as shown in the corporate governance report in Chapter 3 of the Company's 2021 Universal Registration Document.

Approval of the compensation policy for the Chief Executive Officer (Patrice Lucas as from 12 May 2022) (13th resolution on ordinary matters)

Your General Meeting is asked to approve the compensation policy for Patrice Lucas, Chief Executive Officer of the Company, as from 12 May 2022, as shown in the corporate governance report in Chapter 3 of the Company's 2021 Universal Registration Document.

Approval of the compensation policy for the Chairman of the Board of Directors (Michel Giannuzzi as from 12 May 2022) (14th resolution on ordinary matters)

Your General Meeting is asked to approve the compensation policy for Michel Giannuzzi, Chairman of the Board of Directors of the Company, as from 12 May 2022, as shown in the corporate governance report in Chapter 3 of the Company's 2021 Universal Registration Document.

Approval of the Directors' compensation policy (15th resolution on ordinary matters)

Your General Meeting is asked to approve the Directors' compensation policy, for the financial year 2022, as shown in the corporate governance report in Chapter 3 of the Company's 2021 Universal Registration Document.

This resolution is submitted to you in the context of the reform introduced by the provisions relating to the compensation of corporate officers of listed companies resulting from the Law of 22 May 2019 relating to the growth and transformation of companies ("Loi Pacte").

Authorisation for the Company to buy back its own shares (share buyback programme) – (16th resolution on ordinary matters and 17th resolution on extraordinary matters)

With the 16th resolution, the Board of Directors proposes that your General Meeting authorises it to buy back a number of Company shares not exceeding (i) 10% of the total number of shares forming the share capital or (ii) 5% of the total number of shares forming the share capital in the case of shares acquired by the Company with a view to keeping them and handing them over in payment or exchange within the scope of a merger, demerger or contribution transaction, it being stipulated that acquisitions made by the Company may not in any event cause the Company to hold more than 10% of the shares forming its share capital at any time whatsoever.

Shares may be purchased in order to: a) provide liquidity and foster the Company's share market through an investment service provider acting independently within the scope of a liquidity agreement complying with the market practice recognised by the French Financial Markets Authority on 22 June 2021, b) allot shares to the corporate executive officers and employees of the Company and of other Group entities, c) hand over the Company shares upon exercise of the rights attached to securities granting the right, directly or indirectly, by redemption, conversion, exchange, presentation of a note or in any other way to the allotment of Company shares, d) keep the Company shares and hand them over subsequently in payment or exchange within the scope of possible external growth transactions, mergers, demerger or contribution transactions, e) cancel all or some of the securities thus bought, f) implement any market practice which may become admitted by the French Financial Markets Authority and, more generally, perform any transaction complying with the regulations in force.

The maximum unit purchase price may not exceed €54 per share, excluding costs.

The Board of Directors proposes that this authorisation, which would cancel and replace the one granted by the 10th resolution of the General Meeting of 15 June 2021, be granted for a period of eighteen (18) months as from your General Meeting.

With the 17th resolution, the Board of Directors also requests the authorisation from your General Meeting, for a period of 26 months, with the right of delegation, to reduce the capital by cancelling, in a single or in several transactions, all or some of the Company shares acquired within the scope of a share buy-back program authorised by the General Meeting, up to a limit of 10% of the share capital per 24-month period.

Delegations of authority granted to the Board of Directors with a view to performing transactions on the Company's capital – (18th to 27th resolutions on extraordinary matters)

Within the scope of the 18th to 27th resolutions, the Board of Directors asks your General Meeting to renew certain financial authorisations granted by the General Meeting of 15 June 2021.

It is specified that the Board of Directors may not, without prior authorisation of your General Meeting, make use of the authorisations presented here under from the date of the registration by a third party of a public offering targeting the shares of the Company until the end of the offering period.

The table below presents a summary of the financial delegations whose adoption is proposed to your Shareholders' General Meeting:

Resolution	Type of delegated authority	Maximum duration	Maximum nominal amount
18th	Delegation of authority to the Board of Directors to increase the share capital by capitalisation of reserves, profits or premiums or any other amount for which capitalisation is allowed	26 months	€83 million (approximately 20% of the share capital)
19th	Delegation of authority to the Board of Directors to decide to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, with shareholders' pre-emption rights	26 months	€206 million(1) (approximately 50% of the share capital) €750 million for debt securities(4)
20th	Delegation of authority to the Board of Directors to decide to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, with a compulsory priority period, through public offerings other than those specified in Article L. 411-2 of the French Monetary and Financial Code, without shareholders' pre-emption rights	26 months	€83 million(1)(2) (approximately 20% of the share capital) €750 million for debt securities(4)
21st	Delegation of authority to the Board of Directors to decide to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, with an optional priority period, through public offerings other than those specified in Article L. 411-2 of the French Monetary and Financial Code, without shareholders' pre-emption rights(5)	26 months	€40 million(1)(2)(3) (approximately 10% of the share capital) €750 million for debt securities(4)
22nd	Delegation of authority to the Board of Directors to decide to issue, without shareholders' pre-emption rights, shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, in the context of public offerings provided for in subSection 1 of Article L. 411-2 of the French Monetary and Financial Code	26 months	€40 million(1)(2)(3) (approximately 10% of the share capital) €750 million for debt securities(4)
23rd	Authorisation to the Board of Directors, in the event of issuance without shareholders' pre-emption rights, through a public offering, to fix the issue price in accordance with the terms and conditions set by the General Meeting	26 months	10% of the capital per year
24th	Authorisation to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without shareholders' pre-emption rights	26 months	Regulatory limit (currently 15% of the original issue)(1)
25th	Delegation of authority to the Board of Directors to issue shares or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, without shareholders' pre-emption rights, in return for contributions in kind	26 months	10% of the capital(1) €750 million for debt securities(4)

26th	Delegation of authority to the Board of Directors to issue shares reserved for members of a company savings plan without shareholders' pre-emption rights in favour of such members	26 months	€12 million(1) (approximately 3% of the share capital)
27th	Delegation of authority to the Board of Directors to increase the share capital by issuing shares without shareholders' pre-emption rights in favour of a specific category of beneficiaries (employees and corporate executive officers of the Company and its affiliated entities)	18 months	€12 million(1) (approximately 3% of the share capital)

(1) The overall maximum nominal amount of share capital increases that may be carried out pursuant to this delegation of authority shall count towards the overall limit of €206 million applicable to immediate and/or future share capital increases.

(2) The aggregate maximum nominal amount of share capital increases that may be carried out pursuant to this delegation shall be deducted from the amount of the sub-ceiling set at €83 million and applicable to share capital increases without shareholders' pre-emption rights by way of public offering (with and without priority period).

(3) The aggregate maximum nominal amount of share capital increases that may be carried out pursuant to this delegation shall be deducted from the amount of the sub-ceiling set at €40 million and applicable to share capital increases without shareholders' pre-emption rights by way of public offering without priority period.

(4) The aggregate maximum nominal amount of debt securities that may be issued pursuant to this delegation of authority shall count towards the overall limit of €750 million applicable to the issuance of debt securities.

(5) Including as part of a public exchange offer initiated by the Company (Article L. 22-10-54 of the French Commercial Code).

The corresponding proposed delegations are detailed below:

Share capital increase by capitalising reserves, profits or premiums (18th resolution on extraordinary matters)

With the 18th resolution, your Board of Directors requests a delegation of authority by your General Meeting to increase the share capital by capitalising reserves, profits or premiums, up to a maximum nominal amount of eighty three million euros (€83,000,000), an independent limit separate from the limit of the other resolutions put to the vote of your General Meeting. The share capital increases that may result from this resolution could be made, at the discretion of the Board of Directors, either by the free allotment of new shares or by increasing the nominal value of the existing shares or based on a combination of these two methods of execution, depending on the procedure it shall decide to implement.

The Board of Directors proposes that this authorisation, which would cancel and replace the one granted by the 12th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting.

Issue of shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, with shareholders' pre-emption rights (19th resolution on extraordinary matters)

With the 19th resolution, your Board of Directors requests a delegation of authority by your General Meeting to issue shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, with shareholders' pre-emption rights, up to a maximum nominal amount of two hundred and six million euros (€206,000,000), it being specified that the nominal amount of the share capital increases carried out pursuant to this resolution as well as the 20th to the 27th resolutions put before this General Meeting shall count towards that limit.

The shares and/or equity securities granting access to other equity securities and/or granting the right to the allotment of debt securities and/or securities granting access to equity securities to be issued pursuant to this delegation may in particular consist of debt securities or be associated with the issue of such securities, or allow the issue thereof, such as intermediate securities. The nominal amount of the debt securities that may be issued pursuant to this delegation could not exceed seven hundred fifty million euros (€750,000,000) at the date of the decision on issue.

The shareholders may exercise their pre-emption rights, under the conditions laid down by law, as of right and, where appropriate, in excess if the Board of Directors so provides, to subscribe for the shares or securities issued.

The Board of Directors proposes that this authorisation, which would cancel and replace the one granted by the 13th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting.

Issue of shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, without shareholders pre-emption rights, through public offerings (20th, 21st, 22nd and 23rd resolutions on extraordinary matters)

The Board of Directors requests delegations of authority by your General Meeting to issue shares and/or equity securities granting access to other equity securities and/or securities granting access to equity securities to be issued, with waiver of the shareholders’ pre-emption right to the shares or securities thus issued. These issues could be performed through public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code (20th and 21st resolutions) or through public offerings reserved for qualified investors (22nd resolution).

In fact, to be in a position to seize the opportunities offered by the market, your Board of Directors considers it advisable to make use of the possibility of having recourse to share capital increases without shareholders’ pre-emption rights, while nevertheless setting more restrictive limits thereon than for the share capital increases with shareholders' pre-emption rights.

Under the 20th resolution on the issue of shares, without shareholders' pre-emption rights, through public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code, the Board of Directors must, on a compulsory basis, establish a priority subscription period for shareholders, on an irreducible and/or reducible basis, in accordance with regulatory terms and conditions.

Under the 21st resolution on the issue of shares, without shareholders' pre-emption rights, through public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code, the Board of Directors may, on an optional basis, establish a priority subscription period for shareholders, on an irreducible and/or reducible basis, in accordance with regulatory terms and conditions.

The nominal amount of share capital increases, without shareholders' pre-emption rights and with a compulsory priority subscription period, through public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code, which may be carried out by virtue of the 20th resolution, cannot exceed eighty-three million euros (€83,000,000 euros), it being specified that: (i) the nominal amount of share capital increases carried out under the 20th resolution, as well as the 21st, 22nd and 23rd resolutions put before this General Meeting, shall count towards this limit, which is a sub-limit common to all share capital increases, without shareholders' pre-emption rights, through public offerings with and without priority period; and (ii) the nominal amount of any share capital increase carried out under the 21st resolution shall count towards the overall nominal limit of two hundred and six million euros (€206,000,000) established for share capital increases in paragraph 2 of the 19th resolution of this General Meeting.

The total nominal amount of share capital increases, without shareholders' pre-emption rights and with an optional priority subscription period, through public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code, which may be carried out by virtue of the 21st resolution, cannot exceed forty million euros (€40,000,000), it being specified that (i) the nominal amount of share capital increases carried out under the 21st resolution and the 22nd resolution shall count towards: (i) this nominal limit, which is a sub-limit common to share capital increases without shareholders' pre-emption rights through public offerings and with no priority subscription period and (ii) the nominal amount of share capital increases carried out under such delegation shall count towards: (x) the nominal limit of eighty-three million euros (€83,000,000) established for share capital increases, without shareholders' pre-emption rights, through public offerings (with and without priority subscription period) in paragraph 2 of the 20th resolution of this General Meeting; and (y) the overall nominal limit of two hundred and six million euros (€206,000,000) established for share capital increases in paragraph 2 of the 19th resolution of this General Meeting.

The total nominal amount of the share capital increases, without shareholders' pre-emption rights, through public offerings reserved for qualified investors, which may be carried out by virtue of the 22nd resolution, cannot exceed forty million euros (€40,000,000), it being specified that the nominal amount of share capital increases carried out under the 22nd resolution shall count towards: (i) the nominal limit of forty million euros (€40,000,000) established for share capital increases, without shareholders' pre-emption rights and with no priority subscription period, through public offerings in paragraph 2 of the 21st resolution of this General Meeting and (ii) the nominal limit of eighty-three million euros (€83,000,000) established for share capital increases, without shareholders' pre-emption rights (with and without priority subscription period), through public offerings in paragraph 2 of the 20th resolution of this General Meeting; and (iii) the overall nominal limit of two hundred and six million euros (€206,000,000) established for share capital increases in paragraph 2 of the 19th resolution of this General Meeting.

