2022 UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

verallia

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Verallia
Société anonyme (public limited company) with a 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

2022 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 2023, 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.

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

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. 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 Ukraine and 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 PATRICE LUCAS

Chief Executive Officer

We will sustain our efforts to continue generating profitable growth.

Verallia proved highly resilient in a year of considerable geopolitical, energy and economic turmoil: we managed **to deliver further solid growth while also stepping up our decarbonisation drive**.

These healthy performances were the result of a collective effort and a strong determination to overcome various obstacles. I would first of all like to thank **our Group's 10,000 employees for their agility and engagement, but also our clients and partners for placing their trust in us**.

Our profitability enabled us to continue developing by investing massively in our production facilities, one example being the new furnace that was brought on stream in Jacutinga, Brazil.

Another highlight of our year was the acquisition of Allied Glass, a leading player in the United Kingdom's premium glass packaging market. This deal gives us a foothold in a new country and bolsters our position in the premium glass bottles segment catering to the spirits market.

We also pursued our investment policy with the aim of equipping our plants with the best technologies and thus making progress on our CSR roadmap, particularly when it comes to achieving our goal to reduce our CO_2 emissions. Prime examples included the partnership agreement signed with Fives to replace furnace n°2 in the Cognac plant in France with two 100% electric furnaces, and the decision to build our first hybrid furnace in our Zaragoza plant in Spain.

The year that has just begun also offers bright prospects for the Group, and we will indeed sustain our efforts to continue generating profitable growth.

We will undoubtedly come across more obstacles on the way, but I am confident that we have the capacity to rise to any challenges we might face in 2023 while upholding our values and our purpose.

This is what makes us Verallia.

Patrice LUCAS, *Chief Executive Officer*

OUR KEY FIGURES

#1 in Europe

#2 in Latin America

#3 worldwide

Further profitable growth and remarkable performances across the board

	Key 2022 financial figures	2022-2024 financial objectives
Revenue	**€3.351 billion** (+26.5% organic growth)	**+4-6%** organic sales CAGR [(1)]
Adjusted EBITDA	**€866 million** (+27.6% vs. 2021)	
Adjusted EBITDA margin	**25.8%** (vs. 25.4% in 2021)	**28%-30%** in 2024
Free cash flow [(2)]	**€364 million** (vs. €329 million in 2021)	Approx. **€900 million** in total over 3 years
Earnings per share (excluding PPA [(3)])	**€3.30** (vs. €2.37 in 2021)	Approx. **€3** by 2024
Annual dividends distributed [(4)]	**€128 million** (an increase of approx. 12% vs. 2021)	Growth in dividends per share **> 10 % p.a.** + Accretive share buybacks
Net debt leverage [(5)]	**1.6x** (vs. 1.9x at 31/12/2021)	Investment grade trajectory (net debt leverage **< 2.0x**)
Total capex	**€367 million** (vs. €256 million in 2021)	Recurring and strategic capex at approx. 10% of sales, including CO_2-related capex and 3 new furnaces by 2024

(1) At constant exchange rates and scope.

(2) Defined as Operating cash flow - Other operating impacts - Financial interest paid and other financing costs - Taxes paid.

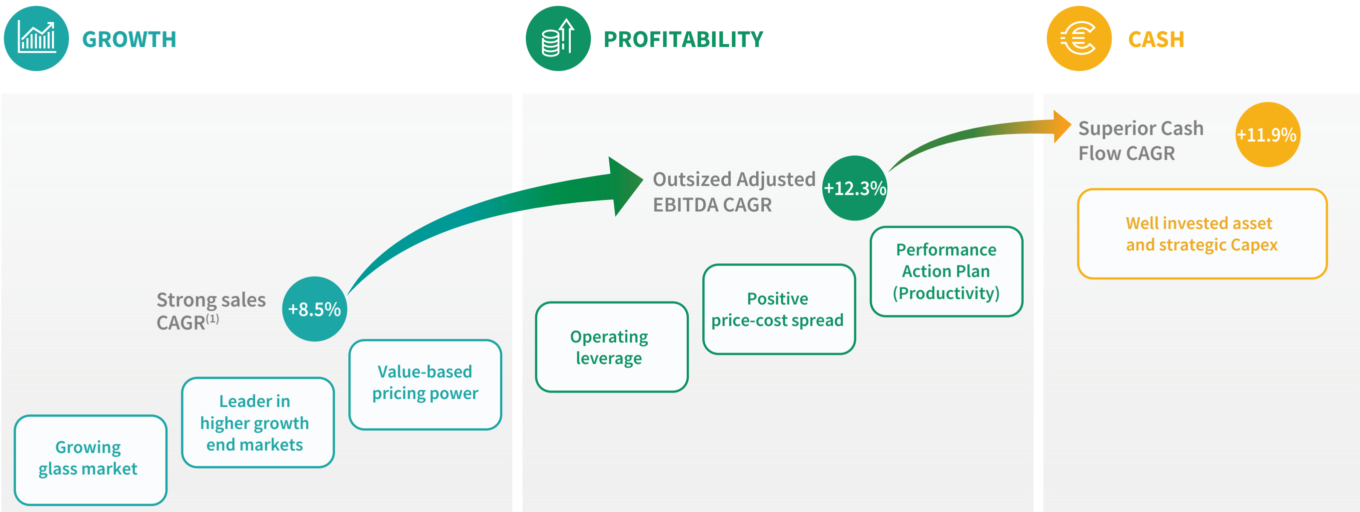
(3) Net earnings per share excluding an amortisation expense for customer relationships recognised upon the acquisition of Saint-Gobain's packaging business of approximately €0.38 / share (net of taxes).

(4) Including the amount of dividends corresponding to treasury shares at the date of payment.

(5) Net debt / adjusted EBITDA for the last 12 months.

Note: the definition of adjusted EBITDA can be found in this document's glossary.

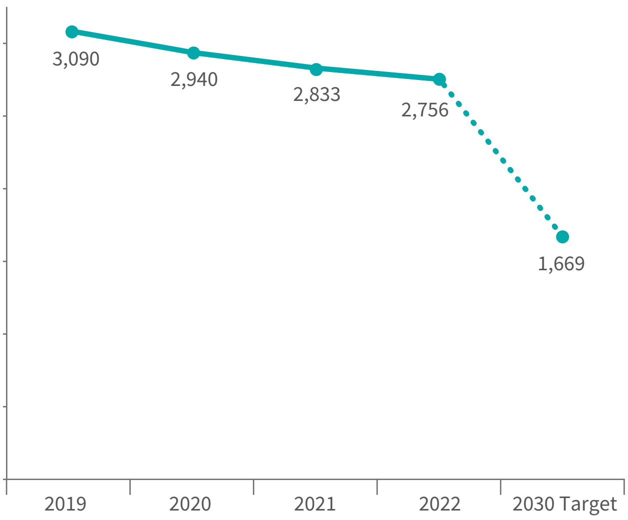
Proven financial performance (2018-2022)



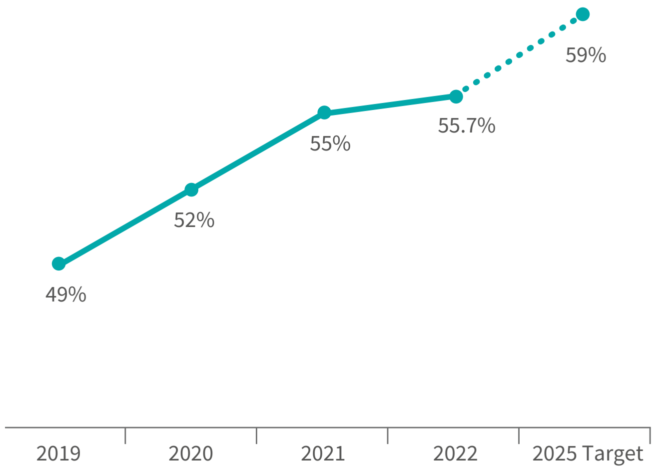
Growing and cash generative business, resilient during pandemic

ESG commitments to build a sustainable future

Reduction in CO_2 emissions



External cullet usage rate

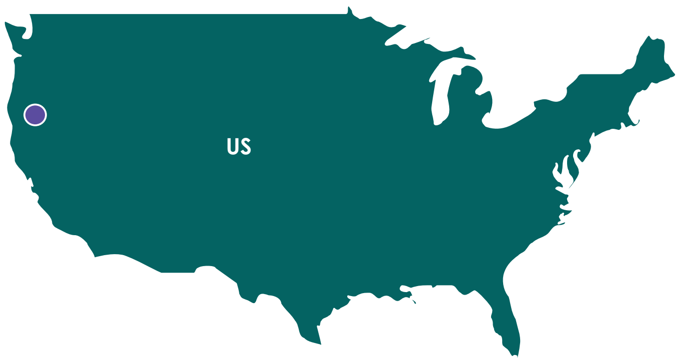


New goal: to limit global warming to 1.5°C

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

OUR OPERATIONS

Global presence in 3 major geographic segments

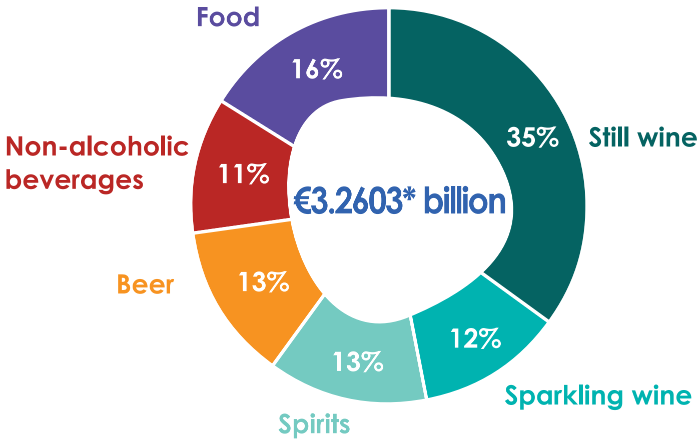


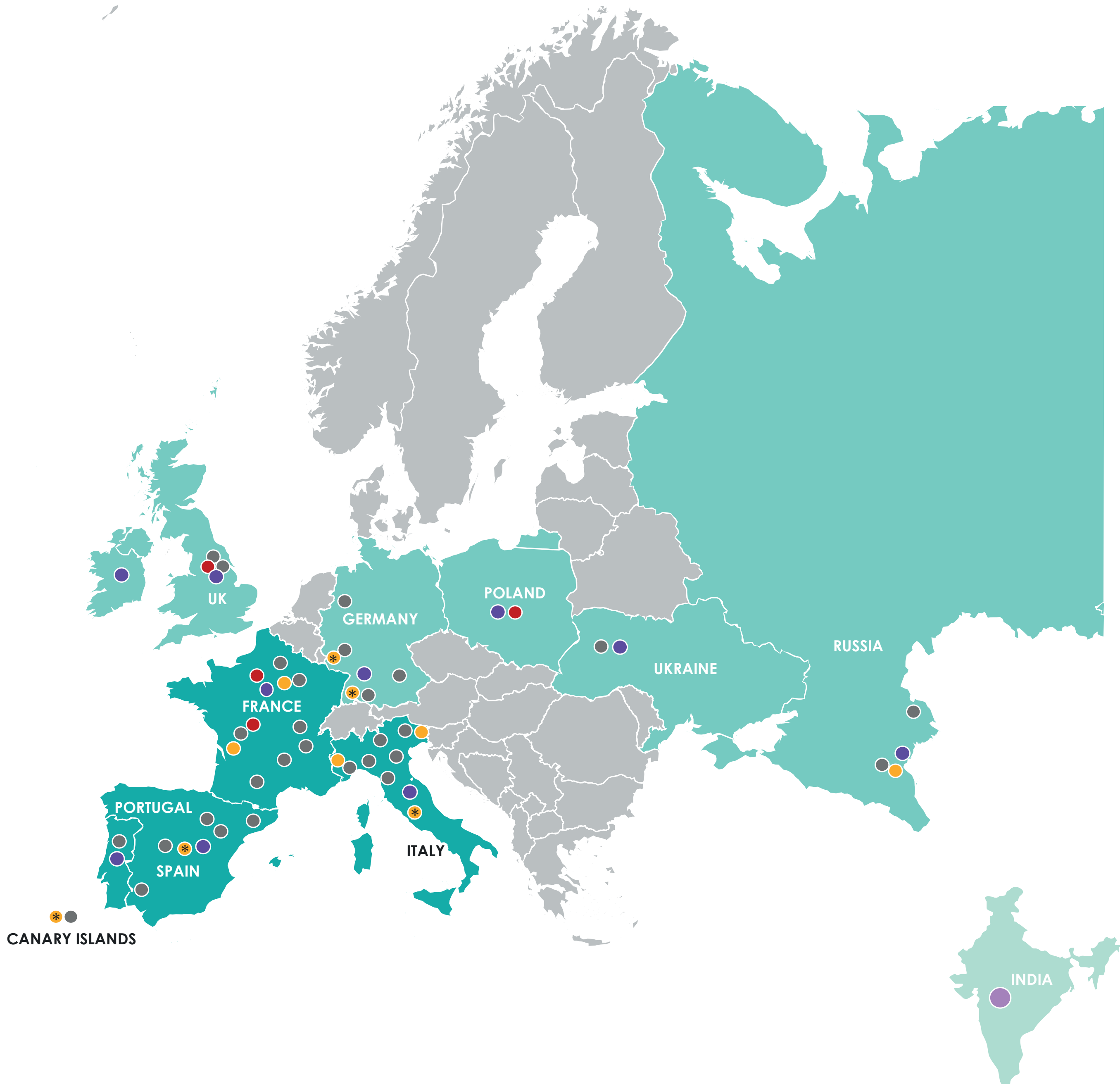
- Glass production sites
- Decoration plants
- Cullet treatment centres
- Sales offices
- Purchasing office
- * Cullet treatment centres with joint-venture

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

With **34 glass production plants**, **5 decoration plants** and **12 cullet (used glass) treatment centres** across **12 countries**, we produce **17 billion glass bottles and jars** each year to supply **10,000 customers**, ranging from local family producers to major international brands.

* *Based on revenue earned exclusively from the sale of jars and bottles, which represented 97% of the Group's consolidated revenue for the financial year ended 31 December 2022.*





OUR GOVERNANCE

Board of Directors as at 31 December 2022

Chairman of the Board of Directors
Michel Giannuzzi

Chief Executive Officer
Patrice Lucas

5 independent directors

Didier Debrosse

Marie-José Donsion

Virginie Hélias

Cécile Tandeau de Marsac

Pierre Vareille

2 directors representing employees

Dieter Müller

Xavier Massol

1 director representing employee shareholders

Beatriz Peinado Vallejo

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

Non-voting Board member
Guilherme Bottura

50% independent directors

46% of foreign nationality

56 Average age

40% Percentage of women

5 committees

AUDIT
Marie-José Donsion C I
Didier Debrosse I
BWSA, represented by Marcia Freitas

NOMINATIONS
Cécile Tandeau de Marsac C I
Virginie Hélias I
BWGI, represented by João Salles
Pierre Vareille I

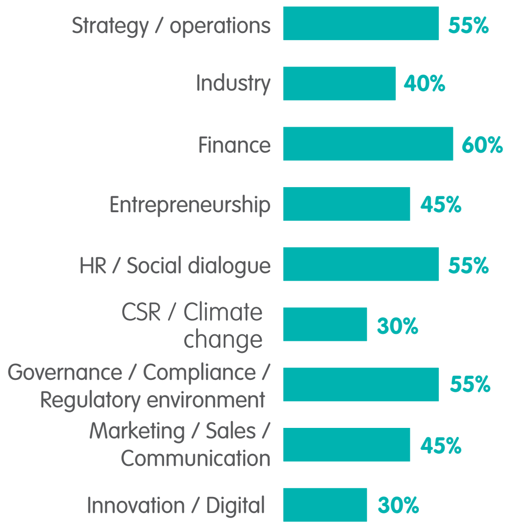
COMPENSATION
Cécile Tandeau de Marsac C I
Marie-José Donsion I
Dieter Müller E
BWGI, represented by João Salles
Pierre Vareille I

SUSTAINABLE DEVELOPMENT
Virginie Hélias C I
Michel Giannuzzi
Bpifrance Investissement, represented by Sébastien Moynot
Beatriz Peinado Vallejo E
Xavier Massol E

STRATEGY
Michel Giannuzzi C
Pierre Vareille I
BWGI, represented by João Salles
Didier Debrosse I

I Independent
E Representing employees or employee shareholders
C Committee chairperson

Knowledge and expertise



% of members of the Board of Directors

Executive Committee as at 31 December 2022


Patrice Lucas
Chief Executive Officer


Romain Barral
Director of Operations


Dirk Bissel
General Manager, Germany and Eastern Europe


Nathalie Delbreuve
Chief Financial Officer


Pierre-Henri Desportes
General Manager, France


Alan Henderson
General Manager, United Kingdom


Mathilde Joannard
Director of Human Resources - Communications


Wendy Kool-Foulon
Director CSR - General Counsel


Paulo Pinto
General Manager, Iberia


Marco Ravasi
General Manager, Italy


Quintin Testa Dominguez
General Manager, Latin America


55% of foreign nationality


27% Percentage of women

WE ARE VERALLIA

Proud of what we do, **passionate** about glass, and **committed** to securing our company's long-term future by assuming our responsibilities in light of the social and climate challenges we all face.

We have devoted all our know-how and passion to the glass industry for the past 200 years. Our story began with a glass plant in Vauxrot, in northern France. We can therefore claim to have been glass industry experts since 1827.

With its 34 glass plants spanning 12 countries, the Group is the European leader and world's third-largest producer of glass packaging. Each day, our 10,000 dedicated men and women do their utmost to ensure that our 10,000 customers worldwide can enjoy beverages and food products in glass packaging that is hygienic, attractive and sustainable. That is our mission. It is what makes us proud to be able to offer innovative, customised and environmentally friendly solutions.

The Verallia Group also stands for the strong values that guide our action and inspire us each day.

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

The glass production process has remained the same for centuries. Our world, meanwhile, is continually changing at an accelerating pace.
We need to ensure Verallia is firmly embedded into society's expectations in a broader sense, by addressing personal matters such as health and safety, inclusion and diversity, talent and skills, and aspirations to work differently, as well as the critical issues of global warming,

OUR HISTORY

1827
Creation of the Vauxrot glass plant (France)

1918
Start of international operations

2010
Adoption of the Verallia trademark

2015
Verallia becomes an independent group

resource scarcity and environmental emergencies.

As an industry leader, we have responsibilities. We must be a driving force, spurring the industry's transformation, going above and beyond, and enhancing the circular and virtuous aspects of glass packaging.
This is why our purpose is to ***"Re-imagine glass for a sustainable future"***. It is what makes up the Group's DNA and gives meaning to the action we take.
Given the environmental challenges facing our planet, we need to undertake this transition in order to secure our company's long-term future. We wish to put our purpose to good use in order to redefine the way in which glass is produced, reused and recycled. Our aim is to make glass the world's most sustainable packaging material and turn the glass industry into a truly circular economy.

This purpose requires us to be open to new ideas and new methods for producing, reusing and recycling glass packaging.

In terms of concrete measures, we must:

➜ Accelerate innovation in our value chain in order to reduce carbon emissions. We have made a commitment to reduce our CO_2 emissions by 46% by 2030*;

➜ Make the reuse of glass a win-win solution for the planet and for glass packaging;

➜ Take action and also encourage our partners to take action in order to increase the use of recycled glass as a raw material.

** Versus 2019 in absolute value.*

We seek to be not the biggest but the best in our industry.

To fulfil our long-term aspirations, our strategy consists of four lines of action:

1 **Pursue disciplined growth**

- Improve the customer experience in order to develop our business activity
- Identify value-creating acquisitions and organic growth projects
- Roll out a pricing policy based on the value-added offered by our products.

2 **Increase operational excellence**

- Achieve zero work accidents by paying closer attention to dangerous behaviour
- Continue implementing performance action plans
- Roll out Verallia's industrial management system (VIM).

3 **Invest wisely for a sustainable future**

- Improve working conditions
- Reduce CO_2 emissions and energy consumption
- Step up our control over manufacturing processes.

4 **Foster a strong and inclusive entrepreneurial culture**

- Continue promoting our purpose and developing our engagement with local communities
- Promote diversity and inclusion
- Plan ahead and support the professional development of our employees' skillsets.

Each of these pillars helps us attain the level of excellence to which we aspire. With our 10,000 employees all working to create Verallia's success, we can together "Re-imagine glass for a sustainable future".

2019

Verallia becomes a listed company

2020

Definition of Verallia's purpose

2022

Change of governance

2022

Acquisition of Allied Glass in the United Kingdom

OUR APPROACH FOR A SUSTAINABLE FUTURE

Our CSR strategy: Building our sustainable future.

Our CSR ambition is based on three axes, guided by our purpose:

Purpose

RE-IMAGINE GLASS FOR A SUSTAINABLE FUTURE

3 Axes	**Enhancing the circularity of glass packaging**	**Decarbonising our activities**	**Ensuring a safe and inclusive work environment for all**
CSR Actions	Maximise the use of cullet in our products	Increase the proportion of low-carbon raw materials	Guarantee health and safety for all
	Expand glass reuse	Optimise energy consumption and develop low-carbon furnaces	Promote diversity and inclusion
	Raise awareness and expand glass recycling	Increase renewable or low-carbon energy	Support the development of our employees' skills
	Develop eco-design for sustainable products	Reduce our Scope 3 emissions	Foster employee well-being
	Optimise water use and reduce our waste	Contribute to soil regeneration	Partner with our communities

Foundation

Complying with our values and our ethical principles with our suppliers, clients and employees.

Upgrade in CSR ratings

Validation of the Group's **CO_2 emissions reduction targets by 2030** for the 1.5°C trajectory

Upgraded to A- rating in the "Climate Change" category
- effectiveness of its measures to **tackle climate change**
- **transparency** of its reporting

Platinum medal (78/100)
- Verallia among the **1% of the 90,000 most virtuous companies**
- in terms of **social and environmental responsibility** in the world

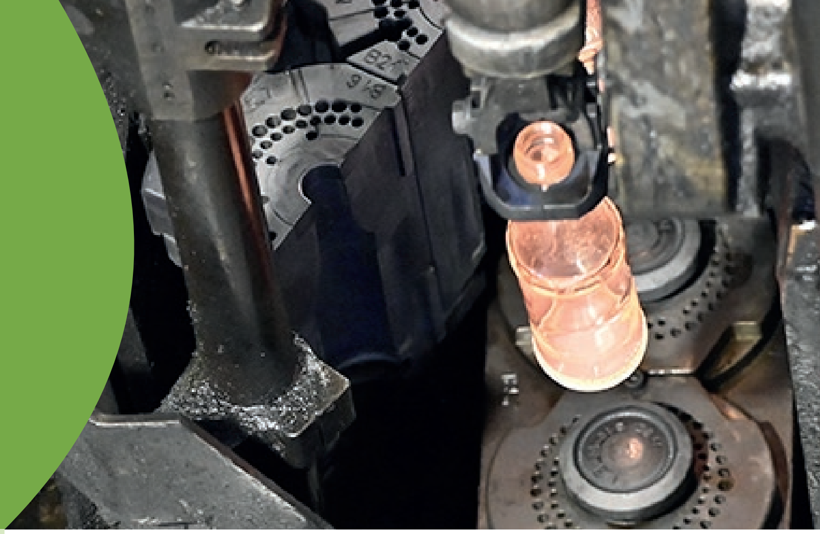
2022 MSCI (ESG) rating: **upgraded to "BBB"**

2022 update: **low risk (14.2)**

Part of the **CAC SBT 1.5° Index = climate-focused version** of the **CAC 40**

Since 2016 Verallia participates to the United Nations Global Compact and commits itself to adapt its strategy and activities to the principles of human rights, work, environment and prevention of corruption and to take measures for the progress of the company's objectives.

OUR BUSINESS MODEL



Our resources

EMPLOYEES WHO CREATE VERALLIA'S SUCCESS

- More than **10,000 employees***
- **4 shared values**: customer care; respect for people, laws and the environment; empowerment and accountability; teamwork
- **177** job functions [1]
- **1,436** employees recruited in 2022, including **407** women (29%)
- **11%** managers and executives

WORKPLACE SAFETY

- Work accident frequency rate (TF2): **3.6** [2]

PARTNERS WHO SHARE OUR VALUES

- FEVE: European Container Glass Federation
- Ellen MacArthur Foundation
- Bpifrance

AN INTERNATIONAL INDUSTRIAL PRESENCE*

- **34** glass production plants
- **63** furnaces
- **12** cullet treatment centres
- **5** decoration plants
- **5** technical centres
- **12** development centres

A COMMUNITY PLAYER

- **More than 330 employees** in the sales teams [3]

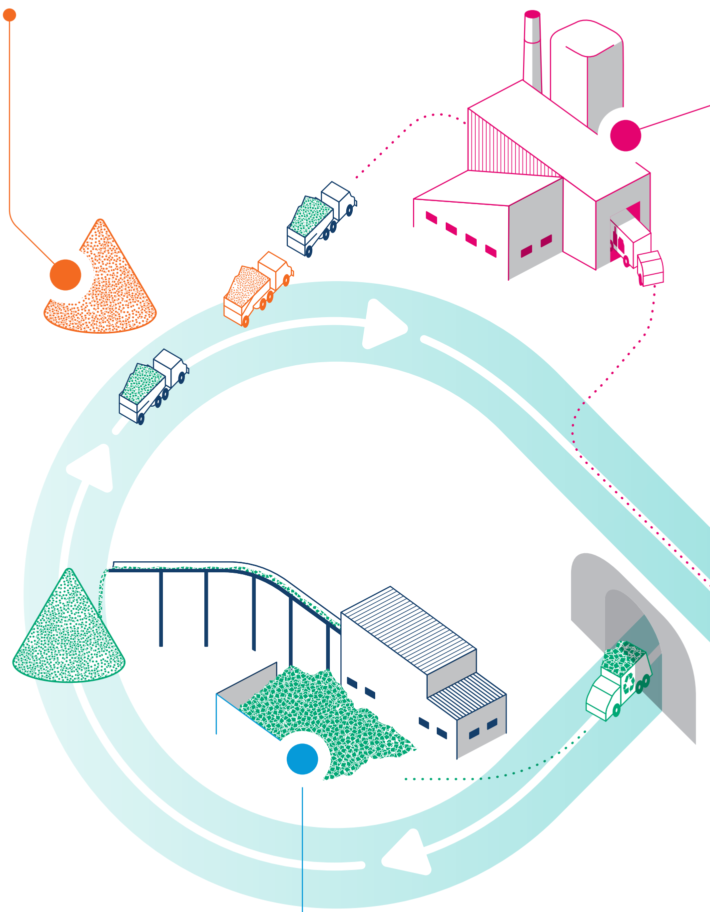
OUR RESOURCES

- **55.7%** external cullet use

(1) The 177 trades are divided into different categories, including: technical/production, sales, R&D, purchasing, supply chain, HSE, HR, legal, CSR, audit and internal control, finance.
(2) TF2 represents the work accident frequency rate with or without lost days per million hours worked.
(3) Functions identified in the sales and marketing divisions.
* including Allied

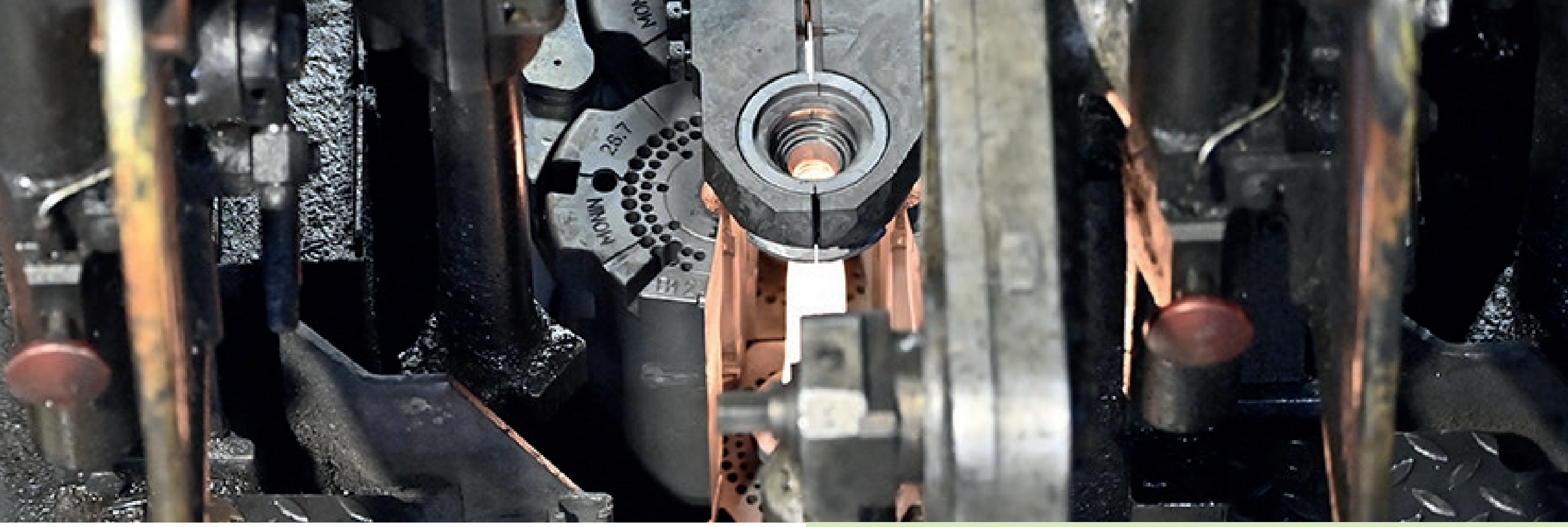
Our 2022 sustainable business model:

Extraction and transformation of raw materials (sand, limestone, soda ash)



55.7% external cullet used in our production

Transformation of collected glass into cullet through the recovery of domestic glass in Verallia or partner processing plants

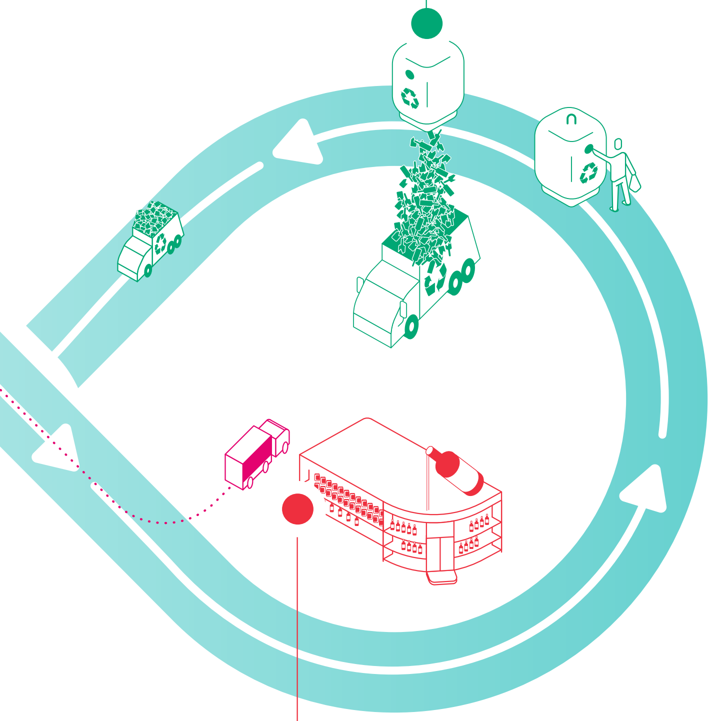


at the heart of the circular economy

approx.
17
billion bottles and jars produced

Eco-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*

- **€356 million** in net income
- **€1,067 million** in equity
- **€331 million** in cash and cash equivalents
- **€538 million** in operational cash flow

CUSTOMERS

- **€3.4 billion** in revenue
- Approx. **17 billion** bottles and jars produced
- **16.7%** sales of the Ecova range (4)

EMPLOYEES

- **€559.4 million** in salaries paid (with social security contributions) (5)
- Employer's contributions: **approx. €142 million** or 25%

SUPPLIERS

- **€2.18 billion** in operating purchases
- **€367 million** in capital expenditure

INVESTORS

- **€123 million** in dividends
- **€1.05** per share
- **€8.4 million** in share buybacks

SPECIAL ATTENTION TO THE ENVIRONMENT

- Water consumption: **0.47 m³/tpg (-11% vs. 2021)** (6)
- Energy consumption: **1.8 MWh/tpg**
- Proportion of non-glass waste recycled in the glass production plants: **75%** (7)
- CO_2 emissions: **2,756 kt Scopes 1 & 2 (-2.7% vs. 2021)** (8)

* *including Allied as from 08.11.2022.*
(4) *Sales of the Ecova and EGO ranges as a proportion of total sales.*
(5) *including employee benefits (profit sharing), excluding temporary staff.*
(6) *tpg = tonne of packed glass or "tonne of good glass": 1 tonne of packed glass corresponds to 1 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.*
(7) *Including waste linked to furnace rebuilds.*
(8) *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 2022 HIGHLIGHTS

17 March

Verallia makes a commitment towards glass reuse by publishing a white paper and holding its first “Re-use Lab” event on the topic

27 April

Verallia uses International Design Day as an opportunity to present the trends expected in the wines and spirits market in 2023

11 May

Verallia makes changes to its governance by separating the roles of Chairman of the Board of Directors and Chief Executive Officer

28 July

Verallia and Fives sign a strategic partnership agreement to build 100% electric furnaces in Cognac (France)

2 November

Verallia acquires Allied Glass, giving the Group a foothold in the United Kingdom and bolstering its position in the premium glass bottles segment catering to the spirits market

Furnace n°2 comes on stream at the Jacutinga plant (Brazil)

9 November

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. Specialty beers are also turning to glass to emphasise their premium positioning.

Following a strong upturn in activity in 2021 (with volumes sold by the Group returning to their 2019 level as soon as the third quarter), demand for the Group's products remained strong in 2022 across its end markets.

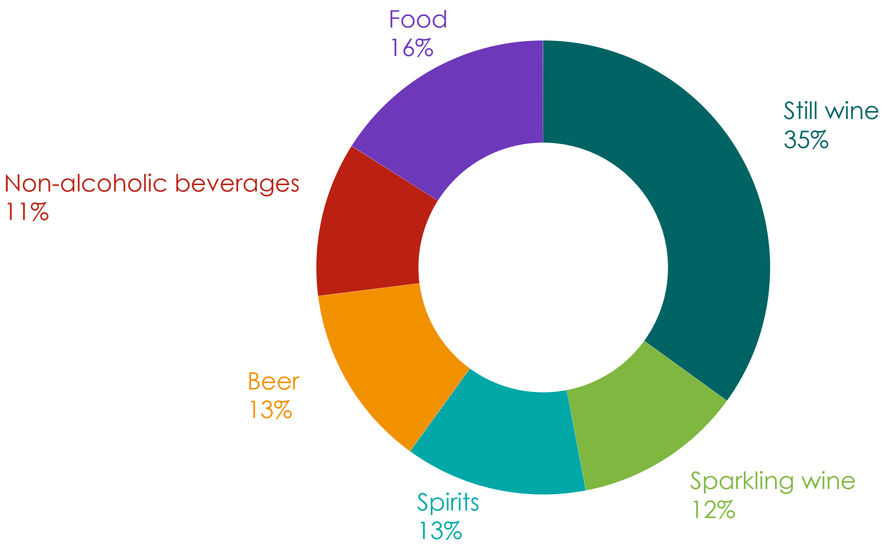
Volumes sold by the Group have remained stable overall between 2021 and 2022 due to capacity constraints (with a greater number of furnaces repaired in 2022 compared to 2021 and the new Jacutinga furnace in Brazil coming on stream only at the end of the year). Volumes have gone up in premium segments (notably sparkling wines and spirits), where demand growth proved very strong.

The sustained demand for the Group's products has however enabled it to pass the sharp increase in costs (especially energy and raw materials) to its customers and to record 26.5% of organic growth (22.4% excluding Argentina) in 2022. The acquisition of Allied Glass, the UK's leading producer of premium bottles notably for premium spirits has enable the Group to strengthen its exposure to the premium segment and to the fast-growing high end gin and whisky 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 2022 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 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 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 2022.

Distribution of revenue by end market
Financial year ended 31 December 2022



Still and sparkling wines

The still and sparkling wine bottle market is the Group's largest market, which represented 47% of its consolidated revenue for the year ended 31 December 2022. 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-19 pandemic 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. This trend continued into 2022, notably in the high end wines segment, albeit in a less pronounced manner due to the impact of a strong inflation and difficult geopolitical environment.

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 strongly in 2020 and retreating sharply in 2021, in France in particular, the bag-in-box format for still wines has overall stabilized in 2022.

Containers for spirits

Containers for spirits represented 13% of the Group's consolidated revenue for the year ended 31 December 2022.

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. This trend has broadly continued into 2022, another year of strong growth.

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.

Beer

Beer bottles represented 13% of the Group's consolidated revenue for the year ended 31 December 2022.

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.

Bottles for soft drinks

Bottles for soft drinks represented 11% of the Group's consolidated revenue for the year ended 31 December 2022.

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. The Group's activity in this end market remained contrasted in 2022.

Jars and bottles for food

Jars and bottles for food represented 16% of the Group's consolidated revenue for the year ended 31 December 2022.

The food jar and bottle market consists of a very large number of niche markets, including traditional jams and yogurts, 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 before shrinking in 2021, evolved positively in 2022. Nevertheless, the Group believe that its operations in this segment continue to benefit from a favorable trend regarding glass compared to other 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 67% of the Group's consolidated revenue for the year ended 31 December 2022; (ii) Northern and Eastern Europe, consisting of the production sites located in Germany, Russia, Ukraine, Poland and now the UK, which represented 21% of the Group's consolidated revenue for the year ended 31 December 2022; and (iii) Latin America, consisting of the production sites located in Brazil, Argentina and Chile, which represented 13% of the Group's consolidated revenue for the year ended 31 December 2022.

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 below, as well as their own specific trends.

1.1.2.1. Southern and Western Europe

Southern and Western Europe accounted for 67% of the Group's consolidated revenue for the year ended 31 December 2022.

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

In 2022, 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 2022, sales in the region increased compared to the previous year in all market segments despite overall stable volumes compared to 2021, with the Group's production sites currently running at fully capacity. In terms of demand, it is worth noting that premium markets have performed very well, notably in the sparkling wine and spirits segments.

1.1.2.2. Northern and Eastern Europe

Northern and Eastern Europe accounted for 21% of the Group's consolidated revenue for the year ended 31 December 2022.

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 2022. In 2023, spirits' share will increase through the integration of Allied Glass, which the Group acquire in November 2022 and of which spirits are the main end market.

In 2022, volumes went up slightly except in Ukraine, where activity was affected by the war with Russia and the idling of one of the two furnaces on the Group's Zorya site.

1.1.2.3. Latin America

Latin American accounted for 13% of the Group's consolidated revenue for the year ended 31 December 2022.

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 to grow in 2022, although the increase in volumes sold by the Group in these two countries remains limited overall as the Group's production sites currently run at full capacity.

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 2021) and wine (around 90% penetration in 2021), product markets in which the Group has a strong presence. Glass is also used to package beer, but to a lesser extent (70% of penetration in 2021 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 almost 70% of market shares in Europe in 2021[6].

Furthermore, the Group believes that the overall production capacity utilisation ratio in the glass packaging market during the year ended 31 December 2022 was particularly high in most geographic areas where it carries out its business operations. In Southern and Western Europe and Northern and Eastern Europe[7], the Group estimates that the internal demand for glass packaging increased more than production capacities during the 2016–2022 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 more than €100 million for one site with an annual production capacity of around 100,000 tonnes, 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.

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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 2021 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

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 Chapter 2 of 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 2022. 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 (13% of the Group's consolidated revenue for the year ended 31 December 2022). 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 (35% of the Group's revenue for the year ended 31 December 2022), bottles for sparkling wine (12% of the Group's revenue for the year ended 31 December 2022), containers for spirits (13% of the Group's revenue for the year ended 31 December 2022), bottles for beer (13% of the Group's revenue for the year ended 31 December 2022), jars and bottles for the food market (16% of the Group's revenue[9] for the year ended 31 December 2022) and bottles for soft drinks (11% of the Group's revenue for the year ended 31 December 2022).

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 2022. This presence has been reinforced with the acquisition, in November 2022, of Allied Glass, the UK's leader on the premium segment and mainly present in spirits.

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 2022.

Strong presence on premium products

A significant portion of the Group's revenue (60% for the year ended 31 December 2022) 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.

8 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.
9 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 2022.

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. The Group has expanded its portfolio of premium customers, particularly in whisky and gin, and increased its exposure to this segment with the acquisition, in November 2022 of Allied Glass, the UK's leader on the premium segment, with a very high exposure to the upmarket spirits segment.

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 2022, 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 54% of the items in its product range. The sale of the remaining 46% of items represented 5% of revenue for the same period. The margin earned on the sale of the 46% of items representing 5% of revenue is, on average, more than 8 percentage points higher than the margin earned on the sale of the remaining 54% 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. Allied Glass, which has been part of the Group since November 2022, also has a decoration business, which is widely used in the premium spirits segment on which it is focused.

On the strength of the Group's innovative capabilities and technical expertise, it has repeatedly won prestigious design awards. In 2022, the "Flute Gothic" bottle won the Packaging Oscar in Paris and the Formes de Luxe Prize at the Luxepack trade fair in Monaco. Produced by Verallia France, this bottle was selected thanks to its astute balance of innovation and eco-responsibility – an eco-design that perfectly epitomises the rural luxury image sought by our customer Domaines Paul Mas.

In 2020, the Group also won the 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 won the A'Design Award and the Italian Packaging Institute's Packaging Oscar (Quality Design category) for the Estathé glass bottle (used for 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 (specialty products) with its customers at 12 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 more than 330 people.

The Group's customer base is not very concentrated, with its top ten customers representing 17.5% of consolidated revenue and the Group's most significant customer representing approximately 5% of consolidated revenue for the year ended 31 December 2022. The concentration of customers varies depending on the markets concerned.

The customer base for still and sparkling wine bottles – the Group's largest end market in terms of revenue (47% of the Group's revenue for the year ended 31 December 2022[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 13% of the Group's revenue for each of these market segments for the year ended 31 December 2022) 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 2022) 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 team skills.

[10] Customers who placed at least one order during the 2020-2022 period.
[11] 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 2022.
[12] 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 2022.

By way of example, under this plan, more than 900 projects managed by 300 managers at the production site level are continuously being deployed by the Group, with the goal of systematically reducing cash production costs[13] by 2% per 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, based mainly on cost deployment[14], and has developed more generally 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.

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 2017–2022 period. 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 2022, the Group continued to implement these initiatives and reduced its cash production costs[17], with an impact, net of industrial gaps, of €33.9 million on the Group's adjusted EBITDA in 2022, i.e. 2.1% of its cash production costs.

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 Chapter 2 of this Universal Registration Document).

Investments that have supported the development of a dense and flexible industrial base and top-notch 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 12 countries, with 34 glass production sites comprising, as at 31 December 2022, 63 operational furnaces, 5 decoration plants, 5 technical centres, 12 product development centres and 12 cullet treatment centres (4 of which are part of a joint venture) – and the close relationship maintained with its customers by more than 10,000 employees, including sales and marketing teams with more than 330 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 2022, the Group incurred capital expenditure[18] totalling €367.0 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 €269.6 million for the year ended 31 December 2022. 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.

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, which consists in associating a cost with the different problems identified and, accordingly, taking precise measures to mitigate them.
15 This method involves addressing the causes of a problem, rather than treating its immediate symptoms.
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.

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 €20 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 2022, the Company notably invested €17 million to rebuild the furnace on the Montblanc site (Spain), €17 million to rebuild one of the furnaces on the Châlon-sur-Saône site (France), €17 million to rebuild one of the furnaces on the Bad Wurzach site (Germany), and €15 million to rebuild one of the furnaces on the Lonigo site (Italy). The Company has also announced that, in 2023, it will invest considerable amounts in similar project for rebuilding furnaces and modernising facilities, mainly in France, Italy, Germany, Portugal and Brazil.

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 €97.4 million for the year ended 31 December 2022. 22.8 million of these investments were in CO_2, €8.0 million in equipment for a sand quarry in Italy, €48.4 million in the last stages of the construction of the new furnace in Jacutinga (Brazil), commissioned in Q4 2022 to increase the Group's production capacities in response to increased demand on the Brazilian market, and €17.0 million in the first investment tranches on the Campo Bom site in Brazil (start-up scheduled for early 2024) and the Pescia plan in Italy (start-up scheduled for Q2 2024).

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

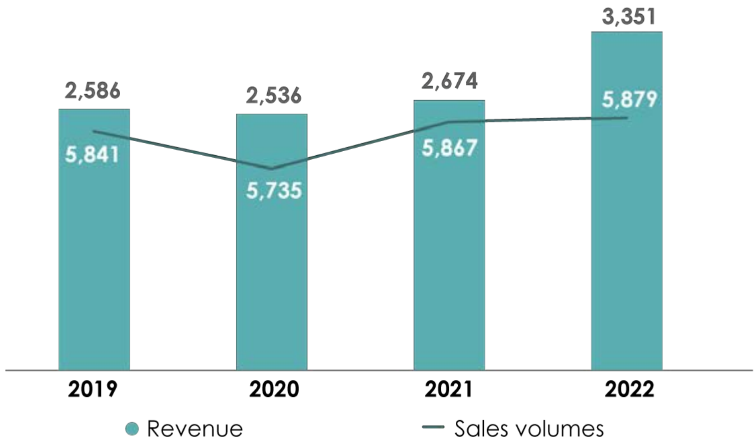
1.2.1.4. An attractive and resilient financial profile generating continuous growth of the Group’s profitability and cash flow

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

The 2016–2022 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 and gaining traction in 2022, thanks to the gradual improvement in the health context.

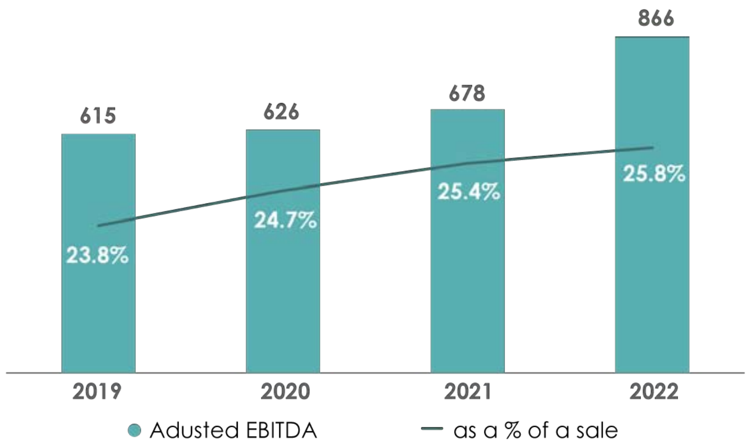
[19] The spread corresponds to the difference between (i) the increase in selling prices and the mix applied by the Group after passing any increase in production costs onto these selling prices and (ii) the increase in production costs. The spread is positive when the increase in sales prices applied 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 any production gap and the impact of the Performance Action Plan (PAP).

Trend in 2019–2022 consolidated revenue *(in EUR million)* **and sales volumes** *(in kt)*



The Group's adjusted EBITDA also recorded steady growth, with a CAGR of 12.1% over the 2019–2022 period, representing an improvement of 203 basis points in the adjusted EBITDA margin[20].

Trend in 2019–2022 adjusted EBITDA *(in EUR million)*

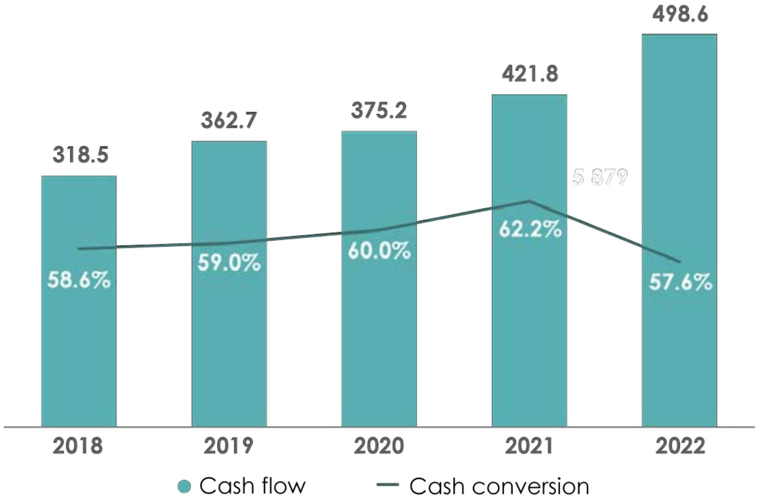


Trend in adjusted EBITDA for the last 12 months over the 2019–2022 period *(in EUR million)*[21]

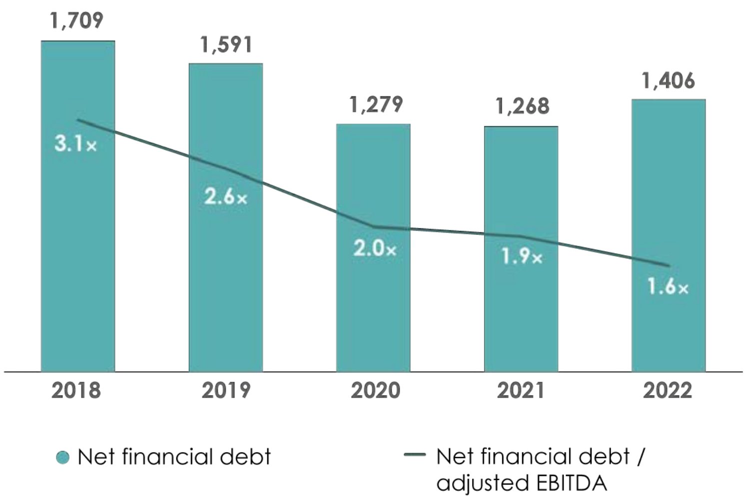
20 The adjusted EBITDA margin corresponds to the amount of adjusted EBITDA relative to revenue.
21 Including the positive impact of IFRS 16 on adjusted EBITDA as of 1 January 2019.

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 2019–2022 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)*



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 its 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, such as the recent acquisition of Allied Glass; and (iii) operations to return surplus cash to shareholders, particularly 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.

[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.

[23] Net financial debt contracted with third parties.

1.2.1.5. An experienced management team with solid industrial experience

The Group's development is led by a management team organised around Patrice Lucas, Chief Executive Officer of the Company since May 2022, and Michel Giannuzzi, Chairman and Chief Executive Officer up until May 2022 and now Chairman of the Board of Directors following this Board's decision to separate the roles of Chairman and Chief Executive Officer (see chapter 3.2 of this Universal Registration Document).

Patrice Lucas benefits from 30 years of experience in the automotive sector, having held various managerial positions in the Valeo, PSA and, more recently, Stellantis groups, both in France and internationally (Europe and Latin America in particular). Before joining Verallia, Patrice Lucas was Deputy Chief Engineering Officer of the Stellantis group, having been PSA's Executive Vice President and member of the Executive Committee in charge of the Plan, Programmes and Strategy, before taking the helm of the Latin America region.

Michel Giannuzzi also benefits from 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.

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.

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. Pursue 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.

Accordingly, the Group 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 seeks to better identify the needs of its customers that have not yet been addressed; in this respect, 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 revenue growth, the Group plans to pursue its value-creating acquisitions strategy. In this regard, the acquisition of Allied Glass in the United Kingdom was a founding step at the end of 2022. Moreover, in January 2023, the Group announced the opening of two new furnaces between 2025 and 2026, on top of the two furnaces that will be commissioned between now and 2024, and the second furnace in Jacutinga (Brazil), which was commissioned at the end of 2022. Five furnaces will thus go into operation in the space of five years in regions where demand is strongest (two in Brazil, two in Italy and one in Spain). These investments represent a total amount of more than €500 million.

1.2.2.2. Increase 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 reduction of more than 2% in cash production costs; and roll out the Verallia Industrial Management (VIM 2.0) system.

First of all, the Group intends to speed up 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 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).

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 will also continue to rigorously implement targeted action plans as part of its industrial performance action plan (PAP), notably by intensifying its comparative analysis efforts for its 34 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% a year. To this end, more than 900 projects involving approximately 300 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. Invest wisely 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.

24 Lean management method specific to production workshops, that involves the development of overall workshop management, including with respect to inventory, equipment, operations, manufacturing and treatment, and based on direct cooperation between employees and managers in order to resolve issues directly on-site and continuously improve the production process.

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

1.2.2.4. Develop 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.

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.

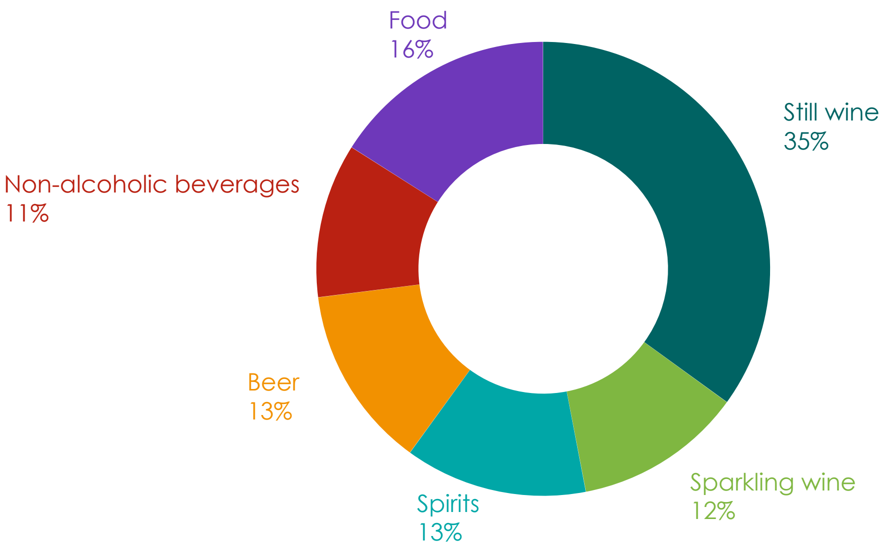
A dynamic employee share ownership policy is a strategic initiative to share the Group's profitable growth, by involving all employees in the Company's development. In this respect, as a result of the Group's seven operations launched between 2016 and 2022, more than 3,200 employees have become shareholders 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 3.8% of Verallia's share 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 financial year ended 31 December 2022, the Group produced approximately 17 billion glass bottles and jars (pro forma of the acquisition of Allied Glass) to meet the needs of a diversified customer base in the still wines, sparkling wines, spirits, food, beers and soft drinks markets and 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 2022)



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.

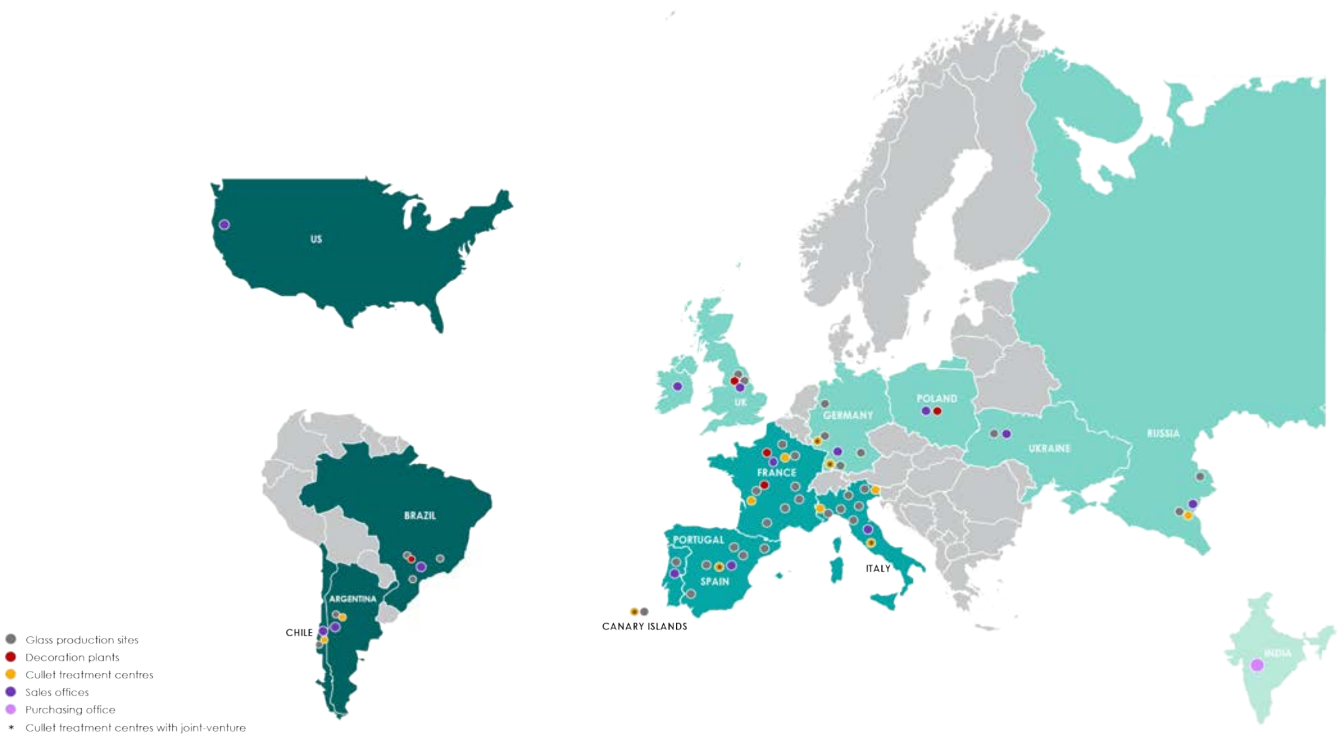
The Group's "Glo-Cal" business model is built on the strength of its international network – illustrated by an industrial presence in 12 countries, with 34 glass production sites comprising, as at 31 December 2022, 63 operational furnaces, 12 cullet treatment centres (4 of which are part of a joint venture), 5 decoration plants, 5 technical centres and 12 product development centres – combined with the close relationship maintained with its customers by more than 10,000 employees, including sales and marketing teams comprising more than 330 employees.

[26] 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.
[27] Based on volumes sold in 2022 in Argentina, Brazil and Chile.
[28] Customers who placed at least one order during the 2020-2022 period.
[29] Based on revenue earned exclusively from the sale of jars and bottles, which represented 97% of the Group's consolidated revenue for the financial year ended 31 December 2022.

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 more than 330 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 CO_2 emissions.

The Group's production facilities and sales presence

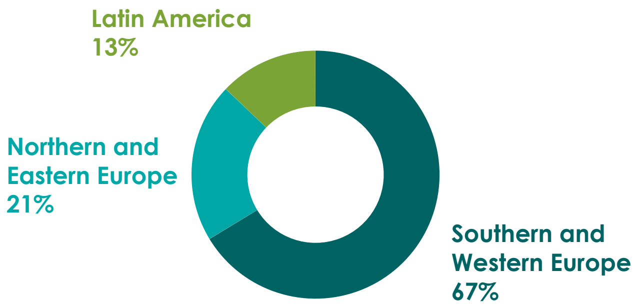


The Group's operations are organised into three segments:

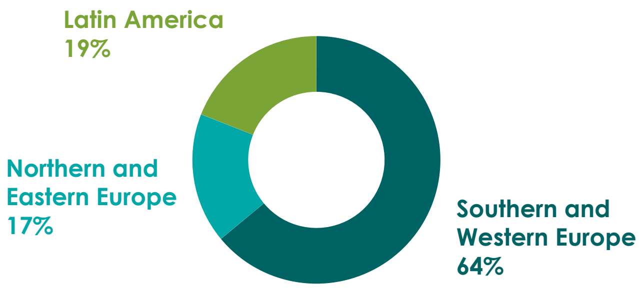
- Southern and Western Europe, comprising production sites located in France, Italy, Spain and Portugal. Southern and Western Europe accounted for 67% of consolidated revenue and 64% of the Group's adjusted EBITDA for the year ended 31 December 2022. The Group's operations in Southern and Western Europe 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, the United Kingdom, Poland, Ukraine and Russia. Northern and Eastern Europe accounted for 21% of consolidated revenue and 17% of the Group's adjusted EBITDA for the year ended 31 December 2022. 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. Since the acquisition of Allied Glass (renamed Verallia UK), operations in Northern and Eastern Europe have also been extended to the premium glass packaging market in spirits;
- Latin America, comprising production sites located in Brazil, Argentina and Chile. Latin America accounted for 13% of consolidated revenue and 19% of the Group's adjusted EBITDA for the year ended 31 December 2022. 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 2022)



Breakdown of adjusted EBITDA among the three operating segments (financial year ended 31 December 2022)



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.

Severe tensions observed in 2021 on available capacities in most of the Group's markets, particularly in Southern and Western Europe and in Latin America due to high demand, continued in 2022. In order to address changes in demand, the Group commissioned two new furnaces in 2021, one on the Azuqueca (Spain) site and the other on the Villa Poma (Italy) site. For the 2022-2024 period, three new furnace deployments have been announced, two of which in Brazil (on the Jacutinga and Campo Bom sites), and one in Italy on the Pescia site. At the end of 2022, the Jacutinga 2 furnace was successfully started. The Campo Bom 2 and Pescia 2 furnaces are scheduled to start operation in 2024; these two new furnaces will use the oxy-combustion technology, which serves to reduce CO_2 emissions by 18% compared with a traditional furnace. 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 accounted for 23% of the Group's cost of sales for the year ended 31 December 2022.

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 approximately half of raw material purchases for the year ended 31 December 2022, 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 at 31 December 2022, 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 the best price structure with its suppliers 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 2022, energy costs represented approximately 23% 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 2022, the sharp increase in energy costs adversely affected the Group's cost of sales. However, the net impact of this increase was 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). Note that the unprecedented inflation in energy costs in 2022 as a result, among other things, of the conflict in Ukraine, led the Group to repeatedly renegotiate its selling prices in Europe in order to be able to pass on this significant inflation.

The Group was able to pass on changes in its production costs to its selling prices during the 2019 to 2022 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 energy shortages and costs" and 4.1.1.4 "Risks related to changes in the price and shortages of raw materials and cullet " 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).

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 4.1.3.1 "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 acquire allowances in 2022, the Group has made forward purchases of carbon dioxide allowances on the market.

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 (23% of cost of sales for the year ended 31 December 2022), which are entirely variable; (2) energy costs (23% of cost of sales for the year ended 31 December 2022), 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 (19% of cost of sales for the year ended 31 December 2022), which are mainly fixed; (5) packaging materials (cardboard, pallets, plastic film) and freight costs (12% of cost of sales for the year ended 31 December 2022), 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.

[30] The spread corresponds to the difference between (i) the increase in selling prices and the mix applied by the Group after passing any increase in production costs onto these selling prices and (ii) the increase in 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 any production gap and the impact of the Performance Action Plan (PAP).

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, 887 projects at the production site level were rolled out by the Group in 2022. The Group applies costs optimisation measures inspired by World Class Manufacturing to all its production sites, based mainly on cost deployment[31], and has developed more generally 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.

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 for a level of investment in line with the medium-term plan (see Section 5.3.2 of this Universal Registration Document), positively impacting the Group's results between 2019 and 2022.

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.

[31] World Class Manufacturing is based on 10 pillars, one of the most fundamental of which is cost deployment, which consists in associating a cost with the different problems identified and, accordingly, taking precise measures to mitigate them.
[32] This method involves addressing the causes of a problem, rather than treating its immediate symptoms.

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 2022, ongoing sustained activity did not allow the Group to replenish its inventories to the planned extent following a significant de-stocking in the second half of 2020. Activity remained very upbeat in 2022, and the Group repaired nine furnaces in 2022 compared with six in 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 shades, 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 terroirs that lie at the foot of the Andes, Trivento is one of Argentina's most prominent wine-growing estates. This bottle, produced in our Mendoza plant, accentuates the singularity of this white Malbec wine.

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).

In collaboration with Codorniu, Verallia Espagne has launched the lightest Cava bottle on the market. Weighing 125 grammes lighter than traditional Cava bottles, this design guarantees the same strength, quality and elegance.

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.

Container sizes vary according to the market (between 5 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).

The Henkell Freixenet group entrusted Verallia with the production of its Mangaroca Coco bottle, a spirit with a Brazilian flavour.

The ergonomically shaped bottle helps bartenders make the best cocktails.

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.

Verallia Italia and 32 Via dei Birrai joined forces to renew the image of this Venetian craft brewery.

The base of the new bottle is embossed with a distinctive sign that contains all the values of the glass used: the glass stamp, created in 2020 by FEVE, "Fédération Européenne du Verre d'Emballage" (European Federation of Packaging Glass).

Moreover, this elegant, minimalist bottle is inclusive with its Braille writing.

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.

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.

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.

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.

This Cabernet Sauvignon is produced in the renowned Maipo Valley in Chile.

With its stony soils with very good drainage, combined with a Mediterranean-like climate influenced by the mountains, the result is a high quality wine with great structure and elegance.

Concha y Toro put their trust in Verallia to showcase this prestigious wine.

Mobile bottling

The Group has 15 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. The app continues to be updated, and 2022 saw the release of a new version.

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

Selective Line is Verallia's upmarket international trademark. With more than 300 standard references, the Selective Line collection responds to the premiumisation of the markets for still and sparkling wines, spirits and beers, offering one of the largest product catalogues on the market. Our customers can choose from the bottles available in our collection or develop custom bottles with the help of our design centres.

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), Verallia Polska in Poland and Verallia UK (see Section 1.3.2.2 "Services" - "Glass packaging decoration" of this Universal Registration Document). Our ambition is to support our customers in their premiumisation strategy to effectively enhance the perceived value of their products and brands. Selective Line promotes the Group's brand image.

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 2022.

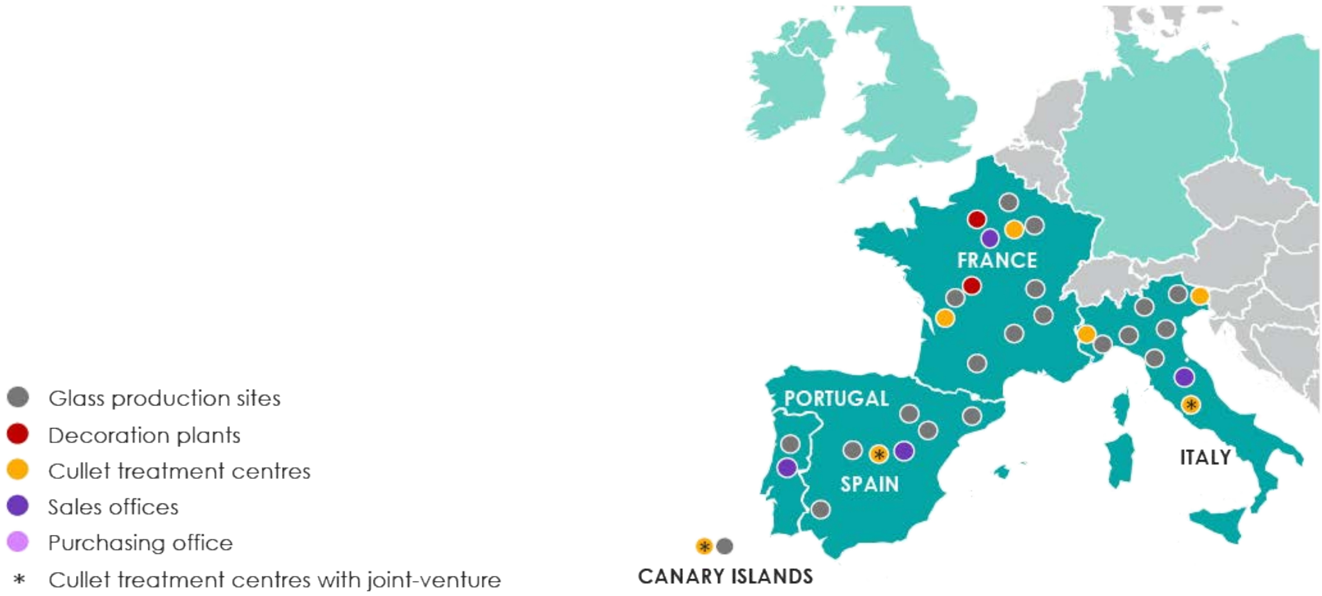
1.3.3. Operations by geographic area

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

For the year ended 31 December 2022, the Group's operations in Southern and Western Europe generated revenue of €2,236 million[33] (67% of the Group's consolidated revenue) and adjusted EBITDA of €555 million (64% of the Group's consolidated adjusted EBITDA). The Group's total capital expenditure in Southern and Western Europe for the year ended 31 December 2022 amounted to €210 million (9.4% of revenue in this segment).

As at 31 December 2022, the Group had 5,382 employees in Southern and Western Europe and operated 20 production sites and 35 furnaces, as well as 7 cullet treatment centres (including two under joint venture) and 2 decoration plants. In the year ended 31 December 2022, the volume of jars and bottles sold by the Group in Southern and Western Europe totalled 3,789 kt.

Production facilities in Southern and Western Europe as at 31 December 2022



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.

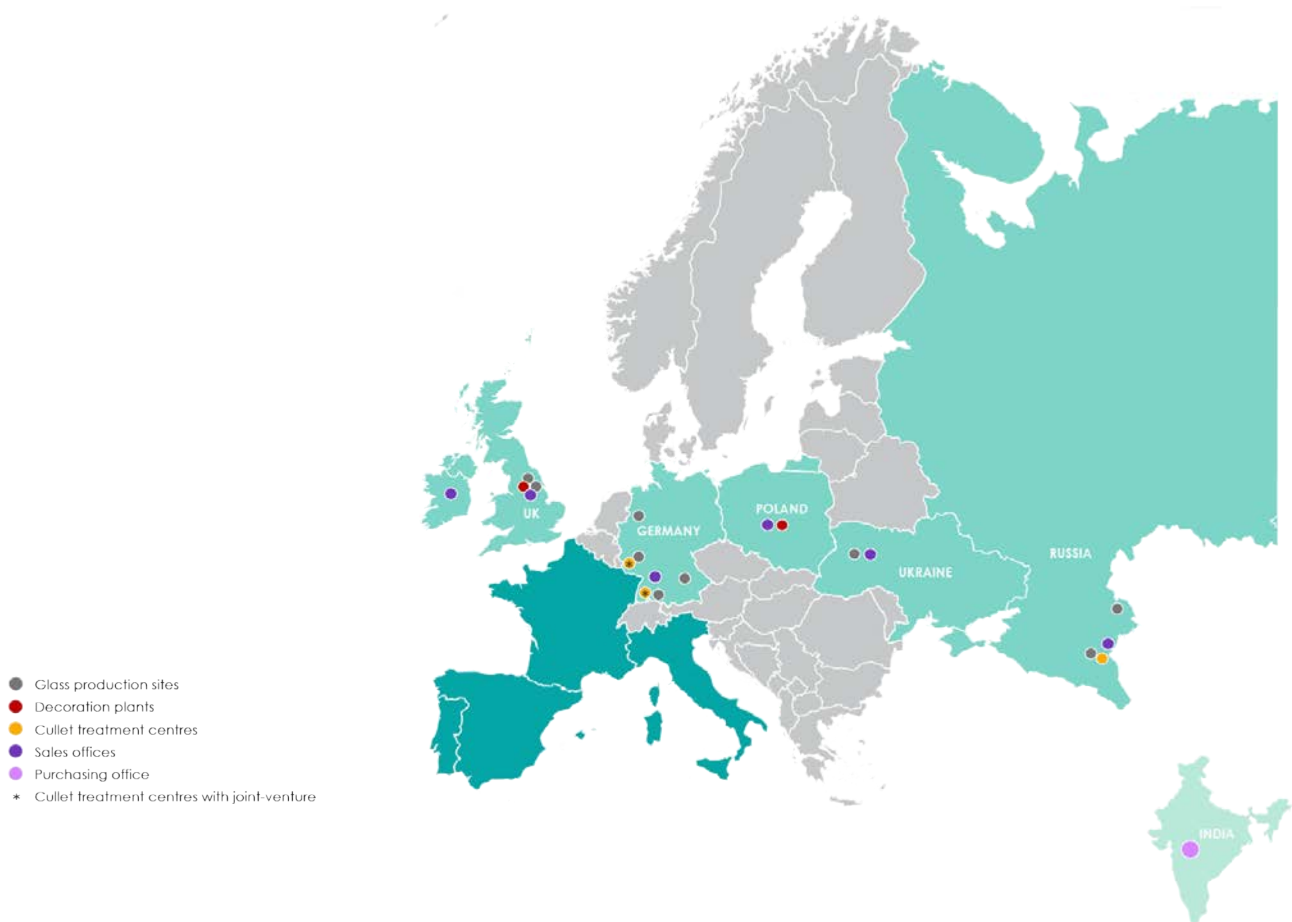
[33] Excluding inter-segment revenue.

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

For the year ended 31 December 2022, the Group's operations in Northern and Eastern Europe generated revenue of €695 million[34] (21% of the Group's consolidated revenue) and adjusted EBITDA of €147 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 2022 amounted to €73 million (10.5% of revenue in this segment).

As at 31 December 2022, the Group had 3,218 employees in Northern and Eastern Europe and operated 9 production sites and 21 furnaces, as well as 3 cullet treatment centres (including two under joint venture) and 2 decoration plants. In the year ended 31 December 2022, the volume of jars and bottles sold by the Group in Northern and Eastern Europe totalled 1,398 kt.

Production facilities in Northern and Eastern Europe as at 31 December 2022



In Northern and Eastern Europe, the Group is present in Germany, the United Kingdom, Poland, Ukraine and Russia. This region's largest geographical market in terms of revenue is Germany, where the Group operates through its subsidiary Verallia Deutschland AG and which represented 71% of the Group's revenue earned in Northern and Eastern Europe in the year ended 31 December 2022.

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

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.

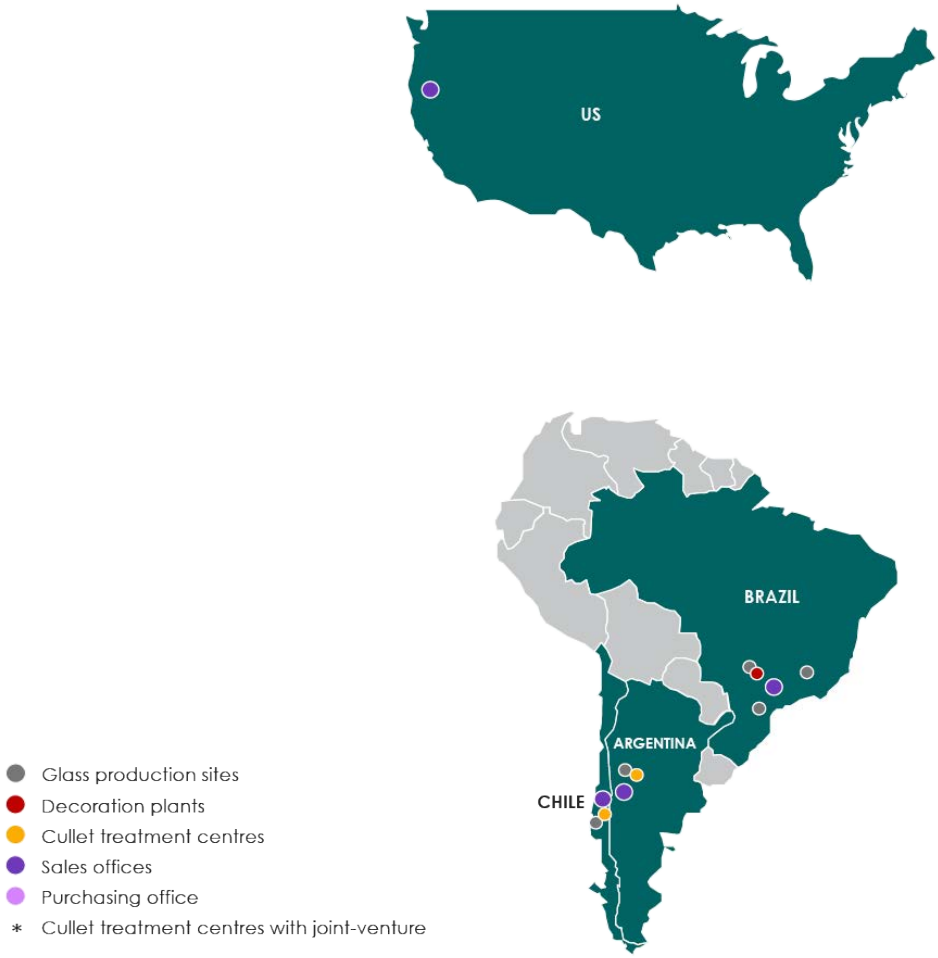
34 Excluding inter-segment revenue.

1.3.3.3. The Group's operations in Latin America

For the year ended 31 December 2022, the Group's operations in Latin America generated revenue of €420 million[35] (13% of the Group's consolidated revenue) and adjusted EBITDA of €165 million (19% of the Group's consolidated adjusted EBITDA). The Group's total capital expenditure in Latin America for the year ended 31 December 2022 amounted to €84 million (20.0% of revenue in this segment).

As at 31 December 2022, the Group had 1,408 employees in Latin America and operated 5 production sites, 7 furnaces, 2 cullet treatment centres and 1 decoration plant. In the year ended 31 December 2022, the volume of jars and bottles sold by the Group in Latin America totalled 692 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 at 31 December 2022



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 2022 amounted to €6.1 million.

1.4.1.1. Innovation in products and services

The Group has 12 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), Bad Wurzach (Germany), Dego (Italy), Gazzo Veronese (Italy), Kavminsteklo (Russia), Azuqueca (Spain), Figueira da Foz (Portugal), Normanton (United Kingdom), 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.

Selective Line is Verallia's top tier international trademark. With more than 300 standard references, the Selective Line collection represents the premiumisation of the markets for still and sparkling wines, spirits and beers, offering one of the largest product catalogues on the market. Our customers can choose from the bottles available in our collection or develop custom bottles with the help of our design centres. By analysing socio-economic trends, each year Selective Line proposes, in its trend book, innovative shapes to enhance its customers' products.

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

In this regard, the ECOVA range proposes "eco-designed" bottles and jars which are lighter and therefore more energy-efficient to produce than regular bottles, while retaining 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. For example, in 2022 Verallia launched the Cava Ecova Tradition bottle, the lightest Cava bottle in history (775gr).

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 renewed in 2022 via 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.

Our customer focus is one of our values. Since 2019, Verallia has implemented a Net Promoter Score (NPS) programme to measure customer feedback at every step in their journey. Its purpose is to improve customer satisfaction. Through automated surveys, Verallia identifies weak points and defines improvement action plans to resolve them and increase customer satisfaction.

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.

At the date of this Registration Document, the Group had approximately 36 patent families in effect or in process, most of which were obtained or applied for in a number of countries, representing a total of over 309 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. Design

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

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

1.4.2.4. Domain names

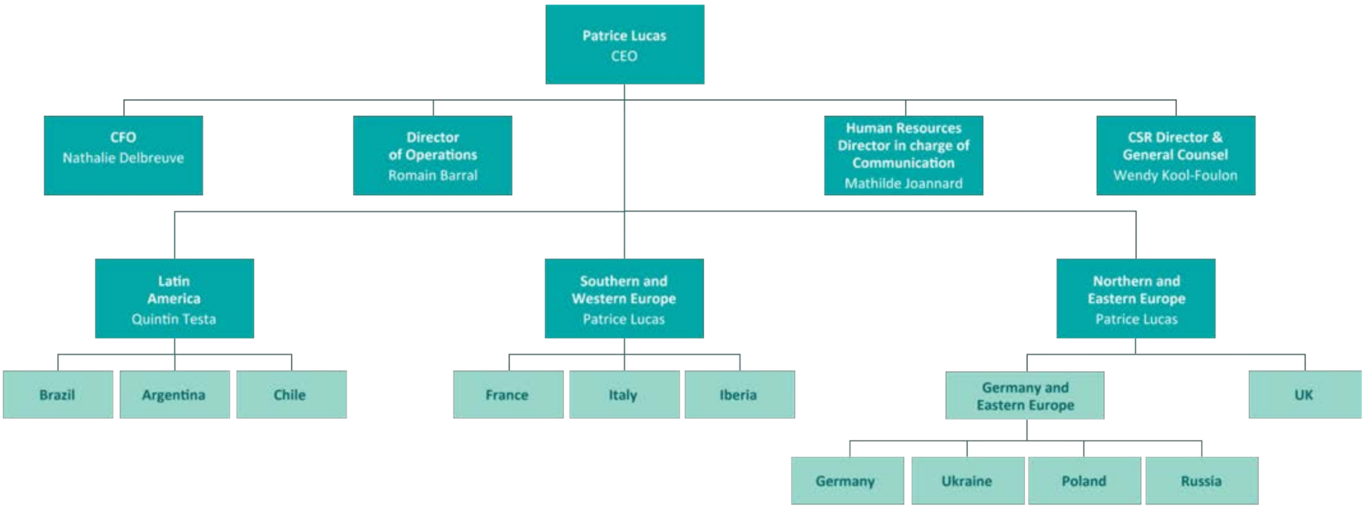
The Group has a policy of registering and obtaining licences to use and manage the domain names needed to conduct its operations. At the date of this Universal Registration Document, the Group owned or had a licence allowing it to use a broad portfolio of domain names, both active and inactive, enabling 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 at 31 December 2022



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.

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 treatment centres, accounted for approximately half of the Group's raw material purchases for the year ended 31 December 2022. 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 treatment process and increase recycling, the Group has made long-term investments in its 12 cullet treatment centres: 2 in France, operated through Everglass; 3 in Italy, 2 of which are operated through Ecoglass and one in partnership with Vetreco; 2 in Germany, operated through a joint venture known as Verre Recycling GmbH; and 2 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 Non-Financial Performance Statement appended in Annex II to this Universal Registration Document), 1 in Russia and 2 in Latin America. 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. 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 strategic 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 approximately 17 billion bottles and jars in the year ended 31 December 2022.

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.

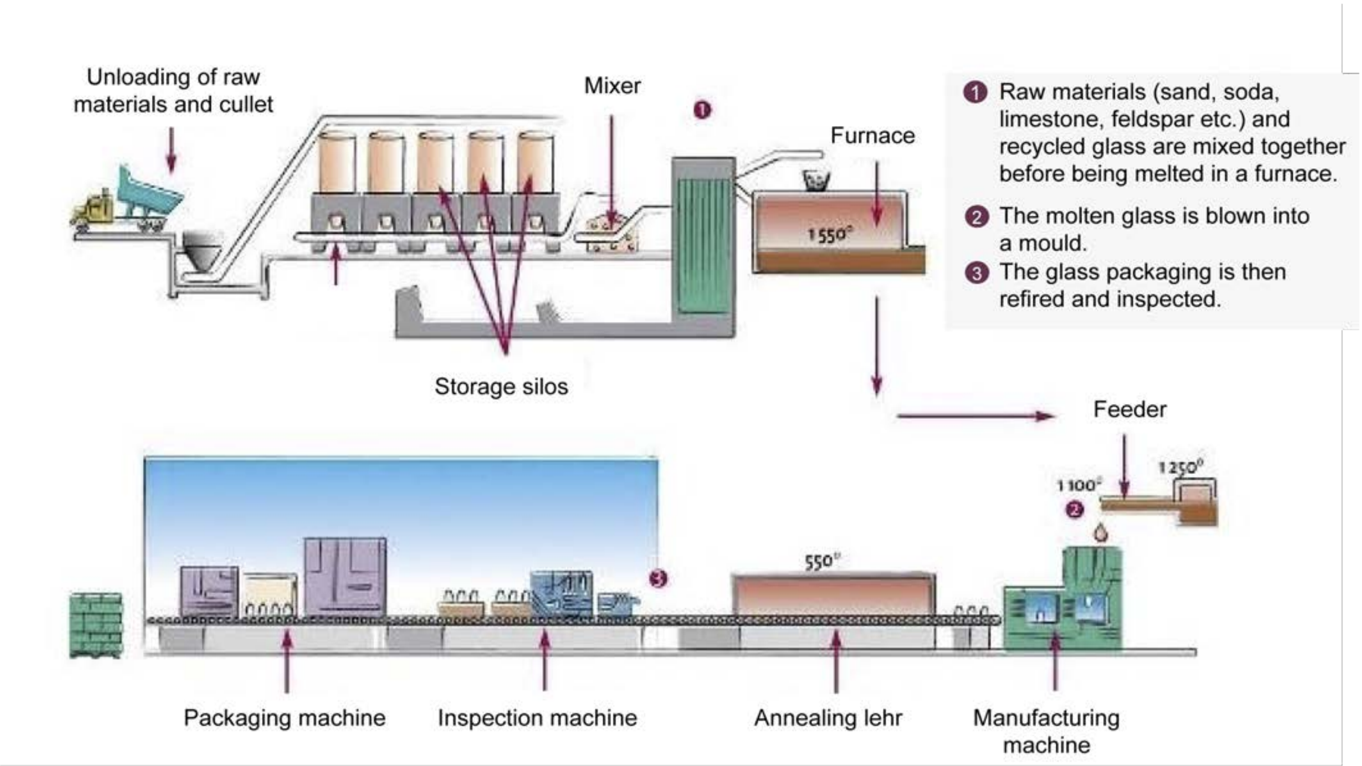
Transfer to the "hot end sector": forming and treatment of the glass:

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 34 glass production sites mainly located close to packaging areas and its main customers, equipped with 63 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 changing demand, in 2021 the Group undertook the construction of a new furnace in Azuqueca, Spain, another in Villa Poma, Italy, and another in Jacutinga (Brazil) in 2022 (see Sections 4.1.1.1 "Risks related to changes in demand for glass packaging" and 5.3 "Capital expenditure" of this Universal Registration Document). Furthermore, the Group plans to open two new furnaces in 2024: in Brazil (Campo Bom) and in Italy (Pescia); then another in Spain in 2025, and another in Italy in 2026, each on existing sites.

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. 30 of the Group’s 32 glass production sites are certified ISO 22000 (before Allied Glass' acquisition). 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 at 31 December 2022 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**	
United Kingdom	Leeds	Bottle production	2	Owner
	Knottingley	Bottle production	2	Owner
	Total United Kingdom		**4**	
Russia	Mineral'Nie Vody (KMS)	Bottle and jar production	2	- land: part owner and part 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	2	Owner
	Campo Bom	Bottle production	1	Owner
	Porto Ferreira	Bottle and jar production	1	Owner
	Total Brazil		**4**	
Argentina	Mendoza	Bottle production	2	Owner
	Total Argentina		**2**	
Chile	Rosario	Bottle production	1	Owner
	Total Chile		**1**	
Group Total	—	—	**63**	—

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. At the end of 2022, the Jacutinga plant's second furnace went into operation. Thus, as at 31 December 2022, there were 63 furnaces in service.

The Group also operates five bottle decoration centres and 12 cullet treatment centres, four of which are in partnership through the companies Ecoglass, 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.

To ensure 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. 34 production sites of the Group are 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.

Pursuant to European Council Directive 96/61 EC of 24 September 1996 on the prevention and integrated reduction of pollutants (the "IPPC Directive"), for an operating permit to be granted, the Group's facilities had to be operated such that all of the "best available techniques" were implemented to prevent pollution. 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.

[36] A "carbon leak" is a situation in which a company, in order to escape the costs related to climate policies, moves its production to another country that applies less stringent rules for limiting emissions.

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.

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 more than 330 locally based employees, who work in close collaboration with customers.

The Group believes that its understanding of local markets, customer expectations and the 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

Edito by Patrice Lucas, CEO of Verallia

At Verallia, we want our commitments to become practical realities, not to remain mere declarations of intent.

That is why we have made social and environmental responsibility central to our strategy, through the pillar "investing wisely for a sustainable future".

Our CSR ambition is based on three pillars: in addition to our ambitious roadmap on decarbonising our activities, as glass experts we must go beyond the infinite recyclability of our material to strengthen its circularity. Recyclability is obviously an excellent starting point for our industry, but it is the reuse of glass that makes it a truly sustainable product. That is why we issued a white paper devoted to reuse in 2022.*

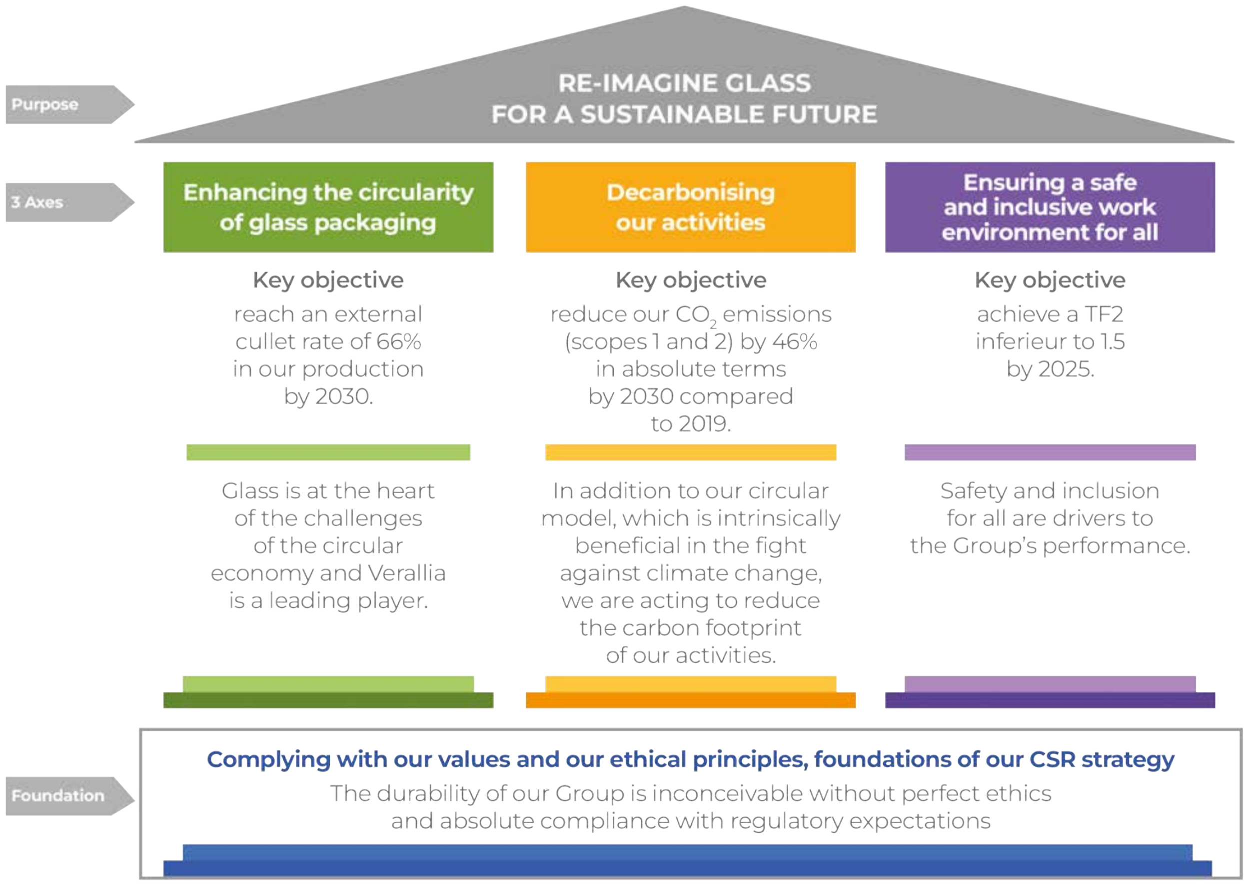
We are also working in the field of eco-design, notably by making bottles lighter. Thanks to the collective work of our R&D, production, sales and marketing teams, we were able to achieve some great successes in 2022.

Our CSR strategy also means guaranteeing a safe and inclusive work environment for all Verallia employees. This means safety above all, and 2022 was marked by a significant drop in accidents, the result of collective work and daily vigilance.

But it also concerns the quality of our products and compliance, two key factors on which the company's long-term future will be built. So our responsibility is therefore to adapt our behaviour on a day-to-day basis.

The validation in 2022 of our CO_2 emission reduction targets by SBTi, a world first for a company producing glass packaging for the food market, and the award of the EcoVadis platinum medal, which places us among the world's most virtuous companies in terms of social and environmental responsibility, are perfect illustrations of our commitment.

* Corporate social responsibility



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. The analysis was updated in 2022 to take into account evolutions in CSR issues (in particular global warming, scarcity of resources, biodiversity) and changes in the expectations of our stakeholders, who are increasingly experienced and interested. The analysis has enabled us to fuel:

- the Group's strategy;
- the vision of the Group's non-financial risks in relation to the work carried out by Verallia's financial risk compliance management.

The materiality analysis was conducted in three steps:

- identifying 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 Risk Management at Verallia Group level;
- sharing these issues with key stakeholders;
- prioritising issues by comparing the 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 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 Non-Financial Performance Statement is where changes in these different indicators are communicated, just like achievement of the objectives set.

<table>
<tr><th>Non-financial risks and opportunities</th><th>Definitions of risks</th><th>Definitions of opportunities</th><th>Correspondence to major risks</th><th>Cross-reference with the chapter from the Consolidated Non-Financial Performance Statement (DPEF)</th></tr>
<tr><td rowspan="2">Integrating the circular economy into the manufacturing of our products and the value chain</td><td><u>Risks for our businesses:</u>
- The Group and its customers are subject to different regulations related to the circular economy depending on the countries in which they operate.
- The promotion of circularity in product manufacture and the value chain may entail investment costs (new equipment, innovation, establishment of collection channels, etc.), which Verallia must keep under control.
- The Group may be confronted with market tension stemming from changes in raw material costs or shortages of raw materials (particularly cullet).</td><td><u>Opportunities for our businesses:</u>
- Improving operational processes and diversifying raw materials can reduce costs.
- Improving product circularity and above all using cullet (which is recyclable) can have a positive impact on stakeholders, especially customers.
- Developing the circular economy at Verallia could facilitate access to investment schemes if it is reflected in a good non-financial rating and the consideration of investors' expectations.</td><td rowspan="2">4.1.1.4 Risks related to changes in prices of raw materials and cullet, and shortages
4.1.3.3 Risks related to substantial investments and their financing</td><td rowspan="2">2.1.1 Be a major player in the circular economy
2.1.2 Develop eco-design for responsible products</td></tr>
<tr><td><u>Negative impacts on people and the environment:</u>
- The use of finite resources for glass production may have a negative impact on the environment, either directly (especially in relation to the Group's activities) or indirectly (on all stakeholders in the value chain).</td><td><u>Positive impacts on people and the environment:</u>
- The integration of circularity in product manufacturing and the value chain allows the Group to have a positive impact on recycling through a bottle-to-bottle approach, as well as through the reuse of glass, and as such to lessen the use of finite natural resources.</td></tr>
</table>

Non-financial risks and opportunities	Definitions of risks	Definitions of opportunities	Correspondence to major risks	Cross-reference with the chapter from the Consolidated Non-Financial Performance Statement (DPEF)
Optimising water use and reducing wastes and discharges into water, air and soil	**Risks for our businesses:** - The Group is subject to different regulations relating to waste management, water (quality and quantity of withdrawals and discharges), air emissions and soil discharges depending on the countries in which it operates. - Verallia may face reputational risks, financial risks or business continuity risks following complaints from neighbouring residents in the event of poor management of discharges and nuisances, and difficulties that may receive media coverage. Nevertheless, this risk is deemed relatively immaterial and vary considerably depending on the site. - Verallia may face a risk related to the cost of investments in infrastructure and equipment for managing effluents or air emissions, as well as their maintenance (employee training, technology monitoring, etc.).	**Risks for our businesses:** - Verallia could enjoy potential financial gains from the optimisation of water resources (treatment of wastewater, etc.) and good waste management (reduced treatment costs).	4.1.2.1 Risks related to operating industrial sites 4.1.3.1 Risks related to environmental regulations	2.1.3 Optimise water use and reduce our waste
	Negative impacts on people and the environment: - The production of toxic aqueous, solid or gaseous effluents (chemicals, fumes, VOCs, oils, etc.) can have a negative impact on the environment and human health. Although no toxic materials (products subject to the REACH regulation) are used in the manufacture of glass, products considered potentially hazardous under regulations in force may be used in plants.	**Positive impacts on people and the environment:** - Making glass from products that do not have an impact on human health or biodiversity, or which help preserve natural resources or reduce waste and discharges can have positive impacts on people and the environment.		

Non-financial risks and opportunities	Definitions of risks	Definitions of opportunities	Correspondence to major risks	Cross-reference with the chapter from the Consolidated Non-Financial Performance Statement (DPEF)
Energy efficiency and carbon footprint of our operations	**Risks for our businesses:** - The Group may be subject to climatic impacts on some of its sites due to a higher frequency of certain extreme events (e.g. storms, earthquakes, floods) or local climatic conditions impacted more durably (water stress, more frequent droughts). - The Group is subject to various environmental regulations, e.g. compliance with GHG emission thresholds, mainly in Europe (although legal obligations in this area are mounting worldwide). - There is a risk linked to the cost of investments to improve energy performance and implement the GHG emission reduction trajectory (new equipment, innovation, development of the use of low-carbon energy, etc.). It should be noted that at this stage, the price of a tonne of CO_2 has little impact for Verallia. - There is a financial risk the event of a pronounced dependence on energy sources whose price is volatile or liable to increase significantly. - Verallia may be subject to the competitive risk of alternative food packaging that is more energy efficient or has a smaller carbon footprint. **Negative impacts on people and the environment:** - The extraction of natural resources for the production of energy and the emission of greenhouse gases, whether directly (linked to activities) or indirectly (in the value chain), may have negative impacts on the environment.	**Opportunities for our businesses:** - Improving energy efficiency and diversifying energy sources in a context of heightened tension in the energy market could represent a financial opportunity. - Improving the energy efficiency and carbon footprint of our operations could facilitate access to investment schemes if that is reflected in a good non-financial rating and the consideration of stakeholders' expectations on climate challenges (e.g. TCFD, EU Green Taxonomy).	4.1.1.2 Risks related to competition from manufacturers of other types of packaging and to potential substitution of glass packaging by other materials 4.1.1.3 Risks related to energy shortages and costs 4.1.3.1 Risks related to environmental regulations 4.1.3.2 Risks related to the energy transition (CO_2 emissions reduction)	

Non-financial risks and opportunities	Definitions of risks	Definitions of opportunities	Correspondence to major risks	Cross-reference with the chapter from the Consolidated Non-Financial Performance Statement (DPEF)
Occupational health and safety	**Risks for our businesses:** - Verallia may face risks of cost overruns related to business continuity in the event of a major impact from accidents on production (insufficient staff, disorganisation of production lines, or protest movements leading to a stop in work). - Financial, legal and/or reputational risks related to non-compliance with Occupational Health and Safety (OHS) regulations and, beyond that, the guarantee of safe working conditions for employees could impact the Group. - Investors or other stakeholders could pull out in the event of an increase in accidents on Verallia sites.	**Opportunities for our businesses:** - Verallia's employer image with stakeholders and especially with employees could be strengthened by a focus on OHS challenges within the Group (e.g. ergonomics, ongoing projects to improve employees' occupational health), as this is a differentiating factor within the sector and in heavy industry.	4.1.2.3 Risks related to implementing an operational excellence programme within the Group 4.1.2.6 Risks related to occupational health and safety 4.1.5.3 Risks related to litigation and ongoing investigations, particularly in relation to occupational diseases	2.3.1 Ensure the health and safety of everyone
	Negative impacts on people and the environment: - Insufficient measures to protect the health and safety of employees, subcontractors and temporary workers could have negative impacts.	**Positive impacts on people and the environment:** - The provision by the Group of effective health and safety protection measures for employees, subcontractors and temporary workers could have a positive impact on people, both internally and externally.		
Employee engagement, inclusion, and social dialogue	**Risks for our businesses:** - Verallia may face financial, legal and reputational risks in the event of non-compliance with regulations, in particular regarding non-discrimination within the Group. - There are risks related to good operational management of operations (cost overruns, delays, even threats to business continuity) in the event of difficulties in recruiting, or high turnover or absenteeism.	**Opportunities for our businesses:** - Employee engagement, inclusion and social dialogue can be a source of opportunity by improving the company's attractiveness and helping retain employees through the promotion of inclusion and the diversification of recruitment pools, as well as through the rollout of measures aimed at fostering employee engagement (wages, well-being at work, etc.).	4.1.2.8 Risks related to social relations and human resources	2.3.2 Promote diversity and inclusion 2.3.3 Support employee skills development 2.3.4 Other social information
	Negative impacts on people and the environment: - There may be negative impacts on people in the event of non-compliance with employee rights regarding non-discrimination, well-being in the workplace, etc.	**Positive impacts on people and the environment:** - There may be positive impacts on employees if the Group demonstrates a strong commitment to non-discrimination, well-being at work, etc.		

Non-financial risks and opportunities	Definitions of risks	Definitions of opportunities	Correspondence to major risks	Cross-reference with the chapter from the Consolidated Non-Financial Performance Statement (DPEF)
Social and environmental risks in the subcontracting chain	**Risks for our businesses:** - Verallia may face business discontinuity and the associated financial impacts if strategic suppliers and subcontractors mismanage their social and environmental impacts, causing them to cease their operations. - The Group may face risks relating to the tightening of regulations extending responsibility over the entire value chain. Likewise, its reputation may be impacted in the event of major incidents at the sites of subcontractors or suppliers directly associated with Verallia.	**Opportunities for our businesses:** - Creating partnerships or joint ventures with suppliers can make it possible to secure supplies, including in times of crisis, create synergies on shared challenges (joint innovation), improve the Group's image, etc.	4.1.2.7 Risks related to relations with certain strategic suppliers and subcontractors	2.4.2 Build engaging and respectful relationships with our suppliers
	Negative impacts on people and the environment: - The Group may face negative impacts in the event of a failure to ensure the health and safety of people working within the subcontracting chain, respect for people's rights, and protection of the environment within the upstream subcontracting chain.	**Positive impacts on people and the environment:** - There may be positive impacts if health and safety protection, respect for people's rights, and environmental protection are ensured in the upstream subcontracting chain.		

Non-financial risks and opportunities	Definitions of risks	Definitions of opportunities	Correspondence to major risks	Cross-reference with the chapter from the Consolidated Non-Financial Performance Statement (DPEF)
Compliance with applicable regulations, fight against corruption, personal data protection	**Risks for our businesses:** - The Group may be exposed to legal, financial and image risks in the event of non-compliance with local, national or international regulations in force (anti-corruption, competition law, intellectual property, tax evasion, GDPR, etc.). Exposure to risks related to personal data protection are also intensifying due to the tightening of regulations on data protection. - The Group's image may be exposed to risks in the event of poor management of business ethics, which may give rise to impacts on relationships with key stakeholders (business partners, institutions, suppliers, etc.), as well as to financial impacts. - There may be a risk of investor disengagement in relation to non-compliance with regulations or the existence of proven issues in respect of business ethics or data management.	**Opportunities for our businesses:** - Recognition of the quality of the Group's ethical practices could have a positive impact on the reputation of the brand in a broader sense.	4.1.2.3 Risks related to geopolitics and the Group's international business 4.1.5.1 Risks related to compliance 4.1.5.2 Risks related to taxation and customs barriers	2.4.1 Complying with key legislation (corruption, competition, embargoes, personal data, information security)
	Negative impacts on people and the environment: - Non-compliance with social, environmental or human rights laws (e.g. failure to protect personal data) may have a negative impact on the Group.			

Non-financial risks and opportunities	Definitions of risks	Definitions of opportunities	Correspondence to major risks	Cross-reference with the chapter from the Consolidated Non-Financial Performance Statement (DPEF)
Cybersecurity*	**Risks for our businesses:** - The Group may be vulnerable to significant business continuity risk in the event of a major cyberattack impacting one or more of Verallia's key sites, potentially causing significant financial and image impacts. Exposure to risk in respect of digitalisation is becoming increasingly significant. - There may also be risks related to the protection of personal data, as described above under "Compliance with applicable regulations, fight against corruption, personal data protection". **Negative impacts on people and the environment:** - Cyberattack could result in negative social and environmental impacts.		4.1.2.2 Risks related to information systems	2.4.1 Complying with key legislation (corruption, competition, embargoes, personal data, information security)
Quality of our products	**Risks for our businesses:** - The Group could face critical business continuity risks in the event of non-compliance with regulations, norms and standards on the packaging of food products intended for consumption (presence of toxic substances, preservation requirements, etc.). - Verallia could face additional costs related to product quality incidents (recalls, penalties, resumption of production, treatment of non-compliant products, etc.). - Customers may be dissatisfied in the event of non-compliance with production specifications, causing financial impacts or damage to the Group's reputation. **Negative impacts on people and the environment:** - A quality issue affecting one of our products could have negative impacts on the health and safety of end consumers and on their confidence in Verallia products.	**Opportunities for our businesses:** - The Group could improve its image if the quality of the products meets stakeholders' requirements, as this can be a differentiating criterion	4.1.2.10 Risks related to defective products	2.4.3 Guarantee product quality and safety in support of customer satisfaction

* The "***Cybersecurity***" risk is less significant for the Group and stems directly from the main risk "***Compliance with applicable regulations, fight against corruption and protection of personal data***".

RSE Governance

Roles	Name of body	Main areas of work in 2022
Approval of strategy and control	Board of Directors	Reviews and monitors CSR KPIs, the Consolidated Non-Financial Performance Statement (Chapter 2, URD), the 2021 CSR Report, and the factoring contract which includes a CSR clause. Number of meetings: 7 (94% participation)
Coordination and follow-up	Sustainable Development Committee(1)	Examines the Consolidated Non-Financial Performance Statement, objectives and associated KPIs, reviews the "Re-use Lab" Forum and outlook, the "Ambition for Climate" initiative with AFEP, donations and the state of non-financial ratings, approval of the concept for an employee training plan on CSR. Number of meetings: 4
Strategy definition and implementation	Executive Committee	Follows up on the CSR roadmap, organises "Compliance Week," revises the materiality analysis, readjusts the short-term energy mix in view of the ongoing crisis in 2022. Number of meetings: 10
Implementation in all entities	CSR Department and network*	The Group CSR Department is in contact with regional CSR correspondents (2) about the CSR strategy, changes to it, and local actions. Regional correspondents are responsible for deploying Group strategy, monitoring local initiatives, and sharing "Good CSR Practices." Number of meetings: 4
Ownership	Employees	Participate in "Verallia Days" on various CSR topics: diversity & inclusion, health & safety, environment, quality, compliance. For the first time in 2022, the Group also organised an onboarding seminar for 23 international directors who had recently joined the company. During this seminar, the Group's CSR strategy was presented and brought to life through hands-on activities. Number of events: 6

(1) 5, including 1 independent member: Virginie Helias, Chairwoman of the Committee and Independent Director, Michel Giannuzzi, Chairman of the Board of Directors, Sébastien Moynot, representative from Bpifrance Investissement, Xavier Massol, Employee Representative Director, Beatriz Peinado Vallejo, Employee Shareholder Representative Director.

(2) The diversity of the positions and skills of these local correspondents (HR, EHS, Marketing, Communications) makes it possible to address all sustainable development issues. There is at least one Sustainable Development correspondent per region.