The Board of Directors shall be entitled to issue, through public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code (20th and 21st resolutions) and/or through public offerings reserved for qualified investors (22nd resolution), shares and/or equity securities giving access to other equity securities and/or transferable securities giving access to equity securities to be issued, which may comprise or be related to the issue of debt securities, or enable their issue as intermediate securities. The nominal amount of debt securities that may be issued pursuant to the 20th, 21st and 22nd resolutions would count towards the overall limit of seven hundred and fifty million euros (€750,000,000), established by the 19th resolution.

The issue price of the shares issued on the basis of the 20th, 21st and 22nd resolutions would be fixed under the legislative and regulatory conditions in force at the time of issue which currently provide for a price at least equal to the weighted average of the Company' share price in the last three trading sessions on the Euronext Paris regulated market preceding the beginning of the offer, possibly reduced by a maximum discount of 10%.

In accordance with the provisions of Articles L.225-136 and L.22-10-52 of the French Commercial Code, the 23rd resolution asks you to authorise the Board of Directors, up to a limit of 10% of the share capital per 12-month period, to set the issue price at the average price of the Company' share on the Euronext Paris regulated market, weighted by the volumes during the final trading session before the issue price is set, less a discount of up to 10%.

The use of the right described above would aim to allow your Company, bearing in mind the volatility of the markets, to benefit from possible opportunities to issue securities when the market conditions do not allow it to make an issue under the price conditions fixed by the 20th, 21st and 22nd resolutions.

The Board of Directors proposes that these delegations, which would cancel and replace the ones granted by the 14th, 15th and 16th resolutions of the General Meeting of 15 June 2021, be granted for a period of twenty-six (26) months as from your General Meeting.

Authorisation for the Board of Directors to increase the amount of issues with or without shareholders' pre-emption rights (24th resolution on extraordinary matters)

Subject to the adoption of the 19th, 20th, 21st and 22nd resolutions on share capital increases with or without shareholders' pre-emption rights, the 24th resolution asks your General Meeting to authorise the Board of Directors, for a period of 26 months and with the power of sub-delegation in accordance with applicable laws and regulations, to decide to increase the number of securities to be issued for each of the issues approved under the 19th, 20th, 21st and 22nd resolutions of your General Meeting under the conditions laid down by the legislative and regulatory provisions applicable on the day of issue (i.e. at present, within 30 days of closure of the subscription, up to a limit of 15% of each issue and at the same price as that adopted for the initial issue). It is specified that the total nominal amount of the share capital increases that may be carried out under the 23rd resolution shall count towards the limit stipulated by the resolution under which the issue is resolved and to the overall nominal limit stipulated for share capital increases in the 19th resolution.

The Board of Directors proposes that this authorisation, which would cancel and replace the one granted by the 17th resolution of the General Meeting of 15 June 2021, be granted for a period of twenty-six (26) months as from your General Meeting.

Issue of shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, in return for contributions in kind (25th resolution on extraordinary matters)

With the 25th resolution, the Board of Directors requests a delegation of authority by your General Meeting to issue shares and/or equity securities giving access to other equity securities and/or transferable securities giving access to equity securities to be issued, in return for contributions in kind granted to the Company and consisting of equity securities or transferable securities giving access to the capital, up to a limit of a nominal share capital increase of 10%

of the Company's share capital, counting towards the overall nominal limit of two hundred and six million euros (€206,000,000) for share capital increases fixed by the 19th resolution.

The nominal amount of debt securities that could be issued pursuant to this resolution would count towards the overall limit of seven hundred and fifty million euros (€750,000,000) set by the 19th resolution.

This delegation would involve eliminating, in favour of the holders of the equity securities or transferable securities, forming the subject of contributions in kind, of the shareholders' pre-emption rights to the shares or transferable securities thus issued.

The Board of Directors proposes that this authorisation, which would cancel and replace the one granted by the 18th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting.

Share capital increases reserved for employees – (26th and 27th resolutions on extraordinary matters)

With the 26th resolution, we propose that you delegate to the Board of Directors, for a period of 26 months, with the power of sub-delegation, your authority to increase the share capital by issuing Company shares reserved for members of a company savings plan, up to a limit of a maximum nominal amount of twelve million euros (€12,000,000), it being specified that the nominal amount of any share capital increase made pursuant to this delegation would count towards to the global nominal limit stipulated for share capital increases provided for in the 19th resolution of your General Meeting and that the limit of this delegation would be combined with that provided for in the 27th resolution.

The subscription price of the shares issued will be determined under the conditions laid down by the provisions of Article L.3332-19 of the French Labour Code, it being specified that the maximum discount in relation to the average share price quoted during the 20 trading sessions preceding the decision fixing the opening date for subscription may not exceed 20%. The Board of Directors may reduce or eliminate the aforesaid discount, if it deems appropriate, particularly to take into account legal, accounting, tax and social security systems applicable in the country of residence of certain beneficiaries. The Board of Directors may also decide to freely allocate shares to subscribers for new shares, replacing the discount and/or the contribution.

The Board of Directors proposes that this authorisation, which would cancel and replace the one granted by the 19th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting.

Following on from the 26th resolution, we propose, in the 27th resolution, to delegate to the Board of Directors, for a period of 18 months, with the power of sub-delegation under the conditions laid down by law, the power to make one or more share capital increases reserved for (i) employees and/or corporate officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code and having their registered office outside France; (ii) one or more mutual investment funds or other entities, governed by French or a foreign law, with or without legal personality, subscribing on behalf of persons designated in point (i) above; and (iii) one or more financial institutions appointed by the Company to propose to the persons designated in point (i) above a shareholding plan comparable to those proposed to employees of the Company in France.

Such a share capital increase would enable employees, former employees and corporate officers of the Group living in certain countries to benefit, taking into account the regulatory or tax constraints that may exist locally, from plans that are as close as possible, in terms of economic profile, to those offered to the Group's other employees within the scope of the 26th resolution.

The nominal amount of the share capital increase that may be issued within the scope of this delegation would be limited to twelve million euros (€12,000,000), it being specified that the nominal amount of any share capital increase made pursuant to this delegation would count towards (i) the nominal limit of twelve million euros (€12,000,000) provided for share capital increases reserved for employees by the 26th resolution of this General Meeting and (ii) the overall nominal limit of two hundred and six million euros (€206,000,000) provided for share capital increases by the 19th resolution of this General Meeting.

The subscription price for securities issued pursuant to this delegation could not be inferior by more than 20% to the average of the share price quoted during the 20 trading sessions preceding the date of the decision fixing the opening date for subscriptions, or higher than this average, and the Board of Directors may reduce or eliminate the aforesaid discount if it deems appropriate, particularly to take into account the legal, accounting, tax and social security systems applicable in the country of residence of some beneficiaries. Moreover, in the event of a transaction performed within the scope of this resolution concomitantly with a transaction performed under the 26th resolution, the subscription price for the shares issued within the scope of this resolution could be identical to the subscription price for the shares issued on the basis of the 26th resolution.

The Board of Directors proposes that this authorisation, which would cancel and replace the one granted by the 20th resolution of the General Meeting of 15 June 2021, be granted for a period of eighteen (18) months as from your General Meeting.

Amendment to the Company's Articles of Association in order to introduce the concept of staggered renewal of the terms of office within the Board of Directors - (28th resolution on extraordinary matters)

Your General Meeting is asked to amend paragraph 3 of Article 15 of the Company’s Articles of Association in order to introduce the concept of a staggered renewal of the terms of office within the Board of Directors, thereby enabling the Company to comply with the recommendation in Article 13.2 of the AFEP-MEDEF Code (“*Terms of office should be staggered so as to avoid replacement of the entire body and to favour a smooth replacement of Directors*”).

8.3. Draft resolutions

Resolutions falling within the competence of the Ordinary Shareholders' General Meeting

FIRST RESOLUTION

(Approval of the Company's statutory financial statements for the financial year ended 31 December 2021)

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, after noting the reports of the Board of Directors and of the Statutory Auditors, approves the Company' statutory financial statements for the financial year ended 31 December 2021, including the statement of financial position, the statement of income and the notes, as presented to it, which show a net book profit of €152,130,867.24 , as well as the transactions reflected in those statements and summarised in those reports.

SECOND RESOLUTION

(Approval of the Company's consolidated financial statements for the financial year ended 31 December 2021)

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, after noting the reports of the Board of Directors and of the Statutory Auditors, approves the Company's consolidated financial statements for the financial year ended 31 December 2021, including the statement of financial position, the statement of income and the notes, as presented to it, as well as the transactions reflected in those statements and summarised in those reports.

THIRD RESOLUTION

(Allocation of the profit/loss for the year ended 31 December 2021 and setting the dividend at €1.05 per share)

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, after noting the reports of the Board of Directors and of the auditors:

- notes that the profit for the financial year amounts to €152,130,867.24 ;
- notes that the amount carried forward is €162,733,148.26; i.e. an amount available for the allocation of the profit/loss amounting to €314,864,015.50;

resolves to allocate the result thus obtained:

- to the legal reserve (5% of the profit) for an amount of €7,606,543.36;
- to the dividend for an amount of €128,403,642.15;
- to retained earnings in the amount of €178,853,829.99.

The dividends corresponding to the own shares held by the Company at the time of the payment will be allocated to the "Carried forward" account.

The General Meeting consequently resolves to pay a dividend of €1.05 per share.

The dividend to be distributed will be detached from the shares on 19 May 2022 and paid on 23 May 2022.

For individuals who are French tax residents who have not opted expressly, irrevocably and globally for a taxation under the progressive rates and brackets for personal income tax, the dividend is subject in principle to the 30% fixed levy. For individuals who are French tax residents who have so opted, such dividend will be subject to personal income tax pursuant to the progressive rates and brackets and gives right to the 40% allowance provided for by Article 158-3, 2° of the French General Tax Code.

FOURTH RESOLUTION

(*Approval of the regulated agreements referred to in Articles L.225-38 et seq. of the French Commercial Code and of the Statutory Auditors' special report*)

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, after noting the Board of Directors' report and the Statutory Auditors' special report presented pursuant to Article L.225-40 of the French Commercial Code on related-party agreements referred to in Articles L.225-38 et seq. of that same Code, approves the agreement authorised by the Board of Directors during the year ended 31 December 2021 and mentioned in said report, and approves the terms of said report.

FIFTH RESOLUTION

(Appointment of Patrice Lucas as Director)

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, at the recommendation of the Board of Directors, appoints Patrice Lucas as Director for a period of four years expiring at the end of the General Shareholders' Meeting called in 2026 to resolve on the financial statements for the year ended 31 December 2025.

SIXTH RESOLUTION

(Appointment of Didier Debrosse as Director)

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, at the recommendation of the Board of Directors, appoints Didier Debrosse as Director for a period of four years expiring at the end of the General Shareholders' Meeting called in 2026 to resolve on the financial statements for the year ended 31 December 2025.

SEVENTH RESOLUTION

(Appointment of a Director representing employee shareholders in accordance with Article 15.7 ("Board of Directors – Director representing employee shareholders") of the Company's Articles of Association

(titular candidate: Beatriz Peinado Vallejo)

Candidacy approved by the Company's Board of Directors

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, at the recommendation of the Board of Directors, appoints Beatriz Peinado Vallejo as Director representing employee shareholders for a period of four years expiring at the end of the General Shareholders' Meeting called in 2026 to resolve on the financial statements for the year ended 31 December 2025.

EIGHTH RESOLUTION

(Appointment of a Director representing employee shareholders in accordance with Article 15.7 ("Board of Directors – Director representing employee shareholders") of the Company's Articles of Association

(titular candidate: Matthieu Cantin / substitute candidate: Pedro Barandas)

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, at the recommendation of the Board of Directors, appoints Matthieu Cantin (and, secondarily, Pedro Barandas as substitute) as Director representing employee shareholders for a period of four years expiring at the end of the General Shareholders' Meeting called in 2026 to resolve on the financial statements for the year ended 31 December 2025.

NINTH RESOLUTION

(Approval of the information required in respect of Article L.22-10-9 I. of the French Commercial Code relating to the compensation of corporate officers)

The General Meeting, voting under the conditions of quorum and majority required for the Ordinary General Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and included in Chapter 3 of the Company's 2021 Universal Registration Document, approves the information referred to in Article L. 22-10-9 I of the French Commercial Code, as presented in the aforementioned report.

TENTH RESOLUTION

(Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended 31 December 2021 or awarded for the same year to the Chairman and Chief Executive Officer of the Company)

The General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and included in Chapter 3 of the Company's 2021 Universal Registration Document, approves the fixed, variable and exceptional items that make up the total compensation and benefits in kind paid in the previous financial year or awarded in respect of the same financial year to Michel Giannuzzi, Chairman and Chief Executive Officer of the Company, as presented in the aforementioned report.

ELEVENTH RESOLUTION

(Approval of the compensation policy for the Chairman and Chief Executive Officer (Michel Giannuzzi from 1 January 2022 to 11 May 2022))

The General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, after reviewing the corporate governance report referred to in Article L.225-37 of the French Commercial Code and included in Chapter 3 of the Company's 2021 Universal Registration Document, approves the compensation policy of Michel Giannuzzi, the Chairman and CEO of the Company, as presented in the aforementioned report.

TWELFTH RESOLUTION

(Approval of the compensation policy for the Deputy Chief Executive Officer (Patrice Lucas from 1 February 2022 to 11 May 2022))

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and included in Chapter 3 of the Company's 2021 Universal Registration Document, approves the compensation policy of Patrice Lucas, Deputy Chief Executive Officer of the Company, as presented in the aforementioned report.

THIRTEENTH RESOLUTION

(Approval of the compensation policy for the Chief Executive Officer (Patrice Lucas as of 12 May 2022))

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, after reviewing the corporate governance report referred to in Article L. 225-37 of the French Commercial Code and included in Chapter 3 of the Company's 2021 Universal Registration Document, approves the compensation policy of Patrice Lucas, Chief Executive Officer of the Company, as presented in the aforementioned report.

FOURTEENTH RESOLUTION

(Approval of the compensation policy for the Chairman of the Board of Directors (Michel Giannuzzi as of 12 May 2022))

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, after reviewing the corporate governance report referred to in Article L.225-37 of the French Commercial Code and included in Chapter 3 of the Company's 2021 Universal Registration Document, approves the compensation policy of Michel Giannuzzi, non-executive Chairman of the Board of Directors of the Company, as presented in the aforementioned report.

FIFTEENTH RESOLUTION

(Approval of the Directors' compensation policy)

The General Meeting, voting under the conditions of quorum and majority required for Ordinary General Meetings, after reviewing the corporate governance report referred to in Article L.225-37 of the French Commercial Code and included in Chapter 3 of the Company's 2021 Universal Registration Document, approves the Directors' compensation policy, as presented in the aforementioned report.

SIXTEENTH RESOLUTION

(Authorisation granted to the Board of Directors to trade the Company's shares)

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, after noting the Board of Directors' report:

1. authorises the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, in accordance with the provisions of Articles L.22-10-62 et seq. of the French Commercial Code, to purchase, on one or more occasions and at the time fixed by it, a number of Company shares not exceeding:

i. 10% of the total number of shares forming the share capital, at any time whatsoever; or

ii. 5% of the total number of shares forming the share capital in the case of shares acquired by the Company with a view to holding them and subsequently handing them over in payment or exchange within the scope of a merger, demerger or contribution transaction.

These transactions may be effected at any time, in accordance with applicable regulations, excluding periods of public offers relating to the Company's securities.

These percentages shall apply to a number of shares adjusted, where appropriate, based on the transactions that may affect the share capital after this General Meeting.

The acquisitions made by the Company may not, under any circumstances, cause the Company to hold more than 10% of the shares forming its share capital at any time whatsoever.

2. resolves that this authorisation may be used to:

i. ensure the liquidity and make the market for the Company's securities through an investment service provider acting independently under a liquidity agreement in accordance with the market practice adopted by the French Financial Markets Authority on 22 June 2021;

ii. allot shares to corporate officers and employees of the Company and other Group entities, particularly within the scope of (a) profit-sharing; (b) any Company stock option plan, within the scope of the provisions of Articles L.225-177 et seq. and L.22-10-56 of the French Commercial Code; (c) any savings plan in accordance with the provisions of Articles L.3331-1 et seq. of the French Labour Code; or (d) any free share allotments within the scope of the provisions of Articles L.225-197-1 et seq. and L.22-10-59 of the French Commercial Code, and perform any hedge transactions relating to such transactions, under the conditions laid down by the market authorities and at the times considered appropriate by the Board of Directors or the person acting on delegation of the Board of Directors;

iii. hand over the Company shares at the time of exercise of the rights attached to securities granting the right, directly or indirectly, by redemption, conversion, exchange, presentation of a note or in any other way to the allotment of Company shares within the scope of the regulations in force, and to perform any hedge transactions relating to such transactions, under the conditions laid down by the market authorities and at the times considered appropriate by the Board of Directors or the person acting on delegation of the Board of Directors;

iv. keep the Company shares and subsequently hand them over in payment or exchange within the scope of possible external growth transactions, merger, spin-off or contribution;

v. cancel all or some of the securities thus purchased, subject to the approval of the 17th resolution of this General Meeting or any resolution of the same nature;

vi. implement any market practice which would become permitted by the French Financial Markets Authority and, more generally, perform any transaction complying with the regulations in force.

3. resolves that the maximum unit purchase price may not exceed fifty-four euros (€54) per share, excluding costs. However, the Board of Directors may, in the event of a corporate action, and in particular a change in the par value of shares, a share capital increase by the capitalisation of reserves followed by the creation and allocation of free shares, a stock split or a reverse stock split, adjust the above-mentioned maximum purchase price to take into account the impact of such transactions on the value of the Company's shares;

4. resolves that the acquisition, sale or transfer of these shares may be made and paid for by any means authorised by the regulations in force, on a regulated market, on a multilateral trading system, with a systematic internaliser or over the counter, particularly by block acquisition or sale, by recourse to options or other derivate financial instruments, or to notes or, more generally, to securities granting the right to Company shares, at times considered appropriate by the Board of Directors;

5. resolves that the Board of Directors shall have all powers, with the power of sub-delegation under the legislative and regulatory conditions, so that, observing the legislative and regulatory provisions concerned, to make permitted allotments and, where appropriate, re-allotments of shares bought back with a view to one of the aims of the programme for one or more of its other aims or for the transfer thereof, on or off the market;

All powers shall consequently be conferred on the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, to implement this authorisation, to state the terms thereof if necessary and to establish the procedures under the legislative conditions and those of this resolution, and in particular to place all trading orders, conclude all agreements, particularly for keeping records of purchases and sales of shares, make all declarations to the French Financial Markets Authority or any other competent authority, draw up any information document, fulfil all formalities and, in general, take all necessary measures.

The Board of Directors shall inform the General Meeting, under the legislative conditions, of the transactions performed under this authorisation.

6. resolves that this authorisation, which cancels and replaces the one granted by the 10th resolution of the General Meeting of 15 June 2021, is granted for a period of eighteen (18) months as from this General Meeting.

Resolutions falling within the competence of the Extraordinary Shareholders' General Meeting

SEVENTEENTH RESOLUTION

(*Authorisation granted to the Board of Directors to reduce the Company' share capital by cancelling treasury shares*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report and the auditors' special report:

1. authorises the Board of Directors with the power of sub-delegation under the legislative and regulatory conditions, to:

i. cancel, on its sole decision, on one or more occasions, up to a limit of 10% of the amount of the share capital existing at the date of cancellation (i.e. adjusted based on the transactions performed on the share capital since the adoption of this resolution), per 24-month period, all or some of the shares acquired by the Company under a share buyback programme authorised by the shareholders;

ii. correlatively reduce the share capital and allocate the difference between the buy-back price of the cancelled shares and their nominal value to the available premiums and reserves of its choice, including on legal reserve within the limit of 10% of the share capital reduction effected.

2. confers all powers on the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, to establish the final amount of the reductions in capital within the limits stipulated by law and this resolution, to fix the procedure therefor, to acknowledge the execution thereof, and to perform any measures, formalities or declarations with a view to finalising any reductions in capital that may be made under this authorisation and to amend the Articles of Association accordingly;

3. resolves that this authorisation, which cancels and replaces the one granted by the 11th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting;

EIGHTEENTH RESOLUTION

(*Delegation of authority to the Board of Directors to increase the share capital by capitalisation of reserves, profits or premiums or any other amount for which capitalisation is allowed*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report and in accordance with the provisions of the French Commercial Code and in particular its Articles L.225-129, L.225-129-2, L.225-130 and L.22-10-50:

1. delegates to the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, its authority to increase the Company' share capital, on one or more occasions, in the proportions and at the times determined by it, by capitalising reserves, profits or issue premiums resulting from mergers or contributions, or any other sum whose capitalisation is possible by law and by the Articles of Association, to be effected by issuing new shares or by increasing the nominal amount of existing shares or by a combination of these two methods according to the procedures determined by it;

2. resolves that the nominal amount of the share capital increases that may be resolved by the Board of Directors and implemented, immediately and/or in the future, under this delegation may not exceed a maximum amount of eighty-three million euros (€83,000,000), this cap being independent from the one provided for in paragraph 2 of the 19th resolution below. This limit shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company' share capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

3. states that, in the event of a share capital increase giving rise to the free allotment of new shares, the Board of Directors may resolve that the rights to fractions of shares shall not be negotiable and that the corresponding shares shall be sold, in accordance with the provisions of Articles L.225-130 and L. 22-10-50 of the French Commercial Code, the sums originating from the sale being allotted to the holders of the rights within the timeframe provided for by applicable regulations;

4. resolves that the Board of Directors shall have all powers, with the power of sub-delegation under the legislative and regulatory conditions, to implement this delegation, and in particular:

i. to determine the terms and conditions of the transactions authorised and in particular to fix the amount and the nature of the reserves, profits, premiums or other sums to be incorporated into the capital, to fix the number of new shares to be issued or the amount by which the nominal amount of the existing shares forming the share capital shall be increased, to establish the date, even retroactively, from which the new shares shall grant rights or that on which the increase in the nominal amount shall take effect and shall make any allotments to the issue premium or premiums and in particular the allotment of costs incurred by making the issues and, as it think fits, deduct from this premium the sums necessary to increase the legal reserve to one-tenth of the new share capital;

ii. to take all measures designed to protect the rights of holders of securities or other rights granting access to the capital, existing at the date of the share capital increase;

iii. to acknowledge the completion of the share capital increase, take all useful measures and to conclude all agreements to ensure the correct performance of the transaction or transactions contemplated and, in general, to take all measures necessary and perform all acts and formalities to finalise the share capital increase or increases made under this delegation and to amend the Company's Articles of Association at the same time;

iv. to take all measures and carry out all formalities required for the admission to trading of the newly issued securities on the regulated market of Euronext Paris;

5. resolves that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to make use of the present delegation of authority as from the registration date by a third party of a public offering project targeting the shares of the Company, up until the end of said offering period;

6. resolves that this delegation, which cancels and replaces the one granted by the 12th resolution of the General Meeting of 15 June 2021 is granted for a period of twenty-six (26) months as from this General Meeting.

NINETEENTH RESOLUTION

(*Delegation of authority to the Board of Directors to increase the share capital, with shareholders' pre-emption rights preserved, by issuing shares and/or equity securities granting access to other equity securities and/or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and in particular its Articles L.225-129 et seq., L.22-10-49, L.225-132, L.225-133 and L.228-91 et seq.:

1. delegates to the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, the authority to resolve to proceed, on one or more occasions, in the proportions and at the time it considers appropriate, both in France and abroad, in euros or in foreign currencies, with the issue, maintaining the pre-emption right, of Company shares and/or equity securities granting access to other equity securities and/or granting the right to the allotment of debt securities and/or securities granting access to equity securities to be issued, which may be subscribed for in cash or by offsetting against certain, liquid and due receivables, or totally or partially by capitalising reserves, profits or premiums;

2. resolves that the total nominal amount of the share capital increases that may be made immediately and/or in the future under this delegation may not exceed a maximum amount of two hundred and six million euros (€206,000,000) or the equivalent in any other currency, it being stipulated that the nominal amount of the share capital increases made pursuant to this resolution as well as the 20th to 27th resolutions submitted to this General Meeting shall count towards that limit. This limit shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company' share capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

3. resolves that the securities granting access to the capital of the Company may consist of debt securities or be associated with the issue of such securities, or even allow the issue thereof, as intermediate securities. The global maximum nominal amount of the issues of debt securities that may be made based on this delegation may not exceed seven hundred and fifty million euros (€750,000,000) or its equivalent value in foreign currencies, it being specified that the nominal amount of the issues of debt securities made pursuant to this resolution as well as the 20th to 25th resolutions submitted to this General Meeting shall count towards that limit;

4. resolves that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to make use of the present delegation of authority as from the registration date by a third party of a public offering project targeting the shares of the Company, up until the end of said offering period.