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

* Since 2022, the Group CSR Department is no longer within the scope of the Group HR Department. It is now placed under the responsibility of the CSR and legal departments.

Sustainable development as a compensation criterion

The vast majority of the employees working in plants receive compensation that includes a variable component. 64% of employees whose compensation includes a variable component (individual or collective) including one or more CSR criteria, which pertains to nearly all employees (all categories) in France, Germany, Italy and Ukraine and all managers throughout the Group.

For all management-level employees (support, industrial and commercial functions), the bonus system or variable component is the same for everyone. Two main CSR criteria are involved:

- safety (TF2)[37]
- the external cullet rate

Finally, criteria that are guidelines for awarding complimentary shares under the "Long Term Incentive Programme" also include CSR objectives:

1. Reducing CO_2 emissions.
2. Occupational gender equality index. This criterion evolved in 2022, in favour of the percentage of female managers.

[37] TF2 = Frequency rate 2 = Accidents (with and without work stoppages) per million hours worked.

These schemes testify to the Group's desire to increase each person's awareness of their individual impact on reaching common goals.

Sustainable development dashboard

Sustainable development strategy pillars	Commitments	Objective	Performance indicators	Reference year results	2022 Results	2025 Target	2030 Target
Enhancing the circularity of glass packaging	Maximise use of cullet in our products	Reach a rate of 59% in the use of external cullet in our production by 2025 and 66% by 2030	Rate of external cullet use in our glass production	49% in 2019	55.7%	59%	66%
	Develop glass reuse	Test at least one pilot reuse project in France by 2025.	Number of pilot projects	0 in 2020	0	1	
	Develop eco-design	Reduce the weight of our standard and non-returnable bottles and jars by 3% by 2025 compared to 2019.	Alpha coefficient	16 in 2019	15.9	15.5	
	Optimise water use	Reach 0.4 m3/tpg water consumption in glass plants by 2025	Cubic metres of water consumed per tonne of packed glass (tpg)	0.58 in 2020	0.47	0.4	
	Reduce waste	Reach a 75% waste recycling rate by 2025	Waste recycling rate	65.5% in 2020	75%	75%	
Decarbonising our activities	Reduce CO_2 emissions from our sites (Scopes 1& 2)	Reduce our CO_2 emissions (Scopes 1 & 2) by 46% in absolute terms by 2030 compared to 2019	Scopes 1 & 2 CO_2 emissions (kilotonnes CO_2)	3,090 kto CO_2 in 2019	2,756Kto CO_2	2,625 kto CO_2	1,669 kto CO_2
			CO_2 emissions reduction in % (Scopes 1 & 2) vs. 2019	2019	-10.8%	-15%	-46%
	Reduce Scope 3 CO_2 emissions	Maintain our Scope 3 CO_2 emissions below 40% of the Group's total emissions	Scope 3 CO_2 emissions (kilotonnes CO_2)	1,810 kto CO_2 in 2019	1,634 kto CO_2 en 2021	< 1,751 kto CO_2	< 1,112 kto CO_2
			Share of Scope 3 emissions in the Group's total emissions, in %	37% in 2019	37% in 2021	<40%	<40%
	Develop renewable or low-carbon energies	Reach 60% certified renewable or low-carbon electricity by 2025	Share of certified renewable or low-carbon electricity in total electricity consumed	34% in 2019	50%	60%	90% in 2040
	Contribute to soil regeneration	Plant at least 100,000 trees per year from 2019-2025	Number of trees planted since 2019	100,000 in 2019	413000	700,000	
Ensuring a safe and inclusive place to work	Ensure the health and safety of everyone	Aim for zero accidents and achieve TF2 < 1.5 by 2025	Accident frequency rate (with or without lost time) (TF2):	5.5 in 2019	3.6	<1.5	
	Promote diversity and inclusion	Reach 35% female managers at the Group level by 2025	Share of female managers	29% in 2019	31.3%	35%	
		Reach 4.5% employment of people with disabilities by 2025	Share of employees with disabilities	3% in 2019	3.3%	4.5%	
	Support employee skills development	Double employee share ownership by 2025 compared to 2019	Capital held by employees	2.6% in 2019	3.8%	>5%	
Complying with our ethical principles with our suppliers, clients and employees.	Comply with key regulations	Ensure that there are 0 convictions and fines in relation to key regulations	Number of convictions and fines	0 in 2019	0	0	
	Build engaging and respectful relationships with our suppliers	Reach the rate of 90% of purchases covered by the Supplier Charter by 2025	% of purchases covered by the Supplier Charter	73% in 2020	88%	90%	
	Ensure product quality and safety for customer satisfaction	Reduce the rate of customer claims by 35% by 2025 as compared to 2020	% decrease in customer claims vs. 2020	Reference year 2020	-43%	-35%	

Verallia's application of the Taxonomy

I. Integration of the Taxonomy into the Group's CSR strategy

Although the glass industry is not currently part of the eligibility benchmark, the intrinsically sustainable nature of this safe and recyclable material makes the Verallia Group a major player in sustainable development and in efforts to tackle climate change.

The Group is indeed making a major contribution to the European objectives set by the Green Deal, namely to reduce GHG emissions by 55% by 2030 and 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 decarbonise glass manufacturing and ensure its circularity.

In 2022, Verallia signed an amendment to its pan-European factoring agreement to include various environmental criteria (see Section 6.14.4 "Factoring"). Verallia is, moreover, the first company in the sector in Europe to have issued two Sustainability Linked Bonds, thus confirming the level of its commitment to sustainable development matters. The proceeds from these bond issues have been used to finance investments in low-carbon industrial assets (e.g. activity 3.6 of the Taxonomy). They amount to €1 billion and relate directly to the Group's ESG strategy, which it published in January 2021. They are indexed to the achievement of the following two objectives: an annual reduction in CO_2 emissions (Scopes 1 and 2) to 2,625 kt by 2025 (a reduction of 15% compared to 2019) and an external cullet utilisation rate of 59% by 2025 (an increase of 10 points compared to 2019). These ambitious and binding objectives were validated by the SBTi in March 2022 and are fully in line with the Group's strategy to reduce its CO_2 emissions (Scopes 1 and 2) by 2030 and increase its external cullet utilisation (see URD sections 2.1. "Enhancing the circularity of glass packaging" and 2.2. "Decarbonising our activities").

Verallia considers the new Taxonomy regulation an opportunity to highlight the sustainability of its activities and, in particular, the investments it has made in recent years. This will be done by publishing the proportion of its eligible and, subsequently, aligned turnover, capital expenditure (CapEx) and operating expenditure (OpEx) derived from products and/or services associated with economic activities that qualify as environmentally sustainable.

II. Methodological assessment

II.1. Organisational approach

The Group has put together a project team made up of members of its Financial, Strategic and M&A, CSR, Technical, Legal, Tax and Human Resources departments. This committee has worked to assess the eligibility and alignment of the Group's activities on the basis of financial information extracted from the Group's information systems (investment monitoring, consolidation data) at the annual closing date, said information having been jointly analysed and checked by local and central teams to ensure consistency with consolidated turnover, OpEx and CapEx in 2022.

N.B. The Allied company was excluded from the analysis of the CapEx numerator on account of its integration date (consolidated on 08/11/2022) and difficulties in obtaining information during the integration and annual closing processes. The CapEx corresponding to this company was included in the denominator.

II.2. Approach taken to identify financial indicators

II.2.1. Definitions of alignment indicators (KPIs)

The indicators reported by the Group (Turnover KPI, CapEx KPI, OpEx KPI) for the purposes of the European Taxonomy are strictly based on the definitions provided by the Taxonomy regulation, particularly in the delegated act referred to in Article 8 specifying the information to be disclosed by undertakings subject to the Taxonomy.

II.2.2. Determination of financial flows at Verallia (reconciliation with Taxonomy KPIs)

Turnover KPI

The Taxonomy does not yet cover glass manufacturing, so the Group has not identified any Taxonomy-eligible or Taxonomy-aligned turnover. The numerator of the Turnover KPI is zero.

Account reconciliation: the denominator of the Turnover KPI corresponds to the Group's consolidated turnover, i.e. €3,351.5 million (see section 6.1 of the current universal registration document).

KPI CapEx

In Verallia's case, certain investments are aimed at reducing the company's GHG emissions as part of its decarbonisation plan. They may be included in the categories of Taxonomy-eligible activities (see Table 1) provided in the annexes to the Climate delegated act as individual measures. The denominator for the CapEx KPI corresponds to the sum of increases in property, plant and equipment, intangible assets and rights-of-use (IFRS 16) during the period under review presented in the tables of changes (see Notes 10 and 11 of the section 6.1 of the current universal registration document), i.e. €477.7 million.

Account reconciliation: the numerator is established on the basis of financial information extracted from the Group's information systems (investment monitoring, consolidation data) at the annual closing date. This information was jointly analysed and checked by local and central teams to ensure consistency with CapEx at end-2022. In addition, the underlying of each investment line was identified and checked. There is therefore very little risk of double-counting.

KPI OpEx

Non-materiality: as was the case for financial year 2021, the Group's OpEx analysis resulted in the amount of operating expenditure (within the meaning of the Taxonomy) being identified as non-material in relation to the Group's total expenditure over the year, as its share was equal to 4.6%.

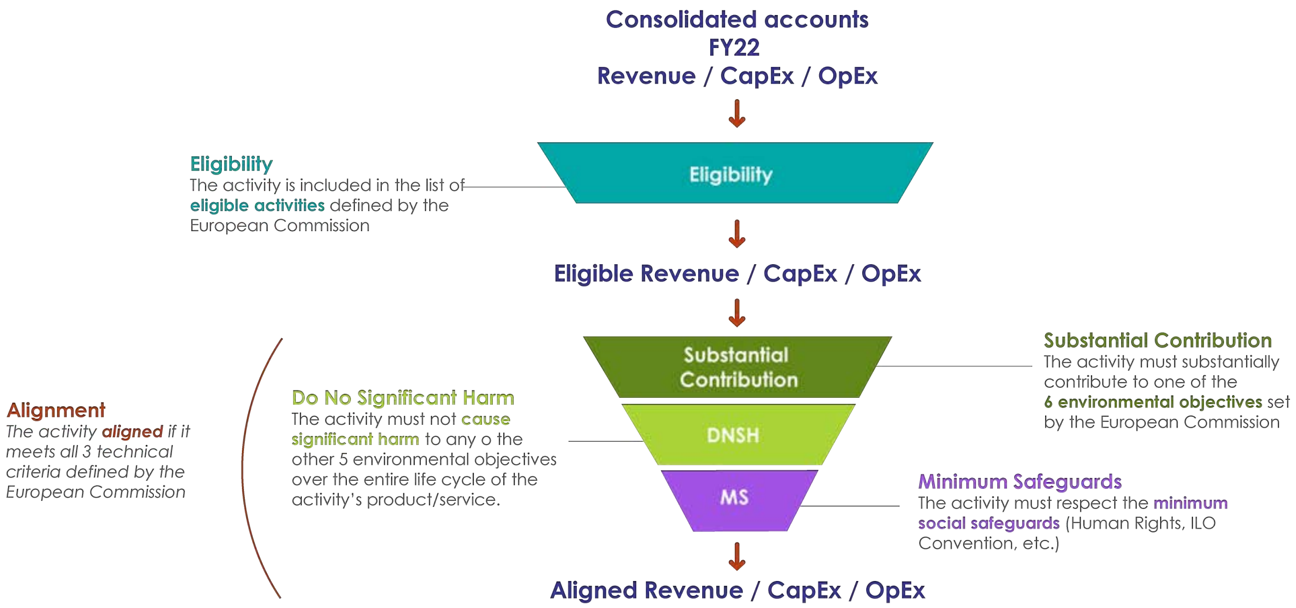
The OpEx identified mainly concerns servicing and maintenance costs and R&D costs, in small amounts compared to the Group's OpEx base in 2022.

As recommended by the European Commission, the three regulatory tables will be presented in the appendices. The tables corresponding to turnover and OpEx will be presented with an indicator based on a numerator equal to zero.

II.2.3. Methodology for assessing activities according to technical screening criteria

The Taxonomy sets out various stages for assessing the alignment of economic activities. Once eligibility has been established based on the activities described in the Climate delegated acts, each activity is then assessed based on substantial contribution and DNSH criteria. The company must also adhere to minimum social safeguards. The alignment of Verallia's investments is analysed by assessing substantial contribution according to the climate change mitigation objective and DNSH according to the other 5 objectives.

FROM ELIGIBILITY TO ALIGNMENT



Application at Verallia

Following the Taxonomy regulation, Verallia eligibility and alignment analyses are conducted regarding Substantial Contribution to Climate Change Mitigation (first objective). DNSH is assessed for the 5 remaining objectives (Adaptation, Circular Economy, Water, Pollution and Biodiversity). MS are checked for the entire organization.

Taxonomy eligibility

Taxonomy-eligible activities only concern investments (CapEx) assessed as individual measures, as mentioned in paragraph II.2.2.

Below is a list of the different activities identified as being Taxonomy-eligible based on the descriptions provided in the Climate delegated act.

Table 1: Verallia's Taxonomy-eligible investments

Taxonomy-eligible activity (according to the Climate delegated act)	Types of Verallia CapEx recognised by the Taxonomy
3.6. Manufacture of other low carbon technologies	Investments in furnaces, annealing lehrs and cullet to reduce CO_2 emissions Compressors
4.24. Production of heat/cool from bioenergy	Equipment to incorporate biofuels as energy to operate furnaces
4.25. Production of heat/cool using waste heat	Recovery of waste heat from furnaces and annealing lehrs
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	Vehicle fleet under long-term leases in Germany
6.15. Infrastructures enabling low-carbon road transport and public transport	Charging stations for electric vehicles in parking spaces
7.3. Installation, maintenance and repair of energy efficiency equipment	Installation of LED lighting Replacement of windows Replacement of heating systems
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings	Installation of energy meters
7.6. Installation, maintenance and repair of renewable energy technologies	Installation of photovoltaic panels
8.2. Data-driven solutions for GHG emissions reductions	Investments in low-CO_2 data solutions (ESIII, PDH, Energy data systems, etc.)

A. Analysis of substantial contribution and specific DNSH criteria

3.6. Manufacture of other low carbon technologies

For capital expenditure on various manufacturing processes (e.g. furnaces, compressors, etc.), the substantial contribution criterion stipulates that:

- the activity must be aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market;
- life-cycle GHG emission savings are calculated using Commission Recommendation 2013/179/EU or, alternatively, ISO 14067:2018 or ISO 14064-1:2018, and
- quantified life-cycle GHG emission savings are verified by an independent third party.

Although investments have been made in decarbonisation, not all the conditions have been met to achieve compliance with Taxonomy requirements. There is still work to be carried out in order to (i) identify the best comparable alternative ("the best performing alternative technology/product/solution available on the market"); and (ii) establish a comparative life-cycle assessment of carbon footprints (primarily Scope 3) and get it validated by a third party.

Consequently, only an eligibility analysis will be carried out on investments in low-carbon industrial and technological solutions for the financial year ended 31 December 2022. An examination of the alignment of these investments – in accordance with the corresponding financial flows during this period – will be carried out starting from financial year 2023.

4.24. Production of heat/cool from bioenergy

Verallia has invested in the equipment needed to use biofuel as an energy for operating furnaces at some of its sites.

The substantial contribution criteria for such equipment are as follows:

1. *Agricultural biomass used in the activity for the production of heat and cool complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 to 7, of that Directive;*
2. *The greenhouse gas emission savings from the use of biomass are at least 80% in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.*

As is the case for activities corresponding to "3.6 Manufacture of other low carbon technologies", investments in 4.24 activities are examined based on the eligibility analysis for financial year 2022. The corresponding investments will be examined based on the alignment criteria for financial year 2023. This is because these investments require appropriate carbon footprinting.

4.25. Production of heat/cool using waste heat

Substantial contribution

Verallia has invested in waste heat recovery and recycling systems (either through direct recycling at the process level or through recycling at the building level). Such industrial equipment meets the following criterion: "the activity produces heat/cool from waste heat".

Such investments, by definition, therefore qualify as contributing substantially to climate change mitigation.

Adaptation, Water and Biodiversity DNSH: see Section B "Generic criteria for DNSH".

- ***Circular economy***

  The equipment involved in the glass manufacturing process forms part of the procedures introduced by Verallia to promote a circular economy. End-of-life equipment is disassembled and recycled as far as possible. Durability and recyclability of equipment (made up essentially of steel, copper and cast iron) are among Verallia's acquisition criteria. On reaching its end-of-life, this equipment is dealt with through contracts with companies that specialise in managing this type of waste and that are under the obligation to recycle or reuse the material.

  Eco-design and the circular economy form an important part of Verallia's strategy (see URD Section 2.1.1 "Be a major player in the circular economy").

- ***Pollution***

  This equipment is not covered by the energy efficiency and eco-design requirements set out under current European regulations:

  When it comes to eco-design and energy labelling, the pumps and other equipment involved in recovering industrial heat from glass manufacturing processes are not included in the European registry (EPREL) listing all the products subject to energy labelling. The European Commission's action plan (2022-2024) could eventually cover such equipment.

  Equipment for recovering and recycling waste heat directly is integral to the thermal processes applied and directly combined with the furnaces. It was not possible to establish an energy classification system applying to such equipment individually (pumps, pipes, engines, etc.).

  More broadly, Verallia's plants apply the best available techniques (BAT) recommended for the glass sector.

6.15. Infrastructures enabling low-carbon road transport and public transport

Substantial contribution

Verallia has invested in charging stations for electric vehicles.

a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO_2 emissions: electric charging points, electricity grid connection upgrades, hydrogen refuelling stations or electric road systems;

Adaptation and Water DNSH: see Section B "Generic criteria for DNSH".

- ***Circular economy***

  Charging stations have been installed and required minor works. Almost all the waste – essentially inert waste - derived from the works was recycled and reused.

- ***Pollution***

  Charging stations have already been installed and the works carried out were minor. Noise pollution was minimised during the construction phase and remains very low during utilisation.

- ***Biodiversity***

  These activities were carried out in compliance with diversity requirements (see Section B "Generic criteria for DNSH"). The charging stations are located within plant premises, so the risk of a collision with wild animals is very low or even non-existent.

7.3. Installation, maintenance and repair of energy efficiency equipment

Substantial contribution

Verallia has invested in various types of equipment (lighting, windows, piping, etc.). Of the abovementioned equipment, the investments made in lighting - consisting essentially of highly energy-efficient lamps and other lighting equipment (e.g. LED) - meet the substantial contribution criterion:

(d) installation and replacement of energy efficient light sources;

and comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation.

DNSH

- ***Adaptation***

  See Section B "Generic criteria for DNSH".

- ***Pollution***

The organic substances referred to in Appendix C of the Climate delegated act (POPs, CFCs, etc.) and substances banned under the REACH regulation are not used in Verallia's glass manufacturing plants as the process it applies is essentially thermal and involves a mineral material (cullet). Verallia has adopted a supplier risk mapping tool that was developed by AFNOR, tested in 2019 and then rolled out in all of the Group's countries in 2020. Verallia's supplies covered by the regulation are REACH compliant. Verallia has drafted procedures for monitoring chemical substances at all its sites and in its value chain. The identification and management of chemicals are integral to the Group's environmental procedures. (See "Risk mapping" in Section 2 of the URD).

DNSH not applicable:

Water, Circular economy and Biodiversity.

7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings

Substantial contribution

Verallia has invested in various types of equipment (energy meters, heating meters, etc.) that adhere to the following criterion:

(a) *Installation, maintenance and repair of smart meters for gas, heat, cool and electricity;*

DNSH

- ***Adaptation***

See Section B "Generic criteria for DNSH".

DNSH not applicable:

Water, Circular economy, Pollution and Biodiversity.

7.6 Installation, maintenance and repair of renewable energy technologies

Substantial contribution

Verallia has invested in photovoltaic systems to meet its buildings' electricity needs. This renewable energy equipment complies with the following criterion:

(a) *Installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment;*

DNSH

- ***Adaptation***

See Section B "Generic criteria for DNSH".

DNSH not applicable:

Water, Circular economy, Pollution and Biodiversity.

8.2. Data-driven solutions for GHG emissions reductions

Substantial contribution

At several of its sites, Verallia has invested in technological tools for gathering and analysing its energy consumption data with the aim of optimising management of the energy used by its industrial processes. They include sensors as well as monitoring, data management and automation tools, among others. The substantial contribution criteria applicable to such equipment are as follows:

1. The Information and Communication Technology (ICT) solutions are predominantly used for the provision of data and analytics enabling GHG emission reductions.
2. Where an alternative solution/technology is already available on the market, the ICT solution demonstrates substantial life-cycle GHG emission savings compared to the best performing alternative solution/technology.

Life-cycle GHG emissions and net emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ETSI ES 203 199, ISO 14067:2018 or ISO 14064-2:2019. Quantified life-cycle GHG emission reductions are verified by an independent third party which transparently assesses how the standard criteria, including those for critical review, have been followed when the value was derived.

As is the case for activities corresponding to "3.6. Manufacture of other low carbon technologies", work is underway to carry out appropriate life-cycle assessments and get the results verified by an independent third party. Consequently, investments in 8.2 activities will only be recognised for eligibility in 2022 and the alignment of the corresponding investments will be examined for financial year 2023.

B. Generic criteria for DNSH

Biodiversity DNSH (applicable to all activities)

Impact studies of the highest standards (Directive 2011/92/EU, IFC Performance Standard 1 and local regulations) have been carried out at all of Verallia's industrial sites. The Group has the appropriate permits/authorisations from the relevant authorities, and the regulatory environment procedures at all its sites are compliant. None of its sites are located in or near biodiversity-sensitive areas. The Group plans to incorporate biodiversity risk mitigation measures into its environmental management system and implement them where necessary.

Water DNSH (applicable to all activities)

Verallia is continually rolling out its strategy for preserving water resources and managing waste, a strategy that forms part of its overall EHS policy and concerns all its glass manufacturing plants (other than Verallia UK (ex-Allied UK), as the figures for Verallia UK are not included in Chapter 2 of the URD) (see Section 2.1.3 "Optimise the use of water and packaging, and reduce our waste" of the URD). This strategy seeks to:

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

A water management system enables Verallia to comply with applicable regulations at all its manufacturing sites. Verallia's water extraction and waste water are controlled internally and externally and are compliant with water quality regulations.

Adaptation DNSH (applicable to all activities)

Verallia has reviewed and mapped the climate risks at each of its industrial sites, the main risks identified being flooding, earthquake and water resource risks. The probability of the main identified climate-related hazards occurring is deemed low or very low. The Group has set up an insurance programme covering all natural risks at each Verallia site and is continually rolling out risk mitigation measures in accordance with the recommendations issued by experts and its insurer. In addition, Verallia has launched a "risk mitigation and business continuity plan" for each site. Last of all, work is underway to officially incorporate the IPCC's scenarios into Verallia's climate-related risk analysis procedures.

C. Minimum social safeguards

For its activities to qualify as Taxonomy-aligned, an undertaking must implement procedures "to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principle on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights" (Article 18 of the Taxonomy regulation). Verallia has rolled out a series of procedures to adhere to these guiding principles. Below is a list of all the procedures and policies in place:

Table 2: Analysis of Minimum Safeguards

Theme	Criteria	Examples of Verallia's policies and procedures	URD sections
Due diligence on human rights	Verallia has set up an appropriate due diligence process to ensure respect for human rights.	All policies relating to human rights: • Group Code of Conduct/Ethics • Whistleblowing procedure (no alerts in 2022) • Suppliers Charter • Sustainable Purchasing Policy • EHS Policy • Human Resources Policy • • …	2.3.1 – Ensure the health and safety of everyone 2.3.2 - Promote diversity and inclusion 2.3.3 - Support our employees 2.3.4 - Other social information 2.3.5 - Create partnerships with our communities 2.4.1 - Complying with key regulations (corruption, competition, embargoes, personal data, information security) 2.4.2 - Build engaging and respectful relationships with our suppliers 2.4.3 - Ensure product quality and safety for customer satisfaction
Anti-corruption procedures	Verallia has set up anti-corruption processes.	• Group Code of Conduct/Ethics • Supplier Code of Conduct and Sustainable Purchasing Policy • Anti-corruption and influence peddling policy • Other procedures to comply with the Sapin II law (gift policy, conflicts of interest, etc.)	
Tax governance	Tax governance and compliance are considered important aspects of supervision, and appropriate tax risk management strategies and processes are in place.	• Group tax policy and procedures • Declaration of tax compliance and observance of economic sanctions in the URD	
Free competition procedures	Verallia keeps its employees informed of the importance of complying with all applicable competition laws and regulations.	• Guidelines for complying with competition law and Professional Associations policy	

In addition, neither Verallia nor its management (see Section 3.1.2) have to date ever been charged for violating business ethics, taxation or human rights regulations.

Verallia now has over 10,000 employees, since acquiring Verallia UK in November 2022, and began work in late 2022 to apply the Due Diligence regulation. This work will help to standardise and reinforce its procedures governing social and employee-related matters.

III. Results

III.1. Eligibility and alignment results for financial year 2022

CA

In thousands of euros				Substantial contribution						DNSH										
Economic activities (1)	Code(s) (2)	Total turnover (3)	% of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of aligned turnover in year N (18)	Proportion of aligned turnover in year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																				
Turnover derived from environmentally sustainable activities (aligned) (A.1.)	N/A	0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A	N/A
A.2. Activities eligible for the Taxonomy but not environmentally sustainable (non-aligned)																				
Turnover derived from activities eligible for the Taxonomy but not environmentally sustainable (non-aligned) (A.2.)	N/A	0	0%														0%	N/A	N/A	N/A
TOTAL (A.1. + A.2.)	**N/A**	**0**	**0%**														**0%**	**N/A**	**N/A**	**N/A**
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Turnover derived from non-Taxonomy-eligible activities (B.)	N/A	3 351 497	100%																	
TOTAL (A. + B.)	**N/A**	**3 351 497**	**100%**																	

CapEx

In thousands of euros

Economic activities (1)	Code (2)	Total capital expenditure (3)	% of capital expenditure (4)	Substantial contribution: Climate change mitigation (5)	Substantial contribution: Climate change adaptation (6)	Substantial contribution: Water and marine resources (7)	Substantial contribution: Circular economy (8)	Substantial contribution: Pollution (9)	Substantial contribution: Biodiversity and ecosystems (10)	DNSH: Climate change mitigation (11)	DNSH: Climate change adaptation (12)	DNSH: Water and marine resources (13)	DNSH: Circular economy (14)	DNSH: Pollution (15)	DNSH: Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of aligned capital expenditure in year N (18)	Proportion of aligned capital expenditure in year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																				
4.25 Production of heat/cool using waste heat	4.25	5714	1,2%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	YES	YES	YES	YES	1,2%	N/A	N/A	N/A
6.15 Infrastructure enabling low-carbon road transport and public transport	6.15	141	0,0%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	YES	YES	YES	YES	YES	0,0%	N/A	H	N/A
7.3 Installation, maintenance and repair of energy efficiency equipment	7.3	1 122	0,2%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	N/A	YES	N/A	YES	0,2%	N/A	H	N/A
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings	7.5	23	0,0%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	N/A	N/A	N/A	YES	0,0%	N/A	H	N/A
7.6 Installation, maintenance and repair of renewable energy technologies	7.6	5	0,0%	100%	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	N/A	N/A	N/A	YES	0,0%	N/A	H	N/A
Capital expenditure on environmentally sustainable activities (aligned) (A.1.)	N/A	7006	1,5%	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,5%	N/A	N/A	N/A
A.2. Activities eligible for the Taxonomy but not environmentally sustainable (non-aligned)																				
3.6 Manufacture of other low carbon technologies	3.6	19095	4,0%														0,0%	N/A	H	N/A
4.24 Production of heat/cool from bioenergy	4.24	80	0,0%														0,0%	N/A	N/A	N/A
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	6.5	363	0,1%														0,0%	N/A	N/A	T
7.3 Installation, maintenance and repair of energy efficiency equipment	7.3	490	0,1%														0,0%	N/A	H	N/A
8.2 Data-driven solutions for GHG emissions reductions	8.2	1 458	0,3%														0,0%	N/A	H	N/A
Capital expenditure on activities eligible for the Taxonomy but not environmentally sustainable (non-aligned) (A.2.)	N/A	21 486	4,5%														0,0%	N/A	N/A	N/A
TOTAL (A.1. + A.2.)	**N/A**	**28492**	**6,0%**																	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Capital expenditure on non-Taxonomy-eligible activities (B.)	N/A	449 208	94,0%																	
TOTAL (A. + B.)	**N/A**	**477700**	**100,0%**																	

OpEx

In thousands of euros

				Substantial contribution						DNSH										
Economic activities (1)	Code(s) (2)	Total operating expenditure (3)	% of operating expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of aligned operating expenditure in year N (18)	Proportion of aligned operating expenditure in year	Category (enabling activity) (20)	Category (transitional activity) (21)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																				
Operating expenditure on environmentally sustainable activities (aligned) (A.1.)	N/A	0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	N/A	N/A	N/A
A.2. Activities eligible for the Taxonomy but not environmentally sustainable (non-aligned)																				
Operating expenditure on activities eligible for the Taxonomy but not environmentally sustainable (non-aligned) (A.2.)	N/A	0	0%														0%	N/A	N/A	N/A
TOTAL (A.1. + A.2.)	**N/A**	**0**	**0%**														**0%**	**N/A**	**N/A**	**N/A**
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Operating expenditure on non-Taxonomy-eligible activities (B.)	N/A	114866	100%																	
TOTAL (A. + B.)	**N/A**	**114866**	**100%**																	

III.2. Changes from the previous year

Change in level of alignment and eligibility

This being the first year of alignment reporting, the changes essentially concern eligibility. The turnover and OpEx KPIs remained at zero due, respectively, to the Group's non-eligibility for the Taxonomy and non-materiality.

Investments in the eligible activities identified in 2021 were stepped up. In addition, certain activities were included in the 2022 eligibility base following a change to the methodology (3.6 activities, see paragraph below) or new investments (4.24 activities).

Change to the methodology

Verallia pursued its decarbonisation plan by investing in low-carbon industrial equipment, such as electric furnaces. These investments were not covered by the eligible proportion in 2021 but were included for financial year 2022. They qualified as eligible under Section "3.6. Manufacture of other low carbon technologies" for being individual measures enabling the targeted activities (downstream glass value chain) to become low carbon over their life-cycle or to achieve GHG emission reductions. They include compressors, furnaces and other equipment that could be associated with NACE codes C26, C27 or C28 referred to in the description of the activity provided in the Climate delegated act. This more in-depth analysis broadened the eligibility base of Verallia's investments.

IV. Outlook

Improvement in Taxonomy KPIs

In this paragraph we explore the issues raised by potential variations in Verallia's Turnover, CapEx and OpEx KPIs over the coming years.

The glass industry is not explicitly covered by the Climate delegated acts. Consequently, Verallia's turnover KPI is not expected to evolve at all over the coming years. A potential revision to the delegated acts in the medium term could enable this sector to assess and report on its climate-related performances within the meaning of the Taxonomy.

The figures obtained from the 2022 Taxonomy reporting process indicate that Verallia's CapEx, assessed as "individual measures", has potential for alignment. This includes, for example, investments in activities corresponding to "3.6. Manufacture of other low carbon technologies", "4.24. Production of heat/cool from bioenergy" and "8.2. Data-driven solutions for GHG emissions reductions" (corresponding to €20.6 million), which are already producing GHG reductions during the operational phase of Verallia's industrial processes. Initial analyses suggest that inclusion of the upstream and downstream phases (Scope 3) will not affect these results at all significantly. Ongoing work on the methodology should make it possible to validate the substantial contribution made by these investments to climate change mitigation – within the meaning of the Taxonomy - and improve Verallia's CapEx KPI score.

The turnover KPI is expected to remain at zero over the coming financial years, while the OpEx KPI is expected to remain non-material over the coming financial years. This assessment could change, however, if Verallia's core business were ever to become Taxonomy-eligible.

Improvements in the assessment methodology and in Taxonomy reporting

Verallia seeks to improve the integrated management of its investments and has therefore adopted a process that continually enhances governance of its non-financial data by adapting it to the criteria set out in the Taxonomy. This work will also help to improve its reporting process and consolidate the two sets of data - financial and non-financial - at appropriate degrees of granularity (e.g. industrial sites, equipment, buildings, vehicles, etc.).

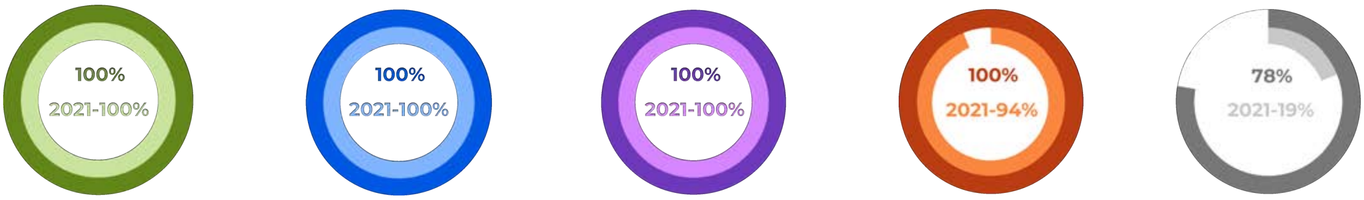
Integration of the Taxonomy into the Group's strategy and performance

Verallia's strategy takes into account the orientations of the taxonomy. Although Verallia's main activity is not explicitly covered by the Taxonomy, Verallia is rolling out its decarbonisation plan by investing in each link of the chain that has the potential to reduce GHG emissions substantially (electric furnaces and hybrid furnaces, equipment for recycling/reusing cullet, recovery and recycling of industrial heat, technologies for controlling and managing energy consumption, etc.). The Group makes use of Research and Development to develop the best techniques within the sector from an energy efficiency and decarbonisation perspective.

Finally, as part of its energy and climate management strategy, the Group is investing heavily in renewing its furnaces as well as in constructing new equipment that is more energy-efficient and therefore conducive to reducing greenhouse gas emissions, yet without being eligible for the European Taxonomy. These investments, amounting to an equivalent of €122.7 million (i.e. 26% of CapEx) in financial year 2022, have not been included in the amount of CapEx eligible for the European Taxonomy.

List of our site[38] certifications in 2022

Environment ISO 14001(1)	Health and safety OHSAS 18001 ISO 45001(2)	Quality ISO 9001(3)	Food safety ISO 22000 FSSC 2200(4)	Energy ISO 50001(5)



(1) ISO 14001 defines the criteria of an efficient environmental management system.

(2) ISO 45001 replaced the OHSAS 18001 standard as of 2022. It specifies the requirements for establishing and using a high-performing occupational health and safety management system.

(3) ISO 90001 defines the criteria applicable to a quality management system.

(4) FSSC 2200 is based on the ISO 22000 standard. It combines the food safety requirements of both distributors and manufacturers. Our Chilian site of Rosario is certified RCGS Food (Brand Reputation through Compliance of Global Standards) is an Anglo-Saxon standard aimed at the integrity of food products, as recommended by the GFSI (Global Food Safety Initiative) identical to the FSSC22000 standard.

(5) ISO 50001 defines the practical procedures for reducing energy consumption through implementation of an energy management system.

Our 2022 CSR Ratings

Ratings agencies	Description	Rating
CDP DISCLOSURE INSIGHT ACTION	With the CDP Climate Change questionnaire, corporate risks and opportunities in regard to climate change can be measured and managed. Over 8,400 companies evaluated	**A-** 13 December 2022
PLATINUM Top 1% 2023 ecovadis Sustainability Rating	The Ecovadis platform produces an evaluation report on four subjects (Environment, Social & Human Rights, Ethics, and Responsible Purchasing). Over 90,000 companies evaluated	Platinum Medal 78/100 06 January 2023
MSCI	MSCI's ESG rating aims to measure a company's resilience in face of ESG risks that are long-term and financially pertinent. This rating is mainly intended for investors. Over 17,500 companies evaluated	BBB 23 January 2023
SUSTAINALYTICS	Sustainalytics assesses a company's degree of exposure to significant ESG risks, how companies manage these risks and the significance of those that are not managed. Over 4,500 companies evaluated	**14.2 (Low Risk)** 07 March 2022

Our memberships

Organismes	Description	Date d'adhésion
United Nations Global Compact	The Global Compact initiative of the United Nations was created in 2000, and aims to encourage companies to integrate and promote human rights, international standards on work, the environment and the fight against corruption. Over 20,700 participants in 179 countries.	2016
SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	The Science Based Targets joint initiative between the CDP, the UN Global Compact, the World Resources Institute and the World Wildlife Fund provide indications to companies and financial institutions on the metrics and pace for reducing their GHG to prevent the worst effects of climate change. Nearly 4,000 members	2020 Verallia's CO_2 objectives validated in March 2022
Sedex	The Sedex organisation hosts a platform that enables sharing of responsible sourcing data from procurement chains. Over 50,000 members located in 150 countries	2016

[38] Glass plants only.

2.1. Enhancing the circularity of glass packaging

In this section

"The first step in eco-design is thinking about the primary function of packaging — protecting the product it contains — in accordance with our customers' expectations on product safety, use and image, and meeting the needs of the end consumer.

At Verallia, we approach eco-design from all its facets. Lightweighting is the first driver that comes to mind. It calls upon our glassmaking expertise to guarantee the quality and safety of lighter packaging. Other drivers are examined, such as shape redesign, how to optimise palletising, pallet recycling, as well as recycled plastic film selection to protect packaging during transport, the choice of glass colour, and so forth. This work is often a process we undertake jointly with our customers."

Alessandro Bocchio, Group marketing director

"Today, cullet is our main raw material, with a 55.7% integration rate in our production in 2022. This significant increase is the result of our commitment across the entire value chain over the past several years. Verallia's cullet treatment centres are equipped with the best sorting technologies in order to optimise sorting by colour, particularly for white cullet, which is still rare in spite of the high demand for white glass. The latest investments in joint ventures in Germany and Portugal enable us to safeguard our procurements and to benefit from the expertise of our European partners. Finally, the outstanding work undertaken in Brazil to collect glass has produced very promising results in a country where the glass collection system is not yet mature."

Stéfano Cassano, Group cullet purchasing director

Key figures

66%

external cullet rate

Target 2030

Reach an external cullet rate of 66% in our glass production by 2030.

3%

lighter

Target 2025

Reduce the weight of our standard and non-returnable bottles and jars by 3% by 2025 compared to 2019.

0.4 m^3/tpg

Target 2025

Achieve 0.4 m^3 water consumed per tonne of packed glass (tpg) in our glass plants by 2025.

Context and challenges

The circular economy represents a strategic focus for development at Verallia, both in terms of preserving resources and product innovation, and fighting climate change. This is why the actions detailed in this section pertain to all aspects of its production cycle: raw materials consumption, product eco-design, water and waste management, etc. The approach implemented fully aligns with our vision at the European level, which in France has been transposed into the AGEC (Anti-Waste for a Circular Economy) law.

Beyond any regulatory and environmental issues, the Group is duty-bound to optimise how it manages critical resources to ensure that business continues. For example, in 2022, the Group was confronted with some difficulty in procuring cullet. As a consequence of new players entering the market, availability of this resource decreased, while prices increased. Moreover, glass collection method heterogeneity between countries and even cities impacts the quality of collected glass. This is why Verallia works daily to bring together players within the sector and among the regions in order to ensure standardisation of collection processes, and in the long term, make a way to increase the quantity and quality of external cullet.

Key objectives and results

Commitments	Objective	Performance indicators	Reference year results	2022 Results	Progress vs. 2021	2025 Target	2030 Target
Maximise use of cullet in our products	Reach a rate of 59% in the use of external cullet in our production by 2025 and 66% by 2030	Rate of use of external cullet in glass production	49% in 2019	55.7%	+0.7points	59%	66%
Develop glass reuse	Test at least one pilot reuse project in France by 2025.	Number of pilot projects	0 in 2020	0	Steady	1	
Develop eco-design	Reduce the weight of our standard and non-returnable bottles and jars by 3% by 2025 compared to 2019.	Alpha coefficient	16 in 2019	15.9	-0,6%	15.5	
Optimise water use	Reach 0.4 m3/tpg* water consumption in glass plants by 2025	Cubic metres of water consumed per tonne of packed glass (tpg)	0.58 in 2020	0.47	-11%	0.4	
Reduce waste	Reach a 75% waste recycling rate by 2025	Waste recycling rate	65.5% in 2020	75%	+7 points	75%	

2022 Highlights

In 2022, Verallia endeavored to homogenize its waste processing practices at its sites across the world, in order to continue developing the circular aspect of its manufacturing. The Group carried out varied standardisation projects to improve the efficiency of waste management[39] and product end-of-life, thereby promoting reuse of recycled materials.

Various initiatives were rolled out, getting all countries involved in this circular approach to optimising resource management.

2.1.1. Be a major player in the circular economy

2.1.1.1. Governance

Roles	Name of body	Main areas of work in 2022
Strategy definition	Executive Committee	*Defines the cullet strategy, particularly pertaining to Verallia's priority areas (collection, processing, partnerships, etc.).*
	Industrial Department	*Defines investments pertaining to the cullet treatment centres.*
	Purchasing Department	*Creates a new line item for cullet, separate from the responsibility for purchasing other raw materials (sand, limestone, colouring oxides).*
Quality standardisation	Quality Department	*Rolls out a cullet standards specification to be used by all of the Group's entities and plants.*
Network organisation and strategy steering	Cullet committees	*In constant contact with Group (1) and local (2) teams.* *Number of meetings: 4. 1 per quarter, per entity.*
Support for strategy implementation	Collection committee	*Provides guidance in countries that do not yet have mature collection systems in place for cullet.* *Number of meetings: 2. 1 per semester, and whenever necessary according to strategic decisions*
Ownership	Employees	*In South America, the cullet correspondents approached local administrations to develop glass collection systems via hundreds of containers installed and managed in large cities and tourist areas. At the same time, awareness-raising actions about recycling were carried out.*

(1) Operations Director and Technical, Quality, EHS, and Purchasing Departments

(2) Chief Executive Officer, Industrial, Quality, Purchasing Departments and Verallia cullet treatment centres

2.1.1.2. 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 packaging that is 100% recyclable and can be recycled ad infinitum;
- promote glass recycling at every opportunity, both internally and externally;
- protect natural resources;
- improve our energy consumption and reduce emissions at all our production sites.

[39] The data "Waste recycling rate" 2020 = 65.5% was not audited in the previous DPEF. The reclassification of waste in 2022 may have impacted the recycling rate

Be a major player in the circular economy				
Key commitments and objectives	**Monitoring indicators**	**2022**	**2021**	**2020**
Maximise the use of cullet in our products Objective: Reach a rate of 59% in the use of external cullet in our production by 2025 and 66% by 2030 (vs. 49% in 2019).	Rate of use of external cullet in glass production	55.7%	55%	51.6%
Develop our capacity for reuse Objective: Test at least one pilot reuse project in France by 2025.	Number of pilot projects	0	0	0

With respect to the use of external cullet in our products, in 2022, Verallia achieved 55.7% of external cullet in its production, or around 1 point more compared to 2021 and 6.7 points compared to 2019 (reference year).

- In 2022, Verallia entities in Western Europe achieved 62.4% of external cullet in their manufacturing, as a result of ramped-up efforts to source cullet. A significant gap exists in collection system maturity depending on the country (79% of glass collected for recycling in Europe in 2020 vs. 25% in Brazil and 16% in Argentina). This difference naturally affects the quantity of cullet available in each country, and consequently the rate of integration of external cullet in local production.
- The following should be noted when reading the 2022 results: 55.7% of external cullet (versus 55% in 2021). The competition for sourcing cullet today is fiercer at the global level due to new players entering the market. The 2022 results remain nonetheless very positive, confirming the efforts made by all teams to make the 2025 objective of a 59% integration rate for external cullet possible in our production.

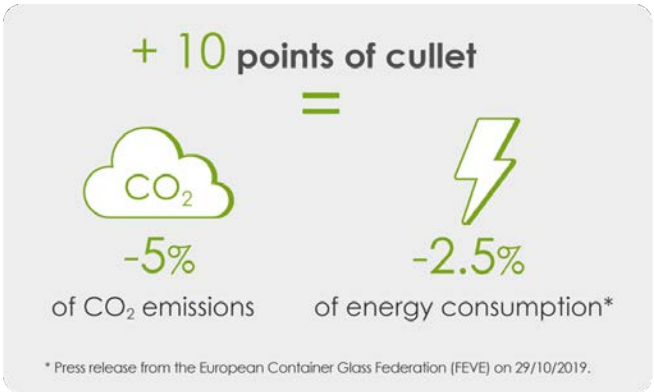
As for reuse, since 2020, our objective has been to launch a pilot project for reuse in France by 2025. Arrangements for this pilot project render several intermediary steps necessary before an official launch can occur. Here are the steps that have been completed as of the end of 2022:

- In 2020: Verallia was one of the first glassmakers to take a stand on reuse, announcing its objective for 2025.
- In 2021: Verallia has made this desire a reality, creating a new position in France for a Reuse Manager and filling this new role.
- In 2022: Verallia organised its first forum dedicated to reuse, holding the “Re-use Lab” event in Paris and publishing an original white paper on the point of view of key players in reuse on the topic.

2.1.1.3. 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. 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 for the most part, natural. **The use of cullet actually means a 2.5% reduction of a furnace energy consumption as well as 5% of carbon dioxide emissions for every 10 more points of cullet.**

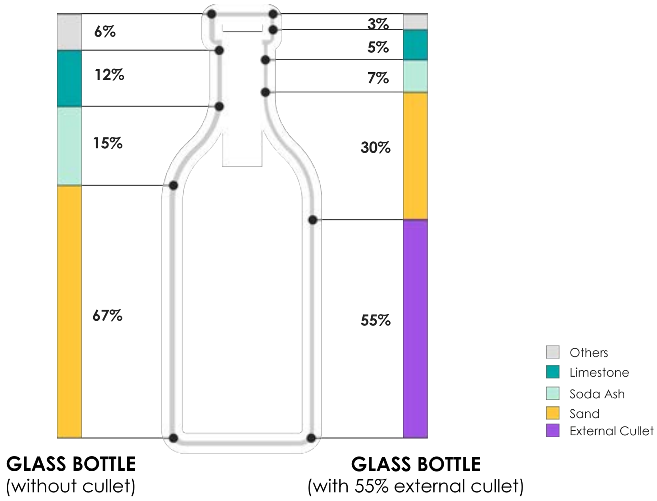


In 2022, we have worked especially on improving performance of our cullet treatment centres:

- Renovating a cullet treatment centre in Bad Wurzach, Germany.
- Optimising production in the two cullet treatment centres in France (reducing waste, improving quality, and white cullet sorting).
- Modernising the cullet treatment centre at Rosario, in Chile.

The increase in the external cullet rate between 2019 and 2022 (from 49% to 55.7%) reduced the use of virgin raw materials and reduced the energy consumption of our furnaces.

In 2022 we have integrated 393,000 tonnes of additional cullet compared to 2019, which is equivalent to 94,760 tonnes of CO_2 not emitted[40].



The percentages are given strictly for informational purposes and are subject to variation.

Invest in cullet treatment centres

Verallia is recognised for its expertise in household glass recycling. Today, the Group operates 12 cullet treatment centres, where glass coming from collection is transformed into cullet ready to furnace. Nine cullet treatment centres are located in Europe, while three others have been built inside glassmaking plants in Russia, Chile and Argentina.

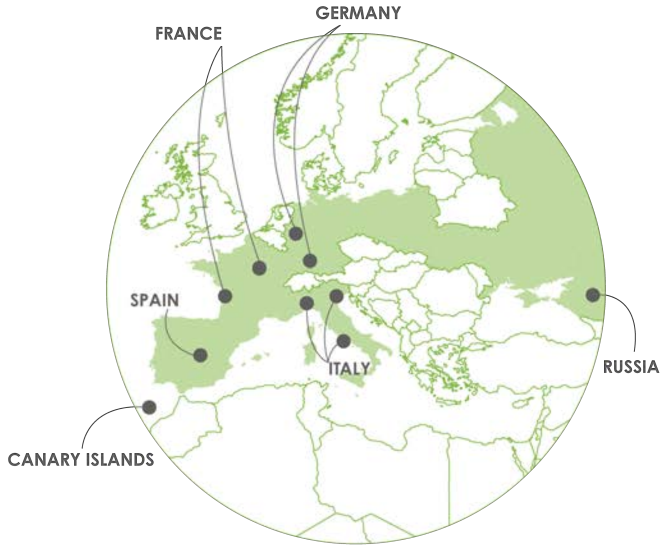
Verallia has an eye to the long term when investing in its cullet treatment centers. This involves improving the cullet processing procedure (better quality, better yield, minimum waste) and therefore increasing cullet integration into production.

In 2021, the ninth European cullet treatment centre in Koblenz, Germany[41] is the fruit of the joint venture with Remondis, one of the major players on the European market. The joint venture also covers another cullet treatment center, located in Bad Wurzach, in southern Germany. In particular, this joint venture has helped safeguard exploitation of the deposits of cullet collected near Verallia plants. It has also served to create better synergy between the two partners.

In 2022, a complete overhaul took place at the Bad Wurzach center to increase its processing capacity and improve the quality of the cullet processed. A new glass sand production line now allows usage of finest fraction of collected glass, previously considered as waste.[42].

40 Calculation based on the assumption of 100% gas furnace operation. The CO_2 reduction results from the reduction of energy and the reduction of carbonaceous raw materials.
41 This existing centre was incorporated through the joint venture.
42 The ambition of achieving ever higher rates of cullet integration, and attentiveness to the quality of the cullet used have spurred Verallia entities on improving the efficiency of its processing lines, additionally reducing total waste from cullet treatment process by 50%.

12 CULLET TREATMENT CENTRES WORLDWIDE



Share good practices across sites.

In 2022, the Quality Department implemented a project to standardise cullet quality. This project enabled the Group to deploy standard specifications across all entities and within all plants. These specifications define the limits for accepting glass according to contaminant and per type of cullet (mixed, white, amber, glass sand, etc.). The limits set forth are applicable to all divisions worldwide, as are the control parameters and procedures, with one person responsible for controls in each plant.

→ Outlook

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

- Start-up of a new cullet treatment center in the plant at Mondego, Portugal. This project is the vector for Verallia's aspirations to vertical integration, in order to better control cullet quality and secure procurement.
- In 2023, Verallia will continue to invest in cullet collection, in line with the actions carried out in 2022. This will mean installing new glass collection containers, specifically in Brazil and in Chile.
- Other investments are planned in all existing cullet treatment centers, to improve performance but also to take advantage of new processing technologies. Verallia plans to invest more than €12 million in 2023 and 2024 in this area.

2.1.1.4. Action #2: Develop glass reuse

Reuse of glass packaging is one of the levers of Verallia's CSR strategy. When the entire life cycle of glass is considered, reuse is a solution that offers great potential for reducing CO_2 emissions.

Insight on reuse:

Reusing glass packaging implies collection from end users in order to wash, then condition, it for use for the same purpose.

Glass, the perfect material for reuse: Glass is particularly well-suited to reuse because it is inert, even after several cycles of conditioning, collection and washing. It is transparent and stiff, and lends itself to automatic, efficient inspections prior to re-entry on the market for reusable glass in compliance with the highest quality standards. These unique properties mean that reusable glass packaging can undergo several dozen cycles before recycling and processing into cullet. In Germany, some well-organised reuse markets reach around 30 cycles.

Reuse, state of affairs:

Historically, the reuse has been practiced in cafés, hotels and restaurants where glass bottles are often returned for refunds. This is already well-developed among end consumers in some of the Group's geographic markets, in particular Germany and Brazil.

Reuse is only a viable model when it is apprehended in a systematic way, which is what spurs us on to work in close collaboration with all players in the ecosystem.

Our actions taken for reuse in 2022:

Our 2022 Re-use Lab:

In March 2022, Verallia organised its first forum on reuse, called the Re-use Lab. This forum was held in Paris and online. It brought together 200 participants from many different backgrounds, namely, customers from numerous markets and of all sizes, but also reuse start-ups and experts. These players were united around a common ambition – that of making reuse an economically and ecologically viable solution that remains a simple one for consumers. The programme for this special reuse day was organised into conferences and workshops led by multiple stakeholders.[43]

Our white paper:

For this event, Verallia published a white paper entitled "Re-imagining reuse for the circular economy of glass: Stakeholder Perspectives Series"[44]. This synoptic document is a world first in the glass packaging industry. It puts reuse in the spotlight, viewing it from many different angles and providing a full range of perspectives, expert opinions and data. It identifies drivers for taking action to develop glass reuse and encouraging collaboration between various stakeholders.

Our first tool for comparing the environmental impact of reuse:

At first glance, glass reuse appears to be an intuitive way to reduce the environmental impact of packaging when compared to single-use packaging. However, reusable packaging, designed to be stronger and more resistant, is heavier than single-use packaging. Comparing the environmental impact of the two systems, reuse and single-use, is naturally a question posed by our customers.

In particular, the impacts of glass reuse compared to single-use packaging depend on:

- the difference in weight between the two;
- the logistics model and the distance travelled by packaging in between two filling steps;
- the rate of return of reusable packaging.

In 2022, Verallia France created a tool for its customers, enabling them to compare the CO_2 emissions associated with single-use and reusable glass packaging options, for a given product.
For example, according to the tool, a bottle manufactured by Verallia France, conditioned in France, in the context of consumption and local washing was considered for reuse. Findings demonstrated that reuse can slash the CO_2 emissions associated with glass packaging[45] fourfold. This tool will be rolled out in 2023.