5. notes that this delegation shall involve waiver, by the shareholders, of their pre-emption rights to the Company's equity securities to which the securities to be issued on the basis of this delegation may grant the right, either immediately or in the future;

6. resolves that the shareholders may exercise, under the conditions laid down by law, their pre-emption right as of right to the equity securities and/or to the securities whose issue shall be resolved by the Board of Directors under this delegation of authority. The Board of Directors shall have the power to confer on the shareholders the right to subscribe, in excess, for a higher number of securities than they could subscribe to as of right, in proportion to the subscription rights they hold and, in any event, within the limit of their requests;

If the subscriptions as of right and, where appropriate, in excess have not absorbed all the equity securities and/or securities issued, the Board of Directors shall have the power, in the order determined by it, either to limit the issue to the amount of subscriptions received, in accordance with the law, provided that this amounts to at least three-quarters of the issue resolved, or to freely distribute all or some of the securities not subscribed for among the persons of its choice, or to offer them to the public in the same way, on the French or international market, all or part of the unsubscribed securities, the Board of Directors being able to use all the powers indicated above or just some of them;

7. further states that the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, may in particular:

i. resolve on and fix the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without issue premium), the subscription and payment procedure and the date on which they shall carry rights (even retroactive);

ii. in the event of the issue of share subscription bonds, establish the number and characteristics thereof and resolve, if it considers it advisable, based on the conditions and according to the procedures fixed by it, that the bonds may be redeemed or bought back, or even allotted to the shareholders free of charge in proportion to their rights to the share capital;

iii. more generally, establish the characteristics of all securities and, in particular, the conditions and procedure for the allotment of shares, the term of any loans that may be issued in the form of bonds, their subordinate or other nature, the currency of issue, the terms of repayment of the principal, with or without premium, the conditions and procedure for amortisation and, where appropriate, purchase, exchange or early redemption, interest rates, whether fixed or variable, and the payment date; the return may comprise a variable portion calculated with reference to aspects relating to the Company's activities and income and deferred payment in the absence of distributable profits;

iv. resolve to use the shares acquired within the scope of a share buyback programme authorised by the shareholders to allot them following the issue of securities issued on the basis of this delegation;

v. take any measures seeking to preserve the rights of holders of securities issued or other rights granting access to the Company capital required by the legislative and regulatory provisions and by the contractual provisions applicable;

vi. if necessary, suspend the exercise of the rights attached to such securities for a period fixed in accordance with the legislative and regulatory provisions and the contractual provisions applicable;

vii. acknowledge the execution of any share capital increases and issues of securities, make the relative amendment to the Articles of Association, allocate the issue costs to the premiums and, if it considers it advisable, withhold from the amount of the share capital increases the sums required to raise the legal reserve to one-tenth of the new share capital;

viii. take all measures and carry out all formalities required for the admission of the securities created to trading on a regulated market;

8. resolves that this delegation, which cancels and replaces the one granted by the 13th resolution of the General Meeting of 15 June 2021 is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTIETH RESOLUTION

(*Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, with a compulsory priority period, through public offerings other than those referred to in Article L.411-2 of the French Monetary and Financial Code*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code and in particular its Articles L.225-129 et seq., L.225-135, L.22-10-51, L.225-136, L.22-10-52, L.22-10-54 and L.228-92:

1. delegates to the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, the authority to resolve to proceed with offers to the public other than those referred to in Article L.411-2 of the French Monetary and Financial Code, on one or more occasions, in the proportions and at the times it considers appropriate, both in France and abroad, in euros or in foreign currencies, with the issue, eliminating the pre-emption rights, of Company shares and/or equity securities granting access to other equity securities and/or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued, which may be subscribed for in cash or by offsetting against certain, liquid and due receivables;

2. resolves that the total nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation may not exceed a maximum amount of eighty-three million euros (€83,000,000) or the equivalent in any other currency, it being specified: (i) that the nominal amount of the share capital increases made pursuant to this resolution as well as to the 21st, 22nd and 23rd resolutions submitted to this General Meeting shall count towards that limit; and (ii) that the nominal amount of any share capital increase made pursuant to this delegation shall count towards the overall nominal limit of two hundred and six million euros (€206,000,000) established for share capital increases in paragraph 2 of the 19th resolution of this General Meeting;

These limits shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company' share capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

3. resolves that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to make use of the present delegation of authority as from the registration date by a third party of a public offering project targeting the shares of the Company, up until the end of said offering period;

4. resolves to eliminate shareholders' pre-emption rights to the shares and other securities to be issued under this resolution;

5. resolves to grant shareholders a compulsory priority subscription period, not giving rise to negotiable rights, that must be exercised in proportion to the number of shares held by each shareholder, on a reducible basis where applicable, and consequently awards to the Board of Directors, with the option of delegation, the power to set the duration and the terms and conditions of this period in compliance with applicable laws and regulations;

6. resolves that the securities granting access to the share capital of the Company may consist of debt securities or be associated with the issue of such securities, or even allow the issue thereof, as intermediate securities. The overall maximum nominal amount of the issues of debt securities that may be made immediately or in the future based on this delegation may not exceed seven hundred and fifty million euros (€750,000,000) or its equivalent value in foreign currencies, it being specified that this amount shall count towards the overall nominal limit for issues of debt securities provided for in point 3 of the 19th resolution;

7. notes that this delegation shall involve waiver, by the shareholders, of their pre-emption rights to the Company's equity securities to which the securities to be issued on the basis of this delegation may grant the right;

8. resolves that, if the subscriptions have not absorbed all the equity securities and/or securities issued, the Board of Directors shall have the power, in the order determined by it, either to limit the issue to the amount of subscriptions received, provided that this amounts to at least three-quarters of the issue resolved, or to freely distribute all or some of the securities not subscribed for among the persons of its choice, or to offer them to the public in the same way, the Board of Directors being able to use all the powers indicated above or just some of them;

9. further states that the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, may in particular:

i. resolve on and fix the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without issue premium), the subscription and payment procedure and the date on which they shall carry rights;

ii. in the event of the issue of share subscription bonds, establish the number and characteristics thereof and resolve, if it considers it advisable, based on the conditions and according to the procedures fixed by it, that the bonds may be redeemed or bought back, or even allotted to the shareholders free of charge in proportion to their rights to the share capital;

iii. more generally, establish the characteristics of all securities and, in particular, the conditions and procedure for the allotment of shares, the term of any loans that may be issued in the form of bonds, their subordinate or other nature, the currency of issue, the terms of repayment of the principal, with or without premium, the conditions and procedure for amortisation and, where appropriate, purchase, exchange or early redemption, interest rates, whether fixed or variable, and the payment date; the return may comprise a variable portion calculated with reference to aspects relating to the Company's activities and income and deferred payment in the absence of distributable profits;

iv. fix the issue price of the shares or securities that may be created as stated in the previous Sections so that the Company receives for each share created or allotted irrespective of any return, whatever the form thereof, interest, issue or redemption premium, in particular, a sum at least equal to the minimum price stipulated by the legislative or regulatory provisions applicable on the day of issue (i.e. at this date, the weighted average of the prices of the Company share in the last three trading sessions on the Euronext Paris regulated market preceding the beginning of the offer to the public within the meaning of Regulation (EU) No 2017/1129 of 14 June 2017, possibly reduced by a maximum discount of 10%);

v. resolve to use the shares acquired within the scope of a share buyback programme authorised by the shareholders to allot them following the issue of securities issued on the basis of this delegation;

vi. take any measures seeking to preserve the rights of holders of securities issued or other rights granting access to the Company capital required by the legislative and regulatory provisions and by the contractual provisions applicable;

vii. if necessary, suspend exercise of the rights attached to such securities for a period fixed in accordance with the legislative and regulatory provisions and the contractual provisions applicable;

viii. acknowledge the execution of any share capital increases and issues of securities, make the relative amendment to the Articles of Association, allocate the issue costs to the premiums and, if it considers it advisable, withhold from the amount of the share capital increases the sums required to raise the legal reserve to one-tenth of the new share capital;

ix. take all measures and carry out all formalities required for the admission of the securities created to trading on a regulated market;

10. resolves that this delegation, which cancels and replaces the one granted by the 14th resolution of the General Meeting of 15 June 2021 is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-FIRST RESOLUTION

(*Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing shares and/or equity securities granting access to other equity securities and/or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued, with an optional priority period, through offers to the public other than those referred to in Article L.411-2 of the French Monetary and Financial Code*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code and in particular its Articles L.225-129 et seq., L.225-135, L.22-10-51, L. 225-136, L. 22-10-52, L. 22-10-54 and L. 228-92:

1. delegates to the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, the authority to resolve to proceed with offers to the public other than those referred to in Article L.411-2 of the French Monetary and Financial Code, on one or more occasions, in the proportions and at the times it considers appropriate, both in France and abroad, in euros or in foreign currencies, with the issue, eliminating the pre-emption rights, of Company shares and/or equity securities granting access to other equity securities and/or conferring the

right to the allocation of debt securities and/or securities granting access to equity securities to be issued, which may be subscribed for in cash or by offsetting against certain, liquid and due receivables;

2. resolves that the total nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation may not exceed forty million euros (€40,000,000) or the equivalent in any other currency, it being specified that: (i) the nominal amount of share capital increases carried out pursuant to this delegation and the delegation granted under the 22nd resolution of this General Meeting shall count towards such forty million euros (€40,000,000) nominal limit and (ii) the nominal amount of any share capital increase carried out pursuant to this delegation shall count towards: (x) the nominal limit of eighty-three million euros (€83,000,000) established for share capital increases, eliminating pre-emption rights, through public offerings (with and without any priority subscription period) in paragraph 2 of the 20th resolution of this General Meeting; and (y) the overall nominal limit of two hundred and six million euros (€206,000,000) established for share capital increases in paragraph 2 of the 19th resolution of this General Meeting;

These limits shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

3. resolves that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to make use of the present delegation of authority as from the registration date by a third party of a public offering project targeting the shares of the Company, up until the end of said offering period;

4. resolves to eliminate shareholders' pre-emption rights to the shares and other securities to be issued under this resolution;

5. resolves that the Board of Directors may introduce for shareholders a priority subscription period, not giving rise to negotiable rights, that must be exercised in proportion to the number of shares held by each shareholder, on a reducible basis where applicable, and consequently awards to the Board of Directors the power to set the duration and the terms and conditions of this period in compliance with applicable laws and regulations;

6. resolves that the securities granting access to the capital of the Company may consist of debt securities or be associated with the issue of such securities, or even allow the issue thereof, as intermediate securities. The overall maximum nominal amount of the issues of debt securities that may be made immediately or in the future based on this delegation may not exceed seven hundred and fifty million euros (€750,000,000) or its equivalent value in foreign currencies, it being specified that this amount shall count towards the overall nominal limit for issues of debt securities provided for in point 3 of the 19th resolution;

7. notes that this delegation shall involve waiver, by the shareholders, of their pre-emption rights to the Company's equity securities to which the securities to be issued on the basis of this delegation may grant the right;

8. resolves that, if the subscriptions have not absorbed all the equity securities and/or securities issued, the Board of Directors shall have the power, in the order determined by it, either to limit the issue to the amount of subscriptions received, provided that this amounts to at least three-quarters of the issue resolved, or to freely distribute all or some of the securities not subscribed for among the persons of its choice, or to offer them to the public in the same way, the Board of Directors being able to use all the powers indicated above or just some of them;

9. further states that the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, may in particular:

i. resolve on and fix the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without issue premium), the subscription and payment procedure and the date on which they shall carry rights;

ii. in the event of the issue of share subscription bonds, establish the number and characteristics thereof and resolve, if it considers it advisable, based on the conditions and according to the procedures fixed by it, that the bonds may be redeemed or bought back, or even allotted to the shareholders free of charge in proportion to their rights to the share capital;

iii. more generally, establish the characteristics of all securities and, in particular, the conditions and procedure for the allotment of shares, the term of any loans that may be issued in the form of bonds, their subordinate or other nature, the currency of issue, the terms of repayment of the principal, with or without premium, the conditions and procedure for amortisation and, where appropriate, purchase, exchange or early redemption, interest rates, whether fixed or variable, and the payment date; the return may comprise a variable portion calculated with reference to aspects relating to the Company's activities and income and deferred payment in the absence of distributable profits;

iv. fix the issue price of the shares or securities that may be created as stated in the previous Sections so that the Company receives for each share created or allotted irrespective of any return, whatever the form thereof, interest, issue or redemption premium, in particular, a sum at least equal to the minimum price stipulated by the legislative or regulatory provisions applicable on the day of issue (i.e. at this date, the weighted average of the prices of the Company share in the last three trading sessions on the Euronext Paris regulated market preceding the beginning of the offer to the public within the meaning of Regulation (EU) No 2017/1129 of 14 June 2017, possibly reduced by a maximum discount of 10%);

v. in case of issuance of securities to the effect of remunerating securities contributed in the context of a public exchange offer (or a mixed public offer or alternative offer or any offer comprising an exchange component), set the exchange price as well as any cash balance to be paid without the price setting conditions set out in paragraph 9.iv being applicable, acknowledge the number of securities brought to the exchange and set the issuance terms;

vi. resolve to use the shares acquired within the scope of a share buyback programme authorised by the shareholders to allot them following the issue of securities issued on the basis of this delegation;

vii. take any measures seeking to preserve the rights of holders of securities issued or other rights granting access to the Company capital required by the legislative and regulatory provisions and by the contractual provisions applicable;

viii. if necessary, suspend exercise of the rights attached to such securities for a period fixed in accordance with the legislative and regulatory provisions and the contractual provisions applicable;

ix. acknowledge the execution of any share capital increases and issues of securities, make the relative amendment to the Articles of Association, allocate the issue costs to the premiums and, if it considers it advisable, withhold from the amount of the share capital increases the sums required to raise the legal reserve to one-tenth of the new share capital;

viii. take all measures and carry out all formalities required for the admission of the securities created to trading on a regulated market;

10. resolves that this delegation, which cancels and replaces the one granted by the 14th resolution of the General Meeting of 15 June 2021 is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-SECOND RESOLUTION

(*Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, as part of public offerings referred to in point 1 of Article L.411-2 of the French Monetary and Financial Code*)

The General Meeting, ruling under the conditions of quorum and majority required for Shareholders' General Meetings, after noting the Board of Directors' report and the auditors' special report and in accordance with the provisions of the French Commercial Code and in particular its Articles L.225-129 et seq., L.225-135, L.225-136, L.22-10-49, L.22-10-51, L.22-10-52 and L.228-91 et seq.:

1. delegates to the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, the authority to resolve to proceed, through offers to the public referred to in paragraph 1 of Article L.411-2 of the French Monetary and Financial Code, under the conditions and maximum limits stipulated by the laws and regulations, on one or more occasions, in the proportions and at the times it considers appropriate, both in France and abroad, in euros or in foreign currencies, with the issue, without pre-emption rights, of Company shares and/or equity securities granting access to other equity securities and/or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued, which may be subscribed for either in cash or by offsetting against certain, liquid and due receivables;

2. resolves that the total nominal amount of the share capital increases that may be made immediately and/or in the future under this delegation may not exceed a maximum amount of forty million euros (€40,000,000) or the equivalent in any other currency, it being specified, however, that this amount may not exceed 20% of the share capital over a 12-month period and shall count towards (i) the nominal limit of forty million euros (€40,000,000) provided for share capital increases without pre-emption rights through offers to the public (with no priority subscription period)

referred to in paragraph 2 of the 21st resolution submitted to this General Meeting and (ii) the nominal limit of eighty-three million euros (€83,000,000) provided for share capital increases without pre-emption rights through offers to the public (with and without any priority subscription period) referred to in paragraph 2 of the 20th resolution submitted to this General Meeting and (iii) the overall nominal limit of two hundred and six million euros (€206,000,000) provided for share capital increases referred to in paragraph 2 of the 19th resolution submitted to this General Meeting. These limits shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

3. resolves that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to make use of the present delegation of authority as from the registration date by a third party of a public offering project targeting the shares of the Company, up until the end of said offering period;

4. resolves to eliminate shareholders' pre-emption rights to the shares and other securities to be issued under this resolution;

5. resolves that the securities granting access to the capital of the Company may consist of debt securities or be associated with the issue of such securities, or even allow the issue thereof, as intermediate securities. The overall maximum nominal amount of the issues of debt securities that may be made, immediately or in the future, based on this delegation may not exceed seven hundred and fifty million euros (€750,000,000) or its equivalent value in foreign currencies, it being specified that this amount shall count towards the overall nominal limit for issues of debt securities provided for by paragraph 3 of the 19th resolution submitted to this General Meeting;

6. notes that this delegation shall involve waiver, by the shareholders, of their pre-emption rights to the Company's equity securities to which the securities to be issued on the basis of this delegation may grant the right;

7. resolves that, if the subscriptions have not absorbed all the equity securities and/or securities issued, the Board of Directors shall have the power, in the order determined by it, either to limit the issue, in accordance with the law, to the amount of subscriptions received, provided that this amounts to at least three-quarters of the issue resolved, or to freely distribute all or some of the securities not subscribed for among the persons of its choice, or to offer them to the public in the same way, the Board of Directors being able to use all the powers indicated above or just some of them;

8. further states that the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, may in particular:

i. resolve on and fix the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without issue premium), the subscription procedure and the date on which they shall carry rights;

ii. in the event of the issue of share subscription bonds, establish the number and characteristics thereof and resolve, if it considers it advisable, based on the conditions and according to the procedures fixed by it, that the bonds may be redeemed or bought back;

iii. more generally, establish the characteristics of all securities and, in particular, the conditions and procedure for the allotment of shares, the term of any loans that may be issued in the form of bonds, their subordinate or other nature, the currency of issue, the terms of repayment of the principal, with or without premium, the conditions and procedure for amortisation and, where appropriate, purchase, exchange or early redemption, interest rates, whether fixed or variable, and the payment date; the return may comprise a variable portion calculated with reference to aspects relating to the Company's activities and income and deferred payment in the absence of distributable profits;

iv. fix the issue price of the shares or securities that may be created as stated in the previous Sections so that the Company receives for each share created or allotted irrespective of any return, whatever the form thereof, interest, issue or redemption premium, in particular, a sum at least equal to the minimum price stipulated by the legislative or regulatory provisions applicable on the day of issue (i.e. at this date, the weighted average of the prices of the Company share in the last three trading sessions on the Euronext Paris regulated market preceding the beginning of the offer to the public within the meaning of Regulation (EU) No 2017/1129 of 14 June 2017, possibly reduced by a maximum discount of 10%);

v. resolve to use the shares acquired within the scope of a share buyback programme authorised by the shareholders to allot them following the issue of securities issued on the basis of this delegation;

vi. take any measures seeking to preserve the rights of holders of securities issued required by the legislative and regulatory provisions and by the contractual provisions applicable;

vii. if necessary, suspend exercise of the rights attached to such marketable securities for a period fixed in accordance with the legislative, regulatory and contractual provisions;

viii. acknowledge the execution of any share capital increases and issues of securities, make the relative amendment to the Articles of Association, allocate the issue costs to the premiums and, if it considers it advisable, withhold from the amount of the share capital increases the sums required to raise the legal reserve to one-tenth of the new share capital;

ix. take all measures and carry out all formalities required for the admission of the securities created to trading on a regulated market;

9. resolves that this delegation, which cancels and replaces the one granted by the 15th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-THIRD RESOLUTION

(*Authorisation granted to the Board of Directors, in the event of an issue without shareholders' pre-emption rights, through public offerings, to set the issue price in accordance with the procedure decided by the General Meeting, up to a limit of 10% of the capital per annum*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code and in particular Articles L.225-136 and L.22-10-52:

1. authorises the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, in the event of the issue of shares and/or securities granting access to equity securities, without pre-emption rights, by offers to the public other than those referred to in Article L.411-2 of the French Monetary and Financial Code or offers to the public referred to in paragraph 1 of Article L.411-2 of the French Monetary and Financial Code, under the conditions, particularly regarding the amount, provided for by the 20th, 21st and 22nd resolutions submitted to this General Meeting, to depart from the conditions for the fixing of prices provided for by the aforesaid resolutions and to determine the issue price in accordance with the following conditions:

i. the share issue price shall be at least equal to the average weighted price of the Company's share on the Euronext Paris regulated market on the day before the issue price is set, less a discount of up to 10%;

ii. the issue price of the securities granting access to the capital shall be such that the sum received immediately by the Company plus the possible sum that may subsequently be received by the Company is, for each Company share issued following the issue of such securities, at least equal to the amount referred to above;

2. resolves that the total nominal amount of the share capital increases that may be made within the scope of this resolution may not exceed 10% of the share capital per 12-month period (the aforesaid capital being assessed on the day of the decision to fix the issue price), it being specified that this amount shall count towards (i) the nominal limit of eighty-three million euros (€83,000,000) provided for share capital increases without pre-emption rights through public offerings (with and without any priority subscription period) referred to in paragraph 2 of the 20th resolution of this General Meeting and (ii) the overall nominal limit of two hundred and six million euros (€206,000,000) provided for share capital increases referred to in paragraph 2 of the 19th resolution submitted to this General Meeting. These limits shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

3. resolves that the securities granting access to the capital of the Company may consist of debt securities or be associated with the issue of such securities, or even allow the issue thereof, as intermediate securities. The overall maximum nominal amount of the issues of debt securities that may be made, immediately or in the future, based on this delegation may not exceed seven hundred and fifty million euros (€750,000,000) or its equivalent value in foreign currencies, it being specified that this amount shall count towards the overall nominal limit for issues of debt securities provided for by paragraph 3 of the 19th resolution submitted to this General Meeting;

4. resolves that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to make use of the present delegation of authority as from the registration date by a third party of a public offering project targeting the shares of the Company, up until the end of said offering period.

5. resolves that the Board of Directors shall have all powers to implement this authorisation, particularly to conclude all agreements to this effect, particularly with a view to the correct conclusion of any issue, record the execution and

proceed with the relative amendment to the Articles of Association, and proceed with all formalities and declarations and request all authorisations proving necessary for the performance and correct conclusion of any issue;

6. resolves that this authorisation, which cancels and replaces the one granted by the 16th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-FOURTH RESOLUTION

(*Authorisation granted to the Board of Directors to increase the amount of an issuance, with or without shareholders' pre-emption rights*)

The General Meeting, ruling under the conditions required for Extraordinary General Meetings, noting the Statutory Auditors' special report and the Board of Directors' report, and subject to the adoption of the 19th, 20th, 21st and 22nd resolutions of this General Meeting, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code:

1. authorises the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, to resolve to increase the number of securities to be issued for each of the issues with or without pre-emption rights resolved pursuant to the 19th, 20th, 21st and 22nd resolutions of this General Meeting under the conditions provided for by the legislative and regulatory provisions applicable on the day of issue (i.e. on this date, within thirty (30) days of closure of subscription, up to a limit of 15% of each issue and at the same price as that adopted for the initial issue);

2. resolves that the total nominal amount of the share capital increases that may be made under this delegation shall count towards the limit stipulated in the resolution under which the issue is resolved and the overall nominal limit of two hundred and six million euros (€206,000,000) provided for share capital increases in paragraph 2 of the 19th resolution submitted to this General Meeting. This limit shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

3. resolves that the securities granting access to the capital of the Company may consist of debt securities or be associated with the issue of such securities, or even allow the issue thereof, as intermediate securities. The overall maximum nominal amount of the issues of debt securities that may be made, immediately or in the future, based on this delegation may not exceed seven hundred and fifty million euros (€750,000,000) or its equivalent value in foreign currencies, it being specified that this amount shall count towards the overall nominal limit for issues of debt securities provided for by paragraph 3 of the 19th resolution submitted to this General Meeting;

4. resolves that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to make use of the present delegation of authority as from the registration date by a third party of a public offering project targeting the shares of the Company, up until the end of said offering period.

5. resolves that this authorisation, which cancels and replaces the one granted by the 17th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-FIFTH RESOLUTION

(*Delegation of necessary powers to the Board of Directors to increase the share capital by issuing shares and/or equity securities giving access to other equity securities and/or conferring the right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, in return for contributions in kind*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report and the auditors' special report and in accordance with the provisions of the French Commercial Code and in particular its Articles L.225-129 et seq., L.225-147, L.22-10-49, L.22-10-53 and L.228-92:

1. delegates to the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, the power to proceed, based on the report of the Capital Contributions Auditor or auditors, on one or more occasions, in the proportions and at the times considered appropriate, both in France and abroad, in euros or in foreign currencies, with the issue of shares and/or equity securities granting access to other equity securities and/or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued, with a view to remunerating contributions in kind granted to the Company and consisting of equity securities or securities granting access to the capital, when the provisions of Article L.22-10-54 of the French Commercial Code do not apply.