Gobi reusable water bottles

In addition to its reusable bottles, Verallia France manufactures reusable portable water bottles in glass for our customer Gobi. They assemble then sell these water bottles to consumers and companies. According to Gobi, the simple fact of using this bottle to drink water while away from the home makes it possible to prevent around 3 kg of waste per year. The impacts associated with producing this water bottle are offset after three months of use.[46]

→ Outlook

Verallia is already a part of the reuse system, as a manufacturer of reusable packaging. The Group intends to speed up glass reuse through at least one pilot project in France by 2025. For Verallia France, it's about making good use of its expertise as a glassmaker to develop an innovative, winning solution for reuse for the benefit of our customers and consumers.

In France, for example, Verallia wishes to see a new reusable reference for fruit juice and soup come into use in 2023: a reusable bottle that preserves the freshness of its contents.

The next edition of Verallia's Re-use Lab is organised in Italy on 16 March 2023.

[43] Replay available on Verallia's website: https://re-uselab.com/en/live/live-en/1b485f58d6a2bfe4cca220c7b0ae7a75ad2de999/vimeo/
[44] Available online on Verallia's website: https://www.verallia.com/re-use/en/publication/contents/templates/VERALLIA_WHITE-BOOK_EN.pdf
[45] Calculated for beer bottles, with 20 cycles for reused bottles, a difference of 20% in weight between single-use and reusable bottles, and a beverages distribution distance of 100 kilometres.
[46] Calculation performed by Gobi based on average use in France for drinking water away from the home (cups and single use water bottles, but also by taking into account previously-used recipients that are reusable).

2.1.1.5. Action #3 : Contribute to raising awareness on glass recycling and its development

Glass is a material that is 100% recyclable and can be recycled ad infinitum. The use of cullet in glass production makes it possible to limit the use of natural resources (virgin raw materials) and energy (melting down cullet demands less energy than what is needed for virgin raw materials). This sustainable circle is rooted firmly in the principles of a circular economy and also allows us to accelerate the process for decarbonising our activities. One of the fundamental links of this virtuous circle is glass collection and recycling.

Around the world, Verallia teams are mobilising to raise awareness and further develop glass recycling practices. Glass collection has reached varying stages of maturity depending on the country. In Europe, collection infrastructure is mature. Verallia is fully on board with awareness-raising projects, and partnerships with glassmaking associations in particular, to make headway on this topic. In South America, collection data are nearly a third lower. Verallia actively participates in setting up solutions for glass collection, and takes part in events that raise awareness of recycling.

Contribute to recycling household glass in Europe: A segmented approach and customer examples

In 2020, 79% of glass packaging was collected for recycling[47]. In 2018, the collection rate was 76%, and 78% in 2019. The slight, but steady, increase demonstrates a certain inertia throughout the value chain.

"Close the Glass Loop," a multi-stakeholder partnership, aims for a collection rate for glass packaging post-consumption of 90% by 2030. As a reminder, "Close the Glass Loop" is a European project that brings together all players in the glass value chain with a view to increasing the glass collection rate.

To help reach this European objective, in 2022, Verallia carried out several actions to raise awareness among the various stakeholders in the recycling chain:

- Participation in the United Nation's International Year of Glass;
- In its communications and at trade fairs throughout 2022;
- Organisation of a Glass School to raise awareness among customers and partners of the importance of recycling glass. In October 2022, a Glass School dedicated to recycling was held. Dozens of employees from one of our customers attended a glass recycling training and took a tour of the cullet treatment center in Rozet-Saint-Albin.
- Participation in local awareness-raising campaigns in elementary schools in order to reach children of younger ages;
- Co-construction of communications tools with our customers to raise awareness of glass recycling. On its yellow glass tomato sauce jar, our customer Valfrutta, in partnership with Verallia Italy, communicated the percentage of recycled glass (external cullet[48] contained in the packaging. The CO_2 emissions saved as a result of integrating 86% cullet into glass production were also indicated.

Contribute to the collection of household glass in Latin America

In Brazil, according to the national glass industries association (Abividro), only 25% of glass is recycled; 75% ends up in a landfill. Verallia's objective, in line with our purpose, is to develop new methods for glass collection in Brazil, and more broadly in the Latin American countries in which we operate, Argentina, Brazil and Chile. Alongside the excellent work already being done by cooperatives and their positive social impact, we developed the Vidro Vira Vidro program in partnership with Massfix, the Brazilian leader in glass packaging recycling. We reached the goal of installing 200 collection bins by the end of 2022. This success encourages us to aim for a bigger goal. We therefore plan to install between 500 and 700 glass collection bins by the end of 2023.

The café, hotel and restaurant sector has great potential for glass collection. We are therefore actively working on a new project for 2023 in partnership with Brazilian bars and restaurants. It aims to recover used bottles efficiently and

[47] Data published by the "Close the Glass Loop" initiative on 08 September 2022 in a press release. Data in Europe, average recycling rates for all European countries.
[48] This is the average percentage of external cullet in yellow glass jars and bottles in Italy in 2020: 86%.

enable them to be recycled or reused. We are also exploring innovative ideas on how to better provide support to the “Catadores,” or informal bottle collectors.

We will then be in a position to propose a full array of glass cullet collection options adapted to each situation. Besides the various processes for glass collection, the accent is placed on recycling education through the large events. For example, we can mention the partnership with NGO Gerando Falcoes that brought together 1,500 children and their families in the region of São Paulo. Gerando Falcoes is an NGO whose objective is to eradicate poverty in the favelas. During the events, children spent a half-day in awareness-raising workshops on topics ranging widely from citizenship to the environment.

Etienne Lainé, CO_2 & recycling project director for Verallia LATAM.

In Argentina, the Vidrio, una acción transparente programme installed 35 glass bins in Mendoza. Glass is collected throughout the year, and Verallia uses this cullet in local glass production. The program received special mention from the French-Argentine Chamber of Commerce and Industry at the “Award for Sustainability” prize ceremony. This competition rewards responsible and sustainable management initiatives.

In Chile, Verallia and its partner CV Green installed 20 collection points in the city of Rengo in 2021. This year, 165 glass bins were installed in several regions of the country. Bins were set up in public spaces, near schools, and glass was recovered regularly using geo-referencing. Verallia and CV Green also offer new collection models such as buses that pick up multiple types of materials (glass, cardboard, metal, etc.). In addition, we participate in periodic recycling events.

Partnership with glass associations

Verallia takes advantage of all events (trade fairs, launches, customer events and training, presentations in schools, packaging design competitions for student designers etc.) to encourage waste sorting and to recruit new recycling ambassadors.

Verallia works in partnership with glass associations (FEVE in Europe, ABIVIDRO in Brazil), local authorities, glass eco-organisations (Citeo in France, Ecovidrio in Spain, COREVE in Italy etc.) and cullet treatment companies.

In 2022, Verallia worked in conjunction with the European Glass Packaging Federation (FEVE) on several projects:

- Stéfano Cassano, Verallia's cullet purchasing director, chairs FEVE's Circular Economy Committee. This committee focuses its attention on lobbying actions aiming to improve glass collection systems in Europe and to replicate existing good practices.
- In view of the new European directive on packaging and waste, Verallia is working on the case for glass in order to put forth its strengths as a packaging material. Glass is endlessly recyclable and reusable, which aligns it with one of the major objectives of the European Commission: all packaging being recyclable and/or reusable.

→ Outlook

Verallia has undertaken a continuous improvement approach:

- Each country will continue to work with local players to secure the supply of cullet and ensure the best glass recycling possible (quality and quantity);
- Verallia will collaborate with local communities and customers to step up awareness-raising efforts on glass recycling and increase the collection rate in Europe and outside of Europe.
- Verallia will continue to invest in its cullet treatment centers to take advantage of the best technologies available and, in this way, optimize the quantity and quality of cullet integrated into the Group's production.

2.1.2. Develop eco-design for responsible products

Glass packaging, which is safe and inert, is a model for the circular economy because it is 100% recyclable ad infinitum. When an eco-design approach is implemented, its environmental footprint and particularly its carbon impact, can be reduced. Verallia launched its approach 10 years ago with a lightweight, eco-designed product range, and went one step further to highlight this range through the Alpha project, which began in 2021.

2.1.2.1. Governance

Roles	Name of body	Main areas of work in 2022
Performance review	Members of the Executive Committee Group Marketing Department Geographic area General Manager CEOs	*Participate in the half-yearly review and strategic steering of the project.*
Network organisation and strategy steering	Group Marketing Department	*Holds marketing meetings with the countries to track progress on reducing the standard ranges, meeting Group objectives, and sharing good practices.* *Number of meetings: 3*
Support for strategy implementation	Group R&D Department	*Provides design tools tailored to eco-design concerns (e.g., strength simulations).*
Regional roll-out	Regional Directors (1)	*Steer local decisions for each business unit and continuously monitor performance.*
	Regional Project Managers	*Manage projects and communication with all internal stakeholders.* *Participate in group meetings and share good practices.*
	Technical teams and Design Centre	*Support local project team from a technical standpoint to ensure excellent performance from the lightweight products.*
Ownership	Employees	*During the Environment Day on 21 September 2022, some plants held workshops and hosted presentations on eco-design.*

(1) 5 Regional Directors: France, Italy, Iberia, Northern and Central Europe and Latin America.

2.1.2.2. Policies & performance

In 2019, the Group set a goal of reducing the average weight of its non-returnable standard products (bottles and jars) by 3% by 2025. To track and reach this goal, several indicators were considered, the main one being the alpha[49] coefficient.

The Alpha coefficient is a reliable, standardised indicator that enables us to verify whether the bottle design has been optimised in terms of its weight. This indicator allows us to manage the lightweighting process for our non-returnable standard product ranges. Monitored at the global level, it also makes it possible to evaluate the weight/capacity ratio of glass packaging.

To achieve this goal, each year the Group's roadmap consists of defining the number of products to be lightened, the associated target weight reduction percentage, and the target alpha coefficient.

The method proposed by the Group Marketing department, was validated by the Executive Committee in 2021, and carried on in 2022. Training sessions were also organised by Group Marketing to enable the regions to appropriate the method and use of tools in particular. Progress on this project is tracked during half-yearly reviews.

Develop eco-design for responsible products				
Key commitments and objectives	**Monitoring**	**2022**	**2021**	**2020**
Develop eco-design Objective: **Reduce the weight of our standard and non-returnable bottles and jars by 3% compared to 2019** and thus achieve an Alpha coefficient of 15.5 in 2025 compared to 16 in 2019.	Alpha coefficient	15,9	16	16

In 2021, the Alpha coefficient remained stable thanks to lightening of part of the range in order to meet increased demand for more responsible products. This higher demand was counterbalanced by the launch of "heavyweight" products to satisfy the demand for 2022 shows the actual impact of our actions, with a reduction of -0,6% with respect to 2019, which lines up with the objective of further reducing to reach 3% less in 2025 sparkling wine bottles.

To make this significant weight reducing task being done at the Group level even more tangible, it should be noted that 11% of all bottles (10% for bottles and jars) were lightened in 2022. For the 100 lighter bottles, this also represents a savings of 12,800 tonnes of glass.

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

Development of our eco-designed ranges:

The objective for reducing the weight of bottles has been approved at the Group level and then rolled out in the regions. Eco-design projects and the choice of which bottles or jars to lighten is managed by the regional and country marketing departments, in collaboration with the sales and R&D teams.

Verallia offers two eco-designed ranges, Ego in Chile, and Ecova in the other markets. Other lightweighting projects will appear according to market opportunities and co-development with customers.

[49] The Alpha coefficient, 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.

Continue eco-design of sustainable products with our customers

Verallia's lightweighting records

In the world of Champagne, after first reducing weight on the Ecova I in 2009 (from 900g to 835g), another opportunity to further reduce the weight of the iconic bottle is in the process of being tested as of 2022. Verallia and its customer, the Maison Telmont launched tests to lighten the Champagne bottle from 835g to 800g, the greatest challenge being the pressure that this bottle has to withstand.

In the area of sparkling wines, Spain is continuing along its path to eco-design. In 2022, the lightest 75cl bottle of Cava ever created was launched, with a weight of 775 grammes – 125 grammes lighter than the previous version.

German beer bottles also got in on the action! In 2022, in Germany, Verallia created the lightest longneck (33 cl) bottle ever designed for the beer market for a total of 150 grammes. This is also in line with the sustainability trend for single-use bottles in markets other than Germany.

Verallia LATAM: Two eco-design successes

In Brazil, in the past we produced a bottle called Paraiba. Because of strong interest from customers and the shape of the bottle, we relaunched it in 2022 and included it in our lightweighting project line-up. The Brazilian technical team designed a version that is 25 grammes lighter (550g –>525g) with good industrial performance.

In Argentina, Verallia is also launching eco-designed wine bottles for the premium segment. The "Natasha" Bordeaux-style bottle is a reference to the queen of the harvest festival in Mendoza, one of the most famous festivals in the country. Designed within the scope of the Alpha project, it was added to the catalogue.

Other levers driving eco-design

Beyond lightweighting projects that Verallia is spearheading as a result of its glassmaking expertise, the Group is activating other levers to drive eco-design. These include optimising bottle shape and palletising, using more recycled materials to pack bottles and jars, and finally eliminating hindrances to recycling.

Verallia and eco-design: It's about more than just weight

To enhance the circularity of its operations, at all levels, and continue reducing CO_2 emissions, Verallia is working on the eco-design of its packing materials.

Italy has launched an optimisation project that consists in adding a layer for each pallet, where possible, by maximising lorry loads. The project began in September 2022 with three pilot articles. The complexity of the project required involvement from sales, industrial and technical teams from the supply chain. It also called upon high integration of customers in the project, particularly to validate aspects pertaining to safety, handling and storage, manual depalletising and adaptability of automatic machinery.

→ Outlook

Eco-design is a long-term approach. Here are the next steps in the process:

- Establishment of an annual seminar starting in 2023, with project teams from each country in attendance to discuss best practices, project monitoring, and generation of ideas that serve to develop an eco-design culture for products.
- Increased attention paid to customer service and developing eco-designed products in partnership with our strategic customers.

2.1.3. Optimise the use of water and packaging, and reduce our waste

2.1.3.1. Governance

Water and waste issues are managed by the Group's EHS (Environment, Health and Safety) managers. EHS managers are now working in collaboration with maintenance managers to reduce water consumption. Senior management has decision-making authority for investments (see the simplified organisation chart of the EHS function in the Section entitled "Ensuring the health and safety of everyone").

2.1.3.2. Policies & performance

Verallia's strategy for preserving water resources and managing waste is part of a global EHS policy, which applies to all 32 glass production plants.

The water policy aims to act on both quantitative and qualitative aspects. In 2018, this policy was redefined, and has since enabled alignment of all Verallia site action plans around common objectives. It seeks to:

- reduce consumption;
- avoid pollution caused by spills;
- comply with emissions 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 rooftops and reducing losses sustained in the water cooling circuits as well as by optimising production processes. Cooling 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 to cool production waste.

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. The goal 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 is to reach a 75% waste recycling rate by 2025 for the scope of its 32 glass production plants.

In addition to these two policies, the Group 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. Sharing of information compels each site to consider whether the problem could recur, and prompts implementation of preventive actions where necessary. This year, no alerts were issued regarding water consumption or abnormal conditions related to poor waste management.

Optimise the use of water and reduce our waste				
Commitments	**Monitoring indicators**	**2022**	**2021**	**2020**
Optimise water use Objective: Reach 0.4 m3/tpg* water consumption in glass plants by 2025	Cubic metres of water consumed per tonne of packed glass (tpg)	0.47	0.53	0.58
Reduce waste Objective: Reach a 75% waste recycling rate by 2025.	Waste recycling rate	75%	68% (1)	65.5%

(1) Change in reporting period: In order to continue to use real data and to adapt to the operational realities of data reporting in a timeframe that has been brought forward compared with the previous year, it was decided that, from 2021 onwards and for subsequent financial years, the "Waste recycling rate" indicator for the period October N-1 to September N would be published. This sliding period of 12 months only affects the "Waste recycling rate" indicator.

- tpg: tonnes of packed glass.

Note: these indicators take into account all Verallia entities except for Verallia India, Verallia USA, Verallia Packaging and Verallia entities that do not produce glass packaging (decoration plants, cullet treatment centres, etc.).

Water: 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 m3/tpg to 0.47 m3/tpg in 2022. At this time, in 2022, our water consumption equates to 1 glass of water on average for each bottle produced.

In this respect, the Group has redefined its objective for water reduction from 0.55 m3/tpg to 0.4 m3/tpg in 2025.

Waste: All actions related to optimising waste management have been put into practice in 2022. This has enabled us to improve the tracking indicator, increasing the waste recycling rate to 75% in 2022.

2.1.3.3. 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 to serve many cooling purposes. Part of the water used is evaporated, concentrating impurities. In order to guarantee a satisfactory level of quality in the glass produced, external water is required.

The largest use of water is for cooling unformed glass (production waste). Cooling water can be reused several times in the same way, provided that for every cycle, it has been rid of oil residue and particles and that external water is regularly introduced to limit the concentration.

The second largest use of water is for cooling machinery (e.g., compressors). These circuits operate in closed loops as a result of cooling towers. Another occasional use of water is for furnace reconstruction.

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

1. Analysis of initial conditions;
2. Measurement of consumption in the plant;
3. Comparison of theoretical and measured values and analysis of problems;
4. Assessment of the optimal level of water consumption by establishing an action plan;
5. Implementation of the action plan and measurement of the gains;
6. Implementation of periodic verification of resolution plans (sustainability of the management system).

Today, seven of the Group's 32 plants have rolled out this method of analysis in order to identify the root cause of overconsumption.

This approach will have made it possible to identify three avenues toward general solutions:

- Eliminating leaks in the water networks that are mainly the result of network age and condition;
- Rescaling the unformed glass cooling network;
- Renovating equipment (e.g., compressors) to lower the need for cooling water.

Example from the Cognac plant (France):

In 2020, this plant was identified as the plant that consumed the most water within the Group.

The action plan kicked off in 2021 allowed a 52% reduction in water consumption between end of 2021 and October 2022. Actions included:

- Eliminating leaks in the firefighting network;
- Replacing the membranes of the osmosis units (devices that remove impurities from water).

Other ideas are under consideration, in accordance with roll-out of the method of analysis.

Example from the Essen plant (Germany):

Using the same method for analysis, the Essen plant identified four levers for reducing its water consumption:

- Modifications to the plant's water network, in order to reduce the water used from aqueducts and reuse water from industrial processes;
- Optimisation of process water pumps (water from cullet);
- Reuse of cooling water from the internal circuits that initially was discharged into the wastewater networks;
- Digitisation and tracking water meters for procurement.

These initiatives were finalized in 2022 and enabled a 33% reduction in water consumption.

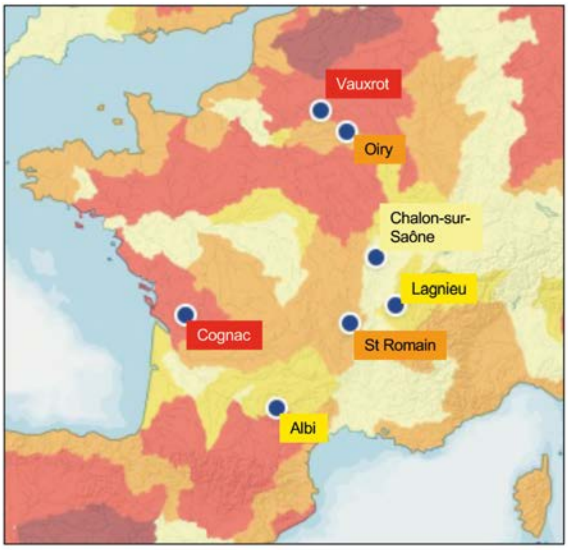
→ Outlook

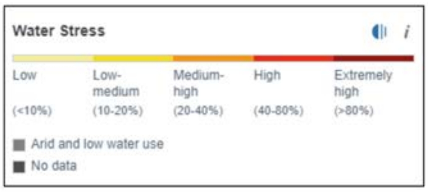
Following the same rationale as for safety and quality issues, the "Water Standard" and the method for analysis defined in 2022 will be rolled out site by site. Local teams will receive support in the form of coaching on this topic. Any major incident will be the subject of a root cause analysis, which will enable adjustments to be made to standards implementation, or even the standards themselves.

Furthermore, this will affect other plants in 2023 in order to reduce their water consumption using a method similar to the one applied in 2022. The choice to rescale water networks will take into account the water stress criteria (see table below updated in November 2022, source: Aqueduct Water Risk Atlas). This indicator corresponds to the ratio between total water samples taken and renewable procurements available from surface or underground water. Of all the 32 Verallia plants, 8 are located in "high" or "extremely high" water stress risk areas. These eight plants have already applied the measures defined to reduce their water consumption and five are already below the 2025 target of 0.4m3 of water consumed per tonne of glass packed. The three other plants concerned have as a priority to reduce their consumption from 2023 by applying the water standard.

Finally, additional avenues are being explored for 2023, including replacement of the cooling towers of the systems with adiabatic cooling towers. This would make it possible to reduce water consumption of a plant by 40% to 50%, while also reducing the risk of legionnaires' disease.

According to 2022 water consumption, some plants will be required to study the possibility of installing an adiabatic cooling tower.





Low (<10%)	Low-Medium (10-20%)	Medium-High (20-40%)	High (40-80%)	Extremely high (>80%)
Chalon-sur-Saône Gazzo Villa Poma Wirges Essen Kamyshin Neuburg Zaragoza Jacuntinga Porto Ferreira	Albi Lagnieu Lonigo Kavminsteklo Campo Bom	Saint-Romain Oiry Carcare Dego Bad Wurzach Zorya Mondego Montblanc Mendoza	Vauxrot Cognac Burgos Gran canaria	Pescia Sevilla Azuqueca Rosario
= 31 %	= 16%	= 28 %	= 12 %	= 12 %

Additional avenues are being explored for 2023. In particular, replacing cooling towers of the systems with adiabatic cooling towers. Instead of a cooling system with high yield that leads to a lot of water evaporating, an adiabatic system removes heat by evaporating water in a stream of air. Ambient air is forced into a heat exchanger and suffices for cooling the water without it evaporating. Installing these types of systems would make it possible to reduce the water consumption of a plant by 40% to 50%, all while reducing the risk of Legionella pneumophila. However, the cost of these investments and the surface area that would be used are two to three times higher than for a closed loop cooling tower.

2.1.3.4. Action #2: Limit our discharges into water

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

- all product storage is properly labelled;
- retention tanks are installed and condition checks are done;
- run-off water is of suitable quality.

The quality of the discharges is ensured through the measurement of effluent quality by independent laboratories. The sites ensure that their monthly wastewater discharges comply with the regulatory limits defined by the prefectoral decrees.

In 2022, an accident linked to water discharges (minor environmental pollution handled immediately). Information was shared within the Group via our warning system. Our analysis method enabled us to identify malfunctions in the oil/water separator. The cause of the problem was addressed by implementing periodic surveillance measures and by reconfiguring the internal filtering system.

In parallel, microbiological analyses are performed around the cooling towers on a monthly basis, which serve to confirm the absence of Legionella pneumophila. No incidents were discovered in 2022.

The Group will continue to comply with regulations in force in each country by taking periodic measurements.

2.1.3.5. Action #3: Reduce waste produced 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 moulds, pallets, plastics etc.) and waste related to "plant furnace repairs".

Reduce waste

In 2021, Verallia initiated a 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. This benchmark is updated in March of each year;
- 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. They vary by plant and region. For example:

- French plants fill salt mines with the dust from electrostatic precipitators (in the past, this dust was considered hazardous waste and buried).
- German plants are generalising the use of centrifuges to recover used oil.
- other entities are setting up a system to repair pallets in order to reuse them and limit the costs of associated with disposal.

Each site, under the impetus of the Group, has set up indicators and is working on local solutions to recover or reduce its waste.

This project, initiated in 2021, continued in 2022. Alongside it, the Group also kicked off a process for improving selective sorting in its production plants.

Recycle waste

In 2021, the Group reached an average recycling rate of 68% with strong heterogeneity from one plant to another, in particular due to a lack of control of selective sorting, awareness, or information provided to workers.

To better manage selective sorting, Verallia's environment network mapped out the streams of internal waste to identify them. The goal of this mapping tool is enable the waste and sorting management processes to be controlled before kicking off more ambitious initiatives. The tool involves:

- Identifying each type of waste generated;
- Marking waste bins on a map of the plant in order to look at internal organisation from a wider point of view;
- Plant management makes note of anomalies in selective sorting in the plant, and adds notes to the map. This process calls to mind the "Waste Gemba Tour" that began in 2021, during which operational deviations related to selective sorting are identified;
- Calculating the failure rate in order to determine priority initiatives, which is the ratio between the number of bins poorly sorted and those that have been correctly managed.

Roll-out of this tool is scheduled for 2023. Over time, the objectives will include setting up common management rules based on visual management, reorganisation of internal waste disposal areas, and sharing good practices between plants.

Finally, the Environment Day organised by Verallia on 21 September 2022 allowed existing initiatives for reducing waste and improving selective sorting to be shared. Workshops like "Selective Sorting Basketball" helped raise employee awareness of the importance of sorting waste.

"Verallia Days" events like Environment Day are key for sharing, training and raising awareness of a topic in general, and will continue in 2023.

Limit our discharges into the air

The emissions released into the air[50] by Verallia sites are monitored constantly. Each site is subject to maximum limits for emissions that are specific to it. These are defined by local legislation and site configuration, particularly the number of furnaces. Verallia's objective is to comply with these limits, no matter the operating conditions. The Group makes adjustments to technical equipment where necessary, in order to ensure compliance.

In the event that emissions thresholds are exceeded, the Group has set up a warning device to mobilise Verallia experts in order to re-establish compliance as quickly as possible (per the ISO 14001 standard method). In 2022, the Group recorded just one instance of exceeding the limit, which was resolved in 24 hours and in complete transparency with respect to local authorities.

→ Outlook

In 2023, Verallia will continue the actions initiated with the objective of rolling out a management system based on three pillars: "Reduce - sort - raise awareness." The Group will deploy the mapping tool in 2023 and continue the initiatives launched in 2022, 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 the next Environment Days event.

[50] The primary molecules tracked are: CO_2, NO2, SO2 and electrostatic precipitator dust.

2.2. Decarbonising our activities

In this section

"At Verallia, we have placed reducing our CO_2 emissions at the heart of our corporate social responsibility strategy, through our purpose to re-imagine glass for a sustainable future." This is why Verallia teams are innovating, developing and implementing solutions to reduce all sources of CO_2 related to our activities. This mobilisation is taking place at every level of the company, on every site where the Group operates – and has already enabled us to reduce the Group's emissions by 10.8% since 2019."

Romain Barral, *Operations Director*

Key figures

- 46%
CO_2 emissions, Scopes 1 & 2
Target 2030
Reduce our CO_2 emissions (Scopes 1 & 2) by 46% in absolute terms by 2030 compared to 2019.

60% certified renewable or low-carbon electricity
Target 2025
Reach 60% certified renewable or low- carbon electricity by 2025 and 90% by 2040.

Scope 3 < 40% total CO_2 emissions
Target 2030
Maintain our Scope 3 CO_2 emissions below 40% of the Group's total emissions.

Context and challenges

While a circular economy is at the heart of Verallia's activities, making it possible to take advantage of glass' infinite recyclability, recycled materials must still be melted in order to be converted into bottles or jars. Today, this operation remains a major source of CO_2 emissions for our business.

Verallia has embarked on an ambitious investment policy to transform the technologies, resources, and industrial equipment used on its sites, with the intent of drastically reducing its emissions. This desire has been acknowledged through the validation from SBTi (Science Based Target initiative) in March 2022 for the 1.5°C trajectory. In parallel, Verallia is pursuing soil regeneration projects by planting trees in collaboration with PUR Project (see Section 2.2.3) and Reforest'Action. The goal of all these actions is to enable Verallia to see its ambition of reaching Net Zero through by 2050.

In 2022, because of the geopolitical context and energy crisis, Verallia had to increase its consumption of fuel oil in Europe in order to limit the strain on gas procurement. This situation is expected to endure into 2023. In order to offset the negative impact of its CO_2 emissions, the Group will speed up its initiatives for reducing emissions wherever possible.

Key objectives and results

Commitments	Objectives	Performance indicators	Reference year results	2022 Results	Progress vs. 2021	Objective 2025	Objective 2030
Reduce CO_2 emissions from our sites (Scopes 1& 2)	Reduce our CO_2 emissions (Scopes 1 & 2) by 46% in absolute terms by 2030 compared to 2019	Scopes 1 & 2 CO_2 emissions (kilotonnes CO_2)	3,090 kto CO_2 in 2019	2,756 kto CO_2	-2.7%	2,625 kto CO_2	1,669 kto CO_2
		CO_2 emissions reduction (Scopes 1 & 2) vs. 2019	2019	-10.8%	-2.5pts	-15%	-46%
Reduce Scope 3 emissions	Maintain our Scope 3 CO_2 emissions below 40% of the Group's total emissions	Scope 3 CO_2 emissions (kilotonnes CO_2)	1,810 kto CO_2 in 2019	1,634 kto CO_2 in 2021	-	< 1,751 kto CO_2	< 1,112 kto CO_2
		Share of Scope 3 emissions in the Group's total emissions,	37% in 2019	37% in 2021	-	<40%	<40%
Develop renewable or low-carbon energies	Reach 60% certified renewable or low-carbon electricity by 2025	Share of certified renewable or low-carbon electricity in total electricity consumed	34% in 2019	50%	+ 4pts	60%	90% in 2040
Contribute to soil regeneration	Plant at least 100,000 trees per year from 2019 to 2025	Number of trees planted since 2019	100,000 in 2019	413,000	+ 100,000 trees	700,000	

2022 Highlights

In 2022, we continued efforts towards the various actions in place to leverage reductions in emissions, including:

- Implementing more reliable reporting for the highest emissions line items;
- Switching to more efficient furnace technologies and shutting down a fuel oil furnace in Italy, kick-off of construction the first electric furnace in Cognac and first hybrid furnace[51] in Zaragoza;
- Developing our use of renewable energies as a result of PPA[52] in Germany and in Chile;
- Strengthening a sustainable logistics chain that relies on a return to multimodal[53] transport in Italy, opening of permanent rail links in Spain and in France, and joining local sectoral initiatives such as FRET21 in France.

51 Innovative technology. No hybrid furnaces exist today. The energy mix should reach 80% electricity, 20% gas. When powered by renewable or carbon-based electricity, a reduction of 50% of total CO_2 emissions per tonne is possible compared to standard furnaces. See paragraph 2.2.1.5 Action #3: Develop and invest in low-carbon furnaces.
52 PPA: Power Purchased Agreement = long-term renewable energy contract. See paragraph 2.1.1.6
53 Multimodal: a logistics solution that consists of using two modes of transport successively (road and rail for Verallia in the examples given). See paragraph 2.2.2.6 Action #4: Control our supply chains and reduce their CO_2 emissions.

-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 (reference year)

* *Estimate of Scope 3 2022 still being calculated, therefore 2021 assumption is shown.*

2.2.1. Reduce emissions from our sites (Scopes 1 & 2)

2.2.1.1. Governance

Roles	Name of body	Main areas of work in 2022
Strategy definition	Chief Executive Officer	*Pursues the hybrid furnace project internally in spite of FEVE project ending. Defines the energy strategy (accelerating use of PPAs, reintroducing fuel oil due to the energy crisis)*
Strategy approval	Board of Directors	*Approves the 2023 plan for reducing CO2, and related investments. Approves a framework agreement specific to PPAs to accelerate setting up these long-term contracts.*
Coordination and follow-up	CO_2 Steering Committee (2)	*Monitors progress of all projects under the CO2 plan. Allocates resources and defines priorities. Approves technical solutions in different areas: low-carbon raw materials, furnace technologies. Steers implementation of the reporting system for Scope 3 emissions.*
Roll-out in all entities	Geographic area managers and Plant coordinators	*Deploy the technologies associated with reducing CO2 emissions. Implement the Energy strategy. Implement and monitor the Responsible Purchasing Policy.* *Set up local initiatives: Verallia France joining the FRET21 initiative.*
Ownership	Employees	*All employees get involved by participating in the various projects, as a result of heavy internal communications. In 2022, the first "Verallia Environment Day" was held dedicated entirely to presenting the Group's actions.*

(1) Superboosted furnaces: validation of this technology is underway at two Verallia sites. It would make it possible to increase the share of electricity from 7% to around 25%. See paragraph 2.2.1.5 Action #3: Develop and invest in low-carbon furnaces.

(2) Members: Chief Executive Officer, Operations Director, Technical Director, Group Purchasing Director, Plan Director, Group Director in charge of CSR and legal, Sustainable Development Director, and six project managers responsible for the various action plans.

2.2.1.2. Policies & performance

Verallia has been committed to reducing its carbon footprint for several years now. Since 2021, the Group is aligned with a trajectory to maintain global warming to 1.5°C. To achieve this, the Group aims to **reduce its direct CO_2 emissions (Scopes 1 and 2) by 46% in 2030 compared to 2019, in other words reaching 1,668 kt of CO_2 versus 3,090 kt in 2019**.

Two other firm commitments support this objective of reducing Scopes 1 & 2 emissions:

- maintain Scope 3 emissions below 40% of total emissions in 2030;
- achieve carbon neutrality by 2050.

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

1. raw materials: reduce emissions related to the raw materials used to make glass (see the actions developed in Pillar I of this report);
2. energy efficiency: improve the energy efficiency in industrial sites and develop new furnace technologies to reduce CO_2 emissions;
3. renewable energies: use energies that are renewable or emit low amounts of CO_2.

To achieve these objectives, Verallia estimated additional investments of €300M between 2019 and 2030, based on 2021 costs. This amount will be adjusted according to inflation over the given period.

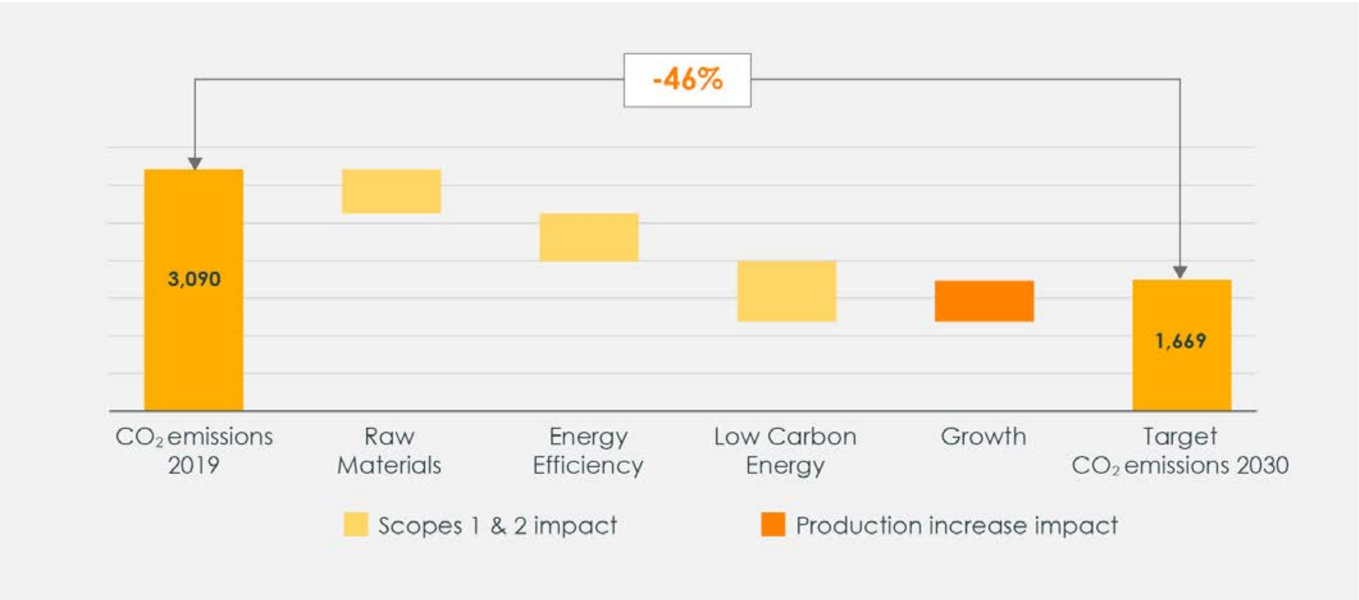
Reduce CO_2 emissions from our sites (Scopes 1& 2)				
Key commitments and objectives	**Monitoring indicators**	**2022**	**2021**	**2020**
Decarbonising our activities Objective: **Reduce our CO_2 emissions (Scopes 1 & 2) by 46% in absolute terms by 2030 compared to 2019**	CO_2 emissions (Scopes 1 & 2) (in kilotonnes CO_2) and CO2 emissions reduction (Scopes 1 & 2) vs. 2019	2,756 -10.8%	2,833 - 8.3%	2,940 - 4.8%
Changes to Scope 1 emissions	Scope 1 CO_2 emissions	2,286	2,347	2,378
Changes to Scope 2 emissions	Scope 2 CO_2 emissions	471	486	562
Change in Scope 1 & 2 CO_2 emissions intensity per tonne of packed glass (tpg)	tCO_2 Scopes 1 & 2 / Tonnes of packed glass (tpg*)	0.468	0.482	0.523
Develop renewable or low-carbon energies Objective: **Reach 60% certified renewable or low-carbon electricity by 2025 and 90% by 2040**	Share of certified renewable or low-carbon electricity in total electricity consumed	50%	46%	34%

- tpg: tonnes of packed glass.

In 2022, Verallia continued drastically reducing its Scopes 1 and 2 CO_2 emissions, accumulating emissions of 2,756 kt across the Group, thus achieving a 10.8% reduction compared to its 2019 emissions. The two main elements that explain this excellent result are the increase in the external cullet rate (55.7% in 2022 compared to 55% in 2021 and 49% in reference year 2019) and the reduction in Scope 2 emissions, particularly in Spain, Portugal and Brazil. Finally, it should also be noted that this reduction was achieved while production levels in 2022 were equivalent to those in 2019. These are structural improvements in our CO_2 emissions, as demonstrated by the improvement in intensity (10.8% reduction between 2019 and 2022).

Note : Scope 1 emissions were reduced by 2.6% from 2,347 kt to 2,286 kt. These Scope 1 emissions were marginally affected by the use of fuel oil. Scope 2 emissions fell from 486 to 471 kt, a reduction of 3.1%. We have thus acted on both scopes.

CO_2 Emissions Scopes 1 & 2 evolution (kt/year)



2.2.1.3. Action #1: Increase the share of decarbonised raw materials

Calcium carbonate (limestone) 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 & 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 most obvious, easiest solution is to use 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.

Integrating cullet into our bottles allows us to reduce the use of virgin raw materials and in particular, carbonated raw materials.

Increased use of external cullet

As explained in Pillar I on circularity, the Group first focused its efforts on increasing the rate of external cullet used in its furnaces. In 2022, Verallia therefore consumed 3,275 kt of cullet compared to 2,881 kt in 2019, which equates to an 14% increase in volume. This has enabled the Group to reach an external cullet use rate of 55.7%, an increase compared to 2021. The increase in use of cullet made a reduction in direct emissions of 94,760 tonnes over 2022, while the share of raw materials in the Group's total emissions dropped[54] from 20% in 2019 to 16% in 2022.

It should be noted, however, that used glass collection is what limits cullet integration for Verallia and the entire industry at this time. The Group will therefore continue supporting initiatives that make it possible to increase collection either indirectly (specifically in Europe) – through communications campaigns or sectoral actions (FEVE) – and directly as in Brazil or Chile, where the Group is rolling out glass collection containers and associated logistics in partnership with local players.

Finally, it should be noted that the CO_2 emissions related to collection or processing recycled glass are integrated into the Group's Scope 3 emissions estimates.

Identification of alternative decarbonised raw materials

As explained above, calcium carbonate and sodium carbonate are major elements used to make glass, but it's the properties of sodium and calcium that are necessary for glass chemistry. The Group's R&D teams have therefore launched a vast project to assess available sources of decarbonised calcium and sodium that are compatible with the way these elements are used in glass furnaces. Since September 2022, wide-scale approval for an alternative raw material was launched at one of the Group's sites. If the expected advantages are confirmed, it will pursue roll-out in 2023.

→ Outlook

The Group will continue to bear down on all levers that make it possible to increase the use of cullet in Verallia's furnaces, with the goal of reaching 59% use by 2025 and 66% in 2030 (see Focus 1).

Moreover, the Group's short-term objective is to approve a second alternative raw material in 2023 and to set up the logistics chain to use it in production as early as possible.

54 Calculation based on the assumption of 100% gas furnace operation. The CO_2 reduction comes from the reduction of energy and the reduction of carbonaceous raw materials.

2.2.1.4. 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 underway to reduce energy consumption and CO_2 emissions at the Company's sites. For example, regular monitoring of results and application of best practices across the board, an approach based primarily on the operational management of CO_2 emissions. The introduction of a monthly energy consumption reporting system in 2021 supports operational management. This system allows teams in each country, site and region to monitor the effectiveness of their actions and to develop new ones. It currently concerns the Scope 1 & 2 emissions at each site. The same approach is being rolled out for Scope 3 and will be operational at the start of 2023.

Reducing melting emissions by lowering fuel oil consumption

Historically, glassmaking furnaces burnt fuel oil to heat and melt the glass components. 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 changes to how furnaces are controlled.

In 2021, the Group continued to reduce the share of fuel oil to power the melting process, and fuel oil accounted for around 7% in energies used for melting, against 10% in 2020. However, the Group decided to increase consumption of fuel oil to reduce its gas consumption by the same amount, as a way to relieve pressure on gas availability subsequent to the war in Ukraine. The share of fuel oil thus increased to 9% of melting energy in 2022. This short-term decision does not in any way alter the Group's objectives to completely exclude fuel oil from its energy mix. To do so, in December 2022, the Group began converting one of the last of its two furnaces running entirely on fuel oil. The last one will be shut down in the spring of 2024.

For 2023, in the very specific context of the energy crisis that has resulted from the war in Ukraine, the Group will continue using fuel oil at its Western Europe sites to serve up to 20% of its energy needs. This temporary pivot aims to contribute to efforts to reduce natural gas consumption as requested by European authorities, while at the same time guaranteeing business continuity at the Group's plants. Plants will return to using natural gas in the spring of 2023. The CO_2 emissions associated with this change represent around 40,000 tonnes, and Verallia is working to offset this exceedance by speeding up its emissions-reducing actions.

Improve existing industrial facilities

Throughout the furnace lifespan (10 to 12 years, and in some cases 14 years), the Group makes improvements to reduce their energy consumption. For example, improvements are made regularly to sealing and thermal insulation, glass temperature optimisation, combustion settings and adjustments to combustion air volumes at the Group's sites with support from corporate R&D teams. It should be noted that the Group is managing this approach to controlling its energy consumption through an ISO 50001-certified management system for 23 group sites at the end of 2022. Certification efforts will carry on in 2023.

Eliminate energy losses

The Group has implemented a programme to thoroughly identify energy losses, using different types of tools (energy audit, equipment performance efficiency, leak detection etc.). This programme has made it possible to define loss eradication projects for each site, projects characterised by well-defined objectives, a dedicated team and work schedule, and monthly industrial performance indicators. Since each site is faced with the same objectives but different local issues, this approach provides an opportunity to 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, a key source of energy loss. This new equipment is installed on all of the Group's new furnaces and during repairs to existing furnaces.

Use Industry 4.0 tools to optimise energy consumption

As energy is mainly consumed during the melting phase, investment in Industry 4.0 tools represents a major lever to limit our impact on the environment. Verallia's plants are evolving by integrating augmented intelligence into their production tools in order to achieve industrial excellence, using the fewest resources possible while increasing customer satisfaction. Upgrading 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:

- digitisation of the Group's industrial facilities: installing connected instrumentation throughout the production chain enables real-time data collection in order to regulate, stabilise and improve its industrial processes automatically, improve the quality of its glass packaging and, above all, to optimise energy and raw material consumption;

- furnace control assisted by augmented intelligence software: implemented at nearly all sites, this advanced control system is based on connected instrumentation, data analysis, machine learning and glassmaker experience for quasi-automatic control of the furnaces. The majority (77%) of furnaces are now equipped with such systems, and results can already be seen. For example, the first year of operation showed energy consumption gains of up to 2%.

Use flue gas heat

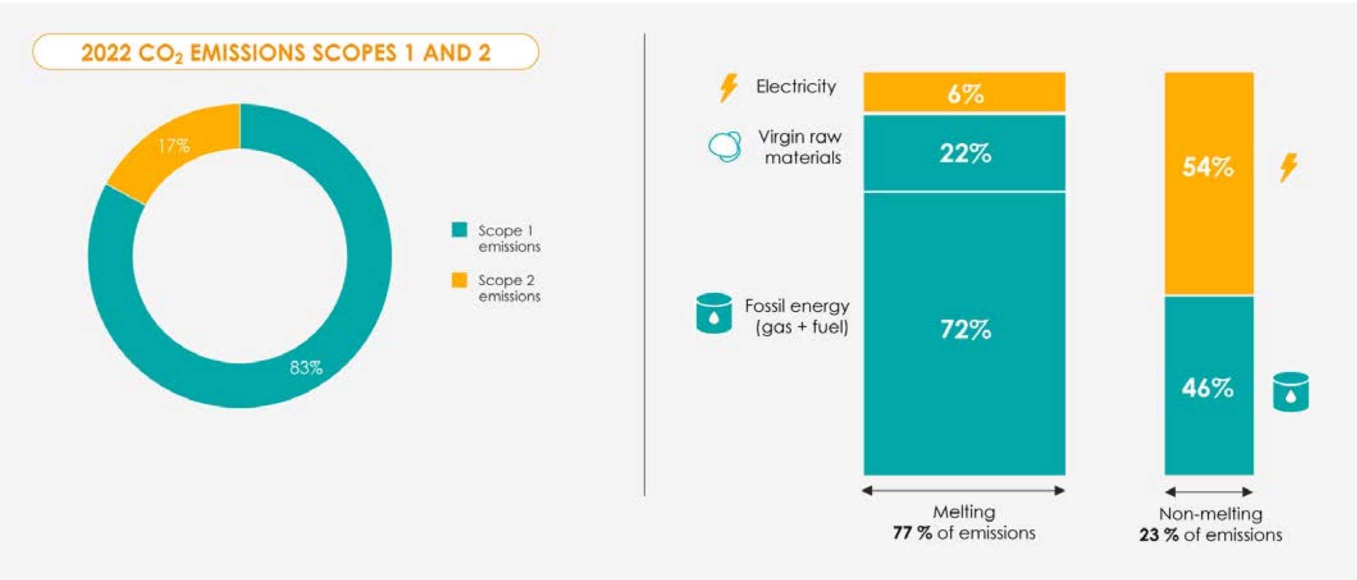
Re-using heat from combustion flue gas is a significant energy source at sites. For this reason, several projects have been deployed groupwide:

- In Burgos, Spain, Verallia is supplying steam to the nearby Group Mahou San Miguel brewery's neighbouring facility;
- In Neuburg, Germany, a steam boiler powered by Verallia's flue gas supplies a heat source to the city used to heat public buildings;
- In Lagnieu, France, an organic Rankine cycle (ORC) machine will be installed on site to use flue gas heat for producing electricity. It will be commissioned in 2024 and will produce 8,200 MWh annually on site, which equates to 10% of its annual needs.

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

Glass melting accounts for around 73% of the energy consumed at the Group's sites. Supplied mainly by fossil fuel combustion (natural gas 84.6%, fuel oil 8.6% and electricity 6.8% in 2022 melting energy consumption), melting therefore generates 77% of Scope 1 & 2 CO_2 emissions. Developing the technologies used in the furnaces is therefore essential to integrating alternative energies. To this end, the Group has launched several projects.

CO_2 Emissions: scopes 1 and 2 details



Installation of electric furnaces at certain sites

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

It should be noted, however, that 100% electric furnaces cannot accept more than 65% cullet integration in production. This means that 100% electric furnaces cannot be used for colored glass incorporating 80% or more cullet. This is why we are developing hybrid technology in parallel, which has no limit on cullet integration and can therefore be used for all glass colors.

Prioritise the shift to hybrid furnaces: target a 50% reduction in CO_2 emissions from glass packaging production, applicable to all sites

In 2019, Verallia joined forces with other European glass packaging manufacturers, within the framework of FEVE on a pilot project to build the first hybrid electric furnace. This high-capacity furnace would operate using 80% green electricity, which would enable a fifty percent reduction of the CO_2 emissions associated with glass packaging production. While the project had to be put on standby at the start of 2022 due to financing, Verallia decided to continue independently, firmly convinced of the importance of this technology.

The Group's pilot project will be installed in Zaragoza, Spain, at the end of 2024. The pilot will permit technical solutions for the design and operation of these types of hybrid furnaces before being rolled out more broadly as of 2026 in accordance with the furnace reconstruction schedule.

Transition technologies: "super-boosted" and oxy-combustion furnaces

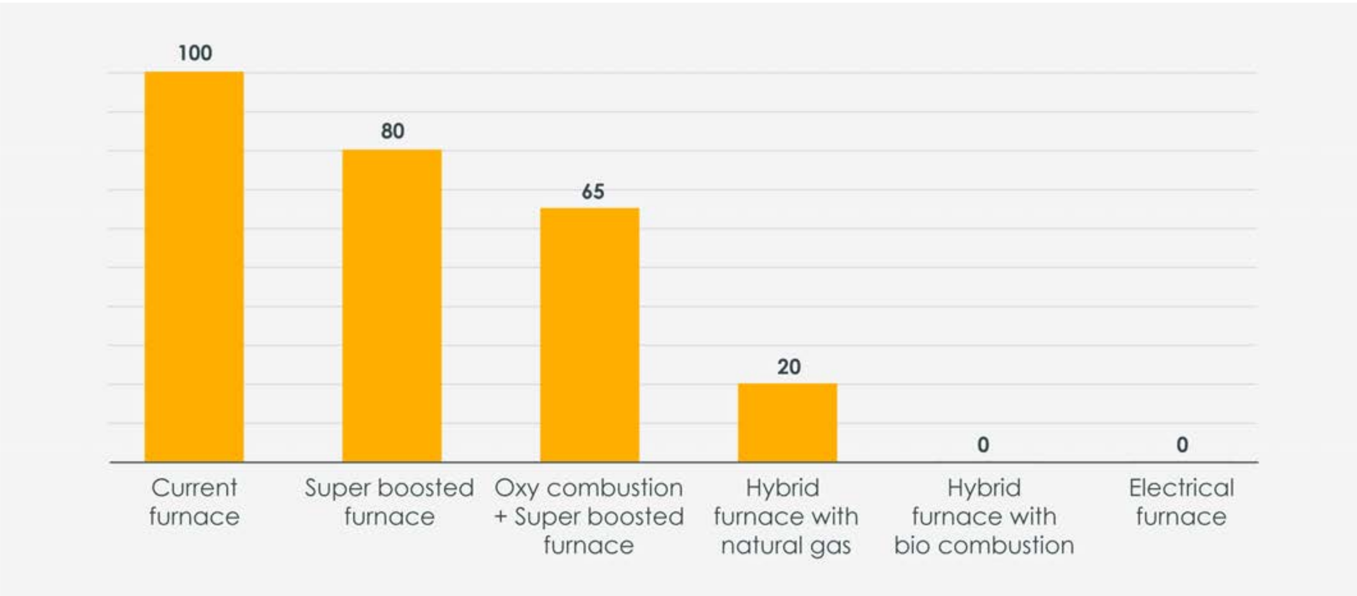
One of the major constraints of Verallia's furnace technology development strategy is rebuilding furnaces over time. In fact, furnace lifespan is approximately 12 years. Furnace design must be defined approximately two years before it is rebuilt in order to allow plans to be developed and manufacturing of the components for these immense industrial installations. This means that the furnaces rebuilt between 2023 and 2027 will not benefit from hybrid technology because the pilot project was not finalised at the time when decisions to launch these rebuilding projects will be made.

To ensure that these furnaces begin to reduce CO_2 emissions, two improvements developed from existing technologies will be utilised: super-boosted and oxy-combustion furnaces.

- Validation of super-boosted furnace technology is underway at two Verallia sites, which would make it possible to increase the share of electric power from 7% to around 25%. This technology will be the preferred option when rebuilding furnaces reaching end-of-life before 2027.
- 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 in Brazil and Italy.

Both of these technologies must be coupled with decarbonised electricity to reduce CO_2 emissions as much as possible.

Comparison of CO_2 emissions from Melting Energy between different furnace technologies (in %)*



*Assuming 100% renewable or low carbon electricity and excluding raw material emissions.

→ Outlook

The vast majority of the work accomplished by Verallia's technical and R&D teams in 2023 will involve developing and validating new furnace technologies (electric and hybrid), alongside building super-boosted furnaces with and without oxy-combustion and in particular the electric furnace pilot project that will be commissioned at the end of 2023. These technological developments are at the heart of Verallia's commitment to reduce CO_2 emissions by 46% between 2019 and 2030 (Scopes 1 & 2).

2.2.1.6. Action #4 : Develop renewable or low-carbon energies

Ensuring the use of renewable or low-carbon energy is the final pillar of Verallia's strategy to reduce its Scopes 1 & 2 CO_2 emissions. While procurement of renewable electricity is a time-honoured within the Group, integration of new renewable energies is being studied.

Towards "greener" electricity

Electricity-related emissions account for approximately 17% of the Group's total footprint (Scope 2 in 2022). Sustainable access to competitive renewable energy sources represents a significant lever for achieving Verallia's CO_2 emissions reduction objective. The Group has therefore established a procurement strategy in 2020 that favours renewable electricity. Verallia's objective is to reach 60% certified renewable or low-carbon electricity in its overall mix by 2025. In 2022, the Group signed several Power Purchase Agreements (PPA) that will allow it to continue increasing the share of low carbon electricity in its energy mix. The Rosario plant in Chile has used 100% low carbon electricity since April 2022, while the first contract based on wind power was signed in Germany meeting up to 30% of supply needs at four of the Group's sites. This objective is all the more important as electric or hybrid furnaces lead to increased electrical consumption.