2. resolves that the total nominal amount of the share capital increases that may be made under this delegation may not exceed 10% of the share capital (assessed at the date of the resolution of the Board of Directors resolving on the issue) or the equivalent in any other currency, it being specified that the nominal amount of any share capital increase made pursuant to this delegation shall count towards the overall nominal limit of two hundred and six million euros (€206,000,000) provided for share capital increases in paragraph 2 of the 19th resolution submitted to this General Meeting. This limit shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

3. resolves that the securities giving access to the capital or conferring the right to the allocation of debt securities of the Company thus issued may consist of debt securities or be associated with the issue of such securities, or even allow the issue thereof as intermediate securities. The overall maximum nominal amount of the issues of debt securities that may be made, immediately or in the future, based on this delegation may not exceed seven hundred and fifty million euros (€750,000,000) or its equivalent value in foreign currencies, it being specified that this amount shall count towards the overall nominal limit for issues of debt securities provided for by paragraph 3 of the 19th resolution of this General Meeting;

4. resolves to eliminate, in favour of the holders of the equity securities or transferable securities forming the subject of contributions in kind, the shareholders' pre-emption rights to the shares and other securities to be issued under this resolution;

5. resolves that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to make use of the present delegation of powers as from the registration date by a third party of a public offering project targeting the shares of the Company, up until the end of said offering period;

6. notes that this delegation shall involve waiver, by the shareholders, of their pre-emption rights to the Company's equity securities to which the securities to be issued on the basis of this delegation may grant the right;

7. further states that the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, may in particular:

i. rule, based on the report of the Capital Contributions Auditor or auditors, on the valuation of the contributions and the granting of any special benefits;

ii. fix the characteristics of issues of shares and securities to be issued and, in particular, their issue price (with or without issue premium), the exchange price, and the cash balance (if any), the terms of their subscription and the date on which they carry rights;

iii. on its sole initiative, allocate the costs of the increase or increases in share capital to the premiums relating to such contributions and withhold on that amount the sums required to raise the legal reserve to one-tenth of the new capital following each increase;

iv. take any measures seeking to preserve the rights of holders of securities issued or other rights granting access to the Company capital required by the legislative and regulatory provisions and by the contractual provisions applicable;

v. acknowledge the execution of any issues of shares and securities, make the amendments to the Articles of Association rendered necessary by the execution of any share capital increase, allocate the costs of issue to the premium if so desired and also raise the legal reserve to one-tenth of the new share capital and carry out all formalities and declarations and request any authorisations proving necessary for the execution of such contributions;

vi. take any measures and carry out any formalities required for the admission of the securities created to trading on a regulated market.

8. resolves that this delegation, which cancels and replaces the one granted by the 18th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-SIXTH RESOLUTION

(*Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing Company shares reserved for members of company savings plan*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L.225-129-2, L.225-129-6, L.225-138, L.22-10-49 and L.225-138-1 of the French Commercial Code and those of Articles L.3332-18 et seq. of the French Labour Code:

1. delegates to the Board of Directors, with the power of sub-delegation under the legislative and regulatory conditions, its authority to proceed, on one or more occasions, on its sole decisions, in the proportions and at the times it considers appropriate, both in France and abroad, with the issue of new shares, the issue being reserved for employees, former employees and eligible corporate officers of the Company and/or of the companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code, who are members of a company savings plan;

2. eliminates, in favour of the aforesaid members, the shareholders' pre-emption right to the shares that may be issued under this authorisation and waive any rights to shares that may be allotted free of charge on the basis of this resolution;

3. resolves that the nominal amount of the share capital increase that may be made under this delegation of authority may not exceed twelve million euros (€12,000,000) or the equivalent in any other currency, it being specified (i) that the nominal amount of the share capital increases made under this resolution and under the 27th resolution submitted to this General Meeting shall count towards this limit; and (ii) that the nominal amount of any share capital increase made under this delegation shall count towards the overall nominal limit of two hundred and six million euros (€206,000,000) provided for share capital increases in paragraph 2 of the 19th resolution submitted to this General Meeting. These limits shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

4. resolves that the subscription price of the securities issued under this delegation shall be determined under the conditions provided for by the provisions of Article L.3332-19 of the French Labour Code, it being specified that the maximum discount in relation to an average share price quoted during the twenty trading sessions preceding the decision fixing the opening date for subscriptions may not therefore exceed 20%. At the time of implementation of this delegation, however, the Board of Directors may reduce the amount of the discount in each individual case, particularly owing to fiscal, social or accounting constraints applicable in the countries where the Group entities participating in the share capital increase transactions are established. The Board of Directors may also decide to freely allocate shares to subscribers for new shares, replacing the discount and/or the contribution;

5. resolves that the Board of Directors shall have all powers, with the power of sub-delegation under the legislative and regulatory conditions, to implement this delegation, within the limits and under the conditions stated above, to effect the following in particular:

i. decide the issue of the new shares of the Company;

ii. draw up a list of companies whose employees, former employees and eligible corporate officers may benefit from the issue, fix the conditions that the beneficiaries must fulfil to be able to subscribe, either directly or through a mutual investment fund, to the shares to be issued under this delegation of authority;

iii. set the amount of such issues and establish the prices and the dates of subscription, terms of each issue and conditions of subscription, payment and delivery of the shares issued under this delegation of authority, as well as the date, even if retroactive, from which the new shares shall carry rights;

iv. resolve, pursuant to Article L.3332-21 of the French Labour Code, to allot shares to be issued or already issued, free of charge, in replacement of the contribution and/or, where appropriate, of the discount, provided that taking their pecuniary equivalent value into account, valued at the subscription price, does not result in exceeding the limits provided for by Article L.3332-11 of the French Labour Code and, in case of issue of new shares in relation to discount and/or company contribution, to incorporate to the share capital the reserves, profits or issue premiums necessary for the payment of such shares;

v. set the period granted to subscribers to pay for their securities;

vi. acknowledge or establish the execution of the share capital increase up to the amount of the shares actually subscribed and amend the Articles of Association;

vii. on its sole initiative, allocate the costs of the increase or increases in share capital to the premiums relating to such increases and withhold on that amount the sums required to raise the legal reserve to one-tenth of the new capital following each increase;

viii. in general, take any measures and carry out any formalities useful for the issue and listing of the shares issued resulting from the share capital increases and correlative amendments to the Articles of Association under this delegation.

6. resolves that this delegation, which cancels and replaces the one granted by the 19th resolution of the General Meeting of 15 June 2021, is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-SEVENTH RESOLUTION

(*Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing shares in favour of a specific category of beneficiaries*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L.225-129 et seq., L.22-10-49 and L.225-138 of the French Commercial Code:

1. delegates, with the power of sub-delegation under the legislative and regulatory conditions, its authority to proceed, on one or more occasions, on its sole decisions, in the proportions and at the times considers appropriate, both in France and abroad, with the issue of new shares, the issue being reserved for one or more categories of beneficiaries satisfying the following characteristics: (i) employees and/or executive officers of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code and having their registered office outside France; (ii) one or more mutual investment funds or other entities governed by French or foreign law, with or without legal personality, subscribing on behalf of persons designated in point (i) above; and (iii) one or more financial establishments appointed by the Company to offer the persons designated in point (i) above a savings or shareholding plan comparable to those offered to Company employees in France;

2. eliminates, in favour of the aforesaid beneficiaries, the shareholders' pre-emption right to the shares that may be issued under this authorisation;

3. notes that this delegation shall involve waiver, by the shareholders, of their pre-emption rights to the Company's equity securities to which the securities to be issued on the basis of this delegation may grant the right;

4. resolves that the nominal amount of the share capital increase that may be made under this delegation of authority may not exceed twelve million euros (€12,000,000) or the equivalent in any other currency, it being specified that the nominal amount of any share capital increase made under this delegation shall count towards (i) the nominal limit of twelve million euros (€12,000,000) provided for in paragraph 3 of the 26th resolution of this General Meeting and (ii) the overall nominal limit of two hundred and six million euros (€206,000,000) provided for the share capital increases referred to in paragraph 2 of the 19th resolution submitted to this General Meeting. These limits shall be increased, where appropriate, by the nominal value of the shares to be issued to preserve the rights of holders of securities or other rights granting access to the Company capital, in accordance with the legislative and regulatory provisions and, where appropriate, the contractual provisions applicable;

5. resolves that the subscription price of the securities issued under this delegation may not be inferior by more than 20% to the average of the share prices quoted during the 20 trading sessions preceding the date of the decision fixing the opening date for subscriptions, or higher than that average. At the time of implementation of this delegation, however, the Board of Directors may reduce the amount of the discount in each individual case, particularly owing to fiscal, social security or accounting constraints applicable in such country or countries where the Group entities participating in the share capital increase transactions are established. Moreover, in the event of a transaction performed within the scope of this resolution concomitantly with a transaction performed under the 26th resolution, the subscription price for the shares issued within the scope of this resolution may be identical to the subscription price for the shares issued on the basis of the 26th resolution.

6. resolves that the Board of Directors shall have all powers, with the power of sub-delegation under the legislative and regulatory conditions, to implement this delegation, within the limits and under the conditions stated above, to effect the following in particular:

i. draw up the list of beneficiaries, within the categories of beneficiaries defined above, of each issue and the number of shares to be subscribed by each one, under this delegation of authority;

ii. fix the amounts of these issues and establish the prices and the dates of subscription, terms of each issue and conditions of subscription, payment and delivery of the shares issued under this delegation of authority, as well as the date, even if retroactive, from which the new shares shall carry rights;

iii. fix the period granted to subscribers to pay for their securities;

iv. acknowledge or establish the execution of the share capital increase up to the amount of the shares actually subscribed and amend the Articles of Association;

v. on its sole initiative, allocate the costs of the increase or increases in share capital to the premiums relating to such increases and withhold on that amount the sums required to raise the legal reserve to one-tenth of the new capital following each increase;

vi. in general, take any measures and carry out any formalities useful for the issue and listing of the shares issued resulting from the share capital increases and correlative amendments to the Articles of Association under this delegation.

7. resolves that this authorisation, which cancels and replaces the one granted by the 20th resolution of the General Meeting of 15 June 2021, is granted for a period of eighteen (18) months as from this General Meeting.

TWENTY-EIGHTH RESOLUTION

(Amendment of Article 15.3 ("Board of Directors – Service) of the Company's Articles of Association)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, after noting the Board of Directors' report, resolves to amend paragraph 3 of Article 15 of the Company's Articles of Association as follows (the amended part is in bold):

Former wording	New wording
[…] 3 – Service Directors shall serve a four-year term of office. Directors will be eligible for re-election. They may be removed at any time by the Ordinary General Meeting. Directors must not be more than 75 years of age (it being specified that the number of Directors who are over the age of 70 may not exceed one third of the Directors in office) and shall be subject to applicable laws and regulations on multiple appointments. […]	[…] 3 – Service Directors shall serve a four-year term of office. **Exceptionally, in order to implement or maintain the principle of gradually renewing the Board of Directors, the General Meeting may appoint one or more Directors for a different period of no more than four (4) years or reduce the term of office of one or more serving Directors to a period of less than four (4) years. The service of any director appointed in this way or whose term of office is amended to a period not exceeding four (4) years shall terminate at the end of the Ordinary General Shareholders' Meeting called to resolve on the financial statements for the previous year and held during the year in which said Director's terms of office expires.** Directors will be eligible for re-election. They may be removed at any time by the Ordinary General Meeting. Directors must not be more than 75 years of age (it being specified that the number of Directors who are over the age of 70 may not exceed one third of the Directors in office) and shall be subject to applicable laws and regulations on multiple appointments. […]

TWENTY-NINTH RESOLUTION

(*Powers for purposes of legal formalities*)

The General Meeting, ruling under the conditions of quorum and majority required for Extraordinary General Meetings, confers all powers on the bearer of copies or extracts of these minutes to fulfil all legal formalities.

9

ADDITIONAL INFORMATION

9.1. Persons responsible

9.1.1. Person responsible for the Universal Registration Document

Michel Giannuzzi, Chairman and Chief Executive Officer of the Company

9.1.2. Declaration of the person responsible

"I declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission that might affect its scope.

I certify, to my knowledge, that the financial statements are drawn up in accordance with the applicable accounting standards and give a faithful picture of the assets, financial position and results of the Company and of all the companies included in the consolidation, and that the information included in this Universal Registration Document that falls within the management report of the Board of Directors listed in the concordance table in section 9.4.2 of this Universal Registration Document presents a faithful picture of the evolution of the business, the results and financial position of the Company and all the companies included in the consolidation and a description of the main risks and uncertainties they face."

In Courbevoie, on 29 March 2022

Michel Giannuzzi,

Chairman and Chief Executive Officer

9.1.3. Third-party information, experts' reports and declarations of interest

This Universal Registration Document contains information about the Group's markets and its positioning in these markets, including information on the size of these markets, the competitive environment and dynamics, and the outlook for growth in these markets. In addition to the estimates made by the Group, the elements on which the Group has based its statements herein come primarily from a market study conducted in connection with the Company's initial public offering by Advancy at the Company's request, and from studies and statistics published by independent third parties and professional organisations and from data published by the Group's competitors, suppliers and customers.