Power generation on our sites

Alongside this, the Group plans to equip some of its plants with solar panels to generate part of the electricity consumed by production activities. The Mondego site in Portugal began solar power production in the summer of 2022. Installation is underway at ten other sites (five in Spain and five in Italy), which will supply between 5% to 20% of sites' electricity needs once installation is complete in 2024 at all locations. Assessments continue at the other sites.

Prepare the way for green hydrogen

Hydrogen has been presented as a major component of the European Union's "Fit for 55" plan as an alternative to fossil fuels, when produced from renewable energy. The use of hydrogen as a primary fuel in glass furnaces is a new field, validating the conditions for implementing and using it is a necessary step. To do so, the Group is working in two main areas:

- Combustion testing, which aims to characterise the impact of using hydrogen on performance and emissions. The first series of tests will take place in 2023;
- Additionally, to validate the impacts of using hydrogen over the long term, Verallia, with support from two partners, will power one of its sites in Germany using coke oven gas that contains 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 comprehensive expertise for exploiting renewable hydrogen as soon as it becomes available. Once the operating conditions have been validated, this project will enable reduced natural gas consumption and 10% less CO_2 emissions at the chosen site.

Finally, the Group is also monitoring development of technologies for producing green hydrogen, and particularly their energy efficiency. The Group considers it important not to transfer Scope 1 emissions to Scope 3.

Biofuels as alternatives to natural gas

The natural gas burnt in furnaces remains the main source of CO_2 generated by Verallia plants, and replacing it with biofuels such as biomethane would make this combustion CO_2 neutral. Several projects seek to validate the technical and economic components of this type of fuel and are currently being studied in France, Germany, Spain and Brazil. Once validated, the use of biofuels will only be viable when they are produced close to the glassmaking sites. As a result, the entire supply chain will have to be systematically validated, since the aim is to implement an entire ecosystem, aligned and consistent with the Group's circular economy logic. The Zaragoza site in Spain was able to begin continuous use of biofuel oil for up to 15% of its needs in 2022, and the goal is to supply the equivalent of three furnaces with 100% biofuels by 2030.

2.2.2. Reducing Scope 3 emissions (transport, materials and packaging)

2.2.2.1. Governance

All issues related to Scope 3 emissions are managed by the Purchasing Department. The governance structure remains the same as that presented in Section 2.2.1.1.

2.2.2.2. Policies & performances

Since 2019, Verallia has carried out an annual assessment of its Scope 3 CO_2 emissions. On this basis, in October 2021 the Group established and communicated, its first Scope 3 emissions reduction target. It aims to keep Scope 3 emissions below 40% of the Group's total emissions in 2030, for total Scope 3 emissions of less than 1.1 million tonnes.

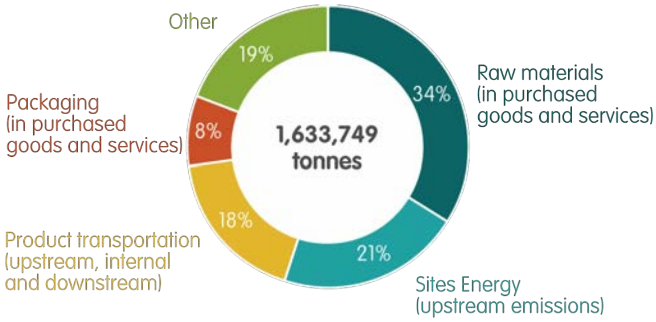
To achieve this objective, the first task involves setting up a more reliable monitoring and reporting system, so that the impact of the various action plans can be monitored more quickly and effectively. At the same time, action plans are being defined to tackle the three main sources of Scope 3 emissions: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

Reduce Scope 3 CO_2 emissions				
Key commitments and objectives	**Monitoring indicators**	**2022**	**2021**	**2020**
Reduce Scope 3 CO_2 emissions Objective: **Maintain our Scope 3 CO_2 emissions below 40% of the Group's total emissions**	Scope 3 CO_2 emissions in kt CO_2	-	1,634	1, 743
	Share of Scope 3 emissions within the Group's total emissions, in %	-	36.6%	37.2%
Reduce Scope 3 CO_2 emissions	Scope 3 emissions from raw materials in kt CO_2	-	556	506
Reduce Scope 3 CO_2 emissions	Scope 3 emissions from transport in kt CO_2	-	301	289
Reduce Scope 3 CO_2 emissions	Scope 3 emissions from packaging in kt CO_2	-	129	173

Note: Scope 3 emissions for 2022 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, the Scope 3 assessment improved, in particular the raw material emission factors per supplier; secondly, reduced 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. Since cullet has a much lower Scope 3 emission rate than virgin raw materials, Scope 3 emissions have been lowered.

Breakdown of Scope 3 CO_2 emissions by source in 2021 (in percentage)



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

Due to its complexity, the assessment of Verallia's Scope 3 emissions evaluation 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 truly manage activities to reduce these emissions, it was essential that the Group's teams be able to monitor the elements that make up the Scope 3 emissions on a more regular and more detailed basis. To this end, teams developed several reporting and simulation tools based on dynamic cross-referencing of sourcing data (Verallia site - Supplier site), emissions factors (transport and product), as well as the volumes involved. A specific tool related to transport is in the final phases of roll-out with the company Sightness. It covers emissions calculations for ground and maritime transport operations. In addition, a comprehensive database was developed to monitor Scope 3 actions and results over the last six months. These tools will be operational at the end of January 2023.

The systems will also make it possible to simulate the emissions trajectory integrating action plans and allowing adjustments to be made to ensure that the expected reductions are achieved.

2.2.2.4. Action #2 : Reduce CO_2 emissions from raw materials

The Scope 3 emissions associated with raw materials are linked to suppliers. To reduce these, Verallia must start by monitoring supplier emissions and actions implemented. In January 2022, the Group decided to integrate greenhouse gas emissions as one of the items systematically taken into account when evaluating the suppliers that are the largest contributors to GHG emissions. This takes the form of a detailed performance review of current and future plans to reduce emissions conducted during the supplier selection phases. Another important factor taken into consideration when choosing our suppliers is shortening the distance that materials have to travel. Preference is given to making procurements as closely as possible to our plants, as well as using alternatives to road transport. For example, the teams in Chile reduced CO_2 emissions related to procuring feldspar and cullet by 1,000 tonnes through choosing suppliers located near the Rosario plant.
In addition, Verallia offers its support and expertise to its various suppliers to accelerate their plans to reduce CO_2 emissions.

2.2.2.5. Action #3 : Reduce our packaging-related CO_2 emissions

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 8% 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 entire package.

The Group has developed a network of local subcontractors near its plants who repair damaged pallets for use an average of 25 times before being discarded as waste. In 2022, Verallia continued its efforts to increase the pallet life span by increasing the number of parts repaired on each one. The purchase of secondhand pallets was another avenue developed in 2022 in several countries. This affected over 4,000 tonnes of pallets in Western Europe, leading to dozens of tonnes of CO_2 avoided. This approach is strongly encouraged because it contributes to an ever-more circular local economy.

In addition, plastic interlayers are widely recycled and Verallia collects these packaging elements from its customers. The interlayers are recovered, washed and reintroduced into the production flow. On average, they are used 20 times before they become too damaged to reuse and are processed as waste.

With respect to plastic packing film, the Group is leading two initiatives with all teams in each country. The initiatives experienced their first successes in 2022:

- The technical and purchasing teams in the Group's various regions worked together to optimise the surface area and thickness of the film used according to need. In each country, strength tests during transport and under storage conditions were launched. The initial results in Argentina and in Germany showed reductions in CO_2 emissions thanks to a smaller surface area of film used per pallet.

- The Group's Purchasing Department is working with various film suppliers to integrate a greater proportion of recycled plastic into the film composition. In 2022, this project made it possible to supply 100% of German purchasing in recycled film, thereby achieving a reduction of 260 tonnes of CO_2 annually. Strength tests conducted over the course of several months are underway in other European countries and in Brazil. Alongside these, local teams are focusing their efforts on securing procurements of recycled plastic from their suppliers.

→ Outlook

The Group's main areas of work to develop packaging circularity focuses on two objectives:

- Reducing plastic film thickness and surface area;
- Using up to 25% of recycled plastic in packaging films in European divisions;
- Increasing the percentage of substitution of new articles (pallets, interlayers) with recycled or secondhand articles.

2.2.2.6. Action #4 : Reduce transportation-related CO_2 emissions

With nearly 16 billion tonnes 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 major challenges for Verallia.

The Group intends to apply a policy that favours renewable energy solutions (particularly biofuels) as well as the alternative solutions to road transport, like rail.

The various departments are continuing to work with their main carriers to implement alternative solutions to the more traditional road transport. This translates to practical actions like:

- Using biofuels based on rapeseed oil in France in the Champagne region;
- Setting up a partnership with our carrier TDLG to use natural gas vehicles (NGV) to transport from our plant in Burgos, Spain;
- Purchasing two NGV carriers at our Italian subsidiary for regional distribution.

Replacing road transport with rail is an important matter for Verallia, particularly for its most regular routes. Several initiatives have made it possible to limit the carbon impact. Those with the greatest effect are detailed below:

- Using rail in Italy to link plants in the north-eastern part of the country with the region of Turin, located in north-western Italy. This line is used in both directions, delivering bottles in one direction and bringing back raw materials in the other. This logistical synergy will make it possible to save around 3,000 tonnes of CO_2 per year. In addition to this, converting several client deliveries from road to a rail solution enables savings of over 800 tonnes of CO_2 per year.
- Switching to multi-modal rail-road transport to haul export containers from our Spanish plants, which equates to a reduction of 800 tonnes of CO_2 per year.

French teams chose to join FRET21; their ambition is reducing CO_2 emissions by 3,500 tonnes by 2025 (see below).

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

Transport is one of the main drivers that will enable Verallia to reach its goal of reducing Scope 3 CO_2 emissions. The projects that aim to reduce emissions related to transport are under the supervision of the Supply Chain Department, which organises ambitious action plans in every region that revolve around two main areas:

- Optimising customer sourcing. This means reducing the distance between the plant and the customer. This work relies in particular on using simulation tools such as Sightness, which is in the process of being deployed;
- Developing multi-modal transport and alternative modes (electric, biogas, etc.), by setting up long-term collaborations with our carrier partners.

"Verallia France committed to the FRET21[55] approach in August 2022 to reduce the CO_2 related to transport. In the next three years, Verallia, with its carrier partners, strives to reduce its CO_2 emissions by 5% for the domestic transportation of its products. This would equate to over 3,500 tonnes of CO_2."

[55] The purpose of FRET21 is to encourage companies who are customers of carriers to better integrate the impact of transport into their CSR strategy. Each company willing to get on board signs an agreement with ADEME specifying an objective for reducing CO_2 emissions and committing to implement actions towards achieving this goal.

2.2.3. Contribute to soil regeneration

Contribute to soil regeneration				
Key commitments and objectives	**Monitoring indicators**	**2022**	**2021**	**2020**
Contribute to soil regeneration Objective: **Plant at least 100,000 trees per year from 2019 to 2025**	Number of trees planted since 2019	413,000	313,000	200,000
Promote the integration of our sites into their ecosystem through a company-wide internal competition, Nature on Site **Objective: Select at least 2 winning sites for the Nature on Site competition every year until 2025**	Number of winning sites per year	3	2	2

Beyond decarbonising its activities, Verallia contributes to the carbon balance of ecosystems by participating in reforestation and agroforestry projects, prioritising countries where the Group has its plants.

With support from its two partners, PUR and Reforest'Action, Verallia has already financed several reforestation and agroforestry projects. Since 2019, more than 400,000 trees have planted in a dozen countries through these projects.

Our historic partner since 2019, PUR is a "social business" that provides guidance to companies on integrating the climate issue into their value chain, making it possible to regenerate, reinvigorate and conserve ecosystems. PUR has been a pioneer of "insetting"[56] since 2008, and develops Nature-Based Solutions (NBS). They have worked with more than 150 companies in 40 countries to regenerate ecosystems and encourage local communities to embark on long-term socio-environmental projects.

Since 2021, a new partnership has begun with Reforest'Action, a French company pioneering reforestation since 2010. A certified B Corp, its mission is to preserve, restore and develop resilient forest ecosystems to respond to the climate emergency and the erosion of biodiversity. To do so, Reforest'Action selects and supports forestry projects, ensuring their quality in order to develop multifunctionality over time. Reforest'Action has funded over 25 million trees in 43 countries.

Restoring ecosystems through reforestation and agroforestry projects

Since 2019, with PUR, Verallia has participated in certified afforestation projects in Latin America. The Nordesta project in Minas Gerais, Brazil, contributes actively to protecting biodiversity and promoting native plants. As a result of this initiative, a total of 151 different varieties are being planted. The heart of this project is its nursery, where the seeds collected are extracted, prepared for storage, and cultivated to seedling stage before being planted by farmers.

Verallia has financed seven reforestation and agroforestry projects in six countries. These projects, implemented in partnership with local communities, are designed to have a significant social and environmental impact. Through them, over 300,000 trees were planted between 2019 and 2021, supporting 260 farmers and impacting 255 hectares directly.

Implementing projects nearby our plants

Since 2021, Verallia has been working with Reforest'Action to contribute to reforestation projects implemented near the Group's plants. A total of 113,000 trees have been planted in seven countries where our plants are located. Reforest'Action is also working to raise awareness of all the benefits of reforestation. The Reforest'Action website features an interactive map and a description of each project: https://www.reforestaction.com/verallia.

For each tree planted, Reforest'Action estimates the positive impact on the climate, biodiversity, health and employment[57]. These indicators are not certified, but are useful for materialising the impact in a more tangible way rather than the number of trees planted.

For example, the 113,000 trees planted contribute an average of 19,200 tonnes of stored CO_2 per year, provide 384,000 shelters for animals, generate 512,000 months of oxygen and create 128,000 hours of work.

Projects implemented at our plants, spearheaded by our employees: Nature on Site

Carried out in partnership with PUR since 2019, Nature on Site[58] is a company-wide annual competition that rewards environmental and social projects at our production sites. The concept: employees at our plants volunteer to work on projects that will be evaluated through three criteria (environmental benefits, social benefits, and team motivation). Each year, the two prize-winning projects are allocated a budget of 50,000 euros.

56 "Insetting" means assessing, reducing and offsetting a company's climate and environmental footprint by developing projects that have a socio-environmental impact within its value chain, to enhance the value of them and build a sustainable society..
57 What are the benefits of trees on the climate, biodiversity, health and employment? https://www.reforestaction.com/en/frequently-asked-questions
58 Formerly known as the "Integration Program," the competition got a makeover for 2023 and a new name: "Nature on Site." While integration made reference to how the site integrated into its ecosystem, the new name "Nature on Site" places emphasis on nature-based solutions that are initiated sites, a more accurate description for communicating about the competition.

In 2022, as recognition of the exceptional quality of the applications submitted, the jury awarded prizes to three projects.
The project in Mendoza, Argentina, will create a "wall" of trees that acts as a barrier, to help regulate temperature, and block wind and noise. A botanical garden will inform the public on local plant varieties.

The project in Jacutinga, Brazil, plants trees around water storage pools to help eliminate odours.
The project in Gniezno, Poland will trap pollutants in the air through an "anti-smog" green wall with prairie flowers.

Each of these projects also includes specially-landscaped spaces for employees to enjoy.

2.3. Ensuring a safe and inclusive work environment for all

In this section

"At Verallia, developing and ensuring a safe and inclusive work environment for all of our employees is at the heart of our preoccupations. First and foremost, this means safety is our first priority. The glassmaking profession is a demanding one. It is our duty to ensure that our 10,000 employees are safe.

This focus also includes promoting inclusion and diversity across all entities. Workstation adaptation and inclusion of women are issues that we have addressed in our overall strategy through quantifiable objectives. Every day, we strive to improve in these areas.

Finally, we are conscious that the development of our people — and their well-being — over the course of their journey at our company are key factors for our performance. Therefore, our 2023 ambition to develop and deploy our company brand, as well as the various local programmes contributing to quality of life at work, are a testament to this."

Mathilde Joannard, *Group Human Resources Director, Head of Communication*

Key figures

TF2 < 1.5

Target 2025

Achieve an accident frequency rate TF2 < 1.5 by 2025.

35% **women managers**

Target 2025

Reach 35% women in management at the Group level in 2025.

Employee share ownership > 5%

Target 2025

Double employee share ownership by 2025 compared to 2019.

Context and challenges

With 32 glassmaking production sites, Verallia's industrial activity presents risks to health and safety, which must be prevented and controlled. By joining the Group, the 10,000 or so employees have come on board a company that has made a strong commitment to ensuring that each person returns home in good health after a day's work.

Another major challenge for Verallia is developing an inclusive workplace in an industrial context that can create barriers to hiring because of difficult job conditions. For example, positions in the plant have historically attracted less women. They have also been less accessible to people with disabilities, for whom specific adjustments must be made in order to allow them to meet demanding physical requirements. To respond to these constraints, Verallia endeavours to include candidates with a variety of backgrounds in its recruitment process and to guarantee diversity and accessibility in its professions.

Finally, as a responsible employer, Verallia offers sustainable employment with career growth prospects. The Group contributes to the economic development in the local communities where its plants operate. Situated for the most part in rural areas, the company offers its employees the opportunity to acquire skills and unique glassmaking know-how.

Key objectives and results

Commitments	Objectives	Performance indicators	Reference year results	2022 Results	Progress vs. 2021	2025 Target	2030 Target
Guarantee health and safety for all	Aim for zero accidents and achieve TF2 < 1.5 by 2025	Accident frequency rate (with or without lost	5.5 in 2019	3.6	-32%	<1.5	
Promote diversity and inclusion	Reach 35% female managers at the Group level by 2025	Share of female managers	29% in 2019	31.3	+0.9 point	35%	
	Reach 4.5% employment of people with disabilities by 2025	Share of employees with disabilities	3% in 2019	3.3%	-0.1 point	4.5%	
Support employee skills development	Double employee share ownership by 2025 compared to 2019	Capital held by employees	2.6% in 2019	3.8%	+0.3 point	>5%	

2022 Highlights

In 2022, tangible actions were taken to enhance training development, better identify risks, and communicate effectively.

These actions have produced meaningful results, in particular, a decrease in the number of accidents in the plants. Two highlights of the year include a global H&S day focused on ergonomics, and the first edition of Diversity Day. Through a showcase for health and safety, the Group confirmed its commitment to preserving the health of all its employees – whether they work at a plant or in an office. The event dedicated to diversity reflected Verallia's desire to cultivate a diverse, inclusive workplace.

Once again, the new shareholder offering reserved for employees carried out in 2022 proved popular among employees. As a result, the capital increase reserved for employees reached the cap authorised by the Board of Directors, i.e. 0.5% of the share capital, and increased the share of capital owned by employees to over 4% on completion of the 2022 transaction, which places Verallia among the top 10 companies on the SBF120 in terms of employee shareholding. As of December 31, 2022, employees held 3.8% of the capital.

2.3.1. Guarantee health and safety for all

2.3.1.1. HSE Governance

Roles	Name of body	Main areas of work in 2022
Performance review	• Chief Executive Officer • Operations Director – Member of the Executive Committee • Geographic area Industrial Directors • Geographic area CEOs	*Review and monitor HSE KPIs, define the year's strategic orientations, and approve financing plans.* *Number of meetings: 12*
Network organisation and strategy steering	EHS Director	*Define two new EHS standards and update the three existing ones, organise the EHS Excellence Centre* *Number of meetings: 12*
Coordination at all levels (well-being)	Human Resources Director	*Provide guidance to departments on project implementation*
Regional roll-out	Geographic area EHS managers	*Conduct site inspections and define budget targets according to needs by region: ergonomics plan roll-out, ongoing crystalline silica action plan, etc.* *Number of meetings: 12*
Roll-out in all entities	Site EHS manager	*Organise Global H&S Day focused on ergonomics*
ApproOwnershippriation	Employees	*Develop the Safety Gemba Walk (managerial routine), participate in H&S Day*

"We began rolling out our pillar, or the H&S "bottle" in 2020. The results in 2022 are positive, since we reduced the number of accidents by at least 30%, which is very encouraging. Our objective remains, however, reaching the zero accident level. Managers were more present in the field, and their observations and responsiveness were amplified. Finally, sharing experience across sites has now become systematic. The message is clear: "Let's keep our eyes open."

Karim BEN M'RAD, EHS Director, in charge of the operational experience

2.3.1.2. Policies & performance

Verallia's EHS policy aims for "zero accidents" and is fully in line with the Group's industrial excellence programme, Verallia Industrial Management (VIM).

This policy applies to all of the Group's sites and people working with Verallia, whether employees, temporary workers, or subcontractors. It comprises 22 EHS standards: 18 safety standards, 1 health standard, and 3 environmental standards (including 1 on waste management, new for 2022). These standards are reviewed on average every three years, or when necessary, in response to an incident. In 2022, three standards were updated following accidents that occurred in relation to loading lorries. In particular, these standards cover machine safety, employees' on-site movements, maintenance interventions and risk management. To facilitate roll-out, they are translated into all languages spoken within the Group.

The Group's Health and Safety policy is based on the H&S "bottle", a genuine roadmap launched in 2020. It gives details on the various tools (standards, risk analysis, cardinal rules) and the associated management system. In addition, it outlines the steps to fostering 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 (see illustration above): Reactive / Preventive / Proactive / Sustainable. Each site assesses its maturity level at least once a year in order to define an action plan for making progress.

In 2022, Verallia concentrated its H&S action plans on raising awareness, training managers and plant employees on the information in the 22 EHS standards, applying it, and targeted identification of specific actions to implement according to region and plant.

To encourage compliance with Group rules and mobilise all of its employees on this crucial issue, Verallia implemented a reward system for Safety performance at its 32 glass production plants in 2019. In 2022, the scope of this programme was widened to include non-glassmaking sites (decoration plants and cullet treatment centres).

There are two critical criteria for reaching a level of excellency in safety: zero accidents with or without lost time for more than 1 million hours worked or for more than 24 months.

To date, 10 sites (eight glassmaking sites and two non-glassmaking sites) have received this recognition and raised the "EHS Excellence Centre" flag at their plant.

Ensure the health and safety of everyone				
Key commitments and objectives	**Monitoring indicators**	**2022**	**2021**	**2020**
Do what is necessary to move closer to the goal of zero accidents **Objective: Achieve TF2 <1.5 by 2025**	Frequency rate (with or without lost time) (TF2):	3.6	5.3	4.6
Do what is necessary to move closer to the goal of zero accidents	Monitoring of the number of accidents with and without lost time	76	105	88
Do what is necessary to move closer to the goal of zero accidents	Severity rate	0.25	0.29	/

Verallia's actions pertaining to health and safety translate into a significant improvement in all monitoring indicators between 2021 and 2022. The number of accidents[59] decreased by 28% with respect to 2021 and the frequency rate (TF2) decreased by 32%. This is one of the best performances the Group has ever recorded.

Among other things, it is the result of actions implemented in France and in Germany, which are described in this section. In particular, a safety coordinator was recruited in France in January 2022 for non-glassmaking sites to respond to the specificities of this region (specifically the diversity of professions on the five French sites). This led to a decrease in the number of accidents with and without lost time (5 in 2022 vs. 18 in 2021). Such progress is to be viewed moderately in light of a degradation in results in Italy and Latin America, reminders of the importance of constantly reassessing each site and continual monitoring of action plans specific to each region.

[59] The number of accidents (76 in 2022) includes subcontractors, as in 2021.

2.3.1.3. Action #1: Do what is necessary to move closer to the goal of zero accidents

The Group's safety policy is rolled out according to 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 safety risk analysis is performed for each site, and is updated on a continual basis. It covers all tasks performed by employees and is based on three criteria. Frequency, severity and probability are assessed, allowing the associated level of risk to be defined (critical, moderate, low). According to the risk level identified, suitable action plans are rolled out at each plant.

Each accident is shared throughout the Group and then checks are performed at all plants in order to standardise the actions to be taken to resolve the issue. This procedure not only allows common risks to be identified and minimised, but also to refine the standards based on the feedback from each plant.

In addition to these risk analyses, the Group communicates widely on its slogan: **60 seconds to think before action**. This "minute of thought" is a step taken by employees before beginning each task in order to account for the changing operational environment when identifying risks.

In 2022, risk prevention actions were carried out in particular in France and in Germany. Specifically, this involved generalised adoption of the Safety Gemba Walk[60] that makes it possible to detect hazardous situations and to implement preventive actions.

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

The Group promotes the organisation of awareness-raising campaigns as close to the field as possible. This way, all sites raise employee awareness of the need to attend to their own safety and that of their colleagues. Employees are urged to report every H&S hazard and take action immediately in the event of any situation or behaviour that they consider dangerous.

In 2022, the Group continued the awareness-raising campaign it had launched in 2021 on the IS[61] machine, which generates 50% of the Group's accidents. The nine rules defined in 2021 were communicated to employees through awareness-raising videos translated into several languages, also made available on the intranet. On most sites, the nine safety rules were summarised in a leaflet, which was distributed and posted.

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60 The Safety Gemba Walk: Gemba is a Japanese word that today signifies routine observation by management in the field.
61 IS machine. IS: Individual Section in English. This is the forming machine in which the molten glass is "formed" to produce two bottles.

Other major training and awareness-raising actions were carried out in 2022 in France and in Germany, in particular:

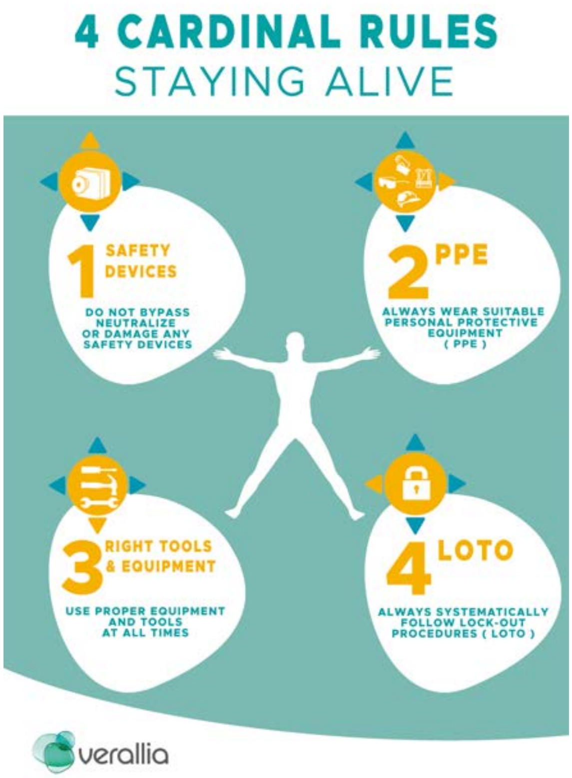
- Standardisation of the training process for temporary employees operating hot end[62] machines, and skills improvement before beginning in the position;
- A comprehensive communications plan initiated two years ago, focuses on a better grasp of risks, using videos filmed at Verallia plants that present real-life situations.

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

Compliance with and application of the four cardinal rules are what makes it possible to limit the most common and the most severe accident risks identified by the Group. The 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 2022, Verallia continued communications to employees about these four cardinal rules.



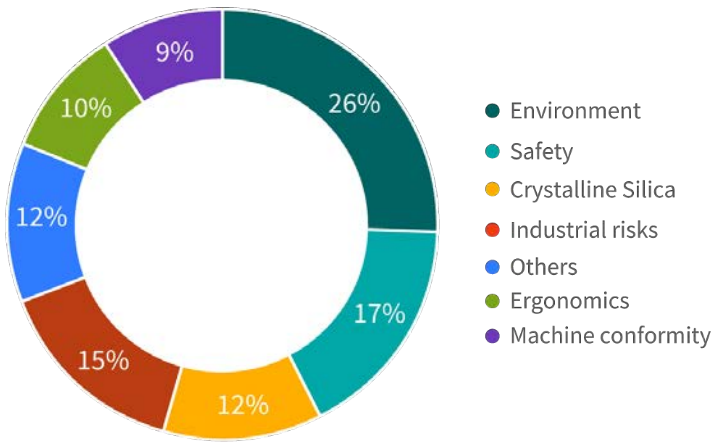
In line with the continuous improvement logic of the Verallia production system, every accident occurring at a company site is analysed using the root cause analysis (RCA) methodology, whether it concerns an employee or a subcontractor. This eight-step analysis aims to eliminate any risk of further occurrence 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 training plans for operators and subcontractors, as well as accident prevention and risk analysis plans. In 2022, the RCA was broadened to include first aid (TF3[63]).

Internal self-evaluations 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 2022, EHS managers travelled to all the plants in their regions in order to identify risks specific to each one and define budgets accordingly, adjusted to their needs per the seven risk categories.

[62] A hot end machine is equipment that enables glass to be handled after melting at temperatures over 600°C.
[63] TF3 = Frequency rate 3, accidents reported and minor accidents per million hours worked

Share of EHS investments Verallia



These investments have enabled the roll-out of technical solutions for reducing risks especially regarding three high-impact aspects:

- environment: measurements to ensure that the opacity of the smoke coming from mould greasing does not exceed the thresholds set;
- crystalline silica: establishing technical action plans in each region in order to prevent and limit the dust generated as well as to collect it in a central location. From a practical standpoint this means new tools (for example, a central vacuum system, or a cleaning booth for operators). It also means stricter rules (for example, access authorisations limited to trained personnel, limiting exposure time);
- safety: strengthening employee protections to prevent the risk of "glass-blower cataract" linked to the optic radiation emitted by hot glass, rendering it mandatory to wear tinted safety glasses.

→ Outlook

In 2023, Verallia will focus specifically on the following actions:

- simplify risk analyses in order to adjust them for everyday use in the field by managers;
- a substantial increase in forming machine safety by rolling out a solution patented by Verallia at all its plants between now and 2025;
- define groupwide practices to adopt for the 20 most "at risk" actions, identified in concert with all Verallia sites. Organise a communications campaign about these standards, using video;
- continue to require wearing tinted safety glasses;
- continue to provide coaching for managers so that they upskill in relation to job-specific risk analyses and problem solving;
- develop communications on the regional level by empowering sites to choose the topics and for create the awareness-raising campaigns.

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

Verallia has identified ergonomics as a crucial issue for workplace well-being. In a glass production plant, frequent handling of production tooling and moulds can result in MSDs (musculoskeletal disorders). In 2021, a tool for measuring ergonomics permitted each site to identify concerns specific to it. In 2022, action plans were established, combining general actions applicable to each plant and more targeted ones. From a general standpoint, the three main aspects addressed are:

- continuing to invest in tools that help carry loads (hoists, forklifts, clamps, etc.) and make equipment more adjustable;
- upgrading tooling by evaluating and replacing them with more ergonomic versions, and sharing recommendations with all sites. In 2022, after collecting information on existing practices, we addressed the issue of manual clamping devices for bottles. We then made recommendations for standardising three possible models (to meet safety and ergonomic criteria);
- calling upon our ergonomics specialist to intervene upstream of furnace reconstruction projects, or when setting up new machines. The idea is to take preventive action during the various phases of the project.

Excerpts from the video message from K. Ben Mrad introducing the H&S 2022 Day on the topic of ergonomics "*… Our production environments are constantly changing and therefore are not always well-suited to the task at hand.*

Ergonomics takes a human approach to our work spaces and equipment. It's how space and production are organised; it's a way to improve productivity without the slightest restriction.

Ergonomics involves interaction, observation, and investigation, to find sustainable solutions together."

Alongside this, the Group has continued adding to the Blue Book, a real repository of good practices shared with the entire network after validation by an ergonomcst. In this way, the Blue Book facilitates rapid implementation of actions based on the experiences of other glassmaking plants. The Blue Book, and more broadly, our ergonomics tools, are meant to evolve. In the spirit of continuous improvement, the Group will re-evaluate contents of the Blue Book and the results of ergonomics assessments every two years in order to verify the efficiency of the actions implemented.

The "Zero handling by hand" project that began in 2021 under the supervision of the Group EHS Director made it possible to set up solutions for eliminating manual handling. It also paved the way for reaching a target fitment rate of 100% for equipping forming machines with hoists at every station (69% in 2021).

→ Outlook

The year 2023 will allow the Group to:

- Reassess the rate of hoist fitment to make progress towards the objective of 100%;
- Reassess the results of ergonomics tools to re-identify new areas in which to take action.

2.3.2. Promote diversity and inclusion

2.3.2.1. Governance

Roles	Name of body	Main areas of work in 2022
Strategy definition and implementation	Human Resources and Communications department, CSR department (1) (2)	*Establish an HR dashboard to track the main indicators, including objectives; set forth plans for the first Diversity Day, a Careers Committee, a recruitment platform, an HR development roadmap , and the first session of Group Onboarding.*
Regional roll-out	Geographic area HR Directors (3)	*Roll out individual social responsibility reports (SRI), implement mandatory trainings via the digital platform and Diversity & Inclusion actions. Each region implemented and rolled out its awareness-raising programmes according to the needs of each entity.*
Roll-out in all entities	Plant HR Managers (4)	*Inventory of the workstations that are most accessible to persons with disabilities*
Ownership	Employees	*Participate in awareness-raising workshops on diversity and inclusion in plants*

(1) Member of the Executive Committee

(2) Includes the specific function of Human Resources Development Director.

(3) Five Regional HR Directors: France, Italy, Iberia, Northern and Central Europe, and Latin America

(4) 32 plants worldwide

Since 2022, the Group Sustainable Development Department is no longer within the scope of the Group HR Department. It is now placed under the responsibility of the CSR and legal departments.

2.3.2.2. Policies & performance

People are at the heart of Verallia's HR strategy. Its HR policy is laid out accordingly, to respect individuals and promote a diverse and inclusive environment. Through this policy, Verallia desires to promote a different form of cooperation with a variety of profiles and raise employee awareness of the richness and complementarity that comes with greater diversity within the company.

The HR policy also promotes gender equality in the workplace through the following areas:

1. ensuring that hiring decisions are made on the basis of skills alone, through the use of unbiased recruitment tools, clear and gender-neutral job descriptions, and interviewing female and male candidates in the proportion to the applications received;
2. ensuring conditions for access to training determined by the job position, analysing needs based on skills matrices;
3. ensuring a fair Group compensation policy based on a rating system for each job position;
4. ensuring fairness in the promotion process by allowing women to apply for opportunities without self-censorship and encouraging female leadership;
5. Promoting work-life balance in professional, personal and family life;

Beyond gender diversity, Verallia commits to promoting and developing the diversity of their teams, their gender balance, and the accessibility of workstations. In particular, as an industrial group, Verallia's ability to accommodate people with disabilities in our plant jobs is crucial to the development of our inclusion policy.

In a more general way, the Group is attentive to creating – on all its sites – work environments that are free from discriminatory behaviour. This provides the opportunity for everyone to advance themselves into all company job areas, particularly those traditionally held by men or that are not very accessible.

Promote diversity and inclusion				
Commitments	**Monitoring indicators**	**2022**	**2021**	**2020**
Promote and increase the share of women within the Company **Objectives:** 35% women executives at Group level by 2025.	Gender Equality Index (1)	68	67	70
	female managers (2)	31.3%	30.4%	29.8%
	women in the workforce	17.9%	17.2%	16.5%
Make diversity a precious asset **Objective:** reach 4.5% employment of people with disabilities by 2025.	% of people with disabilities	3.3%	3.4%	3.3%

(1) The gender equality index is calculated according to the method provided by French law, which applies to all French and foreign companies. Then, the average is taken of scores from all entities, weighted for the workforce average taken into account in the index calculation at each entity.

(2) The share of female managers and the ratio of women to managers at the end of the year, as explained in the table in appendix.

The gender equality index is improving in 2022 vs 2021, in particular due to the increase in the indicator in companies in the Europe zone.
The proportion of women and female managers continues to increase, due to the active policy on this subject.

Despite the number of disabled people recruited, the proportion of disabled workers in the group fell slightly.

2.3.2.3. Action #1: Make diversity a precious asset

In 2022, Verallia set out its approach to diversity at the Group level, which translated into establishing an action plan approved by the Board of Directors. This action plan is a roadmap that conveys Verallia's desire to place employee professional development and engagement at the heart of its strategy. In the years to come, it will be rolled out on an operational level. By affirming the strategic dimension of the issues revolving around diversity in this way, Verallia has crossed a milestone. These questions were previously dealt with at the local scale; now, they are monitored within the framework of shared Group orientations and objectives on diversity. Regions have the freedom to organise their own approaches.

Many actions were carried out in 2022 to raise awareness among employees of Verallia's inclusive values, and rally them around diversity issues.

At Group level, the first Diversity Day was organised on 08 March 2022 during Verallia Days. As the tangible manifestation of the kick-off of the Group's approach, this special day was the opportunity to raise awareness of all forms of diversity (gender, disability) and to promote mutual respect. Locally, awareness-raising initiatives continue to be adapted to each culture and rolled out as close to employees as possible, thus guaranteeing their success and garnering support. Finally, special workshops raising awareness of diversity were led specifically for the Group Executive Committee in 2022.

Engaging all employees on diversity and inclusion

In Spain, Verallia became a member of the CEO por la diversidad alliance, which brings together some 60 executives from large Spanish companies in 2021. In 2022, it pursued collaboration with the organisation supporting the project, Adecco Foundation. The purpose of the alliance is to build a common, innovative vision of diversity, equity and inclusion. At the same time, it encourages taking concrete, practical action on the subject.

In 2022, Verallia's actions in Spain focused on:

- awareness-raising campaigns on inclusion, designed for all members of executive management, plant managers, human resources managers and support staff;
- an inclusive volunteer event during Environment Day, which was attended by over 100 employees and benefited the Adecco Foundation;
- creation of a campaign encouraging people with disabilities to file a declaration with the company, thereby promoting better inclusion.

Diversos, an ambitious programme in Latin America that encourages discussion and opens up debate

Rolled out in the LATAM region, the Diversos programme promotes an environment for employees that is inclusive and free from prejudice or discrimination. It encourages everyone to be themselves and to show their full potential. Through this programme, management receives tools for training, internal communications, and recruitment that aim to develop diversity and inclusion in all these areas.

In 2022, the outcomes of the programme were as follows:

- over 40 hours of instruction provided in order to reconsider the recruitment process with an eye to diversity and inclusion;
- over 1,500 hours of training on diversity and inclusion administered to around 150 participants;
- three "Ask me Anything"-style gatherings, in which people outside the company were invited to share their experience and answer questions from attendees. This made it possible for 425 employees to discuss the challenges and issues encountered in the workplace regarding disabilities, backgrounds, and the role of women. The satisfaction rate for the turnout was nearly 90%, making the programme a resounding success with employees. Such enthusiasm can be explained mainly by the safe space afforded to all employees to speak freely, and without judgement.

In 2022, the impact of the Diversos programme materialised with the hiring of 86 women and 14 employees with disabilities in Latin America.

Facilitate awareness of biases in speech and empower employees to speak up

One of the actions under the Diversos programme in Brazil consisted in assembling all employees from the Porto Fereira plant for a session on bias. Each person was given a card with either "I have already said this" or "I have never said this" written on it. They also received cards with statements like: "This is not a job for a woman" or "You're blind, I thought you were normal!" Each person had to pick the card that matched their situation. By holding this workshop face-to-face with all employees in the plant, each person was able to recognise what may be perceived as hurtful or discriminatory, and to build a shared basis for expression.

This initiative, part of the Diversos programme, is called "Prejudices and words that don't fit anymore."

→ Outlook

In 2023, Verallia plans to:

- pursue organisation and roll-out of the Group Diversity approach, in particular by developing trainings on inclusion and recruitment biases on the digital platform;
- expand "Ask me Anything" from the Diversos programme groupwide.

2.3.2.4. 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 ESG roadmap, Verallia applies the principles of its internal promotion policy at the highest level of the Company. In 2022, 27% of the Group's Executive Committee members were women (three total).

WoMen@Verallia, a mentoring programme that will be expanded to the country Management Committees

Since 2019, the Group has offered a mentoring programme intended for women throughout the company. Since its inception, 30 female employees have benefited from it, including 11 in 2022. This initiative addresses the following objectives:

- increasing the visibility of women with potential within the company;
- creating favourable conditions for the personal and professional development of participants in the programme;
- facilitating participants' career development;
- changing the perceptions of mentees and mentors.

In order to provide better support for this programme, Verallia has put the following measures in place:

- a guide explaining the programme and its essential features, which is circulated among mentees and mentors and was updated in 2022;
- a kick-off meeting held at the beginning of each session to define the principles of how the relationship works;
- a wrap-up meeting held at the end of the programme to talk about the experience, share the strengths of the programme and avenues for improvement.

All participants recommended that the programme go on, finding it a motivating boost to their self-confidence.

Although this initiative is led by the Group, similar mentoring programs have been developed in the various subsidiaries in Italy, Spain and Germany. In all, 58 women from different subsidiaries have been mentored, a community that will surely grow each year as part of a continuous improvement dynamic. The programme exists in Spain and Germany and will be developed throughout the regions where the Group operates.

Raise employee awareness of inclusion and the professional development of women at industrial sites

In 2022, the plant in Dego, Italy, organised an event called Il Futuro in Rosa. The objective is to invite female employees to articulate a career goal and work practically towards it through workshops. This event was also the occasion to introduce the company and its governance, and to present career opportunities transparently. Female employees holding management positions were also asked to share their experiences and tell how their career has advanced in the time that they have worked for the company.

Following the event organised in 2021 attended by thirty-some employees, four reached their career goal.

In the long term, the objective is to open these events up to all employees — men included — then to duplicate the event on the regional level, in order to promote inclusion overall and to develop each person's potential.

→ Outlook

In 2023, initiatives for promoting diversity and inclusion will move ahead, in particular through:

- 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; a full line-up of conferences targeted especially for female employees;
- regular monitoring of indicators related to gender diversity;
- establishment of a day dedicated to developing Verallia's network of women.

2.3.2.5. 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:

- ensuring 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 are mentioned in Section 2.3.1.4 of this document under the heading "Ensuring a safe and inclusive place to work";
- maintaining employment of people with medical restrictions or occupational disabilities, to enable them to stay employed at the Company and in their job area.

In 2022, a certain number of actions were undertaken within the Group:

- In conjunction with industrial teams, the most accessible and the most adaptable job positions in the plant were listed. As a result, a comprehensive mapping was drawn up of the positions that can be offered in priority to people with disabilities;
- raising employees' awareness about disabilities through Diversity Day and the inception of a newsletter;
- monitoring of social commitments made by the Group and corresponding performance indicators by steering committees;
- creation of a working group on disabilities in the workplace to develop new actions.

→ Outlook

In 2023, the Group will pursue its efforts to:

- raise awareness and create a climate of trust in order to make it easier for employees who would like to declare a disability to take those steps;
- develop workstation ergonomics and tools to make them accessible for all;
- develop trainings to fight recruitment-related bias.

2.3.3. Support employee skills development

2.3.3.1. Governance

All issues related to the professional development of employees and their well-being are managed by the Human Resources Department. The governance structure remains the same as that presented in Section 2.3.2.1.

2.3.3.2. Policies & performances

Verallia is rolling out policies regarding employee development via key areas which are training and employee engagement, compensation and employee share ownership, and workplace well-being.

In terms of training, each year, the Group defines the priority areas of its policy in line with operational objectives. The general trainings administered by the Group concern compliance, leadership, commitment to company values, specialised occupational training, and EHS. They aim to align all country structures with respect to regulations-related topics. Locally, training actions are defined in the context of specific training plans.

Fair pay is one of the pillars of Verallia's compensation policies. It is based on grading systems, which are supplemented by external benchmarks. The sharing of value is structured through individual and collective variable compensation schemes, according to employee categories.

In particular, the variable compensation policy is based on financial and non-financial criteria. This is to ensure consistency between the company's corporate interest and market and industry practices, and competitive compensation levels. Additionally, it ensures that a strong link to the Company's performance remains, and that a balance is struck between short, medium or long-term performance.

The key component of these schemes is the employee share ownership policy, a strategic pillar for involving employees in the long-term development and performance of the Group. It offers Verallia employees the opportunity to become a company shareholder under special conditions that are approved by the Board of Directors (maximum discount of 20% and a matching contribution scale favourable to even the most modest contributions) through FCPE, Verallia's employee investment fund or via direct share ownership.

Support our employees in their professional development and value their involvement				
Commitments	**Monitoring indicators**	**2022**	**2021**	**2020**
Develop our employees' skills	Average number of training hours per employee (fixed-term and permanent)	33h	31h	25h
Develop our employees' engagement 2025 Objective: to achieve an employee engagement index of 70% by 2025.	Engagement index (every two years)	NA	57%	NA
Guarantee fair compensation and ensure the sharing of value Objective: to double employee share ownership between 2019 and 2025, to reach 5%.	Proportion of share capital held by employees	3.8%	3.5%	3.2%

The number of hours of training has increased significantly, especially in face-to-face training, with the end of the confinement periods.

The survey on the evaluation of the commitment is carried out every other year, and will take place in 2023.

The share of capital held by employees is increasing following the new offer reserved for employees in 2022.

Evolution of employment and engagement			
Monitoring indicators	**2022**	**2021**	**2020**
Percentage of permanent contracts	9.4%	7.1%	4.2%
Voluntary turnover [(1)] (resignations from permanent and fixed-term contract staff)	5.0%	4.6%	2.60%
Absenteeism rate	5.5%	5.0%	5.5%

(1) Voluntary turnover concerns all resignations (permanent and fixed-term contracts) from 2021 onwards. Only fixed-term resignations used to be counted

The increase in the permanent hiring rate is mainly due to the impact of recruitments in Brazil.

The turnover rate is stable.

Absenteeism, after a decline in 2021, is back to its 2020 level, with this trend affecting all regions.

2.3.3.3. Action #1: Develop our employees' skills

Implement plant self-assessments as part of the "People Development" bottle roll-out

Fully integrated to Verallia Industrial Management (VIM), the Group's operational excellence improvement strategy, the "People Development" working group is doing in-depth work on employee development. Using a model similar to the H&S policy, this approach is organised into several levels of maturity regarding projected management of jobs and career paths (see illustration below).

By way of example, in 2021 these efforts enabled gaps to be identified in temporary worker and subcontractor training. In 2022, training plans were rolled out specifically for these categories of the workforce, thereby contributing to a significant reduction in the number of accidents. This system allows Verallia to project employee training needs (e.g., use of electric furnace technology at the Cognac plant).

Regional management training programmes launched to develop independence and an entrepreneurial spirit

In addition to the usual management training courses, programmes are implemented in the different regions to prepare potential young talents and/or managers to assume managerial functions. These programmes are an opportunity for participants to create a professional network and to receive trainings aimed at personal development.

In 2022, these programmes were enhanced and developed -- particularly in Latin America, where the second session of the Leader's Path programme was held in Brazil. This initiative aims to empower future executives to reach the Group's goals through better management of potential, and a feeling of belonging. This year, 25 managers took part in the programme, of which 40% were women.

In Germany, the Verallia Deutschland Next Generation Leader programme began in September 2020 and finished in March 2022. It closed with a session for nine participants held at the Chalon (France) training centre. Each participant benefited from individual assessments of their potential and skills. They now have well-defined personal development plans. This programme is scheduled to return, with the 2022 class of Next Generation Leader participants ushered in. An ambassador network has emerged on the Group's social networks, promoting its corporate image and drawing new talents.

Anticipate employee advancement within the Group through talent reviews

An individual talent review is conducted twice a year for all country and/or region managerial positions. For management teams in each region, it's the opportunity to share performance evaluations of staff members and to identify those who show potential for taking on management positions. It is also useful for planning and implementing the resources necessary for preparing tomorrow's leaders.

Through Careers Committee, all HR departments are informed of available jobs for key positions within the company and can present these opportunities to candidates who have been identified in their regions. The objective is to facilitate circulation of the information and to improve the visibility of jobs available within the group.

Foster recruitment of new talents by rolling out new tools and programmes

In Latin America, programmes are rolled out to foster recruitment and development of young future talents. In this way, in 2022, an apprenticeship programme was instrumental in training 24 young people on industrial and administrative professions by allowing them to alternate between practical experience on site or in Verallia plants, and technical education at partner schools. Seven women were hired at the conclusion of the apprenticeship programme.

Also in Latin America, another programme called "Trainee" was rolled out to offer internships to engineering students. The goal was to give these students training in the field over the course of a year by having them take part in strategic projects, for example reducing carbon emissions. Thirteen interns were recruited for the "Trainee" programme in March 2022, and may potentially hold key positions in the medium to long term.

In 2022, Verallia in Germany spearheaded several public relations actions about its business in the local communities near its plants. The idea was to boost its employer brand image among young people. Actions included sponsoring local sports teams, advertising in movie theatres or on taxis, visits to schools and trade fairs. It was also active online through social media, the company blog and career portal, where a promotional video was posted.

Finally, a Group project revolving around its employer brand was launched at the end of 2022. Its goal is to redefine the recruitment policy at the social level, in order to showcase career development at Verallia and promote its CSR ambitions. The first initiatives will get off the ground in 2023.

→ Outlook

The following priorities have been identified for 2023:

- Create a shared digital career development platform where technical trainings and other key topics for the Group are made available all in one place;
- Review talent management processes and tools, and particularly identifying future skills needs linked to anticipated changes in job areas and future technological developments;
- Give more visibility to job change possibilities and develop individual career plans, and specifically create a Group careers website;
- Provide guidance to managers on how to develop their teams by fostering a culture of feedback, transparency and talent detection;
- Implement the employer brand project

2.3.3.4. Action #2: Develop our employees' engagement

In 2022, the Group pursued development of the action plans defined following the 2021 edition of the biannual opinion survey. The aim is to reach the 2025 objective of achieving 70% employee engagement and thus surpass the reference rate of 62% for the industry. To this end, the Board of Directors approved a roadmap late 2022 that aims to improve employee engagement and the Group's attractiveness. The actions carried out in 2022 pertained primarily to developing Verallia's image through social network campaigns, HR roadshows, communications in the regions to promote the brand to employees, and organisation of Verallia Days groupwide. The promotional campaign on LinkedIn enabled an increase of 32% in the number of people following the Verallia page, positioning the Group as the second most followed company among players in the glassmaking industry. A Verallia Leaders community was also created in order to promote Group image to other employees. It comes together quarterly to develop and follow up on action plans.

→ Outlook

Verallia's key actions in 2023 will aim to:

- Roll out the Group roadmap on employee engagement;
- Improve the employee experience in regions where the company operates, by developing onboarding processes for new hires and group sessions that started end of 2022;
- Conduct a third employee engagement survey in order to update the results and show the impact of the various initiatives established since 2021.

2.3.3.5. Action #3: Guarantee fair compensation and ensure the sharing of value

The Group implements a compensation policy according to employee category. It consists of a basic salary and a variable annual component, which compensates individual and collective performance based on the achievement of ambitious objectives while at the same time being subject to a cap to avoid excessive risk-taking.

For managers, the variable compensation policy is rolled out according to the same structure in all countries. It is based on annual financial and non-financial criteria; related to Group, department or country, plant and sales force yearly targets; and includes safety, environment, financial and operational performance components and personal objectives. In 2022, Verallia rolled out an individual social responsibility report (SRI) in each of its regions that enables, among other things, to demonstrate more transparency regarding the levels of compensation.

In 2022, the variable component of the Chief Executive Officer's compensation related to CSR criteria amounted to 20%, and was based on the following annual criteria:

- Fifty percent of the criteria is related to safety, with 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 (in the event of a fatal accident, the attainment rate for 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.

In the same way, CSR criteria are taken into account for the variable share of Executive Committee member compensation for the equivalent of 20%. For other employees, it ranges between 10% and 40% according to category (sales, salaried support functions, managers in plants).

Moreover, every year since 2016, the Group has offered employees the chance to acquire company shares under preferential terms. In the space of seven years, these successive offers have been made in 8 countries (France, Germany, Italy, Spain, Portugal, Poland, Brazil and Chile). 41% of employees have become shareholders in the Group, and held 4% of its capital by the end of the 2022 operation. At December 31, 2022, employees held 3.8% of the capital.

In 2022, Verallia proposed:

- an offer reserved for its employees consisting of a maximum discount of 10% on the share price and an employer matching contribution for each participating employee.
- a new free performance share plan for a targeted population of beneficiaries.

In the coming years, the Group will pursue this share offer policy reserved for employees with the target of achieving 5% employee ownership of Verallia's share capital by 2025.

Using schemes similar to the French model of incentive payments, collective compensation schemes linked to collective performance criteria have also been implemented in several countries (Germany, Italy, Spain and Chile). In France, in addition to incentive payments, collective performance compensation is supplemented by profit-sharing schemes, in the companies benefiting from this.

Finally, in addition to its compensation systems, the Group offers employees benefits according to the schemes provided in each country, particularly in relation to health and pension cover.

→ Outlook

In 2023, Verallia's desire is to improve the transparency of the compensation process for employees and managers. In this way, all management can gain a better understanding and be able to explain the compensation information to group employees.

Moreover, the group will refine the variable compensation system for managers by increasing the weight of targets related to safety and to reducing CO_2 emissions.

2.3.3.6. Action #4: Promote the well-being of our employees

The consequences of the Covid-19 pandemic continued to be felt in 2022. Telework was ongoing in particular to ensure everyone's safety and prevent the spread of disease. Group rules on telework have nevertheless stabilised according to geographic area and employee profile.

Agreements signed to find better ways of working together

The groupwide employee engagement survey conducted every two years includes questions specifically on workplace well-being and teleworking. The last survey conducted in 2021 revealed the following results:

- 54% of employees consider that telework and the associated tools are suitable;
- 54% of employees consider that how the company accounts for their well-being and that their workload is positive;
- 67% of employees consider that their work-life balance is satisfactory.

These results will be updated after the next engagement survey which will take place in 2023.

Two training programmes have been established. One reminds team leaders of the applicable rules from labour law, and good practices for work organisation. The other reminds employees of their rights and obligations with regard to complying with working time policy.

In France, agreements on the right to disconnect and teleworking are in place for two of the Group's entities (Verallia France and Verallia Packaging, the holding company of the Group). The teleworking agreement specifies the conditions under which employees can and should work remotely from home, and guides managers in supervising this process. In particular, the agreement highlights the need to protect the balance between private and professional life for all employees.

In Latin America, the BEM-ESTAR programme launched in Brazil was rolled out in Chile and in Argentina in 2022. The purpose was to promote balance and harmony in a work environment that respects each person's quality of life and health. It is part of a preventive, awareness-raising approach, that seeks to empower employees and their managers to identify signs related to depression, anxiety and stress.

As part of this programme, employees benefited from 960 hours of counselling and 1,250 hours of training in a conference format. The seven conference themes were aimed at improving how everyday challenges are managed, as well as management of time and productivity, finances, and other topics like nutrition. Ninety-seven percent of conference participants felt that the topics covered were relevant.

Verallia also promotes employee fitness and sport. For example, warm-ups are organised every morning at the plants in Latin America. Verallia also sponsors gym memberships at preferential rates, as is the case in France.

→ Outlook

The initiatives related to workplace well-being will continue being developed in 2023. The Group employee engagement survey will be conducted in July 2023, and include questions specific to well-being, to permit practical actions to be implemented.

2.3.4. Other social information

2.3.4.1. Action #1: Promote social dialogue

Social dialogue has always been at the heart of Verallia's concerns. Discussions evolved in 2021 in response to the global pandemic and has been considerably strengthened since, 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.

At the European level, the Group facilitates social dialogue through a European Works Council. In 2022, four meetings were held: Three select meetings and one plenary meeting. In addition, a day of training was offered to employee representatives. This year, an independent expert gave a keynote address at the plenary meeting, commenting on the action plans established by the Group to ensure lower CO_2 emissions.

Promote social dialogue				
Commitments	Monitoring indicators	2022	2021	2020
Promote high-quality social dialogue	Number of agreements signed or validated during the year	64	70	51

The social dialogue indicator has been redefined and now illustrates the number of social agreements signed or validated throughout the year within the Group.

In 2022, Verallia France led a "GEPP[64]," negotiation, for which discussions started in November 2021 were in the end suspended. Subsequently, four multifunctional working groups were formed to create the conditions favourable for signing comprehensive collective agreements.

These groups were made up of sales and marketing managers, industrial managers, plant HR managers, and three union organisations. Their work was based on specific, concrete situations they had experienced, drawing on the varied perspectives from different professions. The customer voice, like plant operation, were at the heart of discussions. Passion for their profession, expertise, pride in belonging to the company, and the desire to learn and pass on knowledge, all emerged as Verallia's main strengths. These discussions also served to provide a better understanding of each profession.

The work done here led to five collective agreements being signed unanimously. One of these was an innovative agreement on inflation and buying power paid out in real-time (+4.6% in July 2022 for non-managers), ahead of industrial action observed later on at the national level.

2.3.4.2. Action #2: Comply with the ILO's fundamental rules

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 fundamental conventions of the International Labour Office (ILO) and the International Declaration of Human Rights. Its adherence to the United Nations Global Compact attests to this commitment.

[64] Management of Jobs and Career Paths.

2.3.5. Creating partnerships with our communities

2.3.5.1. Governance

Specific governance has been put into place for sponsorship actions, described below.

Roles	Name of body	Main areas of work in 2022
Review actions annually	Sustainable Development Committee	*Review projects in Cognac and Seville*
Coordination and approval of local partnerships/ sponsorships and controls	Group Committee [1]	*Harmonise the project selection process*
Give approval for local partnerships/sponsorships and controls	Local Committee [2]	*Organise and follows up on local partnerships and sponsorship projects*
Make proposals for local partnerships/sponsorships and is responsible for organising them	CSR Department	*Preselect projects, making proposals for 12 projects in 2022*

(1) Chief Executive Officer, General Counsel and CSR Director and Human Resources Director in charge of Communication

(2) Chief Executive Officer, General Counsel, and Chief Financial Officer country/region

2.3.5.2. Policies & performance

Conscious that the impact of its activity is not limited to its production sites, Verallia incorporates the ecosystem concept into its strategy and action plans.

Sites are indeed located at the heart of a number of communities (employees, customers, local communities, neighbouring residents). The integration of production sites into their local ecosystem, particularly through landscape projects, contributes to the well-being of employees and the protection of the environment.

The sponsorship actions implemented are consistent with the Group's CSR roadmap. They are developed locally to allow local leaders to develop better knowledge of the region, its players and its concerns. Verallia, historically close to rural communities (given the location of its plants), is keen to contribute to the economic and social development of communities through sponsorship activities.

Creating partnerships with our communities				
Commitments	**Monitoring indicators**	**2022**	**2021**	**2020**
Develop corporate and employee sponsorship activities	Monetary contributions to communities and NGOs by the company each year	€1.5 M	€1.5 M	€1.5 M

2.3.5.3. Action #1: The desire to strengthen the impact and consistency of our donations or sponsorship actions with Group values and our purpose

In 2022, the process for awarding donations was harmonised throughout the Group. Project selection is now done by a special committee that places projects with a clear link to Verallia's purpose in the spotlight.

In 2022, many actions were carried out by the regions to continue to raise awareness and help their community, on concerns central to the Group's values such as climate change, diversity and inclusion, and solidarity.

Verallia Italy has led a project to raise awareness of climate change among young people at the secondary schools located closest to the Carcare plant. It is called the "Purpose Contest," and was designed to present the challenges of the circular economy. The students had the opportunity to produce a video featuring their vision of sustainable development and the United Nation's sustainable development goals. Verallia Italy also contributes to the Progetto QUID, a project offering immigrant women with a difficult past a second chance to enter the workforce by creating products from unused textile materials.

Since 2021, Verallia France has developed a partnership with the **Espérance Banlieues** association to finance several half-sized classes. This supports educational models that prevent school dropout and favour social integration of young people. Since 2021, Verallia France has sponsored half-size classes in Reims and Saint-Étienne, and starting in 2022, in Angoulême and Toulouse[65]. These four half-classes enable us to invest in education, raise awareness of glass and recyclability among young people, and contribute to creating tomorrow's talents.

Finally, the **Nature on Site** projects (described in Section 2.2.3.) allow the winning sites to better integrate into their ecosystem and connect with communities. For example, in 2021, the Lonigo plant organised an event in partnership with the city and schools, inviting residents to plant 1,000 trees.

In 2022, 73% of the sponsorship budget was allocated to aid in Ukraine (sending trucks of food, clothing, medicine, and firefighting equipment). All divisions participated.

→ Outlook

In 2023, the Group will continue to support regional initiatives in line with its values and purpose. The Group will again develop internal and external communications on projects led and supported by the various subsidiaries, thereby encouraging employee engagement and giving visibility to the multitude of initiatives implemented.

[65] Since 2021, Verallia France has sponsored the Colibri course in Reims and La Fontaine in Saint-Étienne. Since 2022, it also funds the Odysée course in Angoulême close to our plant in Cognac and the Constellations course in Toulouse close to our plant in Albi.

2.4. Complying with our values and ethical principles with our suppliers, clients and employees

In this section

"CSR is at the very heart of what we do at Verallia, and absolutely central to our strategy. It includes compliance, which is a vital issue for the company, equally important as our financial results, and covers an extremely broad scope from respect for rules to a way of behaving. This is what gives it real added value for the company. Our four values accordingly include respect for people, laws and the environment. Failure to comply with these rules could jeopardise the company's future and reputation."

Wendy Kool-Foulon, *Verallia Group CSR Director & General Counsel*

Key figures

0

convictions or fines

Target 2025

Ensure zero convictions or fines in respect of our key regulations.

90% **of purchases covered by the Supplier Charter**

Target 2025

Ensure that 90% of purchases remain covered by the Supplier Charter by 2025.

35%

reduction in the customer complaint rate

Target 2025

Reduce quality claims by 35% between 2020 and 2025.

Context and challenges

At Verallia, business ethics, a prerequisite for any approach to social, societal and environmental responsibility, are based on strict compliance with regulations and rules on corruption, competition, embargoes, personal data, information security and the fight against tax evasion. The multiplicity of regions in which the Group operates, combined with rapid change in local and international regulatory frameworks, requires Verallia to monitor closely both its performance and that of its subsidiaries so as to ensure compliance by all employees in all countries.

Product quality is another of the Group's fundamental commitments. To be effective, Verallia's quality approach requires the full commitment of all stakeholders, as it aims to increase satisfaction right down to the end consumer by rigorously applying food safety requirements.

Lastly, with more than 10,000 suppliers located mainly in the countries where it operates, the Group also faces considerable accountability challenges in the value chain, and its Responsible Purchasing approach is strengthened year after year to meet increasingly demanding expectations in this area.

Key objectives and results

Commitments	Objectives	Performance indicators	Base year results	2022 results	Progress vs 2021	2025 objective	2030 objective
Comply with key regulations	Ensure zero convictions or fines in respect of our key regulations	Number of convictions or fines	0 in 2019	0	stable	0	
Build engaging and respectful relationships with our suppliers	Ensure that 90% of purchases are covered by the Supplier Charter by 2025	% of purchases covered by the Supplier Charter	73% in 2020	88%	+6 points	90%	
Ensure product quality and safety for customer satisfaction	Reduce quality claims by 35% between 2020 and 2025	% decrease in the customer complaint rate vs 2020	2020	-43%	-30 points	'-35%	

Highlights in 2022

In 2022, Verallia began revising its Code of Conduct to include social, societal and environmental dimensions and thus provide a framework for all Group policies. The revised version will be published in early 2023 as a code of ethics applicable across the entire Group.

In the same vein, many of the Group's policies and charters have been updated, notably in the fields of responsible purchasing, supplier relationships, internal whistleblowing procedures and professional associations. The overhaul of these documents and procedures provides a response both to regulatory changes and to the Group's heightened CSR requirements.

2.4.1. Complying with key regulations (corruption, competition, embargoes, personal data, information security)

The Group complies with the tax rules of the countries in which it operates and fulfils its reporting obligations within the required deadlines. Verallia does not use any complex financial arrangements to obtain tax advantages (see Chapter 4) and does not have any subsidiaries in countries on the European Union's "list of non-cooperative jurisdictions for tax purposes".

2.4.1.1. Governance

Role	Name of body	Main work in 2022
Policy definition and validation	Group Legal Department Member of the Executive Committee	*Ongoing review of the Code of Conduct with a view to replacing it with a code of ethics; Adaptation of the internal whistleblowing procedure to the new European directive, review of the AFA (French anticorruption agency) questionnaire, review of Compliance Week.*
Policy proposal and implementation	Geographic area and country Legal Departments	*Active participation in the rollout of the Group's policies mentioned below and in the circulation of the tools and policies put forward during Compliance Week.*
Policy monitoring and strategy validation	Risk Committee, Group Audit and Compliance Committee (1)	*Analysis of use of gift declaration software; Finalisation and rollout throughout the Group of the procedure and software dedicated to third-party assessments; Initiation of the update of the corruption risk map; Organisation of Compliance Week; Update of the "Trade Associations" policy; New e-learning campaign on competition law; Cybersecurity review at each Audit Committee meeting; Group-wide compliance with the new EU sanctions in response to the conflict between Russia and Ukraine.*
Review of policy implementation and employee training	Audit, Risk and Internal Control Department	*Audits in the various countries to determine whether the internal whistleblowing platform is known to employees and used by them; Annual screening of all suppliers and customers (with the AEB tool).*
Policy improvement proposals, coordination and assistance for compliance officers	Regional and country compliance committees (2)	*Monitoring of the implementation of the 2022 actions and rollout of new procedures.*
Implementation in the entities (dissemination, supervision and coordination)	Compliance officers	*Implementation of the 2022 actions and monitoring of the rollout of new procedures.*
Ownership	Employees	*Participation in Compliance Week; Taking of Compliance trainings.*

(1) Chief Executive Officer, Chief Financial Officer, Human Resources Director, Operations Director, General Counsel & CSR Director, Group Compliance Officer, Audit, Risk and Internal Control Director

(2) Chief Executive Officer of the company or geographical area, Chief Financial Officer, General Counsel, Human Resources Director, Risk Manager, Audit and Internal Control Manager, Compliance Officer(s)

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. Verallia has a Security Operation Centre (SOC) managed by one of its partners, a European leader in its field.

2.4.1.2. Policies & performance

The ethics and compliance policy is built on five pillars, described below, each associated with objectives presented at the end of the section in the table of indicators.

Each of these pillars is structured by specific and detailed policies, most of which are available on our website, and which are summarised below:

- **Fighting corruption**

  The anti-corruption and anti-influence peddling policy (2018, translated into all of the Group's languages in 2019/2020), supplemented by the conflicts of interest policy (last updated in 2018), the agents and intermediaries policy (last updated in 2021), the gifts and invitations policy (last updated in 2021, including the implementation in Q4 2021 of a gifts and invitations declaration system) and the donations and sponsoring policy (2021) are written and issued in French and English. They are given to all new hires and can be accessed by all employees on the intranet and on the Verallia website (https://www.verallia.com/en/our-commitments/ethics-and-compliance-2/). They are also made available to all employees on the Verallia Compliance internal platform. To facilitate access to these documents, regular emails are sent by the HR teams to remind employees where they can find them.

- **Compliance with competition law**

  To manage risks related to competition, the Group has prepared a guide to compliance with competition law (last updated in 2021) and a Trade Associations policy (last updated in 2022). They are given to all new hires and can be accessed by all employees on the intranet and on the Verallia website (https://www.verallia.com/en/our-commitments/ethics-and-compliance-2/). 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 given to all new hires and can be accessed by all employees on the intranet and on the Verallia website (https://www.verallia.com/en/our-commitments/ethics-and-compliance-2/). It is also available to all employees on the Verallia Compliance internal platform.

- **Ensuring compliant usage of data**

  The general personal data procedure (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 circulation of Group models (e.g. information notices) and tools to help with decision-making (e.g. when to carry out an impact assessment and when to use an evaluation grid for an impact assessment).

  All of these policies are written and issued in both French and English. These policies are made available to Data Protection Coordinators (DPC) and Data Processing Managers (DPM) 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 infrastructure 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 (notably: ANSSI, National Agency for Information Systems Security, and NIST, National Institute of Standards and Technology) for critical infrastructure, 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 were recently 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 infrastructure and industrial information systems.

Complying with key legislation (corruption, competition, embargoes, personal data, information security)				
Key commitments and objectives	**Monitoring indicators**	**2022**	**2021**	**2020**
Comply with all key legislation	Number of convictions or fines	0	0	0
	Total number of alerts received (and % handled)	15 (87%)[4]	7 (100%)	
	Number of ethical alerts received (and % handled)	0 (N/A)	1 (100%)	
Fight corruption **Objective:** train 100% of new employees exposed to corruption risks in their first year with the Group in the anti-corruption programme by 2022.	% of the defined population trained in our anti-corruption programme(1)	97.5%	98.9%	98.7%
Ensure compliance with competition law **Objective:** train 100% of employees exposed to competition risks, in the competition law training programme by 2022.	% of the defined population trained in our competition law programme	98.9%	98.8%	98.3%
Ensure compliance with rules on economic sanctions and embargoes **Objective:** 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	99.4%	94.8%	
Protect personal data	% of requests for the exercise of GDPR rights handled	100%	100%	
Ensure the security of information	Number of events collected for analysis, in billions[2]	81.9	25.8	22.2
	Number of incidents with impacts[3]	2	1	1

(1) The population defined for each training module is described in the section below.
(2) Cybersecurity event: audit data relating to the execution of a process, whether or not initiated by a user, that may impact the information system.
(3) Cybersecurity incident: an event that adversely affects the availability, confidentiality or integrity of the information system.
(4) Total number of alerts received in 2022: the figure 15 includes 2 alerts received in end of December and which are being handled

The general audit program checks all compliance topics. 100% of our entities are audited over four years. In 2022, 29% of companies were audited, thereby completing the first full audit cycle on all companies.

Regarding the target population for compliance training programmes, it is important to note that Verallia trains all people likely to be exposed to:

- the risk of active/passive corruption (anti-corruption training),
- the risk of engaging in anti-competitive practices or violating embargo rules (competition training, e.g. exchanges of sensitive information and embargo/economic sanctions training).

In practice, the following functions are mainly (but not exclusively) targeted: General Management, Purchasing, Sales & Marketing, Customer Service, Human Resources, Legal, Finance, Internal Audit and Control. As Verallia is an industrial group, the population exposed to the risks mentioned above represents approximately 11% of all Group employees and approximately 30% of employees excluding blue collars. Moreover, control processes are included in the Group's Internal Control Manual. They are subject to an annual internal self-assessment by the Group's subsidiaries, leading to corrective action plans if necessary.

In 2022, ongoing awareness-raising efforts allowed Verallia to confirm its very good performance on these compliance indicators, demonstrating the key place that compliance with the law occupies among Verallia's values. However, given the numerous technical issues encountered with the training platform, the Group has decided to launch a call for tenders to change it in 2023, thereby demonstrating its commitment to continuous improvement, particularly in the field of compliance.

Regarding IT security, the Group has gradually extended the scope of trace collection[66] to cover Verallia business scenarios and associated risks. This approach will be continued in order to detect any attacks early. In 2022, Verallia more than tripled the volume of data collected (+217%), giving it more comprehensive visibility across all IT systems. This outcome is attributable chiefly to the modernisation of collection technologies and the extension of the collection scope finalised in 2021 for industrial systems and certain applications, as well as to the improved productivity of the internal organisation and that of its partners. Trace collection is the collection of system audit data from all servers and workstations using standard operating system tools, anti-virus software and an additional probe known as EDR to identify processes being run and internet access. Verallia collects and analyses the same data from application systems, such as SAP, for privileged accounts and 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.

The main measures implemented within the framework of our Ethics and Compliance policy are summarised in the table below. Details of the measures specific to the various pillars are given in the following sections.

Key measures	Comprehensive rollout of "Ethics and Compliance" measures*	Specific measures by pillar
Mapping of risks	Risks related to corruption, competition, embargoes, personal data protection and cybersecurity are included in the Group's risk mapping (see Section 4.1.4.1 of the URD).	Anti-corruption: a corruption risk map has been prepared, see the section on this pillar below.
Training	Training is regularly offered to employees, where appropriate particularly targeting those employees deemed to be at risk. Training rates for the target populations are presented in the table of indicators above.	See the sections below for details of the training offered to employees in respect of each pillar.
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 to corrective action plans if necessary.	Anti-corruption: specific controls related to the prevention of corruption are carried out, see the section dedicated to this pillar below.
Audits	Internal audit programmes regularly incorporate a number of controls to ensure that the Group's processes and policies in the areas of anti-corruption, competition law, economic sanctions and embargoes, and personal data protection are properly implemented.	Anti-corruption and competition law: specific audits related to these two pillars are carried out, see the dedicated sections below.
Control of third parties	Applicable only to the "Anti-corruption" and "Economic sanctions and embargoes" pillars.	See the sections dedicated to the "Anti-corruption" and "Economic sanctions and embargoes" pillars in the sections below.
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. In May 2022, Verallia changed its whistleblowing platform (more accessible, more user-friendly and allowing the use of a hotline in all Group languages) and has updated the related documentation (policy, user guide, etc.). The whistleblower hotline can be used to report any ethical breach including cases of corruption or anti-competitive behaviour.	

* Measures applicable unless otherwise stated to all pillars of the "Ethics and compliance" policy except for the Cybersecurity pillar, which is subject to specific adapted measures, presented in the dedicated section.

[66] Our information system generates log files ("traces"), most of which are generated automatically by the computer systems used, and which provide a record of user activity. These traces are then stored and can be analysed automatically or manually as required to detect any abnormal or malicious behaviour.

2.4.1.3. Action #1 : Fight corruption

In addition to the general measures presented in the introduction to this section, Verallia applies the following specific anti-corruption measures:

Specific measures relating to the "Anti-corruption" pillar	
Mapping of risks	An initial mapping of corruption risks was performed in 2017. It was subsequently updated in 2018 and 2020, then consolidated at Group level and enriched in 2021, with the aid of a specialised external firm. 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 via a questionnaire sent to all Group subsidiaries. Based on the results of anti-corruption mapping, action plans are drafted and implemented to improve the effectiveness of Verallia's anti-corruption system. The anti-corruption questionnaire was updated in 2022 and completed by all subsidiaries. A call for tenders has been issued to select the specialised external firm that will help Verallia update the corruption risk map in 2023.
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 (updated in 2020, and completely reworked with a significant expansion of the content in 2021) in all of the Group's languages via the UNIVERA training platform, which hosts all e-learning modules. 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. After targeting all employees at risk of corruption in 2021, the training campaign targeted new hires in 2022.
Internal control	Controls specifically related to the prevention of corruption were reviewed and updated in 2022. The reliability of these annual self-assessments is verified by internal auditors when performing their audit assignments in the subsidiaries. Verallia does not operate a certified anti-corruption management system at its operational sites.
Audits	Specific audits are also performed. They covered 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. In 2022, the internal auditors' review focused on the whistleblowing platform (awareness and perception).
Control of 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 to be eligible to enter into a contractual relationship with Verallia. Supplier monitoring procedures were implemented by the Purchasing Department in the second half of 2020. They bear on supplier ethics, via questionnaires managed and evaluated by external service providers. Finally, following the outcome of the last risk mapping exercise, new software has recently been implemented to carry out corruption due diligence for the categories of third parties identified as being the riskiest. The new third party due diligence procedure, finalised and circulated in early 2022, is being rolled out across the Group; it requires enhanced controls of third parties identified as belonging to the riskiest categories.
Disciplinary rules	Non-compliance with procedures may result in penalties, as provided for by the Internal Rules or the applicable collective agreement.

→ Key actions in 2022

Other than for the review of the anti-corruption Code of Conduct, which has been postponed until 2023 to coincide with the update of the corruption risk map, all actions planned were completed in 2022:

- adaptation of the internal whistleblowing procedure to bring it into line with the new EU directive aimed at improving the protection of whistleblowers and strengthening the role of the Defender of rights on whistleblowing. In a study conducted by Internal Audit, 92% of respondents (325 people) stated that they were aware of the platform's existence and that they had confidence in the guarantee of anonymity and in Verallia's management of alerts;
- analysis of the use of the gift declaration software in 2021, which revealed no anomalies and confirmed that the reporting thresholds currently used are appropriate;
- assessment of third parties: finalisation and rollout throughout the Group of the procedure and dedicated software;
- initiation of the process of updating the corruption risk map for 2023 (updated corruption questionnaire; collection of responses from subsidiaries; call for tenders carried out for the choice of a partner);
- e-learning training (for all new hires);
- specific internal audit of the whistleblowing platform.

At the end of November, Verallia also held Compliance Week, a week-long campaign to raise awareness among all employees of the main compliance issues (Code of Conduct, anti-corruption, competition, GDPR). The week's aim is to reach out to as many employees as possible in order to develop the Group's DNA and create the right reflexes among employees.

→ 2023 outlook

Several actions will be implemented from 2023:

- update of the consolidated corruption risk map;
- review of the anti-corruption Code of Conduct;
- strengthening of the whistleblowing platform (implementation of the two Internal Audit recommendations);
- third-party assessment: strengthening of the use of the dedicated software within the Group;
- implementation of the law on the duty of care;
- continuation of anti-corruption training for all populations concerned in line with the rollout of e-learning.

2.4.1.4. Action #2: Ensure compliance with competition law

In addition to the general measures presented in the introduction to this section, Verallia applies the following specific measures in the area of competition law:

Specific measures relating to the "Competition Law" pillar	
Training	Training courses are offered to all managerial staff, as well as to employees identified as belonging to a population exposed to this risk. The training programme on competition law therefore continues to be rolled out for this population in all Group languages via the UNIVERA training platform. The content was revised in 2021 to give it greater impact. In addition, a new training module covering the relationship of sales staff with their distribution channel (and agents) was developed in 2020 in all Group languages on the UNIVERA platform, and rolled out for sales forces in all countries, then extended in 2022 to buyers, lawyers, internal auditors and controllers, and chief financial officers. New tools were created and circulated during Compliance Week (a "dos and don'ts" flyer in French and English; cartoons depicting key messages translated into all Group languages).
Audits	In 2021, Internal Audit conducted a specific audit on professional associations and employees' participation in those associations in all Group subsidiaries. External audits, along the lines of an inspection by an independent authority, are also conducted by specialist firms to ensure the implementation of these rules within Verallia.

→ Key actions in 2022

As announced, several actions were taken in 2022:

- update of the "Trade Associations" policy (clarification of the process, strengthening the monitoring of trade association registration, etc.);
- new e-learning campaign (for 100% of the target population);
- external audit by a specialised firm with a new subsidiary targeted.

→ 2023 outlook

Existing actions will be continued in 2023:

- new e-learning campaign (for all new hires);
- external audit by a specialised firm along the lines of an inspection by a competent authority: a new subsidiary will be targeted.

2.4.1.5. Action #3: Ensure compliance with rules on economic sanctions and embargoes

In addition to the general measures presented in the introduction to this section, Verallia applies the following specific measures as regards compliance with the rules on economic sanctions and embargoes:

Specific measures relating to the "Economic Sanctions and Embargo" pillar	
Training	Face-to-face training courses were 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 Group languages in order to facilitate its circulation in the various countries. In addition, a comprehensive training campaign aimed at all the most highly exposed functions (finance, accounting, sales, purchasing) was launched on 15 December 2020 and completed in February 2021. A further comprehensive training campaign was launched in September 2022 for employees working in the purchasing, sales and marketing, legal, audit and internal control functions, as well as the chief financial officers of the Group's legal entities.
Control of third parties	In 2017, Verallia signed a contract with a service provider (AEB) that allows us to evaluate our third parties on our platform (focused on sanctions and embargoes); such assessments are prerequisites for the creation of any third party account in our system, which cannot be validated if the result is unfavourable. Since 2020, an annual mass check of all our suppliers and customers has also been organised via this platform, to be performed by all of the Group's subsidiaries. To comply with new sanctions (notably European) against Russia, mass checks of all our Russian subsidiaries' suppliers and customers were performed on a weekly basis until the summer, and then monthly.

→ Key actions in 2022 and 2023 outlook

Existing actions were continued in 2022. They mainly took the form of the screening (with our AEB tool) of all new customers/ suppliers as well as the annual mass screening of all supplier and customer databases (weekly and then monthly for Russian suppliers and customers) as well as the screening of all Russian active customers and some Russian suppliers using the specific Altares software.

Existing actions will be continued in a similar manner in 2023.

2.4.1.6. Action #4: Protect personal data

In addition to the general measures presented in the introduction to this section, Verallia applies the following specific measures for the protection of personal data:

Specific measures relating to the "Protection of Personal Data" pillar	
Training	Face-to-face training courses were 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 headquarters (reworking of the 2019 module, aimed at DPMs; it was translated into English and circulated within the Group at the beginning of 2022). Two new face-to-face and distance learning DPM training sessions (beginner and advanced levels) were held at the Group's headquarters in October 2022. In conjunction with Compliance Week in November 2022, a flyer on the key GDPR compliance rules (in French and English) together with four GDPR awareness videos (translated into all Group languages) were developed and circulated within the Group.

→ Key actions in 2022 and 2023 outlook

In 2022, priority was given to the rollout of key procedures throughout the Group as well as to updating training in the regions and conducting impact assessments.

These actions will be continued and strengthened in 2023.

2.4.1.7. Action #5: Ensure the security of data and information systems

Dashboard and analysis of scenarios

Verallia is improving its preparation for crisis management by planning and testing crisis scenarios and by developing continuity scenarios for its basic infrastructure and industrial information systems.

Various actions carried out or underway are aimed at strengthening the security of IT infrastructure and hardware, particularly with regard to treasury and industrial systems, which in turn help limit the risk of internal fraud and external intrusion.

There is also centralised supervision allowing for detection, analysis and rapid reaction (Security Operation Centre), operated by a front-ranking partner.

Various other actions are carried out annually to raise employee awareness of cyber risks, particularly phishing and ransomware, for which exercises were held twice this year. Verallia also conducts regular attack simulations (redteam exercises) to test its entire strategy and 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..

Role segregation involves managing access rights to applications and reviewing privileges granted to ensure that only strictly necessary privileges are granted, and that incompatible rights are avoided.

Lastly, Verallia has taken out an insurance policy covering cyber risks.

→ Outlook

The strategy initiated in 2020 will be continued in 2023, with:

- regular employee awareness-raising using a variety of methods and tools, prioritising tools that allow greater interactivity. In this respect, simulation exercises will be more numerous than in 2022, and simulated scenarios will be diversified;;
- extended supervision of compliance with basic requirements to all software components of the information system;
- increased capacity for the collection of events and therefore capacity for detection. As such, we plan to continue our strategy of growing the collection of industrial and non-industrial IS traces and their analysis;
- improvement of reaction processes by pursuing two objectives: greater reactivity and greater resilience. As such, we plan to continue testing and improving our crisis management scenarios.

2.4.2. Build engaging and respectful relationships with our suppliers

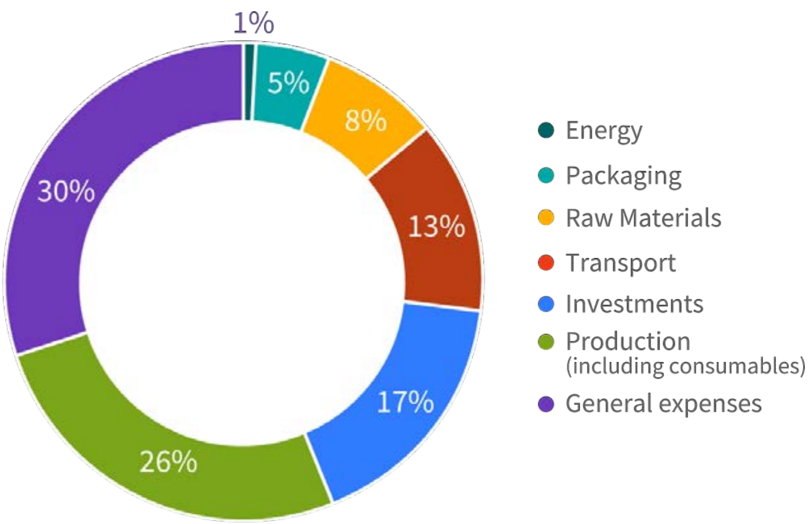
"The comprehensive purchasing policy includes CSR as a key pillar. CSR criteria are now an integral part of our purchasing practices. First, our suppliers must adhere to our values and sign our charter. Second, our purchasing strategy – and as such the choice of our main suppliers – takes into account CSR performance and capacity for action. We pay equally close attention to the results reported and to the associated objectives and roadmaps, particularly in terms of decarbonisation. Our SBTi target is ambitious, and we know we can achieve it thanks to the commitment of the entire value chain."

Jérôme Crest, *Group Purchasing Director*

Responsible purchasing management is a major challenge within Verallia. Purchases actually account for 60% of the Group's revenue, i.e. €2.1 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 suppliers located in the same country as our respective sites. The Group only makes a small volume of purchases from low-cost countries. Less than 3% of purchases are made in Asia. 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



2.4.2.1. Governance

Roles		Name of body		Main work in 2022
Definition of the strategy	▶	Executive Committee	▶	*Setting of annual targets.*
Building of a structured approach, coordination of the Responsible Purchasing network and management of trainings	▶	Group Responsible Purchasing and Supplier Quality Manager	▶	*Responsible Purchasing training built with EcoVadis in two sessions launched with 17 correspondents. Overhaul of the Responsible Purchasing Policy and Charter. Revision of the Supplier Charter and the Supplier Relationship Charter. Implementation of 25 action plans. Award of Responsible Purchasing prizes at country and Group level (Verallia Super Champion). Development of a reporting and simulation tool for the purchase of responsible materials and services.*
Coordination and monitoring	▶	CSR Risk Management Committee (1)	▶	• *Monitoring of the implementation of the responsible purchasing strategy (progress of evaluations, audits and action plans);* • *Validation of operational guidelines (e.g. vigilance on cobalt and compliance with European sanctions against Russia);* • *Delicate strategic trade-offs (strategic suppliers, recalcitrant to the CSR approach).* *Number of meetings: 2 (April and December 2022).*
Contacts in the entities	▶	Network of correspondents	▶	*Follow-up of the Responsible Purchasing training.* *Number of meetings: 12 meetings, plus regular workshops.*
Ownership	▶	Employees	▶	*Participation in Verallia Sustainable Purchasing Events.*

(1) The CSR Risk Management Committee is made up of members of the Executive Committee, the Group Purchasing Director and the Group Responsible Purchasing Director. It meets twice a year to monitor developments in respect of CSR risks, including risks related to conflict minerals and cobalt in our supplier panel, to monitor progress on actions underway, and to make decisions related to the continuity of business in certain highly challenging situations. It may meet more often if urgent and important decisions are required.

2.4.2.2. Policies & performance

In 2018, Verallia established its Responsible Purchasing policy. It was completely rewritten in 2022 to make it consistent with our Purpose and more binding for Verallia. Aligned with Verallia's Code of Conduct and its commitment to the United Nations Global Compact, it is based on three fundamental principles:

1. ENSURE THAT INTERNAL AND EXTERNAL STAKEHOLDERS respect the Group's values in purchasing;
2. CO-CONSTRUCT SUSTAINABLE RELATIONSHIPS with our suppliers and foster innovation in support of the Group's CSR strategy;
3. MOBILISE AND DEVELOP INTERNAL STAKEHOLDERS in the purchasing process in a responsible purchasing approach.

Verallia's new Responsible Purchasing policy emphasises circularity in purchasing, eco-design and decarbonisation of its products.

A particular focus has been placed on the issues of decent remuneration for suppliers, diversity and inclusion, and respect for human rights.

It also lays down the roadmap related to the conflict minerals policy. This policy, which applies to the entire Group, is available on the Verallia website (https://www.verallia.com/wp-content/uploads/2022/12/Verallia_politique_achats_responsables_2022.pdf) and is also circulated by means of a "Teams" channel dedicated to responsible purchasing, reaching the responsible purchasing correspondents in each entity. A dedicated presentation was made to the entire network.

The purchasing teams have continued their efforts to apply the Responsible Purchasing policy in all of the countries where Verallia operates. This has resulted notably in an intensification of the assessments of priority risk suppliers and the implementation of action plans with our suppliers according to the SMETA (Sedex Members Ethical Trade Audit) standard.

In 2022, Verallia completed the evaluation of its most risky suppliers ("red flags" in our risk mapping). In total, more than 240 suppliers have entered into an evaluation process (EcoVadis), with audits systematically triggered for those with a score below 35/100.

A special focus on sand

Sand is identified in our risk mapping as a "major risk". We pay particular attention to our sand suppliers, especially the quarries from which sand is extracted. Indeed, risk analysis reveals possible impacts on three fundamental aspects: fraud and corruption, depletion of natural resources, and health and safety at work. Aware of these issues, Verallia applies a very strict policy towards its sand extractors by conducting CSR audits at each source quarry. To date, 100% of our sand extractors have been audited on site by a SMETA 4-Pillar approved body[67].

More generally, Country Purchasing teams were called on intensively to support the most highly exposed suppliers in the implementation of corrective actions based on the recommendations of our audit body, QIMA (SMETA). Such actions were directed, for instance, towards improving compliance with safety standards, or working conditions and pay in certain countries (e.g. India). This year, 60 progress action plans were initiated by our suppliers; 20 were successfully completed.

Verallia continued major work to reduce its supplier base in order to improve control of its supply chain and ensure better monitoring of suppliers. Initiated in 2018, it has led to a 75% reduction in the number of suppliers. Work to maintain the supplier base at this level is a priority for 2023.

Build engaging and respectful relationships with our suppliers				
Quality commitments	**Monitoring indicators**	**2022**	**2021**	**2020**
Engage our buyers and suppliers in a responsible purchasing approach Objective: ensure that 90% of purchases remain covered by the Supplier Charter by 2025.	Percentage of purchases covered by the Supplier Charter	88%	82%	73%
Evaluate the CSR performance of our suppliers Objective: Reach 100% of suppliers identified as Priority Risk assessed by EcoVadis by 2025.	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 assessment or in the process or already CSR audited	99% (1)	89%	91%
Build lasting relationships with our suppliers	Number of actions plans initiated as a result of supplier non-compliance	57	24	N/A

(1) Due to the war in Ukraine, this year the figures for Ukraine have been excluded from the calculation.

As part of its referencing, each new supplier is required to sign our charter, improving the rate of coverage, year after year.

Of all our "red flags", excluding Ukraine from our scope, only 1 supplier did not enter our evaluation process.

Each year, on-site audits lead to concrete action plans. 57 were committed in 2022.

Signing the Supplier Charter is a mandatory step in the approval of any new supplier. Local teams have stepped up their efforts to get their suppliers to sign the charter and reached a level of 88%, corresponding to the percentage of our expenditure covered by suppliers that have signed our Supplier Charter.

In 2022, the Group decided to propose a new Charter to its suppliers (the first Charter was issued in 2018).

The new Supplier Charter reinforces the link between Verallia's expectations of its suppliers and its own Purpose, its Code of Conduct and its new CSR objectives. More detailed, it sets out Verallia's commitments to its suppliers and includes new subjects such as conflict minerals and the whistleblowing platform.

All suppliers are required to sign the new Charter, which commits them to adhering unreservedly to the following principles: respect for the right to development, respect for the rights of employees (the charter includes the promotion of and respect for the fundamental conventions of the International Labour Organization, such as the elimination of forced or compulsory labour and the effective abolition of child labour), respect for health and safety, commitment on environmental aspects and compliance with the law.

[67] SMETA 4-Pillar: Sedex Member Ethical Trade Audit. This method was developed by Sedex, a global organisation of non-profits. SMETA aims to align social auditing standards and control practices).

2.4.2.3. Action #1: Engage our buyers and suppliers in a responsible purchasing approach

Buyer training

To ensure the proper rollout 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 assessment platform and the QIMA CSR audit prescription platform. A shared document database gives buyers access to all supporting and reference documents regarding responsible purchasing. More broadly, 100% of buyers, new hires and employees exposed to supplier relationships are made aware of CSR challenges. 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 challenges. In 2022, we reinforced the training of our responsible purchasing correspondents. This resulted in a specific training module on responsible purchasing, co-constructed with EcoVadis, in two half-day sessions. This training enabled the teams to deepen their knowledge of the challenges, regulations and methods applicable to responsible purchasing..

Supplier awareness

In addition to the widespread signing of the Supplier Charter (detailed above), 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 in 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.

→ 2023 outlook

Four actions are already planned to intensify the mobilisation of Verallia and its suppliers in 2023:

1) update our CSR risk mapping so as to better reflect local specificities;;
2) go further in training Responsible Purchasing correspondents so as to build greater Responsible Purchasing expertise within our subsidiaries;
3) roll out the Responsible Purchasing organisation and processes within our new British subsidiary, acquired in November 2022
4) continue to raise awareness among our suppliers with new Responsible Purchasing events in the countries and the awarding of a CSR Supplier Prize at Group level.

2.4.2.4. Action #2: Evaluate the CSR performance of our suppliers

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), on-site external CSR audits based on the SMETA international system, action plans for proven non-compliance and a delisting process in the event of major non-compliance or non-compliance with corrective action plans.

Step 1: Mapping of purchasing risks

Verallia has adopted a supplier risk mapping tool developed by AFNOR, tested conclusively in 2019 and then rolled out in all of the Group's countries in 2020. It identifies a level of CSR risk by purchasing category and by country of location of suppliers, based on a matrix broken down into three areas, namely ethical, environmental and social.

This tool is available to the purchasing community and identifies suppliers for which a CSR performance assessment (possibly triggering an audit) is required. It thus focuses assessments on the most at-risk categories/countries, namely raw materials, chemicals and civil engineering/building.

In 2023, this mapping will be renewed so as to update it in relation to the new risks identified and to better reflect local features.

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 only uses the EcoVadis tool.

The Group strives to cover all of the highest risk suppliers ("red flags") with this process. By the end of 2022, 400 suppliers had been included in the evaluation process. For suppliers who do not achieve 35/100 on the EcoVadis assessment, Verallia prescribes an on-site audit according to the SMETA 4-Pillar protocol (see below, "supplier audits" section).

Step 3: Supplier audits

Based on the results of the EcoVadis supplier assessments, Verallia initiates audits of the companies with the lowest scores. Verallia has commissioned QIMA to carry out on-site audits according to the SMETA 4-Pillar protocol. By the end of 2022, 90 audits had been performed. Each audit concludes with the publication of an audit report, including all the observations and controls carried out, according to the SMETA 4-Pillar Audit protocol, which includes the following measurement criteria:

- Ethical Trading Initiative (ETI) Code of Ethics based on the requirements of the International Labour Organization;
- rights covered by the UN Guiding Principles;
- management systems;
- responsible recruitment;
- right to work;
- outsourcing and teleworking;
- environmental assessment;
- assessment of business ethics.

Step 4 involves implementing supplier action plans, the elements of which are set out below in Action #3 "Build sustainable relationships with our suppliers and develop their CSR performance".

→ 2023 outlook

In 2023, Verallia plans to continue its risk assessment programme by intensifying actions targeting the most highly exposed suppliers. The programme will be extended to the suppliers of Verallia's British subsidiary and will be aligned with the new risk mapping planned for 2023. To achieve a greater impact, Verallia will broaden its requirements for companies that fail to achieve the "bronze" score (47/100). It will ask them to comply with the action plans recommended by EcoVadis with a view to reaching the "bronze" level in their next assessment.

2.4.2.5. 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 issued and communicated to the supplier, as well as to the Verallia teams. It documents the progress resulting from the overall 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 a decision are referred to the CSR Risk Committee, involving Executive Committee members. In addition, to measure the volume of action plans undertaken and implemented, the central team has introduced an indicator to monitor the number of action plans opened and processed. In 2022, Verallia's purchasing teams monitored 60 action plans (i.e. 25% of red flag suppliers), 20 of which were successfully completed. Examples of measures covered by these action plans include the improvement of safety conditions (emergency exits, fire-fighting systems), working conditions or pay (payment of unpaid overtime), or environmental protection measures (storage of hazardous products).

Verallia organises events dedicated to its CSR policy. In 2022, for instance, events were organised in Argentina, Brazil, Spain, France and Portugal. The aim was to mobilise suppliers around CSR challenges by awarding a prize in the presence of a member of the country's Management Committee.

Ethical business relationships

Due to its strong and longstanding local and regional presence, Verallia has a significant number of SME suppliers located in the economic areas of its plants.

The Group's priority, through its purchasing policy, is to seek to preserve a balance between local sourcing and partnerships with international players offering economically efficient solutions, albeit often involving 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 with its strategic partners, by means of multi-year contracts, in the same way as for raw materials, energy or machinery purchases.

Raw materials, with the exception of soda ash for South American countries and alumina-bearing materials, are thus sourced locally. Packaging purchases are also domestic.

→ 2023 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;
- definition of an indicator linked to the number of actions finalised within the timeframe, representing the level of the supplier's commitment and proactivity;
- intensification of Responsible Purchasing communication with suppliers in the various countries, with the organisation of new, more substantial events geared towards a Group-level event.

2.4.2.6. Action #4: Develop purchases of responsible materials and services

Carbon footprint of purchases

Since 2020, Verallia has systematically calculated its Scope 3 CO_2 emissions on an annual basis in order to identify the segments and suppliers that contribute most. At the same time, three areas of work were established in 2021 and initiated in 2022 to improve the management of Scope 3 initiatives by purchasing teams :

- development of reporting and simulation tools: the development of tools related to the categories with the highest emissions is currently being finalised. The first results are expected by the end of January 2023;
- management of a CO_2 reduction plan including the suppliers with the biggest emissions 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) and establish practical reduction projects (see 2.2.2 Reducing Scope 3 emissions). This ambition is an integral part of the values shared through the new Responsible Purchasing policy and the Supplier Charter;
- consideration of Scope 3 in sourcing decisions: our suppliers' CO_2 emission reduction roadmaps are deemed a differentiating factor.

Conflict minerals and cobalt

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 good practices and existing regulations.

Likewise, Verallia is particularly vigilant regarding the supply chain for cobalt oxide, a material used in the manufacturing process of certain bottles. Specific actions have been taken in each country to direct cobalt oxide orders towards suppliers who can demonstrate a supply chain based on recycled cobalt or excluding the Democratic Republic of Congo (DRC).

→ 2023 outlook

In 2023, purchasing teams will be called on to a great extent for the implementation of CO_2 emissions reduction projects with their suppliers, whether in the field of transport, packaging or raw materials. They will be able to use analysis and simulation tools for the categories with the highest levels of CO_2 emissions.

Verallia will continue its efforts to roll out these tools so as to ensure that its actions are consistent with its Scope 3 reduction challenges.

In 2023, Verallia plans to conduct an audit of its cobalt oxide suppliers in order to strengthen control of the supply chain and thus ensure sourcing outside the DRC.

From January 2023, Verallia will integrate its British subsidiary into its process of care with respect to conflict minerals and cobalt.

2.4.3. Ensure 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 (through decoration, engraving or the addition of 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. Food safety is an integral part of our quality management system and applies to all employees of the Group.

2.4.3.1. Governance

The Group Quality Department, which reports to the Director of Operations, implements and leads the quality process. The quality teams at country and site level are functionally attached to it.

Roles	Name of body	Main work in 2022
Definition of the strategy	Quality Department Group [1] Member of the Executive Committee	*Setting of annual targets and validation of the annual quality improvement plan.*
Proposal and implementation of the Improvement Plan	Group and Regional Quality Departments	*Active participation in the rollout of the Group's quality improvement plan and in the circulation of the related tools and quality procedures.*
Monitoring of the Quality Improvement Plan	Quality Committee	*Rollout and implementation of the Quality Improvement Plan at the regional level and on sites. Work on improving standards and coordination with business networks. Replication of lessons learned from quality complaints. Management and harmonisation of the "Quality Day" held on 10 November 2022.*
Monitoring of developments on regulations and external standards	Group and Regional Quality and Technical Departments	*Regulatory monitoring and monitoring of work carried out with local trade associations (CSVMF, FEVE, CETIE). Number of meetings: 2*
Monitoring, circulation of expertise and provision of support to employees	Food safety-specific trade network	*Constantly in monitoring mode, this network: • questions, refreshes and enriches its expertise; • makes its knowledge available (sharing, teaching, transmission); • produces reliable studies to inform and secure decision-making; • contributes to problem-solving through technical recommendations. 2022 achievement: definition and circulation of the health and safety rules applicable in our glass plants to mark "Food Safety Day" on 7 June 2022. Number of meetings: 6*
Monitoring, circulation of expertise and provision of support to employees	Business network specific to the Supplier Quality scope (3)	*Focused on cullet and glass sand, appointment of Supplier Development Quality Engineers in each region. Their job is to implement Product and Process Quality Assurance (PPQA) activities with our cullet suppliers. This network is run directly by the Group Quality Director in conjunction with the Group and Regional Purchasing and Glass Production Departments. Number of meetings: 2*

Roles	Name of body	Main work in 2022
Proposal for improvement, coordination and assistance to Site Quality Managers	Regional Quality Departments	*Monitoring of the implementation of actions and the rollout of new procedures*
Contacts in the entities	Site Quality Manager	*Implementation of actions and rollout of new procedures and tools with the involvement of the technical networks.*
Ownership	Employees	*Participation in Food Safety Day on 7 June, Quality Day on 10 November 2022 and Onboarding Day on 13 December.*

(1) Reporting to the Director of Operations
(2) Industrial Management and the General Management of each division
(3) Composed of 5 Supplier Development Quality Engineers (1 for each region)

2.4.3.2. Policies & performance

The Verallia quality strategy aims for "zero critical customer complaints". It is laid out in a quality improvement plan that is defined around three major areas:

- implementation of a quality culture;
- regulatory compliance;
- control of internal processes driven by the "first-time-right" mindset.

The Quality improvement plan is reassessed and readjusted every year regarding improvement subjects raised through the performance indicators, and the lessons learned. Its rollout 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**	**2022**	**2021**	**2020**
Build a quality culture	% of sites with at least 1 certified RCA coach(1)	100%	84%	47%
Observe the regulations in force Objective: ensure that 100% of sites maintain Food Safety certification until 2025.	Number of sites covered by Food Safety certification	100%	94%	90%
Master and continuously improve quality in our production processes Objective: 35% reduction compared with 2020 by 2025.	% decrease in the customer complaint rate (number of complaints per 1 billion containers sold)	- 43% versus 2020	- 13% versus 2020	Baseline year*[68]

(1) Certified RCA coach: coaches are Verallia employees (such as plant, quality or production managers) trained and recognised as contacts for promoting the root cause analysis (RCA) method, as well as the associated "attitudes" at 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.

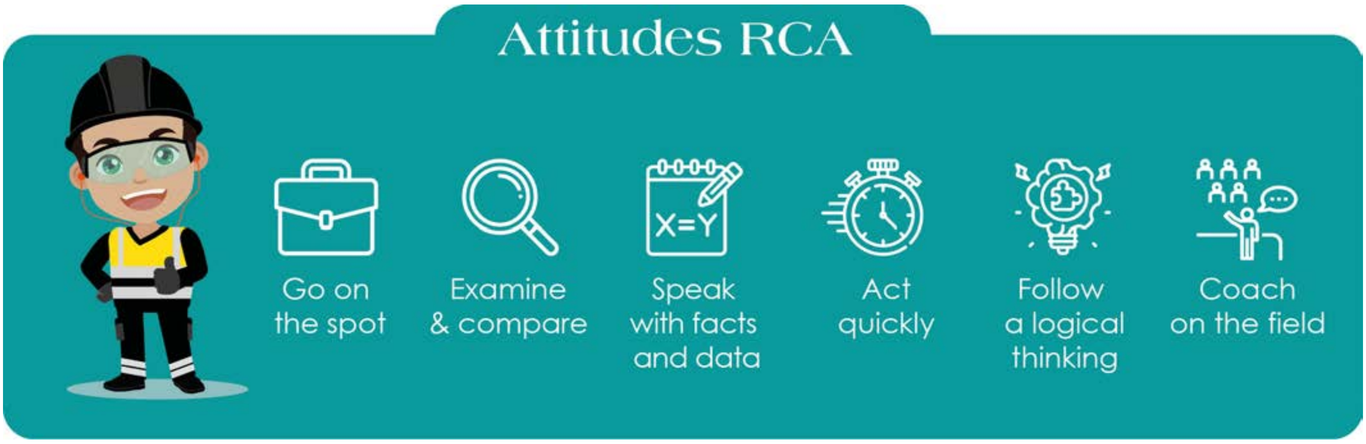
To date, the results achieved by the Group are in line with the ambitions and areas of improvement of the established plan, meeting or exceeding the expectations of its external and internal customers (quality in our production processes). The continuous improvement process is particularly committed to the dual objective of strengthening and capitalising on knowledge and expertise, challenging its achievements in the quest for quality excellence.

2.4.3.3. Action #1: Build a quality culture

Root cause analysis (RCA) is more than a method for solving problems, it represents a real change of attitude. It builds on a structured and rational approach. RCA involves retracing the course of events at the time of the problem and identifying the potential cause(s) that resulted in a variation from the established standard. The key factors of an RCA are:

- the collection of reliable data and validated facts,
- a rigorous approach to the analysis of potential causes of occurrence and non-detection,
- the application of RCA attitudes.

[68] By 2020, we had exceeded our target of a 50% reduction compared with 2017. 2020 outcome: -53%.



In 2022, training was specifically aimed at logistics teams in each of our regions in order to support the improvement process initiated in this area. A roadmap is in place to facilitate the adoption of RCA. It describes the process of building skills from simple participation as a member of an RCA to the challenge of conducting an RCA.

LEARN	APPLY	PILOT	TRAIN / SPONSOR	COACH
I GET TRAINING	IT CAN DO IT WITH SUPPORT	I CAN DO IT	I CAN TRAIN / I CAN SUPPORT	I CAN TEACH OTHERS HOW

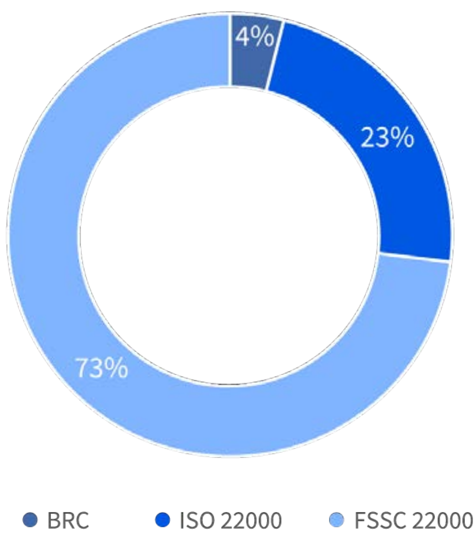
In 2022, some 30 new RCA coaches and as many sponsors were certified.

Lastly, to run this process and recognise our best RCA leaders, we set up our first Group-wide RCA competition in 2022. The aim is to select the Group's best RCA; the title will be awarded annually. The best RCA is selected on each site, with each site-level winner automatically becoming a finalist at the regional level. Similarly, each winner at the regional level becomes a finalist at the Group level. The panel of judges is chaired by the Chief Executive Officer.