To the Company's knowledge, the information taken from third-party sources has been faithfully reproduced in this Universal Registration Document, and no fact has been omitted that would make this information incorrect or misleading. The Company cannot, however, guarantee that a third party using different methods to collect, analyse or calculate the data on these markets would obtain the same results.

9.1.4. Persons responsible for auditing the financial statements

PricewaterhouseCoopers Audit

Member of the Compagnie régionale des Commissaires aux comptes de Versailles

Represented by Itto El Hariri

63, rue de Villiers

92200 Neuilly-sur-Seine, France

Appointed by the General Meeting of the Company's Shareholders on 10 June 2020 for a term of six years, which is until the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2025.

BM&A

Member of the Compagnie régionale des Commissaires aux comptes de Paris

Represented by Eric Seyvos

11, rue de Laborde

75008 Paris, France

Appointed by decision of the sole shareholder on 24 July 2019 for a term of six years, which is until the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2024.

9.2. Glossary

Adjusted EBITDA	Corresponds to operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, management share ownership plans, disposal-related effects and subsidiary contingencies, closing and carve-out expenses, and other items.
Adjusted EBITDA margin	The adjusted EBITDA margin corresponds to the amount of adjusted EBITDA in relation to revenue.
Alpha index	The alpha coefficient is used by many glass manufacturers (see NF H 35077). It determines the level of lightweighting of an item independently of its capacity, and therefore allows several items to be compared with each other. Calculation formula: weight / volume^0.8 according to the NF-H35077 standard.
Bag-in-box	Means a supple pouch equipped with a tap and enclosed in a 3-to-10-litre box, used for selling and conserving wine.
Biodiversity corridor	Refers to all the habitats necessary for the realisation of the vital cycles of a species that are functionally connected to each other.
Blank mould	Refers to the mould used in the production of hollow glass, which is used to transform the material into a hollow partially formed container.
CAGR	Stands for "compound annual growth rate".
Capex	Short for "capital expenditure", represents purchases of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demand or to environmental and health and safety constraints, or to increase the Group's capacity. It excludes the purchase of securities. Capex corresponds to the item "Purchases of property, plant and equipment and intangible assets" in the consolidated statement of cash flows.
Carbon leakage	A situation where a company, in order to avoid the costs of climate policies, moves its production to another country with less stringent emissions rules.
Cash conversion	Defined as the ratio between cash flows and adjusted EBITDA.
Cash flows	Defined as (i) operating income restated for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, effects of hyperinflation, costs related to management share ownership plans, impacts of disposals and subsidiary risks, site closure and carve-out costs, and other items (i.e., adjusted EBITDA) less (ii) Capex.
Commercial teams	Functions identified in the sales and marketing segments.
Cullet	Means the crushed glass added to the raw materials used in the production of glass.
Deposit	Is an additional sum of money paid by the consumer for the packaging and refunded upon return of the packaging to the store.
ECOVA	Represents a range of bottles - "ECO" for eco-design and "VA" for the value added to the product.
ECOVADIS	Social and environmental performance rating platform for global supply chains.
EGO	Refers to a range of eco-designed products from Chile "Enhanced Geometric Objects"

EHS	Refers to the “Environment, Hygiene and Safety” policy.
External cullet	Means glass collected from individuals and from CHRs “Cafés Hotels Restaurants”
Feeders	Fireproof distribution channels that take glass from a furnace to forming machines. Feeders allow conditioning of glass at the right temperature corresponding to the viscosity level necessary to work with the glass.
FEVE	The European Container Glass Federation (Fédération Européenne des fabricants d’Emballages en Verre)
Finishing	Means the decoration of glass using various techniques.
Finishing mould	Refers to the mould used in the hollow glass manufacturing process to give the final shape to the product.
Forming	Means the technique through which a compact mass of molten glass (gob) is transformed into a hollow glass shape using a metal plunger or blown air.
Glass sand	Refers to the very small-sized raw glass - fraction 0-4mm.
Gob	Means a compact mass of molten glass.
HoReCa	Hotels, restaurants and cafés
Insetting	It involves identifying the Company’s impacts (social, climate, water, biodiversity etc.), committing to socio-economic and/or environmental projects which will offset these impacts.
Internal cullet	Means glass from manufacturing rejects
IS machine	Industry standard hollow glass forming machine with “Sections” working in parallel, generally about 6 to 16 in number. An IS machine can simultaneously form 1, 2, 3 or 4 items in each Section – we then speak of “simple, double, triple or quadruple gob”. A machine with 10 forming Sections that produces two gobs each is abbreviated as an IS 10 DG, and has 10 x 2 = 20 finishing moulds.
ISO 22000	Standard which guarantees that food risk for consumers is taken into account on the entire production process.
kT	Kilotons.
Latin America	Includes production sites located in Brazil, Argentina and Chile.
LCV	Lower Calorific Value.
Melting	Means the first step in the melting of glass in production furnaces.
Net external financial debt/ Adjusted EBITDA ratio	Refers to the relationship between (i) net financial debt as included in Note 17.1 of the Group’s consolidated financial statements for the year ended 31 December 2021, taking into account only debt incurred with third parties and (ii) adjusted EBITDA.

Net financial debt/Adjusted EBITDA ratio	Refers to the relationship between (i) net financial indebtedness as included in Note 17.1 of the Group's consolidated financial statements for the year ended 31 December 2021 and (ii) adjusted EBITDA.
New products	Products that have been produced and marketed for a period of less than five years at the date of this Universal Registration Document.
Northern and Eastern Europe	Includes production sites located in Germany, Russia, Ukraine and Poland.
Operational cash flows	Defined as cash flows plus the change in operational working capital requirement.
Organic growth	Corresponds to revenue growth at constant exchange rates and scope.
PET	Refers to polyethylene terephthalate, a rigid, transparent plastic used in packaging.
RCA	Root Cause Analysis
Satin-finishing	Means a decoration technique that consists of making glass opaque via a chemical treatment (acid bath) or an electrostatic and thermal treatment (sand blasting).
Scope 1	"Direct emissions" = CO2 emissions within the physical perimeter of the factory, in other words, carbonated raw materials, heavy and domestic fuel oil, natural gas (fusion and non fusion).
Scope 2	"Indirect emissions" = emissions related to the power consumption required to run the plant. The following are excluded from Scope 1 and Scope 2 emissions, in accordance with the GHG Protocol and its emission categories: emissions from offices, decoration factories and cullet processing centres, because they represent, based on our estimates and benchmark elements, less than 1% of total Scopes 1 and 2 emissions.
Scope 3	"Other indirect emissions" = all other greenhouse gas emissions that are not directly related to the operation of the factory, but to all the other stages of the product's life cycle. In line with the completeness requirements of the GHG Protocol, only non-significant sources have been excluded (application of the threshold <1%).
Screen-printing	Refers to a decoration technique that uses ceramic enamels to vary the thickness, colour and substance of the glass.
Southern and Western Europe	Includes production sites located in France, Italy, Spain and Portugal.
Spread	Represents the difference between (i) the increase in selling prices applied by the Group after, passing on any increases in its production costs, and (ii) the increase in its production costs. The spread is positive when the increase in sales prices applied by the Group is greater than the increase in its production costs.
TF1	Accident frequency rate per million hours worked.
TF2	Accident frequency rate with or without stopping per million hours worked.
TPG	Ton of Packed Glass or ton of Good Glass.

Verallia "division"	There are three of them: Southern and Western Europe Northern and Eastern Europe Latin America.

9.3. Documents available to the public

The Company's Articles of Association, minutes of General Shareholders' Meetings and other statutory documents, as well as any valuation or statement made by an independent expert at the Company's request that must be made available to shareholders in accordance with applicable regulations, may be consulted at the Company's registered office.

9.4. Table of concordance

9.4.1. Table of concordance with the sections of Annex 1 of Commission Delegated Regulation (EU) 2019/980

The table of concordance below makes it possible to identify the information in this document mentioned in the different sections of the Universal Registration Document.

Information		Sections
1	Persons responsible, information from third parties, expert reports and approval of the competent authority	
1.1	Persons responsible for the information	9.1.1
1.2	Declaration of the person responsible	9.1.2
1.3	Declarations of experts and declarations of interest	9.1.3
1.4	Information from third parties	9.1.3
1.5	Declaration relating to the party with the authority to approve the document	Cover page
2	Statutory Auditors	
2.1	Information about Statutory Auditors	9.1.4
2.2	Information about the potential resignation or non-reappointment of Statutory Auditors	N/A
3	Risk factors	4
4	Information about the issuer	7
4.1	Corporate name and trade name of the Company	7.1.1
4.2	Place of registration and registration number and legal entity identifier	7.1.2
4.3	Date of incorporation and term of the Company	7.1.3
4.4	Registered office, legal form and regulation applicable to the Company	7.1.4
5	Overview of activities	1
5.1	Main activities	1.3
5.2	Main markets	1.1.1.2; 1.1.2
5.3	Significant events in the development of the Company's activities	
5.4	Description of the strategy and objectives	1.2.2
5.5	Degree of dependency of the issuer with respect to patents or licences, industrial, commercial or financial contracts or new manufacturing processes	1.4.2
5.6	Basis for the issuer's declaration about its competitive position	1.1.1; 1.2.1.2
5.7	Investments	1.2.1.3
5.7.1	*Description of the main investments made by the Company*	*1.2.1.3; 5.3.1*
5.7.2	*Description of the Company's investments in progress and their geographic location and the investments that the Company plans to make*	*1.2.1.3; 5.3.2*
5.7.3	*Provide information concerning the companies and joint-ventures in which the issuer holds a fraction of the capital likely to have a material impact on the assessment of its assets and liabilities, its financial position or its results.*	*6.1 notes 3.2, 3.3 et 22.1*
5.7.4	*Describe any environmental issues that may affect the issuer's use of its property, plant and equipment*	*2*
6	Organisational structure	
6.1	Description of the Group	7.6.2
6.2	List of large subsidiaries	7.6.3
7	Analysis of the financial position and results	
7.1	Financial position	
7.1.1	*Presentation of the activity for the periods presented*	*5.2.1*
7.1.2	*Explanations on the future development outlook and R&D activities*	*1.4 ; 5.2.1*
7.2	Operating profit	
7.2.1	*Events with an impact on the issuer's operating income*	*5.2.1*
7.2.2	*Explanations justifying the significant change of net revenue and/or net products*	*5.2.1*

8	Liquidity and capital resources	
8.1	Information about the Company's capital	6.3 note 3.3
8.2	Issuer's cash flow source and amount and description of cash flow	5.2.6
8.3	Information about the issuer's borrowing conditions and financial structure	5.2.3
8.4	Information about the existence of any restrictions affecting capital use and that may have an impact on the issuer	N/A
8.5	Expected and necessary sources of funding for the Company to meet its commitments	5.2.3 ; 5.2.6
9	Regulatory environment	1.5.3
9.1	Presentation of economic, governmental, budgetary, monetary or political factors and strategies that have had an impact or may have an impact on the issuer's transactions	1.5.3
10	Trend information	
10.1	Main trends that impacted production, sales and inventories, costs and selling prices since the end of the last financial year Significant change in the Company's financial performance	1.2.1; 5.4.1
10.2	Known trends, uncertainties or demands or commitments or events reasonably expected to have a material impact on the issuer's outlook, at least for the current year	5.4.1
11	Profit forecasts or estimates	5.4.2
12	Administrative, management, supervisory and executive management bodies	3.1 & 3.2
12.1	Information about members of the Company's administrative and management bodies	3.1.1
12.2	Conflicts of interest at the level of the administrative, management, supervisory and executive management bodies	3.1.3
13	Compensation and benefits	3.3
13.1	Amount of the compensation paid and benefits in kind	3.3.2
13.2	Total amounts accrued as provisions or otherwise recognised by the issuer or its subsidiaries for the payment of pensions, retirement or other benefits	3.3.1.2(e); 3.3.1.3(e)
14	Operation of the administrative and management bodies	
14.1	Expiry date of current mandates	3.1.1.2(a)
14.2	Service contracts between members of the administrative and management bodies	3.1.3.2
14.3	Information on the Audit Committee and Remuneration Committee	3.1.5.1; 3.1.5.2; 3.1.5.4
14.4	Declaration of compliance with the corporate governance system	3.1.1.1
14.5	Potential impacts on governance, including any changes in the Board or committee composition	3.1.1.2
15	Employees	
15.1	Number of employees	6.1 note 19
15.2	Profit sharing and stock-options	7.2.1
15.3	Agreements for employee profit sharing in the issuer's capital	7.2.5
16	Main shareholders	
16.1	Shareholders with more than 5% of the capital	7.3.6.1
16.2	Existence of different voting rights	7.1.5.3
16.3	Issuer's controlling or non-controlling interests	7.2.2
16.4	Agreement whose implementation could lead to a change of control	7.2.3
17	Related party agreements	**5.6.2 ; 6.1 note note 22**
17.1	Breakdown of transactions with related parties	5.6.2 ; 6.1 note 22.
18	Financial information concerning the issuer's assets, financial position, profits and losses	
18.1	Historical financial information	6.1 ; 6.3
18.2	Interim financial information and other	N/A
18.3	Audit of historical annual financial information	6.2 ; 6.5
18.4	Pro forma financial information	N/A
18.5	Dividend policy	5.5
18.6	Legal and arbitration proceedings	5.7
18.7	Significant change in the issuer's financial or commercial position	5.2.8
19	Additional information	