2.4.3.4. Action #2: Observe the regulations in force

As a producer of food packaging, Verallia must comply with the regulations in force on foodstuffs. The existing control system allows all necessary safety measures to be applied for the certification of plants. In 2022, we met our target. All 32 of our glass plants now have recognised food safety certification.
More than three-quarters of glass sites have 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? To achieve that goal, the network of food safety experts has designed and implemented an e-learning programme accessible to all employees. It represents an initial level of awareness for all employees. In addition to the e-learning on food safety awareness that is now followed by every new employee in the Group, 2022 saw us harmonise our hygiene rules so as to ensure food safety in all our regions and sites.
Grouped around five themes, these rules are applicable to anyone entering one of our glass-making sites.

Breakdown of the type of food safety certification in our glass sites



2.4.3.5. Action #3: Master and continuously improve quality in our production processes

Detection of defects in finished products

To improve the detection of situations that may lead to manufacturing defects and 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. The modernisation plan affects over 1,200 machines. Initiated in 2019, it has been reviewed following the re-assessment of quality risks and the validation of new detection solutions proposed by our suppliers. Its implementation, in line with what has been done to date, is prioritised depending on the types of defects to be covered and the equipment to be 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 so as to avoid the occurrence of any risks that 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 risks linked to the parameters entered and thus to correct and optimise these parameters before the start of production in order to avoid them. This software package is now used at all 32 glassmaking sites.

Control of the main raw materials of our glass packaging: cullet and glass sand

We are focusing our efforts on controlling the cullet and glass sand used in our bottles and jars. Poor quality cullet can have significant impacts, first for our customers, as its inclusion can lead to breakage, and second for our furnaces and their proper operation, particularly in terms of the color stability or density of the glass.

To roll out this quality approach, initially dedicated to cullet and glass sand, we had to adjust our Supplier Quality Assurance process.

Supplier Quality Assurance (SQA) is defined as an approach that ensures that the product or service delivered by a supplier complies with the customer's requirements. This collaborative approach aims to ensure that the supplier, with its resources, can meet its customer's requirements with a minimum of customer intervention.

THE IMPLEMENTATION OF THE SUPPLIER QUALITY ASSURANCE APPROACH IS CARRIED OUT IN 6 STAGES:

Together with quality, glassmaking and cullet treatment experts, specific standards for the cullet and glass sand product/process have been created, the most important of which is our supplier process audit standard.

→ Outlook

The two main areas of work in the Group's roadmap will consist in:

- capitalising on lessons learned;
- accelerating the replication of internal standards and best practices throughout the Group.

2.5. Annexes

Methodological note

1. Reference frameworks

The reporting of non-financial indicators is based on the GRI framework, the TCFD recommendations and the Sustainable Accounting Standards Board (SASB) standards for the "Containers & Packaging" sector.

2. Indicators

The indicators are provided in the Annexes in the table of non-financial indicators. They refer to consolidated data as of 31 December 2022 except for the "Waste recycling rate" indicator. It has been decided, from 2021 and for subsequent years, to publish a "Waste recycling rate" indicator for the period from October in the prior year to September in the year under review so as to continue being able to refer to real data and to adapt to the operational realities of data reporting in a timeframe that has been brought forward compared with the previous year.

3. Reporting scope

The reporting scope for non-financial information corresponds to the Group's financial consolidation scope within the meaning of Article L. 233-16 of the French Commercial Code. It covers controlled entities and companies, with the exception of Verallia India, Verallia USA and Verallia UK (the new name of Allied Glass, acquired in November 2022) for all indicators, and Verallia Packaging for indicators related to water, waste and CO_2 emissions.

The health and safety indicators cover all glass and non-glass plants and headquarters, unless otherwise stated.

The environmental indicators relate only to the glass plants, unless otherwise stated.

The scope has not changed compared with the previous year. Where scope limitations exist on certain indicators, they are specified in section 4. "Methodological clarifications and limitations relating to the indicators".

In the event of an acquisition during the year under review, the non-financial data of the acquired entity is included in the reporting scope from 1 January of the subsequent year.

Acquisition during the year

Verallia acquired **Allied Glass** on **2 November 2022**.

This established player in the UK glass packaging industry operates two glass plants, each with two furnaces, and a decoration site in the Leeds area. It employs more than 600 people across all three sites. Verallia UK (the new name of Allied Glass) specialises in high-end bottles for the spirits segment, particularly Scotch Whisky and Gin.

In terms of environmental performance, Verallia UK has focused on the exclusive use of low-carbon electricity, allowing it to post Scope 2 emissions of zero. Another focus is the use of cullet.

4. Methodological clarifications and limitations relating to the indicators

Social, and health and safety indicators

Total workforce

The total workforce is the number of employees present in the company on 31 December of the year under review. It includes both permanent and fixed-term employees, whether full-time or part-time. Work-study contracts (apprenticeship contracts and professional training contracts) are counted in the workforce unless otherwise stated. Trainees, temporary workers and subcontractors are not included in this indicator.

Frequency rate 1 (TF1)

Number of lost-time accidents per million hours worked.

Frequency rate (with and without lost time) (TF2)

Number of accidents, with and without lost time, per million hours worked.

Severity rate

Number of days lost as a result of an accident x 1000 / Number of hours worked annually.

We count days of absence as from confirmation from the doctor, i.e. in line with details provided in the medical leave notice following the accident. Days are counted in calendar days. Days off work for relapses are only taken into account 7 days after the resumption of normal activity.

Number of accidents with and without lost time

Unit number of accidents with and without lost time. Accidents are counted once in the year in which they occur.

Subcontractors working on site are included in the calculation. Commuting accidents are not taken into account.

Gender equality index

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 foreign entities, the form for companies with more than 250 employees is applied for all entities regardless of the number of employees. It includes both permanent and fixed-term employees who were with the company for more than 6 months between 1 January and 31 December of the year under review. It reflects the level of salary, pay increases, promotion, pay increases upon return from maternity leave and the comparison with the 10 highest salaries.

Share of women managers

The share of female managers corresponds to the number of female managers in relation to the total number of managers, according to the definition of the category used in each country over the period from 1 January to 31 December of the year under review for permanent and fixed-term employees.

Total hours of training completed

(Total number of employees trained) / (Number of employees as of 31 December of the year under review)

Training courses include face-to-face training and e-learning. Travel time to and from training is excluded. The reference period for learner registrations is from November in the prior year to November in the year under review. A course is deemed validated if the learner completes at least 90% of the module.

Engagement index

This index is the result of an opinion survey, consisting of about 50 questions, carried out every two years. It is intended for the entire workforce present at the time of the survey (permanent, fixed-term, apprentices). The questionnaire must be completed in full to be taken into account. It is conducted by an independent firm.

Absenteeism rate

(Number of hours of absence) / (Number of theoretical hours worked)

Here, the number of hours of absence excludes sick leave, time off work for more than 6 months due to accidents at work, legal or trade union absences, absences for unpaid leave, absences for strike or disciplinary reasons.

The number of theoretical hours worked is equal to the number of hours worked excluding paid holidays plus hours of absence.

The indicator covers permanent and fixed-term contracts, including contracts suspended for parental leave, sabbatical leave or leave to start a business.

Share of capital held by employees

(Number of employees having subscribed to the Group Savings Plan (PEG) or International Group Savings Plan (PEGI) in the year under review) / (Number of employees eligible for PEG or PEGI in the year under review).

The share of capital 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.

Environmental indicators

Rate of use of external cullet in production

Volume of external cullet divided by the volume of packed glass produced during the year.

Scope 1, 2 & 3 GHG emissions in ktCO$_2$e

Scopes 1 and 2:
Scope 1 covers "direct emissions", i.e. CO_2 emissions linked to the physical scope of the plant, i.e. carbonated raw materials, heavy and domestic fuel oil, natural gas (melting and non-melting).

Scope 2 covers "indirect energy emissions", i.e. emissions related to the consumption of electricity required for the operation of the plant. Data collection is carried out within each of the various entities; the data is reported in the "BFC-SAP CONSO" financial consolidation software. Greenhouse gas emissions are calculated by multiplying energy and material consumption data by the associated emission factors. Emissions from office buildings, decoration plants and cullet treatment centres are excluded from Scope 1 and Scope 2 emissions, in accordance with the GHG Protocol and its emission categories, as they represent, according to our estimates and benchmark calculations, less than 1% of total Scope 1 and 2 emissions.

The emission factors used were obtained from the AIB database (https://www.aib-net.org/facts/european-residual-mix).

Scopes 1 and 2 are calculated according to an international methodology defined by the GHG Protocol.

Scope 3 :

Scope 3 covers "other indirect emissions", i.e. all other greenhouse gas emissions that are not directly linked to the operation of the plant, but to all other stages of the product's life cycle. In line with the completeness requirements of the GHG Protocol, only insignificant sources were excluded (application of the < 1% threshold).

Scope 3 is calculated according to an international methodology defined by the GHG Protocol. The calculation is based on the collection of primary data (mileage, tonnage, etc.) and the use of secondary data (emission factors from ADEME databases, emission factors obtained directly from suppliers, etc.).

Tonne of CO_2 (Scopes 1 and 2) per tonne of glass packed

This indicator corresponds to the quantity in tonnes of Scope 1 and 2 CO_2 emitted in proportion to the total tonnes of glass packed. The quantity of glass packed is the quantity deemed fit for sale of all glass produced.

% of renewable or low-carbon electricity

Share of renewable or low-carbon electricity consumption (in MWh) out of total electricity consumption (in MWh) for Verallia's activities.

The following sources are considered low-carbon: wind, solar, hydraulic, bio-mass and nuclear. The assessment includes contracts signed by Verallia and certified by the producers, and the assessment of the share of the grid excluding certificates of origin (market-based approach).

Total energy consumption in MWh

Total on-site energy consumption related to Verallia's activities. Gas consumption is reported in PCI.

Alpha coefficient

The Alpha coefficient, as defined in the French standard H35-077 on the geometry of glass bottles, serves to express the degree of lightness of a product by determining the ratio of its weight to its capacity. It is calculated as follows: 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.

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 assessment (initiated or completed)

Based on the risk mapping carried out with AFNOR, categories of goods have been identified as being more or less subject to risk. These categories have been grouped into Group-wide typologies ("red flags", "orange flags"). The supplier's status is then assigned according to the category of goods it supplies. The suppliers identified as priority risk are those supplying one of the five to six commodity groups identified as "red" (Quarrying, Buildings & Civil Work, etc.). In addition, our Chinese and Indian suppliers are included among red flags, regardless of their supply family.

Water consumption in m^3 per tonne of glass packed (TGP)

This indicator corresponds to the ratio of water consumed to total tonnes of glass packed. The quantity of glass packed is the quantity deemed fit for sale of all glass produced.

Only fixed-term and permanent contracts are included in the calculation of this indicator.

Waste recycling rate

Share of recycled waste in the total weight of waste produced (%)

In calculating the recycling rate, we refer to the definitions of the European Union Directive 2008/98/EC (Waste Framework Directive).

The calculation of this indicator is confined to glass plants.

Ethical indicators

Number of convictions or fines

Number of convictions or fines during the year in the areas of compliance (competition law, anti-corruption, embargoes and economic sanctions, personal data protection). No data escalation threshold is applied.

Number of ethics alerts received (and % handled)

An ethics alert is an alert reporting a violation or an attempted violation of laws relating to areas of compliance (see above) or any information relating to a crime or offence, a threat or a prejudice to the public interest, a violation or an attempt to conceal a violation of an international commitment regularly ratified or approved by France or another country whose laws applies to Verallia, a unilateral act of an international organisation taken on the basis of such a commitment, European Union law, a law or regulation, or a threat or harm to the public interest.

An ethics alert is deemed to have been handled when it is closed in our professional alert management platform.

% of the defined population trained in our anti-corruption programme

The population defined is similar to employees who may be exposed to the risk of active/passive corruption. Passive corruption involves asking for or accepting any advantage, for oneself or for others, in exchange for the performance or non-performance of an act relating to a person's office or facilitated by a person's office. Active corruption involves offering any advantage to a person in a position of public authority in exchange for the performance or non-performance of an act elating to a person's office or facilitated by a person's office.

The population defined at Group level includes at least the employees most exposed to the risk of active or passive corruption, i.e. all employees in each entity working in the areas of finance, HR, legal, general management, R&D, CSR, purchasing, communication, sales and marketing, and customer service.

They must complete the anti-corruption training programme in their first year of employment with the Group and repeat it every two years.

% of the defined population trained in our competition law programme

The population defined at Group level includes at least the employees most exposed to competition risk, i.e. all employees in each entity working in the areas of finance, HR, legal, general management, R&D, CSR, purchasing, communication, sales and marketing and customer services.

They must complete the competition training programme in their first year of employment with the Group and repeat it every two years.

% of the defined population trained on risks of violation of economic sanctions and embargoes

The population defined at Group level includes at least the employees most exposed to the risk of violating economic sanctions and embargoes, i.e. over the last two years, all employees of each entity working in the areas of purchasing, sales and marketing, legal, audit and internal control, and communication, as well as the Chief Financial Officer.

These e-learning courses are recorded from November N-1 to November N.

% decrease in the customer complaint rate (number of complaints per 1 billion containers sold)

This indicator serves to measure the quality performance (product and service) of our glassmaking sites. It aims to measure the trend in the total number of industrial complaints received by our sites between 1 January and 31 December of the year under review, where the glass plant is responsible for the defect, in proportion to the number of glass containers produced and sold over the same period.

% of sites with at least 1 certified RCA coach

RCA coaches are Verallia employees (such as plant, quality or production managers) trained and recognised as contacts for promoting the root cause analysis (RCA) method, as well as the associated “attitudes” at 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.

5. Regulatory aspects not dealt with

In view of the nature of its activities, Verallia considers that the following issues do not constitute major CSR risks and do not warrant development in this report: the fight against food insecurity, respect for animal welfare, responsible, fair and sustainable food.

Table of non-financial performance indicators

Indicator	2022	2021	2020
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	10,708,709	10,810,763	10,644,562
Fossil fuel consumption (fuel oil, gas) in MWh PCI	8,743,156	8,859,621	8,788,556
Electricity consumption in MWh PCI	1,965,553	1,951,142	1,856,006
Consumption of certified renewable electricity in MWh	575,224	522,045	/
% of renewable or low-carbon electricity out of total electricity consumed	50%	46%	34%
Total energy cost (in € million)	586.961	364.512	332.071
Fuel consumption costs (in € million)	357.158	227.423	204.,481
Scope 1 & 2 GHG emissions			
Scope 1 GHG emissions in ktCO_2e	2,286	2,347	2,378
Scope 2 GHG emissions in ktCO_2e	471	486	562
Scope 1 & 2 GHG emissions in ktCO_2e	2,756	2,833	2,940
Scope 1 & 2 GHG emissions / revenue (tCO_2e / € million)	0.81	1.05	1.16
Scope 1 & 2 GHG emissions in tCO_2e per TPG	0.468	0.482	0.523
Scope 3 GHG emissions			
Scope 3 GHG emissions in ktCO_2e	Not yet available	1,634	1,743
% of Scope 3 within the Group's total emissions		36.6%	37.2%
Scope 3 emissions from raw materials in kt CO_2	-	556	506
Scope 3 emissions from transport in kt CO_2	-	301	289
Scope 3 emissions from packaging in kt CO_2	-	129	173
Upstream Scope 3 emissions in kt CO_2	-	1,380	1,398
Downstream Scope 3 emissions in kt CO_2	-	254	345
Soil regeneration			
Number of trees planted since 2019	413,000	313,000	200,000
Number of winning sites in the Nature on Site internal competition since 2019	9	6	4
Certified GHG emission offsets in tCO_2e	20,000	30,000	30,910
Water			
Total water consumption in m3	2,758,494	3,108,599	3,273,730
Water consumption in m3 per tonne of packed glass (TPG)	0.47	0.53	0.58
Waste			
Waste recycling rate	75%	68%	65.5%
Weight of waste generated in plants (tonnes)	76,918	65,188	64,975
Weight of hazardous waste (tonnes)	17,515	9,167	14,450
Weight of waste sent to landfill (tonnes)	11,345	13,230	17,944
Weight of non-hazardous waste (tonnes)	59,061	56,021	50,525
Weight of waste recycled or reused (tonnes)	61,894	45,816	45,557
Sustainable materials and products			
% of cullet recycled in the production of new glass (external cullet ratio)	55.7%	55%	51.6%
Alpha coefficient	15.9	16	16

Indicator	2022	2021	2020
SOCIAL, HEALTH AND SAFETY			
General			
Total workforce	10,008	9,758	9,553
Percentage of employees by region:			
Europe (including France)	87% (25%)	87% (25%)	87% (26%)
Latin America	13%	13%	13%
Workforce by geographic area:			
Northern and Eastern Europe	3,218	3,153	3,122
Southern and Western Europe	5,382	5,286	5,184
Latin America	1,408	1,291	1,247
Breakdown of workforce by type of employment contract			
Permanent	90%	90%	90%
Fixed term	5%	5%	4%
Temporary staff	5%	5%	6%
Breakdown of workforce by SPC:			
Managers	1,065	1,014	993
Employees, technicians and supervisors	2,458	2,308	2,230
Manual workers	6,485	6,436	6,330
Sales workforce	310	318	280
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).	567.4	524.5	501
Change in employment			
Change in employment within the Group over the last three years:			
Total turnover (all departures combined)	11.9%	11.2%	9.4%
Voluntary turnover (resignations only)	5.0%	4.6%	2.60%
Recruitment rate	14.3%	12.0%	7.60%
Hiring rate on permanent contracts	9.4%	7.1%	4.20%
Health and safety			
Number of accidents (with or without lost time)	76[1]	105	88
Accident frequency rate (TF1)	3.5	5	4.4
Frequency rate (with and without lost time) (TF2): Number of work-related accidents with or without lost time per million of worked hours	3.6	5.3	4.6
Severity rate	0.25	0.29	-
Number of fatal workplace accidents	0	0	0
% 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	90%	91%	nd
% of employees covered by a health care expense scheme voluntarily proposed by Verallia	57%	57%	nd
% of employees covered by a health care expense scheme (mandatory or voluntary)	100%	100%	nd
Diversity & Inclusion			
Percentage of women employed	17.9	17.2%	16.5%
Percentage of women in senior management positions (Executive Committee)	30%	33%	20%
Share of female managers	31.3%	30.4%	29,8%
Female hiring rate	28.3%	28.8%	20.7%
Gender equality index	68	67	70
Percentage of people with disabilities/average workforce	3.3%	3.4%	3.3%
Hiring rate of people with disabilities	1.4%	1.5%	nd
Number of nationalities of employees present in the Group	68	63	nd

(1) The subcontractors being included in this number as for 2021

Indicator	2022	2021	2020
Professional development			
Number of hours of total training completed	327,520	304,902	
Percentage of workforce trained	85.2%	78.8%	77%
Number of training hours per person (h/person)	33	31	25
Proportion of managers and non-managers trained:			
Managers	91.7%	93.3%	63%
Senior technicians and supervisors	91%	74.7%	64%
Manual workers, administrative staff and technicians	82.1%	70.9%	56%
Percentage per type of training:			
Technical	52%	61%	50%
Environment, Health, Safety	58%	54%	17%
Management	32%	29%	9%
Language	4%	4%	5%
Other	25%	24%	11%
Employee engagement			
Number of agreements signed or approved with staff representatives during the year	64	70	51
Engagement index (every two years)	nd	57.0%	nd
Absenteeism rate	5.5%	5.0%	5.5%
Capital held by employees			
Proportion of share capital held by employees	3.8%	3.5%	3.2%
Proportion of employee shareholders	41%	45%	37%
Number of employee shareholders	4,132	4,367	3,491
ETHICS			
General			
Number of convictions or fines	0	0	0
Total number of alerts received (and % handled)	15 (87%)	7 (100%)	
Number of ethical alerts received (and % handled)	0 (N/A)	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)	97.5%	98.9%	98.7%
Number of confirmed corruption incidents	0	0	0
Competition & embargo			
% of the defined population trained in our competition program	98.9%	98.8%	98.3%
% of defined population trained in risks of violation of economic sanctions and embargoes	99.4%	94.8%	
Personal data			
% of requests for the exercise of GDPR rights handled	100%	100%	
Sécurité de l'information			
Number of information security incidents confirmed			
Number of IT security events collected in billions for analysis	81.9	25.8	22.2
Number of incidents with impacts	2	1	1
Suppliers			
Group purchases (in € million)	2.18	1.6	1.6
Number of suppliers	12800	10,250	8,000
• % of suppliers in number for the energy purchase category	1%	1%	5%
• % of suppliers in number for the raw materials purchase category	8%	8%	5%
• % of suppliers in number for the investment purchase category	17%	21%	14%
• % of suppliers in number for the transport purchase category	13%	10%	7%
• % of suppliers in number for the production purchase category	26%	28%	19%
• % of suppliers in number for the packaging purchase category	5%	6%	16%
• % of suppliers in number for the general and other purchase category	30%	26%	34%
Percentage of the amount of purchases covered by the Suppliers Charter	88%	82%	73

Indicator	2022	2021	2020
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	99%	89%	91%
Total number of CSR physical inspections of supplier facilities	24	78	8
Percentage of targeted suppliers that have been subject to an on-site CSR audit	37%	30%	3%
Number of actions plans initiated as a result of supplier non- compliance	57	24	N/A
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%
Product safety and customer satisfaction			
% of sites with at least 1 certified RCA coach*	100%	84%	47%
Number of sites covered by Food Safety certification	100%	94%	90%
% decrease in customer complaint rate (number of complaints per 100 million containers sold)	-43% vs 2020	-13% vs 2020	-53% vs 2017
Communities			
Monetary contributions to communities, NGOs made by the company per year	€1.5million	€1.5 million	€1.5 million

Governance			
Number of members on your Board (Board of Directors or Supervisory Board or equivalent) as of 31 December	13	10	13
Percentage of Directors present (in person, by teleconference or by proxy) at Board meetings held during the reporting period	96%	94%	88%
Total number of regular and special meetings of the Board of Directors of the Company held during the reporting period	6	7	7
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%	50%	40%
Percentage of women on the Board of Directors or Supervisory Board	40%	44%	40%
Percentage of women on the Management Committee	27%	30%	20%

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	N/A
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

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 workdays 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 programmes	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 OF MEASURE	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 (m³), 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 fibre procured, percentage from certified sources	Quantitative	Metric tons (t), Percentage (%)	RT-CP-430a.1	N.A.
	Total aluminium purchased, percentage from certified sources	Quantitative	Metric tons (t), Percentage (%)	RT-CP-430a.2	N.A.
	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) cross-reference table

The cross-reference table 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 non-financial statement included in the management report

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

For the year ended December 31, 2022

To the shareholders of Verallia,

VERALLIA

Tour Carpe Diem

31, Place des Corolles - Esplanade Nord

92400 Courbevoie

In our capacity as Statutory Auditor of the company Verallia (hereinafter the "Entity")], appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), (Cofrac Inspection Accreditation, n °3-1862,scope available at www.cofrac.fr)), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the group 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)*.

Conclusion

Based on the procedures we have performed as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, whose key elements are available on request from the company's head office.

Inherent Limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Entity

Management is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);

- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy)
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes*, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière, and acting as the verification programme and with the international standard ISAE 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information.*

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of 6 people between November 2022 and February 2023 and took a total of 9 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 16 interviews with people responsible for preparing the Statement, representing in particular of the following Directions: Human Resources, Purchasing, CSR, Legal, HSE, Marketing, Quality and Logistics and Glass Recycling.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti corruption and tax avoidance legislation;
- verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

- verified that the Statement includes a clear presentation of the business model and a description of the principal business risks of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products, or services as well as policies, actions and results, including key performance indicators relating to the main risks.
- referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (integration of the circular economy in product manufacturing and the value chain, social and environmental risks in the subcontracting chain, compliance with applicable regulations, anti-corruption and personal data protection and product quality) our work was carried out at the level of the consolidated entity and in selected entities Albi (France), Azuqueca (Spain), Bad Wurzach (Germany), Burgos (Spain), Pescia (Italy), Porto Ferreira (Brazil), Vauxrot (France);
- verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing sites: Albi (France), Azuqueca (Spain), Bad Wurzach (Germany), Burgos (Spain), Pescia (Italy), Porto Ferreira (Brazil), Vauxrot (France) and covers between 20% and 73% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, 15 February 2023

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Nicolas Brunetaud	Emilie Bobin
Partner	Sustainable Development Partner

Appendix: List of the information we considered most important

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	**2.1.1 Be a major player in the circular economy** Including the following qualitative information: • EHS policy • Specifications • Comparator of environmental impact of reuse • Training program for customers on recycling glas Including the following results and key performance indicators: • Rate of use of external cullet in production • Tons of CO_2 avoided with cullet **2.1.2 Develop eco-design for responsible products** Including the following qualitative information: • Alpha coefficient simulation and projection tool • Tool user guide • Product reduction project carried out in 2022 Including the following results and key performance indicators: • Alpha coefficient
Optimisation of water use and reduction of waste and discharges to water, air and soil	**2.1.3 Optimise the use of water, packaging and reduce our waste** Including the following qualitative information: • EHS policy • Water policy • Waste management policy • Internal benchmarking tool • Waste reduction action plan • Identification mapping of internal waste streams created in 2022 (2023 deployment) • Alert system: RCA Guide Including the following results and key performance indicators: • Total water consumption • Tons of packed glass • Water consumption (m3/ton of packed glass) • Share of (non-glass) recycled waste in glass plants
Energy efficiency and carbon footprint of our operations	**2.2.1 Reduce emissions from our sites (Scope 1 and 2)** Including the following qualitative information: • SBTi trajectory and public commitments to reduce CO_2 emissions • Waste reduction action plan • Projects to reduce scopes 1 and 2 emissions carried out in 2022 • Scope 3 procedure • Renewable electricity certifications • Soil regeneration program 2022 • Adherence of Verallia France to the Fret21 initiative Including the following results and key performance indicators: • Energy consumption • % of ISO 50001 and ISO 14001 certified sites • Direct CO_2 emissions (Scopes 1 and 2) (including % reduction in direct CO_2 emissions compared to 2019) • tCO_2 emitted/tons of packed glass (Scopes 1 and 2)

<table>
<tr><th>Main risks identified and other commitments</th><th>Sections of the management report dealing with policies, actions and related results reviewed as part of our work</th></tr>
<tr><td>Occupational health and safety</td><td>2.3.1 Ensure the health and safety of everyone
Including the following qualitative information:
• EHS policy
• EHS Standards
• Safety Gamba Tour process and RCA alert process
• Action plans related to ergonomics
Including the following results and key performance indicators:
• % of sites certified ISO 45001
• Number of accidents (with or without work interruption)
• Frequency rate 1
• Frequency rate 2
• Severity rate</td></tr>
<tr><td>Employee engagement and inclusion and social dialogue</td><td>2.3.2 Promote diversity and inclusion
Including the following qualitative information:
• HR roadmap
• Diversity Day
• Workshops and programs for diversity and inclusion
• Mentoring guide (new version 2022)
• Working group on disability set up in 2022
Including the following results and key performance indicators:
• Share of employees with disabilities
• Share of women in the workforce
• Share of women managers
• Gender Equality Index
2.3.3 Support our employees in their professional development and value their involvement
Including the following qualitative information:
• 2022 roadmap on employee engagement
• Training plans
• Individualized social assessment
• Program for the well-being of employees
• Donation allocation process
Including the following 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)
2.3.4 Other social information
Including the following qualitative information:
• Collective agreements
Including the following results and key performance indicators:
• Number of agreements signed or validated during the year</td></tr>
</table>

<table>
<tr><th>Main risks identified and other commitments</th><th>Sections of the management report dealing with policies, actions and related results reviewed as part of our work</th></tr>
<tr><td>Social and environmental risks in the subcontracting chain</td><td>2.4.2 Build engaging and respectful relationships with our suppliers
Including the following qualitative information:
• Supplier Charter (new version 2022)
• Responsible Purchasing Policy (new version 2022)
• Supplier Relations Charter
• Supplier audit reports and action plans
• CSR Prize 2022
• EcoVadis responsible purchasing training module
• Responsible purchasing shared document base
Including the following 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-complianc</td></tr>
<tr><td>Comply with applicable regulations and fight against corruption and for personal data protection

Including cybersecurity-related risk</td><td>2.4.1 Complying with key legislation (corruption, competition, embargoes, personal data, information security)
Including the following qualitative information:
• Code of Conduct
• Anti-corruption policy
• “Third party due diligence” procedure
• Whistleblowing system policy
• “Professional associations” policy
• Awareness actions (Compliance Week, communications internal, training)
• RTD training
• Phishing and ransomware awareness actions
Including the following 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</td></tr>
<tr><td>Quality of our products</td><td>2.4.3 Ensure product quality and safety for customer satisfaction
Including the following qualitative information:
• 2022 Quality Improvement Plan
• Product quality and safety training
• Food safety certificates
• Tool for detecting risky situations
Including the following results and key performance indicators:
• Number of sites covered by Food Safety certification
• % decrease in customer complaint rate (number of complaints per 100 million containers sold)</td></tr>
</table>

3

CORPORATE GOVERNANCE

The Report on Corporate Governance under Article L. 225-37 of the French Commercial Code 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. It was approved by the Board of Directors during its meeting on 15 February 2023.

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

In accordance with Article L. 22-10-10 of the French Commercial Code, the Company refers to and, subject to what is set out below, 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 December 2022 (the "AFEP-MEDEF Code").

The AFEP-MEDEF Code is available online at: http://www.medef.com.

The Company comply with the AFEP-MEDEF Code, except for the following recommendation:

Recommendation of the AFEP-MEDEF Code	Comment from the Company
Recommendation 15.2 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."	As at the date of the Universal Registration Document, the terms of office of most Directors of the Company will expire at the end of the General Shareholders' Meeting convened to approve the financial statements for the financial year ended 31 December 2022, as many 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 resigning Director. The staggering of terms of office is therefore not compliant with recommendation 15.2 of the AFEP-MEDEF Code which recommends to avoid the replacing of the entire body of Directors. As a result, the Combined General Meeting due to take place on 25 April 2023 will be asked to renew the term of offices of Marie-José Donsion, Virginie Hélias, Cécile Tandeau de Marsac, Michel Giannuzzi, Pierre Vareille, BWGI, BWSA and Bpifrance Investissement for differing terms, in accordance with Article 3 of the Articles of Association, to allow the staggering of terms of office.

3.1.1.2. Operation of the Board of Directors

(a) Composition: members of the Board of Directors as at 31 December 2022

The table below sets out the composition of the Board of Directors of the Company as at 31 December 2022:

	PROFILE				POSITION			BOARD COMMITTEE				
DIRECTORS	AGE	SEX	NATIONALITY	NUMBER OF SHARES HELD	DATE OF APPOINTMENT	END OF TERM OF OFFICE	OTHER OFFICES IN LISTED COMPANIES[69]	AUDIT	NOMINATION	COMPENSATION	SUSTAINABLE DEVELOPMENT	STRATEGIC
EXECUTIVE OFFICERS												
Michel Giannuzzi	58	M	French	1,021,228	20.09.2019	GM 2023	2				●	♦
Patrice Lucas	56	M	French	2,000	11.05.2022	GM 2026	0					
DIRECTORS REPRESENTING COMPANIES												
Marcia Freitas Représentant BWSA	56	F	Brazilian	N/A	03.10.2019	GM 2023	0	●				
João Salles Représentant BWGI	41	M	Brazilian	N/A	20.09.2019	GM 2023	2		●	●		●
Sébastien Moynot Représentant Bpifrance Investissement	50	M	French	N/A	03.10.2019	GM 2023	2				●	
INDEPENDENT DIRECTORS												
Marie-José Donsion	51	F	French and Spanish	1,000	20.09.2019	GM 2023	0	♦		●		
Virginie Hélias	57	F	French and Swiss	1,000	20.09.2019	GM 2023	0		●		♦	
Cécile Tandeau de Marsac	59	F	French	1,000	20.09.2019	GM 2023	2		♦	♦		
Pierre Vareille	65	M	French	20,000	20.09.2019	GM 2023	1		●	●		●
Didier Debrosse	66	M	French	2,000	11.05.2022	GM 2026	1	●				●
EMPLOYEE REPRESENTATIVE DIRECTORS												
Dieter Müller	64	M	German	N/A	23.01.2020	GM 2024	0			●		
Xavier Massol	49	M	French	N/A	10.01.2022	GM 2026	0				●	
EMPLOYEE SHAREHOLDER REPRESENTATIVE DIRECTORS												
Beatriz Peinado Vallejo	52	F	Spanish	N/A	11.05.2022	GM 2026	0				●	

VERALLIA'S GOVERNANCE IN A FEW FIGURES				
56 years old	**46%**	**40%**	**50%**	**96%**
AVERAGE AGE	**FOREIGN NATIONALITIES**	**PERCENTAGE OF WOMEN**	**OF INDEPENDENT DIRECTORS**	**ATTENDANCE RATE**

Key: ♦ Chair ● Member

The composition of the Board is thus consistent with the recommendation of the AFEP-MEDEF Code, which recommends that independent Directors should account for half the members of the Board in widely held corporations 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: close to half of the Directors are foreign nationals (Brazilian, German, Spanish and Swiss), as at the date of the Universal Registration Document.

[69] Number of offices held in listed companies outside of the Group, including foreign companies, in accordance with the article 20 of the AFEP-MEDEF Code

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 2022, two employee representative Directors: Dieter Müller, appointed by the Group's European Works Council in January 2020, and Xavier Massol, appointed in January 2022 following an election organised by the Company on the conditions set by Article L. 225-28 of the French Commercial Code.

In accordance with Article L. 225-23 of the French Commercial Code, as at 31 December 2022 the Board of Directors also comprises an employee shareholder representative Director, Beatriz Peinado Vallejo, following her appointment by the seventh resolution of the General Meeting of 11 May 2022.

Changes to the composition of the Board of Directors from 1 January 2023 to the date of this Universal Registration Document

There has been no change to the composition of the Board of Directors since 1 January 2023.

Planned changes to the composition of the Board of Directors following the General Shareholders' Meeting due to take place on 25 April 2023

The terms of office of BWSA, BWGI, Bpifrance Investissement, Marie-José Donsion, Virginie Hélias, Cécile Tandeau de Marsac, Michel Giannuzzi and Pierre Vareille come to an end at the end of the General Meeting due to take place on 25 April 2023.

Accordingly, the shareholders will be asked, on the recommendation of the Nomination Committee, to:

- Renew the terms of office of Michel Giannuzzi, BWGI and Virginie Hélias for a period of four year, i.e. until the end of the general meeting due to take place in 2027.
- Renew the terms of office of BWSA, Bpifrance Investissement and Cécile Tandeau de Marsac for a period of two years, i.e. until the end of the General Meeting due to take place in 2025;
- Renew the terms of office of Marie-José Donsion and Pierre Vareille for a period of one year, i.e. until the end of the General Meeting due to take place in 2024.

These renewals for different periods will therefore allow the staggering of terms of office, in accordance with Article 3 of the Company's Articles of Association and recommendation 15.2 of the AFEP-MEDEF Code.

(b) Personal information and the list of other offices of members of the Board of Directors as at 31 December 2022

Michel GIANNUZZI

CHAIRMAN OF THE BOARD OF DIRECTORS

Age:	58 years old
Nationality:	French
Number of shares held:	1,021,228
Date of first appointment:	20 September 2019
Date term of office expires:	GSM 2023
Committee:	Chairman – Strategic Member - Sustainable Development
Attendance rate:	100%

Michel Giannuzzi was Verallia's Chairman and Chief Executive Officer from September 2017 until May 2022. Thanks to the successful implementation of a value creation strategy, he successfully led Verallia's initial public offering on the Euronext Paris market in October 2019.

Previously, from 2007 to 2017, he served as Chairman of the Management Board of Tarkett, a world leader in innovative solutions for floor coverings and sports surfaces. During his term of office, 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 in France, Japan and the United Kingdom.

He is a graduate of École polytechnique and Harvard Business School.

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – Chairman of the Board of Directors, Chairman of the Strategic Committee and member of the Sustainable Development Committee

MANDATS ET FONCTIONS EXERCÉS EN DEHORS DU GROUPE

- Daher – Member of the Board of Directors and of the Audit Committee
- 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 and of the nomination and compensation Committee
- Peugeot Invest – Member of the Board of Directors, the Finance and Audit Committee and the Investments and Shareholdings Committee
- GNZ-N Invest; GNZ-A Invest; GNZ-G Invest and GNZ-M Invest: Manager

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- Verallia Deutschland AG – Chairman of the Supervisory Board
- Verallia Packaging – Chairman
- Verallia France – Chairman of the Board of Directors
- 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

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Sequana – Member of the Board of Directors and of the Audit Committee
- Horizon Intermediate Holdings S.C.A. – Person responsible for day-to-day management

Patrice LUCAS

CHIEF EXECUTIVE OFFICER

Age:	56 years old
Nationality:	French
Number of shares held:	2 000
Date of first appointment:	1 February 2022 [70]
Date term of office expires:	GSM 2026
Committee:	N/A
Attendance rate:	100%

Patrice Lucas has been the Chief Executive Officer of Verallia since 11 May 2022, having held the position of Deputy Managing Director from 1 February 2022. He spent 30 years in the automotive industry, including 15 years at the automotive supplier Valeo and 15 years at automotive 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 degree 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 organisation. In 2010, he was then appointed Light Commercial Vehicles Program Director, with responsibility for updating the product range and for lifecycle management. In 2014, he 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 and allotting capital expenditure in accordance with the Product Plan, and looking after matters pertaining to business development. In 2018, he was appointed Head of Latin America Operations at the PSA group. In January 2021, he was named Deputy Chief Engineering Officer at Stellantis and joined the Group's Executive Committee in this capacity.

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – Chief Executive Officer
- Verallia Packaging – Chairman Verallia Deutschland AG – Chairman of the Supervisory Board

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP

- N/A

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- Verallia France – Chairman
- Verallia Holding UK – Member of the Board

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- N/A

[70] Patrice Lucas was appointed Deputy Chief Executive Officer by the Board of Directors on 6 December 2021, with effect from 1 February 2022.

Marcia FREITAS

PERMANENT REPRESENTATIVE OF BWSA

Age:	57 years old
Nationality:	Brazilian
Number of shares held:	100
Date of first appointment:	3 October 2019
Date term of office expires:	GSM 2023
Committee:	Member – Audit
Attendance rate:	100%

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 Group's 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). In 2014, she also attended the Corporate Governance and Capital Markets for Executives Program at B.I. International, in partnership with Columbia University and Johns Hopkins University.

OFFICES 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

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP

- Brasil Warrant Administração de Bens e Empresas S.A. – Executive Committee Member
- Brasil Warrant, LLC – Chairwoman
- 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
- IUPAR – Itau Unibanco Participações S.A. – Executive Director
- Marilia Investimentos Ltd. – Director
- Patizeiro Participações Ltda. –Executive Director
- Santana Investimentos Ltd. – Director
- Santo Aleixo Empreendimentos Agropecuários Ltda. – Executive 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
- Itatiaia Overseas Fund Ltd. – Director
- Meson Investment Ltd. – Director
- Meson LLC – Director
- Tandem Fund Ltd – Director
- Malu International Corp. – Director
- Kirkiville Financial Inc. – Director

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP	TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP
• N/A	• Triz Design Ltda. – Chief Executive Officer • 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

João SALLES

PERMANENT REPRESENTATIVE OF BWGI

Age:	42 years old	João Salles holds a B.A. in Economics from INSPER, a Master's degree 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 member of the Executive Committee at BWSA, a holding company, since 2017, and is the Chairman and CEO of its asset management firm, BWGI, where he has been 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 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.
Nationality:	Brazilian	
Number of shares held:	103	
Date of first appointment:	3 October 2019	
Date term of office expires:	GSM 2023	
Committee:	Member – Nomination Member - Compensation Member - Strategic	
Attendance rate:	100%	

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP	OFFICES AND POSITIONS HELD OUTSIDE THE GROUP
• Verallia - permanent representative of BW Gestão de Investimentos Ltda (Director), member of the Nomination Committee, the Compensation Committee and the Strategic Committee	• Brasil Warrant Administração de Bens e Empresas S.A. – Managing Director and Member of the Executive Committee • BW Gestão de Investimentos Ltda. – Chairman and Chief Executive Officer • Itaú Unibanco Holding S.A. – Director and member of the Committees of the Board of Directors • IUPAR – Itau Unibanco Participações S.A. – Director • Alpargatas – Director and Member of the Finance Committee, the Strategic Committee and the HR Committee

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP	TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE 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., member of the Nomination and Compensation Committee	• Cambuhy Investimentos Ltda. – Partner, Managing Director and Member of the Investment Committee • XP Investimentos – Director

Sébastien MOYNOT

PERMANENT REPRESENTATIVE OF BPIFRANCE INVESTISSEMENT

Age:	51 years old
Nationality:	French
Number of shares held:	0
Date of first appointment:	3 October 2019
Date term of office expires:	GSM 2023
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 now manages equity investment activity in midcaps and large corporates. Previously, Sébastien Moynot spent around ten 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*.

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – permanent representative of Bpifrance Investissement (Director) and member of the Sustainable Development Committee

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP

- Kyoto TopCo SAS – Member of the Supervisory Committee
- Arkema – Director
- Bénéteau – Director
- Cosmeur SAS – Chairman of the Board of Directors
- Vivescia Industries – Non-voting member of the Supervisory Board
- Nexteam – Non-voting member of the Strategic Committee

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE FINANCIAL YEARS WITHIN THE GROUP

- Verallia – permanent representative of Bpifrance Participations, Director

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE FINANCIAL YEARS OUTSIDE THE GROUP

- Farinia SA – Director
- AD Industries SAS – Non-voting member
- Albioma – Director
- Altrad Investment Authority SAS – Director

Virginie HELIAS

INDEPENDENT DIRECTOR

Age:	58 years old
Nationality:	French and Swiss
Number of shares held:	1,000
Date of first appointment:	3 October 2019
Date term of office expires:	GSM 2023
Committee:	Chairwoman – Sustainable Development Member - Nomination
Attendance rate:	100%

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.

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – Independent Director, Chairwoman of the Sustainable Development Committee and member of the Nomination Committee

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP

- N/A

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- N/A

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- N/A

Marie-José DONSION

INDEPENDENT DIRECTOR

Age:	52 years old
Nationality:	French and Spanish
Number of shares held:	1,000
Date of first appointment:	3 October 2019
Date term of office expires:	GSM 2023
Committee:	Chairwoman – Audit Member – Compensation
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. During her earlier career within the Alstom Group, she was Chief Financial Officer of the Group, after holding various financial positions within several subsidiaries in France and abroad. Before joining Alstom, Marie-José Donsion had begun her career with Pricewaterhouse Coopers in the audit branch.

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – Independent Director and Chairwoman of the Audit Committee and Compensation Committee

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP

- Arkema – Chief Financial Officer

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- N/A

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Arkema – Director and Chairwoman of the Audit and Accounts Committee

Cécile TANDEAU DE MARSAC

INDEPENDENT DIRECTOR

Age:	59 years old
Nationality:	French
Number of shares held:	1,000
Date of first appointment:	3 October 2019
Date term of office expires:	GSM 2023
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, where 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.

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – Independent Director and Chairwoman of the Nomination Committee and Compensation Committee

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP

- Sodexo – Director, Chairwoman of the Compensation Committee and Chairwoman of the Nomination Committee
- Unibel – Member of the Supervisory Board and of the Nomination and Compensation Committee
- Daher – Director and member of the Governance Committee

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- Verallia – Chairwoman of the Nomination and Compensation Committee

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Solvay – General Manager in charge of human resources
- Groupe BEL – Member of the Nomination and Compensation Committee

Pierre VAREILLE

INDEPENDENT DIRECTOR

Age:	65 years old
Nationality:	French
Number of shares held:	20,000
Date of first appointment:	3 October 2019
Date term of office expires:	GSM 2023
Committee:	Member – Strategic 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. Until July 2016, Pierre Vareille served as Chief Executive Officer of Constellium, a leading global supplier of high value-added aluminium products, listed on the New York Stock Exchange. Pierre Vareille was Chairman of the Board of Directors of the Bic Group and is currently Vice-Chairman of the Board of Directors of Vallourec and Director of Outokumpu Oyj, in Finland.

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – Independent Director, Chairman of the Strategic Committee and member of the Nomination Committee and the Compensation Committee

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP

- 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

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- Verallia – member of the Nomination and Compensation Committee
- Verallia – Chair of the Strategic Committee

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Bic – Chairman of the Board of Directors
- Ferroglobe plc – Director
- Etex SA – Director
- Vectra – Director

Didier DEBROSSE

INDEPENDENT DIRECTOR

Age:	66 years old
Nationality:	French
Number of shares held:	2,000
Date of first appointment:	11 May 2022
Date term of office expires:	GSM 2026
Committee:	Member – Audit Member – Strategic
Attendance rate:	100%

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. 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.

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP

- Verallia – Director, member of the Audit Committee and member of the Strategic Committee

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP

- Baru Panama – Chairman of the Board of Directors
- FIFCO – Chairman of the Board of Directors

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP

- N/A

TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP

- Heineken Brazil – Chairman

Dieter MÜLLER

EMPLOYEE REPRESENTATIVE DIRECTOR

Age:	65 years old	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 Council, of which he became Secretary in 1996. In 2010, Dieter Müller was elected Secretary of the Verallia Deutschland Central Works Council. Since 2017, he was also a member of the Verallia European Works Council, of which he was elected Deputy Secretary. He resigned from these positions when he was appointed by the Group's European Works Council. 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 ten years.
Nationality:	German	
Number of shares held:	N/A	
Date of first appointment:	23 January 2020	
Date term of office expires:	GSM 2024	
Committee:	Member – Compensation	
Attendance rate:	50%	

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP	OFFICES AND POSITIONS HELD OUTSIDE THE GROUP
• Verallia – Director and member of the Compensation Committee • Verallia Deutschland AG – Vice President of the Supervisory Board	• N/A
TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP	**TERMS OF OFFICE 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 Counci	• N/A

Xavier MASSOL

EMPLOYEE REPRESENTATIVE DIRECTOR

Age:	49 years old	Xavier Massol was born in 1973 and, since 2000, has worked for Verallia France in the Albi factory where he started his career as a general production operative and has been an IS machine operator since 2004. He is a member of the *Confédération Générale du Travail* (CGT) union and has performed various duties as an employee representative. In particular, he was secretary of the Works Council from 2006 to 2019, deputy secretary to the French group council, director of the VOA mutual company and member of the VOA Occupational Health and Safety Committee of and the Supervisory Board.
Nationality:	French	
Number of shares held:	N/A	
Date of first appointment:	10 January 2022	
Date term of office expires:	GSM 2026	
Committee:	Member – Sustainable development	
Attendance rate:	100%	

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP	OFFICES AND POSITIONS HELD OUTSIDE THE GROUP
• Verallia – Employee representative Director	• N/A
TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE FINANCIAL YEARS WITHIN THE GROUP	**TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE FINANCIAL YEARS OUTSIDE THE GROUP**
• N/A	• N/A

Beatriz PEINADO VALLEJO

EMPLOYEE SHAREHOLDER REPRESENTATIVE

Age:	52 years old	Ms Beatriz Peinado Vallejo, born in 1970, a graduate of Law School at Complutense University of Madrid, holds a Master's degree in Compliance from the Charles III University of Madrid. From 2007 to 2015, she was Head of the Legal Department at Loxam-Hune Group (rental of equipment for construction and public building) for Iberia. From 2005 to 2007, she was Vice-Director of the Legal Department at Sigla, S.A. (VIPS Group) in Iberia, dedicated to leisure and catering activities. Prior to that, from 1996 to 2005, she was Head of the Legal Department at Tengelmann España, S.A. (Tengelmann Group), dedicated to hard-discount supermarkets for Iberia.
Nationality:	Spanish	
Number of shares held:	N/A	
Date of first appointment:	11 May 2022	
Date term of office expires:	GSM 2026	
Committee:	Member – Sustainable Development	
Attendance rate:	100%	

OFFICES AND POSITIONS HELD WITHIN THE VERALLIA GROUP	OFFICES AND POSITIONS HELD OUTSIDE THE GROUP
• Verallia – Director, employee shareholder representative and member of the Sustainable Development Committee	• N/A
TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS WITHIN THE GROUP	**TERMS OF OFFICE THAT EXPIRED IN THE LAST FIVE YEARS OUTSIDE THE GROUP**
• N/A	• N/A

3.1.1.3. Non-voting 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, expiring at the end of the General Shareholders' Meeting of 25 April 2023. The Board of Directors will be asked to reappoint Mr Guilherme Bottura as a non-voting member, for a term of four years.

Non-voting members do not receive any remuneration for their term of office.

Guilherme BOTTURA

NON-VOTING MEMBER

Age:	43 years old	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 of BWGI's Investment Committee, Risk Committee and Management Committee since 2018. 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.
Nationality:	Brazilian	
Number of shares held:	N/A	
Date of first appointment:	3 October 2019	
Date term of office expires:	GSM 2023	

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 Chief Executive Officer of the Company has been convicted of fraud, (ii) none of the members of the Board of Directors or the Chief Executive Officer 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 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 Chief Executive Officer of the Company has been prevented by a court from acting 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

Under the Internal Rules of the Board of Directors, each Board member 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.

To the Company's knowledge, as at the date of this Universal Registration Document, there are no potential conflicts of interest between the duties of members of the Board of Directors or the Chief Executive Officer of the Company towards the Company and their private interests and/or other duties.

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, only the service agreement between the Company and one of the members of the Board of Directors described in paragraph 5.6 exists as at the date of this Universal Registration Document.

3.1.4. Operation of the Board of Directors

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 at 31 December 2022, the Board was composed of 13 members and a non-voting member.

In accordance with Article 15 of the Articles of Association, the term of office of a Director shall be four years and is 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.

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 successively updated on 30 July 2020, 6 December 2021, 27 July 2022 and 15 February 2023. 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.

On the recommendation of the executive management, the Board of Directors also determines the multi-year strategic guidelines in relation to social and environmental responsibility. The climate strategy contains specific objectives set for different time scales. It is kept informed annually by the executive management of the findings obtained. In accordance with the recommendations of the AFEP-MEDEF Code, as updated in December 2022, this climate strategy, together with the main action undertaken to this end, will be presented to the General Shareholders’ Meeting at least once every three years or where a material change is made.

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, they state 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 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.

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 financial year ended 31 December 2022, the Board of Directors met six 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 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, on the conditions of the applicable legislative and regulatory provisions.

Each meeting of the Board of Directors and of the committees put in place by the Board 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 the challenges faced by the Company in relation to social and environmental responsibility, particularly climate matters. Board members may occasionally hear from the main executive managers of the Group, who may be invited to attend meetings of the Board of Directors.

Finally, the Board of Directors is required to be regularly informed of the financial situation of the Company and the Group and the Chief Executive Officer shall notify the Directors on an ongoing basis of any information concerning the Company that he/she is aware of and deems useful or relevant. The Board of Directors and the committees may also hear from experts in their respective fields.

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 10.3 of the AFEP-MEDEF Code.

Employee representative Directors, the employee shareholder representative Director and the non-voting member 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 15 February 2023, the Board of Directors reviewed and assessed the independence of the members of the Board of Directors and confirmed, with regard to the independence of Marie-José Donsion, Virginie Hélias, Cécile Tandeau de Marsac, Pierre Vareille and Didier Debrosse that the previous independence analyses made were still valid.

For each Director, this assessment was backed by the independence criteria mentioned in points 10.5 to 10.7 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 at 31 December 2022 and as at the date of the Universal Registration Document, no business relationship (as defined by Article 10.5.3. 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[71], 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[72], with a view to assessing whether their importance and nature could affect the judgement of this Director. After conducting a study using different criteria, 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.

[71] Bpifrance Investissement being affiliated with Bpifrance Participations, shareholder with 13.10% of the Company's voting rights as at 31 December 2022

[72] Bpifrance Investissement being required, like each Director, to comply with the rules on the prevention of conflicts of interest.

Application of the independence criteria of Article 10 of the AFEP-MEDEF Code	Michel Giannuzzi (NI)	Patrice Lucas (NI)	Bpifrance Investissement (NI)	BWGI (NI)	BWSA (NI)	Marie-José Donsion (I)	Virginie Hélias (I)	Cécile Tandeau de Marsac (I)	Pierre Vareille (I)	Didier Debrosse (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: term of office 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: Term of office 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.
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.

3.1.4.6. Shares held by Directors

Under Article 2.10 of the Board of Directors' Internal Rules, each Director shall hold at least 1,000 shares of the Company throughout his or her term of office and, in any event, within six months of his or her appointment. This requirement does not apply to permanent representatives of Directors that are legal persons, nor to employee representative Directors and employee shareholder representative Directors of the Group. This also does not apply, following a decision of the Board of Directors, to employee shareholder representative Directors, 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 Investissement, 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 the Board of Directors

(a) Integration and training of members of the Board of Directors

Once a Board Member has been appointed, they may benefit from a site visit, training on the specific characteristics of the Company and the companies it controls, their business lines and business sector, and the challenges faced by the Company in relation to social and environmental responsibility, particularly climate matters. Moreover, when new Directors join, 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.

Furthermore, Xavier Massol also received external training in relation to the role of director and English language tuition.

(b) Activities of the Board of Directors during the financial year ended 31 December 2022

During the 2022 financial year, the Board of Directors met six times and held one executive session, in the absence of the Chief Executive Officer but with all other Directors, on 27 July 2022.

The Board mainly considered and debated the following issues:

- the accounting and financial information;
- press releases relating to the financial results;
- the budget for 2023 and the medium-term business plan;
- the Group's CO2 emissions reduction initiatives and the increased use of cullet;
- safety within the Group.
- the Group's strategic plan;
- risk management;
- cybersecurity;
- the share buyback programme;
- projects for strategic investments and acquisitions;
- say-on-pay matters;
- the self-assessment of the Board of Directors;
- appointments within the Group's Executive Committee;
- update of the Performance Share Plan;
- the continuation of the employee shareholding program;
- the analysis of the comments shared by main shareholders and proxy advisors during the governance roadshow ;
- the analysis of the votes expressed by shareholders at the General Meeting of 11 May 2022, and more specifically the analysis of the reasons which could have led to negative votes ;
- compliance (particularly with regard to competition law, prevention of corruption and protection of whistleblowers); and
- the applicable regulation with regard to market abuse and insider information (annual reminder).