19.1	Share capital	7.5.1
19.1.1	*Amount of capital paid and information about each share category*	*7.5.1*
19.1.2	*Number and characteristics of non-equity securities*	*7.3*
19.1.3	*Number, carrying amount and nominal value of shares held by the issuer itself or on its behalf or by its subsidiaries*	6.3 notes 1, 3.1.1 et 3.2
19.1.4	*Amount of convertible or exchangeable securities or securities with warrants*	*7.3.2*
19.1.5	*Information on the conditions governing any acquisition rights and/or any obligation attached to the subscribed but unpaid capital or any undertaking seeking to raise the capital*	*7.3.3*
19.1.6	*Information about the capital of any Group member under option or under a conditional or unconditional agreement to be put under option*	*7.3.4*
19.1.7	*History of the share capital for the period covered by the historical financial information*	*7.2.4*
19.2	Memorandum and Articles of Association	7.1.5
19.2.1	*Description of the Company's corporate purpose and Trade and Companies Register no.*	*7.1.2; 7.1.5.1*
19.2.2	*Description of rights, privileges and restrictions attached to each share category*	*7.1.5.3*
19.2.3	*Provisions having the effect of delaying, postponing or preventing a change of control of the issuer*	*7.3.6*
20	Important contracts	5.2.9
21	Available documents	9.3

9.4.2. Table of concordance with the information required in the management report

The table of concordance below enables the identification in this Universal Registration Document of the information that is included in the management report in accordance with the applicable legal and regulatory provisions and in particular with Articles L. 225-100 et seq. of the French Commercial Code.

Themes		Sections
1	Information on the Company's activity	
1.1	Presentation of the activity (particularly progress made and difficulties encountered) and the profits and loss of the Company, each subsidiary and the Group	6.1; 5
1.2	Analysis of the change in business, results, financial position and in particular the debt of the Company and the Group	5
1.3	Foreseeable changes in the Company and/or Group*	5.4
1.4	Key financial and non-financial indicators of the Company and the Group	5
1.5	Significant post balance sheet date events of the Company and the Group	6.1 Note 25
1.6	Information about its objectives and policies for hedging each major category of anticipated transactions for which hedge accounting is used, as well as its exposure to price, credit, liquidity and cash flow risks. This information includes the Company's use of financial instruments	4.1.3; 6.1 Note 20
1.7	Description of the main risks and uncertainties of the Company and the Group*	4
1.8	Information on the financial risks related to the effects of climate change and presentation of the measures that the Company is taking to reduce them by implementing a low-carbon strategy in all components of its activity	2
1.9	Information on the R&D of the Company and Group	1.4
1.10	Key characteristics of internal control and risk management procedures implemented by the Company relating to the development and processing of accounting and financial information	4.2; 3.1.5.1(b)
1.11	Note about existing branches	N/A
1.12	Activity and results of the Company as a whole, its subsidiaries and controlled companies by business segment	5; 6.1
2	Legal, financial and tax information of the Company	7
2.1	Breakdown, identity of persons and changes in shareholding	7.2.1
2.2	Names of controlled companies participating in the Company's treasury shares and percentage of capital held by them	N/A
2.3	Significant equity interests acquired during the financial year in companies with their registered office in France	N/A
2.4	Notification of holding more than 10% of shares in the capital of another company; disposal of cross-shareholdings	N/A
2.5	Buyback of treasury shares	6.3 Note 16.2
2.6	Acquisition and disposal by the Company of its treasury shares in view of their allocation to employees (share buyback)	6.3 Note 16.2
2.7	Statement of employee holdings in share capital	7.3.6.1
2.8	Works council opinion on changes to the economic or legal organisation	N/A
2.9	Table of results for the last five financial years	6.4
2.10	Net profit (loss) for the financial year and proposed allocation of the profit/loss	8.3
2.11	Issue of securities giving access to capital – Information on how the adjustment was calculated and – the results of this adjustment	N/A
2.12	Amounts of dividends approved for distribution in respect of the three previous years	5.5
2.13	Amount of non tax-deductible expenses and charges	N/A

2.14	Payment terms and breakdown of the balance of trade payables and receivables by maturity date	6.4
2.15	Injunctions or monetary penalties for anti-competitive practices	N/A
2.16	Information on regulated agreements with continuing effects during the financial year	5.6.1
2.17	Securities acquired by employees in the context of an employee buyout operation	N/A
3	Information about corporate officers	
3.1	In the event of stock-option awards, disclose the information used by the Board of Directors to make its decision to: – either prohibit officers from exercising their options before the termination of their functions, – or require them to hold all or part of the shares resulting from options already exercised in registered form until they cease to hold office (specifying the fraction thus set)	N/A
3.2	Summary statement of transactions involving the Company's shares by officers and related persons	7.3.6.9
3.3	In the event of free share grants, disclose the information used by the Board of Directors to make its decision to: – either prohibit officers from transferring the free shares granted to them before the termination of their functions; – or to set the quantity of such free shares that they are required to retain in registered form until they cease to hold office (specifying the fraction thus set)	3.3.1.2(c); 3.3.1.3(c)
4	CSR informations of the Company	2
4.1	Extra-Financial Performance Statement	2
4.2	Information on facilities classified as at risk	N/A
5	Other information	
5.1	The amount of loans with a maturity of less than two years granted by the Company, as an accessory to its main activity, to micro-enterprises, SMEs or mid-cap companies with which it has economic ties that justify it	N/A
5.2	Information on payments made to the authorities of each of the States or territories in which the Company carries out the following activities: exploration, prospecting, discovery, exploitation or extraction of hydrocarbons, coal and lignite, metal ores, stones, sand and clays, chemical minerals and mineral fertilisers, peat, salt or other mineral resources or the exploitation of primary forests)	N/A
5.3	Informations about the use of the French Competitiveness and Employment Tax Credit (Crédit d'impôt pour la compétitivité et l'emploi – CICE)	N/A
5.4	Special report on share subscription and purchase options granted to corporate officers and employees	N/A
5.5	Special report on free share grants to corporate officers and employees, made during the financial year	N/A
5.6	Vigilance plan: – risk mapping in order to identify, analyse and rank risks – regular procedures for assessing the situation of subsidiaries, subcontractors or suppliers with whom there is an established commercial relationship, with respect to risk mapping. – appropriate actions to mitigate risks or prevent serious damage – a mechanism for warning and collecting reports about the existence or the occurrence of risks, prepared in agreement with the representative trade union organisations in the relevant company – a mechanism for monitoring implemented measures and evaluating their efficiency	2.4

*Considering the situation in Ukraine and Russia, certain information has been updated after the Board of Directors' meeting held on 16 February 2022

In accordance with Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the financial statements for the year ended 31 December 2020 and corresponding Statutory Auditors' report provided in Chapter 18 of the Company's Universal Registration Document approved by the French Financial Markets Authority on 29 April 2021 under number R.21-014, and the financial statements for the year ended 31 December 2019 and corresponding Statutory Auditor's report provided in Chapter 18 of the Company's Universal Registration Document approved by the French Financial Markets Authority on 29 April 2020 under number R.20-006, are included for reference in this Universal Registration Document.

9.4.3. Table of concordance with the information required in the annual financial report

The table of concordance below facilitates the identification in this Universal Registration Document of the information included in the annual financial report in accordance with Articles L.451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the AMF.

Themes		Sections
1	Declaration of the individuals responsible for the annual financial report	9.1.2
2	Management Report	9.4.2
2.1	Objective and comprehensive analysis of changes in the Company's business, results and financial position, especially in its debt situation with respect to the volume and complexity of the business and/or Group	5
2.2	Foreseeable changes in the Company and/or Group	2; 5.4
2.3	Key financial and non-financial indicators of the Company and the Group	5.2.2; 2
2.4	Information on the financial risks related to the effects of climate change and presentation of the measures that the Company is taking to reduce them by implementing a low-carbon strategy in all components of its activity	2
2.5	Information about its objectives and policies for hedging each major category of anticipated transactions for which hedge accounting is used, as well as its exposure to price, credit, liquidity and cash flow risks. This information includes the Company's use of financial instruments	4.1.3; 6.1 Note 20
2.6	Key characteristics of internal control and risk management procedures implemented by the Company relating to the development and processing of accounting and financial information	4.2; 3.1.5.1(b)
2.7	Description of the main risks and uncertainties facing the Company	4
2.8	Acquisition and disposal by the Company of its treasury shares (share buyback)	6.3 Note 16.2
3	Financial statements and reports	6
3.1	Financial statements	6.3
3.2	Statutory Auditors' report on the financial statements	6.5
3.3	Consolidated financial statements	6.1
3.4	Statutory Auditors' report on the consolidated financial statements	6.2

9.4.4. Table of concordance with the information required in the corporate governance report

The table of concordance below facilitates the identification in this Universal Registration Document of the information included in the management report in accordance with the applicable laws and regulations and in particular with Articles L. 225-100 et seq. of the French Commercial Code

Themes		Sections
1	List of mandates and positions held in any Company by each corporate officer during the financial year	3.1.1.2(b)
2	Agreements made, directly or through another party, between one of the corporate officers or a shareholder with a holding of more than 10% and another company in which the former directly or indirectly owns more than half of the capital	5.6
3	Summary table of the outstanding delegations granted by the General Meeting regarding capital increases and featuring the use made of those delegations during the financial year	7.5.3
4	Choice relating to the management model	3.2
5	Executive and Directors compensation policy (Say on Pay) – Ex ante vote: Draft resolutions drawn up by the Board of Directors relating to the mandatory prior vote of shareholders on the compensation of executives and Directors and the components of the relevant compensations. – Decision-making process to determine the compensations and criteria for distributing and allocating the fixed, variable and exceptional components of the total compensation and the benefits in kind attributable to executives – Criteria for distributing the annual fixed amount allocated by the General Meeting to Directors – Ex post vote on the components of variable or exceptional compensations granted or allocated during the financial year ended.	3.3.1; 8.3
6	Information on the compensation of corporate officers – Total compensation and benefits of any kind that each of the corporate officers holding at least one mandate in a company with shares admitted to trading on a regulated market received during the year from the Company, the companies it controls and the Company that controls it – Commitments of any kind and their terms, made by this company alone for the benefit of its corporate officers (only those who also hold a mandate in a listed company of the same group), corresponding to components of compensation, indemnities or benefits due or that may be due as a result of the assumption, termination or change in their duties or subsequent to the exercise of such duties, such as pension liabilities and other annuity benefits	3.3.2
7	Where shares were freely granted to the executives: information on the terms (set by the BoD or SB) relating to the disposal of these shares, while these executives were in office	3.3.2
8	Equity ratio and information on the pay gap between corporate offices and employees	3.3.3
9	Required disclosures concerning pension liabilities and other annuity benefits	3.3.1.2(e); 3.3.1.3(e)
10	Composition and conditions for preparing and organising Board proceedings	3.1.1; 3.1.4
11	Any limitations placed by the Board of Directors on the powers of the Chief Executive Officer	3.2.2
12	Chosen Corporate Governance Code and any discarded provisions of the Code	3.1.1.1
13	Special terms for participating in General Meetings	7.1.5.5
14	Information concerning items that may have an impact in the event of a takeover bid	7.3.6

15	Application of the principle of the balanced gender representation on the BoD and the SB	3.1.4.7(d)
16	Description of the procedure for checking on a regular basis whether agreements relating to day-to-day operations and carried out at arm's length meet these conditions and implementation of said procedure.	3.1.4.7(b)

9.4.5. Table of concordance of employee-related, environmental and social information

Please refer to section 2.5 Annexes "Extra-Financial Performance Statement Correspondence Table"

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