Furthermore, at its meeting on 15 February 2023, the Board of Directors reviewed and signed off the annual financial statements for the 2022 financial year and the resolutions to submit to the General Meeting on 25 April 2023, or carried out a review of the independence of its members. Moreover, the Board of Directors 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, 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 CSR Director and General Counsel.

(c) Diversity within the Board of Directors

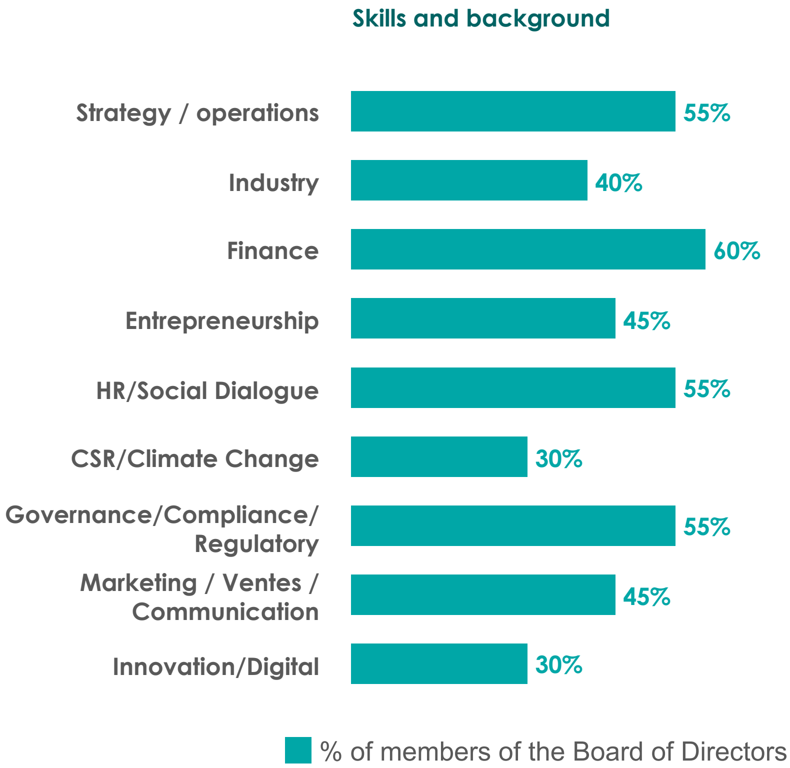
The Company seeks to continually improve its governance practices. Accordingly, beyond gender parity, the presence of the required number of independent directors and the diversity of nationalities has been satisfied since the Company's IPO. In 2021, this policy was also translated into the appointment of a salaried director as a member of the Compensation Committee.

Furthermore, employee representation on the Board of Directors is ensured by the presence of two employee representative Directors, namely Dieter Müller and Xavier Massol, who have been members of the Board since 23 January 2020 and 10 January 2022 respectively, together with Beatriz Peinado Vallejo, who has acted as the employee shareholder representative Director since 11 May 2022.

Diversity on the Board of Directors is also represented in the plurality of nationalities of its members.

Lastly, the Directors of the Company come from different backgrounds and have varied and complementary 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:



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 2022, 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 40% of Directors (excluding employee representative Directors and employee shareholder representative Directors pursuant to Article L. 225-27-1 and L. 225-23 of the French Commercial Code).

In addition, the employee shareholder representative Director is also a woman: Ms Beatriz Peinado Vallejo.

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, organisation 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 methods for 2022 were decided by the Board of Directors at its meeting on 19 October 2022, on the recommendation of the Nomination Committee. This assessment took the form of a written questionnaire sent to all Board members. All Directors in office on this date took part in the self-assessment exercise, with one exception, for reasons beyond their control.

The Chairwoman of the Nomination Committee led this self-assessment exercise and submitted the findings to the Board meeting of 6 December 2022. These conclusions are described below.

Overall, the Board members are satisfied with how the Board and its committees are made up, organised and operate.

They welcome the Board composition and the members deem the diversity of skills to be adequate to meet the challenges faced by the Group and the competitive environment in which it operates. The quality of the information provided to the Board, together with the high quality of the discussions, were also noted, as was the Chairman's leadership.

Moreover, the Directors are very satisfied with how the Board's committees are operating and emphasise the role and impact of the newly created Strategic Committee.

As part of the continuous improvement of the operations of the Board of Directors, certain Directors ultimately suggested that slightly more time be dedicated to defining the strategy and to "SWOT" analysis (an analysis of strengths, weaknesses, opportunities and threats), to the competitive environment and the review of risk factors. A proposal will therefore be made to dedicate more time to these matters during the 2023 financial year, noting that they are already considered in detail by the Board of Directors.

3.1.5. Board committees

Board of Directors			
5 8	**6 meetings**	**96% attendance**	**50% independent members**

Chairman - Michel Giannuzzi

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 specialised committees of the Board of Directors are regularly sent to the Board of Directors. The composition of these specialised committees, detailed below, is in line with the recommendations of the AFEP-MEDEF Code.

3.1.5.1. Audit Committee

Audit Committee			
2 1	**5 meetings**	**93% attendance**	**66% independent members**

(a) Composition of the Audit Committee as at 31 December 2022

♦ CHAIRWOMAN	Marie-José Donsion	100% attendance	Independent Director
● MEMBERS	José Arozamena, member until 25 January 2022	N/A	Independent Director
	Pierre Vareille, member from 7 February 2022 until 11 May 2022	50% attendance[73]	Independent Director
	Didier Debrosse, member since 12 May	100% attendance	Independent Director
	BWSA, represented by Marcia Freitas	100% 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 term of office 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 2022, the Audit Committee had three members (including two independent members): Marie-José Donsion (Chairwoman and Independent Director), Didier Debrosse (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 2022

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.

[73] Being specified that the attendance rate include meetings before the nomination of Pierre Vareille as Member of the Committee and/or after the end of its term as Member of the Comitt

During 2022, the Audit Committee met five times, and discussed the following subjects:

- the audit of accounting and financial information (including the progress on 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 non-financial data (particularly included in the Non-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 anti-corruption policy, the donations/sponsorship policy, the gifts/invitations policy, competition law, personal data protection, sanctions/embargoes and specifically the application of sanctions relating to the Ukrainian-Russian conflict 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 Committee

Nomination Committee			
2 2	**4 meetings**	**94% attendance**	**75% independent members**

(a) Composition of the Nomination Committee as at 31 December 2022

♦ CHAIRWOMAN	Cécile Tandeau de Marsac	100% attendance	Independent Director
● MEMBERS	José Arozamena, member until 25 January 2022	N/A	Independent Director
	BWGI, represented by João Salles	100% attendance	Director
	Pierre Vareille	100% attendance	Independent Director
	Virginie Hélias, member since 7 February 2022	75% attendance	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 term of office of Nomination Committee members is the same as their term of office on the Board of Directors. Such term of office may be renewed at the same time as their re-election to the Board.

As at 31 December 2022, the Nomination Committee had four members (including three Independent Directors): Cécile Tandeau de Marsac (Chairwoman and Independent Director), Virginie Hélias (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 and Communications.

(b) Duties of the Nomination Committee

Under Article 1 of its Internal Rules, the Nomination Committee is a specialised Board Committee, the main duties of which include assisting the latter in the composition of the executive bodies of the Company and its Group and the succession plan for the Group's Chair 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 2022

In accordance with its Internal Rules, the Nomination Committee meets when required and, in any event, at least twice a year, including before the Board meeting deciding on the Board Members' positions regarding the independence criteria adopted by the Company.

During 2022, the Nomination Committee met four times, and discussed the following subjects:

- monitoring the succession plans of executives;
- changes to the composition of the Board's committees;
- 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 review of the independence of Board members.
- monitoring the Group's key executives;
- the continuation of the employee shareholding programme;
- the monitoring of election procedures for Directors representing employees and shareholding employees, respectively; 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.

3.1.5.3. Compensation Committee

Compensation Committee			
2 3	3 meetings	80% attendance	60% independent members

(a) Composition of the Compensation Committee as at 31 December 2022

♦ CHAIRWOMAN	Cécile Tandeau de Marsac	100% attendance	Independent Director
● MEMBERS	José Arozamena, member until 25 January 2022	N/A	Independent Director
	Dieter Müller	33% attendance	Employee representative Director
	BWGI, represented by João Salles	100% attendance	Director
	Pierre Vareille	100% attendance	Independent Director
	Marie-José Donsion, member since 11 May 2022	67% attendance	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 term of office of the Compensation Committee members is the same as their term of office on the Board of Directors. Such term of office may be renewed at the same time as their re-election to the Board.

At 31 December 2022, the Compensation Committee had five members (including three Independent Directors) and an employee representative Director: Cécile Tandeau de Marsac (Chairwoman and Independent Director), BW Gestão de Investimentos Ltda. (Director), represented by João Salles, Dieter Müller (employee representative Director), Pierre Vareille (Independent Director) and Marie-José Donsion (Independent Director).

The secretariat for the work of the Compensation Committee was provided by the Group Director of Human Resources and Communications.

(b) Duties of the Compensation Committee

Pursuant to Article 1 of its Internal Rules in force, the Compensation Committee is a specialised 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 2022

Pursuant to its Internal Rules, the Sustainable Development Committee meets as often as required, and in any event at least once a year.

During 2022, the Sustainable Development Committee met four times, and primarily discussed the following subjects:

- the compensation policy for the Company's corporate officers.
- the variable compensation of members of the Executive Committee;
- the continuation of the employee shareholding programme;
- bonus share plans.

3.1.5.4. Sustainable Development Committee

Sustainable Development Committee			
2 3	4 meetings	95% attendance	20% independent members

(a) Composition of the Sustainable Development Committee as at 31 December 2022

♦ CHAIRWOMAN	Virginie Hélias	100% attendance	Independent Director
● MEMBERS	Michel Giannuzzi	100% attendance	Chairman of the Board
	Bpifrance Investissement, represented by Sébastien Moynot	100% attendance	Director
	Dieter Müller, member until 11 May 2022	50% attendance	Employee representative Director
	Xavier Massol, member since 7 February 2022	100% attendance	Employee representative Director
	Beatriz Peinado Vallejo, member since 12 May 2022	100% attendance	Employee shareholder 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 term of office may be renewed at the same time as their re-election to the Board.

As at 31 December 2022, the Sustainable Development Committee had five members (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), Xavier Massol (employee representative Director) and Beatriz Peinado Vallejo (employee shareholder representative Director).

The secretariat for the work of the Sustainable Development Committee is provided by the CSR Director and General Counsel (also Board Secretary).

(b) Duties of the Sustainable Development Committee

Under Article 1 of its Internal Rules, the Sustainable Development Committee is a specialised 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 2022

Pursuant to its Internal Rules, the Sustainable Development Committee meets as often as required, and in any event at least once a year.

During 2022, the Sustainable Development Committee met four times, and primarily discussed the following subjects:

- the Non-Financial Performance Statement for the 2021 financial year;
- the arrangements and lessons to be learned from the reuse forum and reuse projects;
- the Company's Ecovadis report;
- SBTi's approval of the objective to reduce CO_2 emissions by 46% by 2030;
- the action plan for reducing water consumption;
- the review of sponsorship activity;

3.1.5.5. Strategic committee

Strategic Development Committee			
0 4	5 meetings	100% attendance	50% independent members

(a) Composition of the Strategic Committee as at 31 December 2022

♦ CHAIRMAN	Michel Giannuzzi	100% attendance	Chairman of the Board of Directors
● MEMBERS	BWGI, represented by João Salles	100% attendance	Director
	Pierre Vareille	100% attendance	Independent Director
	Didier Debrosse	100% attendance	Independent Director

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 term of office of Strategic Committee members is the same as their term of office on the Board of Directors. It may be renewed at the same time as their re-election to the Board.

As at 31 December 2022, the Strategic Committee had three members, including one Independent Director: Michel Giannuzzi (Chairman of the Board of Directors), Pierre Vareille (Independent Director), BW Gestão de Investimentos Ltda. (Director), represented by João Salles and Didier Debrosse (Independent Director).

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 specialised 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 2022

In the 2022 financial year, the Strategic Committee met five times and, in particular, discussed and debated the Group's strategic plan and certain strategic investment projects, including the acquisition of Allied Glass.

3.2. Methods and operation of Executive Management

3.2.1. Chairmanship of the Board of Directors

As at 31 December 2022, the positions of Chair of the Board of Directors and Chief Executive Officer of the Company were separated.

Indeed, since Michel Giannuzzi wished to see a change in his responsibilities within the Group after around five years heading it up in his role as Chairman and Chief Executive Officer, the Board of Directors decided on 6 December 2021 to separate the roles of Chair of the Board of Directors and Chief Executive Officer with effect from the end of the General Shareholders' Meeting that took place on 11 May 2022.

Accordingly, from 11 May 2022, Michel Giannuzzi has performed the duties of Chairman of the Board of Directors and Patrice Lucas has acted as Chief Executive Officer.

As part of the separation of the duties of Chair of the Board of Directors and Chief Executive Officer, the Chairman oversees the work of the Board of Directors. In addition to the exercise of his legal powers, the Chairman may be consulted by the Executive Management on any issue concerning the conduct of the Group's business.

He may also 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

Patrice Lucas has performed the duties of Chief Executive Officer since 11 May 2022.

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 provision 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 take part in a project or to enter into any contract for a period exceeding five years (including contracts with guaranteed revenue) for a total amount exceeding €50m, with the exception of energy supply contracts, for an amount of €30m per year and a maximum period of 15 years (that is, a maximum amount exceeding €450m over 15 years) and with guarantees 2.5 the annual amount of the purchasing or supply contract (that is, a maximum guaranteed amount exceeding €75m per year);
- 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 severance terms); 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 organisation with respect to changes in the environment and expectations of stakeholders.

The Executive Committee includes 11 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 and Communications, the Operations Director and the CSR Director and General Counsel, 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.

The Executive Committee was 27% female as at 31 December 2022. The composition of the Executive Committee also reflects the geographical diversity of the Group's production regions and markets, since 55% of its members are of foreign nationality (German, Italian, Mexican, Dutch, Portuguese and English).

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 sections constitute the compensation policy for the Company's corporate officers. 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.

The compensation policy for executive officers described below was approved by the Board of Directors, on the recommendation of the Compensation Committee. It sets out the components of fixed and variable remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Company Directors.

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 General Shareholders' Meeting.

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, which includes compensation for executive officers, is part of the general development policy for Verallia employees as described in section 2.3.3.2 of this Universal Registration Document.

It is intended, in accordance with the Company’s corporate interest, and in accordance with market and industry practices, to ensure competitive compensation levels while retaining 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.

In 2023, the Group has thus implemented a compensation policy consisting of (i) a basic 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 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 that are in line with the Group’s objectives, 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 2022, employee shareholding in the Company (via the Verallia employee investment fund (FCPE) and direct shareholding) represented 3.8% of the Company’s share capital). In particular, during the second quarter of 2023, 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 an employer matching contribution approved by the Board of Directors.

For the Chairman 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 continued service 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 the recommendation 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. As part of its thinking, it relies in particular on benchmarking carried out on companies of similar size and in a similar 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 Chapter 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 Company's General Shareholders’ Meeting.

3.3.1.2. Compensation policy for the Chairman of the Board of Directors

The compensation policy for the Chairman of the Board of Directors approved by the Board of Directors on February 15th 2023, on the recommendation of the Compensation Committee, is described below.

(a) Fixed compensation

The Board of Directors, upon the recommendation 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 fixed annual gross compensation of the Chairman of the Board of Directors for 2023 was set by the Board of Directors at the amount of €350,000.

(b) Benefits in kind

The Chairman of the Board of Directors benefits from a company car and a complementary health plan.

Summary table of the fixed and variable components of the compensation of the Chairman of the Board of Directors

Compensation components – Principle		Criteria of definition
Fixed compensation	The Chairman of the Board of Directors receives fixed compensation in 12 monthly instalments.	For 2023, the gross annual amount is set at €350,000.
Annual variable compensation	N/A	N/A
Long-term compensation (performance shares)	N/A	N/A
Long-term compensation (stock options)	N/A	N/A
Supplementary pension plan	N/A	N/A
Termination and non-compete benefits	N/A	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 25 April 2023

THIRTEENTH RESOLUTION

(Approval of the compensation policy for the Chairman of the Board of Directors)

The shareholders at 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 2022 Universal Registration Document, approve the compensation policy for the Chairman of the Company's Board of Directors not acting as Chief Executive Officer, as presented in the aforementioned report.

3.3.1.3. Compensation policy for the Chief Executive Officer

The compensation policy for the Chief Executive Officer approved by the Board of Directors on 15 February 2023, on the recommendation of the Compensation Committee, is described below.

(a) Fixed compensation

The Board of Directors, upon the recommendation 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 fixed annual gross compensation of the Chief Executive Officer for 2023 was set by the Board of Directors at the amount of €750,000.

(b) Variable compensation

The Board of Directors, upon the recommendation of the Compensation Committee, determines the variable annual compensation of the Chief Executive Officer on the basis of financial and ESG criteria. For 2023, the Board of Directors' meeting of 15 February 2023 set the annual variable portion at an amount equal to 100% of the fixed annual compensation, i.e. €750,000 if the targets are fully achieved and, in the event that the set targets are exceeded, a maximum amount equal to 135% of the fixed annual compensation, i.e. €1,012,500.

70% of the variable portion of the compensation is calculated based on financial criteria, to which a weighting is applied, and 30% on ESG criteria.

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 approval by the ordinary General Shareholders' Meeting convened in 2024 to approve the financial statements for the financial year ended 31 December 2023.

Financial criteria

These are based on indicators that the Board of Directors, upon the recommendation of the Compensation Committee, has deemed most relevant for assessing the Group's financial performance. For 2023, the financial criteria represent 70% of variable compensation, (40% are linked to the achievement of an adjusted EBITDA threshold and 30% are linked to the achievement of an operational cash flow threshold for the financial year ended 31 December 2023).

If these financial criteria are exceeded, this variable annual compensation (i.e. €525,000 gross) will be increased in a linear way up to a maximum amount corresponding to 105% of the fixed annual compensation, i.e. €787,500 gross.

ESG criteria

These are based on indicators that the Board of Directors, upon the recommendation of the Compensation Committee, has deemed most relevant for assessing the Group's social and environmental performance. For 2023, 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 "TF2") to a level equal to or below 2.4 based on a linear calculation method and (ii) for 50%, a sustainable development criterion, linked to the increase in the rate of external cullet use to at least 57% based on a linear calculation method.

As a reminder, the weighting of the ESG criteria was increased from 20% in 2022 to 30% in 2023.

(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 Company's General Shareholders' Meeting of 10 June 2020, the Board of Directors resolved at its meetings of 19 October 2022 and 15 February 2023 to set up a new performance share plan spread over a period of three years running from 2023 to 2025 (the "2023–2025 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 2023–2025 Plan, including in particular the Chief Executive Officer of the Company.

The final allocation of shares granted each year under the 2023–2025 Plan will be done without discount, on the condition of continued service of the employee or executive concerned. The 2023–2025 Plan is aligned with the evolution of market practices, in particular in terms of performance criteria adopted and based on:

- for 40%, a theoretical value creation target with respect to the 2023–2025 medium-term business plan (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 2022 and 31 December 2025;
- 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 2022 and 31 December 2025[74];
- for 15%, a total shareholder return (TSR) target for the Company's share relative to the evolution of the TSR of a minimum of three or four listed companies in the glass industry, measured between 31 December 2022 and 31 December 2025;

[74] 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.

- for 30%, sustainable development targets, in line with the targets defined in Chapter 2 of this Universal Registration Document and broken down as follows:
  - a CO_2 emissions reduction target[75]; and
  - an objective to increase the percentage of women holding management positions[76].

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 2023–2025 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 authorization conferred by the 22nd resolution of the Extraordinary General Shareholders' Meeting of the Company of 10 June 2020, the Board of Directors resolved as follows at its meeting of 15 February 2023: to grant a maximum number of 297 000 shares to approximately 220 members of staff of the Company and its subsidiaries (with a maximum number of 38 000 shares for the Chief Executive Officer) (the total of shares attributable to the Chief Executive Officer not exceeding 20% of the 297000 attributable shares), subject to achievement of the above-mentioned performance conditions.

Shares granted under the 2023–2025 Plan are subject to a three-year vesting period, without a retention period, except for the Chief Executive Officer, who is subject to an obligation to retain 30% of any vested shares for the duration of his term of office, 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.

(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, opting instead to allot performance shares. Therefore, the Chief Executive Officer does not benefit from a supplementary pension plan.

(f) Termination and non-compete benefits

Termination benefit

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 term of office. 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 termination benefit 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 term of office, such average rate having to be equal to or to exceed 70% for the termination benefit to be fully paid. In the event where such average rate is below 70% over the 2 years preceding the effective termination of his term of office, no termination benefit shall be paid to the Chief Executive Officer.

In accordance with the recommendations of the AFEP-MEDEF Code, no termination benefit 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 is also 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 term of office. In the event of the combined application of the termination benefit described above and the non-compete indemnity, 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 term of office.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors has provided that it can waive 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.

[75] Target of CO2 emissions at Group level in absolute value of 2,627kt in 2025 for scopes 1 and 2 (in line with SBTI and for the ESG KPIs set out in the sustainability-linked bonds).
[76] Target of 35% in 2025.

Summary table of the fixed and variable components of the compensation of the Chief Executive Officer for 2023

Compensation components – Principle		Criteria of definition
Fixed compensation	The Chief Executive Officer receives fixed compensation in 12 monthly instalments.	For 2023, the gross annual amount is set at €750,000.
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 the 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 annual variable portion of the Chief Executive Officer's compensation is set at €750,000 if the targets are fully achieved and, in the event that the set targets are exceeded, a maximum amount equal to 135% of the fixed annual compensation, i.e. €1,012,500. Seventy percent of the variable portion of the compensation is calculated based on financial criteria (40% related to the achievement of an adjusted EBITDA threshold and 30% related to the achievement of an operational cash flow threshold), and 30% on ESG criteria 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 2.4 and (ii) for 50%, a sustainable development criterion, related to the increase in the rate of external cullet use to at least 57%).
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 3.3.1.3 (c) above.
Long-term compensation (stock options)	N/A	N/A
Supplementary pension plan	The Company has not implemented a supplementary pension plan, opting instead to allot performance shares.	The Chief Executive Officer does not benefit from any supplementary pension plan.
Termination and non-compete benefits	The Chief Executive Officer shall be entitled to termination benefit 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 term of office. 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 termination benefit 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 term of office 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 term of office, the termination benefit will be payable in full. The Chief Executive Officer is also 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 term of office. 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 term of office.
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 25 April 2023

FOURTEENTH RESOLUTION

(Approval of the compensation policy for the Chief Executive Officer)

The shareholders at 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 2022 Universal Registration Document, approve the compensation policy for the Company's Chief Executive Officer.

3.3.1.4. Components of the compensation of Directors

The Company's General Shareholders' Meeting of 11 May 2022 set the overall compensation for directors at the annual amount of €850,000.

Upon the recommendation of the Compensation Committee, the Board of Directors freely distributes among its members this budget allocated to the Board by the General Shareholders' Meeting, mainly taking into account, in accordance with the recommendations of the AFEP-MEDEF Code, the actual 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.

The criteria for dividing up the annual fixed amount allocated to Directors were set by the Board as described below.

The Board of Directors decided that only Independent Directors would receive compensation for their term of office.

This basic compensation of Independent Directors for the year 2023 includes a fixed fee of €20,000 p.a. and, if applicable, this will be calculated pro rata for terms of office ending or becoming effective during the year.

In addition, fixed compensation of €15,000 p.a. is allocated to the Chairs of the Audit Committee, the Sustainable Development Committee and the Strategic Committee, fixed compensation of €10,000 p.a. is allocated to the Chair of the Nomination Committee, and 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 25 April 2023

FIFTEENTH RESOLUTION

(Approval of the compensation policy for directors)

The shareholders at 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 2022 Universal Registration Document, approve the compensation policy for directors, as presented in the aforementioned report.

3.3.2. Compensation of corporate officers during the year ended 31 December 2022

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 2022.

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, for the period from 1 January to 11 May 2022, these components are presented in section 3.3.2.1 below.

As regards the Company's Chairman of the Board of Directors, for the period 12 May to 31 December 2022, these components are presented in paragraph 3.3.2.2

As regards the Company's Deputy Chief Executive Officer, for the period 1 February to 11 May 2022, these components are presented in section 3.3.2.3

As regards the Company's Chief Executive Officer, for the period 12 May 2022 to 31 December 2022, these components are presented in section 3.3.2.4

It will therefore be put to the Combined General Shareholders' Meeting of 25 April 2023 to approve, as part of various resolutions, on the one hand, the information referred to in Article L. 22-10-9 of the French Commercial Code, in particular comprising the components presented in sections 3.3.2.1 to 3.3.2.5 below.

3.3.2.1. Components of the compensation of Michel Giannuzzi, Chairman and Chief Executive Officer for the period from 1January to 11 May 2022

(a) Fixed compensation

The fixed compensation paid to the Chairman and Chief Executive Officer for the period from 1 January to 11 May 2022 is €399,194 on a pro-rata basis, amounting to fixed compensation of €1,100,000 gross on an annual basis.

(b) Annual variable compensation

The Board of Directors' meeting of 15 February 2023, on the recommendation of the Compensation Committee which met on 15 February 2023, 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 2022, has set the financial portion of the variable compensation due to the Chairman and Chief Executive Officer for the period from 1 January to 11 May 2022 at €479,033 on a pro-rata basis (amounting to €1,320,000 gross on an annual basis), i.e. 150% of the target for the financial portion, and the ESG portion of that compensation at €14,690 on a pro-rata basis (amounting to €40,480 gross on an annual basis), i.e. 18.4% of the target for the ESG portion (i.e. a total of €493,723, amounting to €1,360,480 gross on an annual basis or 123.68% of the target).

With regard to the financial portion, representing 80% of the variable compensation, the Board of Directors therefore noted that entitlements to variable compensation rights follow the grid below:

Objective	Weighting	Achievement of the target (as a % of the objective) during the year ended 31 December 2022	Amount of variable compensation (as a % of target amount)
Adjusted EBITDA	55%	119%	150%
Operating cash flows	45%	150%	150%

Regarding the ESG portion, representing 20% of the variable compensation, the following ESG objectives were reviewed by the Compensation Committee and the Board of Directors therefore noted that entitlements to variable compensation rights follow the grid below:

Objective	Weighting	Achievement of the target (as a % of the objective) during the year ended 31 December 2022	Amount of variable compensation (as a % of target amount)
Work accident frequency rate (TF2)	50%	Not achieved	0%
Increase in the rate of cullet use	50%	36.8%	36.8%

The payment of the variable compensation shall be conditional upon the approval by the Company's General Shareholders' Meeting to be held on 25 April 2023 of the components of the Chairman and Chief Executive Officer's compensation under the conditions set out in Articles L. 225-100 and L. 22-10-9 of the French Commercial Code.

(c) Exceptional bonus

None.

(d) Compensation for term of office as Director

None.

(e) Allocation of performance shares

As part of the final allocation of shares under the performance share plan put in place by the Company, the following have been awarded to Michel Giannuzzi:

- 46,228 shares, on 23 March 2022, in accordance with the terms of the second tranche of the 2019-2021 Plan,

  With regard to the second tranche of this Plan, awarded on 23 March 2022, the allocation rate was 70.63% given the 70.63% completion rate of the performance criteria, with the following results:
  - a rate of achievement for the Theoretical Equity Value criterion of 100.9%;
  - a rate of achievement of the Stock Price evolution criterion of 0%.
- 60,500 shares, on 1 March 2023, in accordance with the terms of the 2021-2022 Plan.

With regard to this Plan, awarded on 1 March 2023, the allocation rate was 110%, given a rate of achievement of the performance criteria with the following results:

- an allocation rate of 120% of the criterion based on the “Creation of TSV”, the target rate of achievement of which is 299%;
- an allocation rate of 100% of the criterion based on the “Total Shareholder Return” (TSR), the performance of which is 15.9% (121% of the target);
- an allocation rate of 100% of the criterion based on the “Return on Capital Employed (ROCE)”, the performance of which is 31.7% (151% of the target);
- an allocation rate of 100% of the criterion based on CO2 emissions, the performance of which is 484kg CO2/TVB (103% of the target);
- an allocation rate of 100% of the criterion based on the Gender Equality Index, the performance of which is 68.1% (103% of the target);

The Board of Directors of the Company, upon proposal of the Compensation Committee, has indeed decided to maintain the shares of performance which had been attributed to Michel Giannuzzi in accordance with the terms of the 2021-2022 Plan when he was Chairman and Chief Executive Officer of the Company, even though he is no longer Chief Executive Officer since 12 May 2022.

This decision is based on the following circumstances :

- In order to ease the transition from Michel Giannuzzi to Patrice Lucas as Chief Executive Officer and to benefit from Michel Giannuzzi’s in-depth knowledge of the Group, additional responsibilities have been conferred to Michel Giannuzzi as Chairman of the Board that go beyond the roles usually granted to Chairmen of listed companies. He is particularly involved on strategic issues and developments projects such as M&A transactions (as for example the strategic successful acquisition of Allied Glass). He also participates to internal meetings with the Company’s teams, at the invitation of the Chief Executive Officer;
- The impact of the performance action plans implemented at the initiative of Michel Giannuzzi as Chief Executive Officer and his strong initiatives on the improvement of the Group’s profitability since he took his role as Chief Executive Officer in 2017 still have a significant positive impact on the Group’s EBITDA, which is part of the performance criteria used by the Company for its long term incentives plan.

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 term of office.

(f) Termination and non-compete benefits

See section 3.3.1.3(f) above.

(g) Profit sharing and employer matching contribution

For the financial year ended 31 December 2022, 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 2022, the Chairman and Chief Executive Officer received a gross matching contribution of €1,748, i.e. a net amount of €1,578.45.

(h) Benefits in kind

During the financial year 2022, 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 2022 or allocated for the same year to the Chairman and Chief Executive Officer

Fixed compensation	€399,194
Variable compensation	€1,358,597 paid in 2022 in respect of 2021 and €493,723 allocated in respect of 2022
Exceptional bonus	None.
Compensation for term of office as Director	None.
Performance shares	46,228 vested shares on 23 March 2022 in respect of the second tranche of the 2019-2021 plan and 60,500 vested shares on 1 March 2023 in respect of the 2021-2022 Plan,
Pension plan	None.
Termination benefit	Termination benefit, 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 term of office and the variable compensation paid in respect of the year preceding the end of his term of office. 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 Chairman and Chief Executive Officer's term of office 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 indemnity	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 term of office. In the event of the combined application of the termination benefit described above and the non-compete indemnity, 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 term of office.
Profit sharing and employer matching contribution	During the financial year ended 31 December 2022, Michel Giannuzzi received a matching contribution of €1,748 gross, i.e. €1,578.45 net.
Benefits in kind	Company car Benefit of an executive unemployment insurance scheme (GSC) and a complementary health plan.

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 25 April 2023

SIXTEENTH RESOLUTION

(Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same financial year to Michel Giannuzzi, Chairman and Chief Executive Officer of the Company from 1 January 2022 to 11 May 2022)

The shareholders at 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 2022 Universal Registration Document, approve the fixed, variable and exceptional items comprising 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 from 1 January 2022 to 11 May 2022, as presented in the aforementioned report.

3.3.2.2. Components of the compensation of Michel Giannuzzi, Chairman of the Board of Directors for the period from 12 May to 31 December 2022

(a) Fixed compensation

The fixed compensation paid to the Chairman of the Board of Directors for the period from 12 May to 31 December 2022 is €222,984 on a pro-rata basis, amounting to fixed compensation of €350,000 gross on an annual basis.

(b) Benefits in kind

The Chairman of the Board of Directors benefits from a company car and a complementary health plan.

Fixed compensation	€222,984
Variable compensation	None.
Exceptional bonus	None.
Compensation for term of office as Director	None.
Performance shares	None.
Pension plan	None.
Termination benefit	None.
Non-compete indemnity	None.
Profit sharing and employer matching contribution	None.
Benefits in kind	Company car Benefit of a complementary health plan.

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 25 April 2023

SEVENTEENTH RESOLUTION

(Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same financial year to Michel Giannuzzi, Chairman of the Company's Board of Directors since 12 May 2022)

The shareholders at 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 2022 Universal Registration Document, approve the fixed, variable and exceptional items comprising 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 of the Company's Board of Directors since 12 May 2022, as presented in the aforementioned report.

3.3.2.3. Components of the compensation of Patrice Lucas, Deputy Chief Executive Officer for the period from 1 February to 11 May 2022

(a) Fixed compensation

The fixed compensation paid to the Deputy Chief Executive Officer for the period from 1 February to 11 May 2022 is €209,677 on a pro-rata basis, amounting to fixed compensation of €750,000 gross on an annual basis.

(b) Annual variable compensation

The Board of Directors' meeting of 15 February 2023, on the recommendation of the Compensation Committee which met on 15 February 2023, after having reviewed the results of the Company and the financial results of the Deputy Chief Executive Officer during the financial year ended 31 December 2022, has fixed the financial portion of the variable compensation due to the Deputy Chief Executive Officer for the period from 1 February to 11 May 2022 at €251,612 on a pro-rata basis (amounting to €900,000 gross on an annual basis), i.e. 150% of the target for the financial portion, and the ESG portion of that compensation at €7,716 on a pro-rata basis (amounting to €27,600 gross on an annual basis) i.e. 18.4% of the target for ESG portion (i.e. a total of €259,328 amounting to €927,600 gross on an annual basis, i.e. 123.68% of the target).

With regard to the financial portion, representing 80% of the variable compensation, the Board of Directors therefore noted that entitlements to variable compensation rights follow the grid below:

Objective	Weighting	Achievement of the target (as a % of the objective) during the year ended 31 December 2022	Amount of variable compensation (as a % of target amount)
Adjusted EBITDA	55%	119%	150%
Operating cash flows	45%	150%	150%

Regarding the ESG portion, representing 20% of the variable compensation, the following ESG objectives were reviewed by the Compensation Committee and the Board of Directors therefore noted that entitlements to variable compensation rights follow the grid below:

Objective	Weighting	Achievement of the target (as a % of the objective) during the year ended 31 December 2022	Amount of variable compensation (as a % of target amount)
Work accident frequency rate (TF2)	50%	Not achieved	0%
Increase in the rate of cullet use	50%	36.8%	36.8%

The payment of the variable compensation shall be conditional upon the approval by the Company's General Shareholders' Meeting to be held on 25 April 2023 of the components of the Deputy Chief Executive Officer's compensation under the conditions set out in Articles L. 225-100 and L. 22-10-9 of the French Commercial Code.

(c) Exceptional bonus

None.

(d) Compensation for term of office as Director

None.

(e) Allocation of performance shares

None.

(f) Termination and non-compete benefits

See section 3.3.1.3(f) above.

(g) Profit sharing and employer matching contribution

For the financial year ended 31 December 2022, the Deputy Chief Executive Officer was not a beneficiary of the profit-sharing agreement for employees of Verallia Packaging.

During the financial year ended 31 December 2022, the Deputy Chief Executive Officer did not receive an employer matching contribution.

(h) Benefits in kind

During the financial year 2022, the Deputy 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 financial year ended 31 December 2022 or allocated for the same financial year to the Deputy Chief Executive Officer

Fixed compensation	€209,677
Variable compensation	No variable compensation paid in 2022 and €259,328 awarded for 2022
Exceptional bonus	None.
Compensation for term of office as Director	None.
Performance shares	None.
Pension plan	None.
Termination benefit	Termination benefit, 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 term of office and the variable compensation paid in respect of the year preceding the end of his term of office. 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 Deputy Chief Executive Officer's term of office 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 indemnity	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 term of office. In the event of the combined application of the termination benefit described above and the non-compete indemnity, 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 term of office.
Profit sharing and employer matching contribution	None.
Benefits in kind	Company car Benefit of an executive unemployment insurance scheme (GSC) and a complementary health plan.

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 25 April 2023

EIGHTEENTH RESOLUTION

(Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same financial year to Patrice Lucas, Deputy Chief Executive Officer of the Company from 1 February 2022 to 11 May 2022)

The shareholders at 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 2022 Universal Registration Document, approve the fixed, variable and exceptional items comprising the total compensation and benefits in kind paid in the previous financial year or awarded in respect of the same financial year to Patrice Lucas, Deputy Chief Executive Officer of the Company from 1 February 2022 to 11 May 2022, as presented in the aforementioned report.

3.3.2.4. Components of the compensation of Patrice Lucas, Chief Executive Officer from 12 May to 31 December 2022

(a) Fixed compensation

The fixed compensation paid to the Chief Executive Officer for the period from 12 May to 31 December 2022 is €477,823 on a pro-rata basis, amounting to fixed compensation of €750,000 gross on an annual basis.

(b) Annual variable compensation

The Board of Directors' meeting of 15 February 2023, on the recommendation of the Compensation Committee which met on 15 February 2023, after having reviewed the results of the Company and the financial results of the Chief Executive Officer during the financial year ended 31 December 2022, has fixed the financial portion of the variable compensation due to the Chief Executive Officer for the period from 12 May to 31 December 2022 at €573,388 on a pro-rata basis (amounting to €900,000 gross on an annual basis) i.e. 150% of the target for the financial portion, and the ESG portion of that compensation at €17,584 on a pro-rata basis (amounting to €27,600 gross on an annual basis), i.e. 18.4% of the target for the ESG portion (i.e. a total of €590,972, amounting to €927,600 gross on an annual basis, i.e. 123.68% of the target).

With regard to the financial portion, representing 80% of the variable compensation, the Board of Directors therefore noted that entitlements to variable compensation rights follow the grid below:

Objective	Weighting	Achievement of the target (as a % of the objective) during the year ended 31 December 2022	Amount of variable compensation (as a % of target amount)
Adjusted EBITDA	55%	119%	150%
Operating cash flows	45%	150%	150%

Regarding the ESG portion, representing 20% of the variable compensation, the following ESG objectives were reviewed by the Compensation Committee and the Board of Directors therefore noted that entitlements to variable compensation rights follow the grid below:

Objective	Weighting	Achievement of the target (as a % of the objective) during the year ended 31 December 2022	Amount of variable compensation (as a % of target amount)
Work accident frequency rate (TF2)	50%	Not achieved	0%
Increase in the rate of cullet use	50%	36.8%	36.8%

The payment of the variable compensation shall be conditional upon the approval by the Company's General Shareholders' Meeting to be held on 25 April 2023 of the components of the Chief Executive Officer's compensation under the conditions set out in Articles L. 225-100 and L. 22-10-9 of the French Commercial Code.

(c) Exceptional bonus

None.

(d) Compensation for term of office as Director

None.

(e) Allocation of performance shares

Acting pursuant to the authorization 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 16 February 2022, to grant the to the Chief Executive Officer 35,000 shares under the 2022-2024 Plan subject to a three-year vesting period ending on 1 March 2025 and subject to (a) the continued service of the Chief Executive Officer with the company and (b) the performance criteria set out below (also described in section 3.3.1.3(c) of the 2021 Universal Registration Document):

- 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[77]; 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%[78]; and
  - an objective to increase the percentage of women holding management positions up to 15%[79].

The Chief Executive Officer is subject to a 30% retention obligation for vested shares, for a period expiring at the end of his term of office.

[77] 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.

[78] Target of CO2 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).

[79] Target of 33.3% in 2024.

(f) Termination and non-compete benefits

See section 3.3.1.3(f) above.

(g) Profit sharing and employer matching contribution

For the financial year ended 31 December 2022, the Chief Executive Officer was not a beneficiary of the profit-sharing agreement for employees of Verallia Packaging.

During the financial year ended 31 December 2022, the Chief Executive Officer received no employer matching contribution.

(h) Benefits in kind

During the financial year 2022, the 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 financial year ended 31 December 2022 or allocated for the same year to the Chief Executive Officer

Fixed compensation	€477,823
Variable compensation	No variable compensation paid in 2022 and €590,972 awarded for 2022
Exceptional bonus	None.
Compensation for term of office as Director	None.
Performance shares	35,000 performance shares allocated under the 2022-2024 Plan
Pension plan	None.
Termination benefit	Termination benefit 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 term of office and the variable compensation paid in respect of the year preceding the end of his term of office. 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 term of office 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 indemnity	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 term of office. In the event of the combined application of the termination benefit described above and the non-compete indemnity, 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 term of office.
Profit sharing and employer matching contribution	None.
Benefits in kind	Company car. Benefit of an executive unemployment insurance scheme (GSC) and a complementary health plan.

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 25 April 2023

NINETEENTH RESOLUTION

(Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same financial year to Patrice Lucas, Chief Executive Officer of the Company since 12 May 2022)

The shareholders at 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 2022 Universal Registration Document, approve the fixed, variable and exceptional items comprising the total compensation and benefits in kind paid in the previous financial year or awarded in respect of the same financial year to Patrice Lucas, Chief Executive Officer of the Company from since 12 May 2022, as presented in the aforementioned report."

The tables below also show the compensation paid by the Company and any Group company during the financial years ended 31 December 2022 and 2021 to Michel Giannuzzi in respect of his successive terms of office as Chairman and Chief Executive and Chairman of the Board of Directors and to Patrice Lucas in respect of his successive terms of office as Deputy Chief Executive Officer and Chief Executive Officer.

Table 1 (AMF nomenclature)

Summary of compensation, options and shares granted to each executive officer		
(amounts paid in €)	**Financial year 2022**	**Financial year 2021**
Michel Giannuzzi – Chairman and Chief Executive Officer		
Compensation for the year (see Table 2 for details)	€894,426	€2,475,712
Value of multi-year variable compensation paid during the financial year	—	—
Value of stock options granted during the financial year (see Table 4 for details)	—	—
Value of performance shares granted	—	€3,280,768
Value of other long-term compensation plans	—	—
Total	**€894,426**	**€5,756,480**
Michel Giannuzzi – Chairman of the Board of Directors		
Compensation for the year (see Table 2 for details)	€225,633	—
Value of multi-year variable compensation paid during the financial year	—	—
Value of stock options granted during the financial year (see Table 4 for details)	—	—
Value of performance shares granted	—	—
Value of other long-term compensation plans	—	—
Total	**€225,633**	**—**
Patrice Lucas – Deputy Chief Executive Officer		
Compensation for the year (see Table 2 for details)	€471,716	—
Value of multi-year variable compensation paid during the financial year	—	—
Value of stock options granted during the financial year (see Table 4 for details)	—	—
Value of performance shares granted	—	—
Value of other long-term compensation plans	—	—
Total	**€471,716**	**—**
Patrice Lucas – Chief Executive Officer		
Compensation for the year (see Table 2 for details)	€1,074,973	—
Value of multi-year variable compensation paid during the financial year	—	—
Value of stock options granted during the financial year (see Table 4 for details)	—	—
Value of performance shares granted (see Table 6 for details)	€492,057	—
Value of other long-term compensation plans	—	—
Total	**€1,567,030**	**—**

Table 2 (AMF nomenclature)

Summary of compensation paid to each executive officer				
	Financial year 2022		Financial year 2021	
(amounts paid in €)	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Michel Giannuzzi – Chairman and Chief Executive Officer				
Fixed compensation	€399,194	€399,194	€1,100,000	€1,100,000
Annual variable compensation(1)	€493,723	€1,358,597	€1,358,597	€0
Multi-year variable compensation	—	—	—	—
Exceptional bonus	—	—	—	—
Compensation for term of office as Director	—	—	—	—
Benefits in kind(2)	€1,509	€1,509	€17,115	€17,115
Total	**€894,426**	**€1,759,300**	**€2,475,712**	**€1,117,115**
Michel Giannuzzi – Chairman of the Board				
Fixed compensation	€222,984	€222,984	—	—
Annual variable compensation(1)	—	—	—	—
Multi-year variable compensation	—	—	—	—
Exceptional bonus	—	—	—	—
Compensation for term of office as Director	—	—	—	—
Benefits in kind(2)	€2,649	€2,649	—	—
Total	**€225,633**	**€225,633**	**—**	**—**
Patrice Lucas – Deputy Chief Executive Officer				
Fixed compensation	€209,677	€209,677	—	—
Annual variable compensation(1)	€259,328	—	—	—
Multi-year variable compensation	—	—	—	—
Exceptional bonus	—	—	—	—
Compensation for term of office as Director	—	—	—	—
Benefits in kind(2)	€2,711	€2,711	—	—
Total	**€471,716**	**€212,388**	**—**	**—**
Patrice Lucas – Chief Executive Officer				
Fixed compensation	€477,823	€477,823	—	—
Annual variable compensation(1)	€590,972	—	—	—
Multi-year variable compensation	—	—	—	—
Exceptional bonus	—	—	—	—
Compensation for term of office as Director	—	—	—	—
Benefits in kind(2)	€6,178	€6,178	—	—
Total	**€1,074,973**	**€484,001**	**—**	**—**

(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)

Executive officers	Employment contract: Yes	Employment contract: No	Supplementary pension plan: Yes	Supplementary pension plan: No	Indemnities or benefits due or likely to be due as a result of termination or change of duties(1): Yes	Indemnities or benefits due or likely to be due as a result of termination or change of duties(1): No	Non-compete indemnity(1): Yes	Non-compete indemnity(1): No
Michel Giannuzzi – term of office as Chairman and Chief Executive Officer until 11 May 2022		X		X	X		X	
Michel Giannuzzi – term of office as Chairman of the Board of Directors from 12 May 2022		X		X		X		X
Patrice Lucas – term of office as Deputy Chief Executive Officer from 1 February 2022 to 11 May 2022.		X		X	X		X	
Patrice Lucas – term of office as Chief Executive Officer from 12 May 2022		X		X	X		X	

(1) The conditions for payment of the termination benefit of Patrice Lucas and the compensation due in relation to his non-compete undertaking are described in Section 3.3.1.3

Stock option grants

Table 4 (AMF nomenclature)

Options allocated during the financial 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	None.	None.	None.	None.	None.	None.
Patrice Lucas	None.	None.	None.	None.	None.	None.

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	None.	None.	None.
Patrice Lucas	None.	None.	None.

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**
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			
Exercise procedures (if the plan includes several tranches)		None.	
Number of shares subscribed for (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)		None.		
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		None.				
Patrice Lucas	2022–2024 Plan of 16 February 2022	35,000	€492,057	1 March 2025	1 March 2025 with the obligation to hold 30% of vested shares over the term of office	Performance conditions described in section 3.3.2.4(e) of this report

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 (second tranche) 24 July 2019	46,228 shares	Continued service + targets set out in the 2019-2021 Plan reached
Patrice Lucas		None.	

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 July 2019	23 March 2020
Total number of performance shares granted, of which the number granted to:	250,852 shares	142,290 shares
Michel Giannuzzi	58,313 shares	46,228 shares
Share vesting date	24 July 2021	23 March 2022
End of lock-up period	None[2]	None[2]
Number of shares vested as at 31 December 2022	58,313 shares	46,228 shares
Cumulative number of cancelled or expired shares	0	0
Outstanding performance shares awarded at year-end (maximum number of shares)	No shares as at 31 December 2022	No shares as at 31 December 2022

Information on performance shares		
Performance share plan	2021–2022 Plan	2021–2023 Plan
Date of the allocation decision	23 February 2021	23 February 2021
Total number of performance shares granted, of which the number granted to:	255,567 shares	225,433 shares
Michel Giannuzzi	60,500 shares	55,000 shares
Share vesting date	1 March 2023	1 March 2024
End of lock-up period	None[(2)]	None[(2)]
Number of shares vested as at 31 December 2022	0	0
Cumulative number of cancelled or expired shares	0	0
Outstanding performance shares awarded at year-end (maximum number of shares)	255,567 shares as at 31 December 2022 for an initial attributed number of shares of 257,328 shares	225,433 shares as at 31 December 2022 for an initial attributed number of shares of 247,433 shares

Information on performance shares	
Performance share plan	2022–2024 Plan
Date of the allocation decision	16 February 2022
Total number of performance shares granted, of which the number granted to:	273,050 shares[(3)]
Patrice Lucas	35,000 shares
Share vesting date	1 March 2025
End of lock-up period	None[(2)]
Number of shares vested as at 31 December 2022	0
Cumulative number of cancelled or expired shares	0
Outstanding performance shares awarded at year-end (maximum number of shares)	255,000 shares as at 31 December 2022 for an initial attributed number of shares of 273,050 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 and of the Chief Executive Officer to retain 30% of the vested shares for a period expiring at the end of his term of office and the obligation of the members of the Group's Executive Committee to retain 20% of the vested shares for as long as they remain Members of the Executive Committee.

(3) By way of example, 273,050 shares were granted on two occasions: 252,150 shares on 16 February 2022 and 20,900 shares on 6 December 2022.

3.3.2.5. 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 2021 and 2022 financial years:

Table 3 (AMF nomenclature)

Table of the compensation allocated for terms of office as Director and other compensation received by non-executive officers				
Non-executive officers	**Amounts allocated for financial year 2021**	**Amounts paid for financial year 2021**	**Amounts allocated for financial year 2022**	**Amounts paid for financial year 2022**
José Diego Arozamena Member until 25 January 2022				
Compensation (fixed, variable)	€92,000	€92,000	0	0
Other compensation*	€15,320	€15,320	0	0
Sylvain Artigau Member until 3 February 2021				
Compensation (fixed, variable)	0	0	0	0
Other compensation*[80]	0	0	0	0
Bpifrance Investissement	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)	0	0	0	0
Other compensation*	0	0	€54,243[81]	€54,243[82]
BW Gestão de Investimentos Ltda.				
Compensation (fixed, variable)	0	0	0	0
Other compensation*	0	0	0	0
Marie-José Donsion				
Compensation (fixed, variable)	€93,500	€93,500	€89,000	€89,000
Other compensation*	0	0	0	0
Virginie Hélias				
Compensation (fixed, variable)	€80,000	€80,000	€93,500	€93,500
Other compensation*	€620	€620	€1,933	€1,933
Dieter Müller				
Compensation (fixed, variable)	0	0	0	0
Other compensation* [83]	0	0	0	0
Robert Seminara Member until 5 November 2021				
Compensation (fixed, variable)	0	0	0	0
Other compensation*	0	0	0	0
Cécile Tandeau de Marsac				
Compensation (fixed, variable)	€84,500	€84,500	€93,500	€93,500
Other compensation*	0	0	0	0
Pierre Vareille				
Compensation (fixed, variable)	€69,500	€69,500	€112,250	€112,250
Other compensation*	€4,980	€4,980	€17,616	€17,616
Didier Debrosse Membre à compter du 11.05.2022				
Compensation (fixed, variable)	0	0	€58,333	€58,333
Other compensation*	0	0	0	0

80 Excluding fixed and variable compensation received by Sylvain Artigau in respect of his employment contract with the Group.
81 Including the expense claims of Brasil Warrant Administração de Bens e Empresas S.A., which are refunded to BW Gestão de Investimentos Ltda.
82 Including the expense claims of Brasil Warrant Administração de Bens e Empresas S.A., which are refunded to BW Gestão de Investimentos Ltda.
83 Excluding fixed and variable compensation received by Dieter Müller in respect of his employment contract with the Group.

Table of the compensation allocated for terms of office as Director and other compensation received by non-executive officers				
Non-executive officers	**Amounts allocated for financial year 2021**	**Amounts paid for financial year 2021**	**Amounts allocated for financial year 2022**	**Amounts paid for financial year 2022**
Xavier Massol Member from 10 January 2022				
Compensation (fixed, variable)	0	0	0	0
Other compensation* [84]	0	0	0	0
Beatriz Peinado Vallejo Member from 11 May 2022				
Compensation (fixed, variable)	0	0	0	0
Other compensation* [85]	0	0	0	0
TOTAL	**€440,420**	**€440,420**	**€520,375**	**€520,375**

* Including compensation by way of expenses claims.

3.3.3. Ratio of the executive officers' 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 continued service 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 employer 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, covering 96% of the total payroll in France (the headcount as at 31 December 2022 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.

Annual evolution of executive officers' and employees' compensation in relation to the performance of the Company

	Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2018
Consolidated adjusted EBITDA (in € thousand)	865,500	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 employer contributions charged on this compensation)	84	80	82	78	76
Cost of median compensation of employees on a full-time equivalent basis (in € thousand, including social and employer contributions charged on this compensation)	73	70	72	69	68

[84] Excluding fixed and variable compensation received by Xavier Massol in respect of his employment contract with the Group.
[85] Excluding fixed and variable compensation received by Beatriz Peinado Vallejo in respect of her employment contract with the Group.

Comparison of executive officers' compensation with Group employees' compensation

	Financial year 2022	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 employer contributions charged on this compensation) on full year equivalent basis	4,540	4,346	4,737	3,189	2,291
Average compensation cost ratio	54	54	58	41	30
Median compensation cost ratio	63	62	66	46	33

	Financial year 2022
Cost of compensation of the Chairman (in € thousand, including social and employer contributions charged on this compensation) on a full year equivalent basis	509
Average compensation cost ratio	6
Median compensation cost ratio	7

	Financial year 2022
Cost of compensation of the Deputy Chief Executive Officer (in € thousand, including social and employer contributions charged on this compensation) on a full year equivalent basis	1,087
Average compensation cost ratio	13
Median compensation cost ratio	15

	Financial year 2022
Cost of compensation of the Chief Executive Officer (in € thousand, including social and employer contributions charged on this compensation) on a full year equivalent basis	1,224
Average compensation cost ratio	15
Median compensation cost ratio	17

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 25 April 2023

TWENTIETH 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 2022 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

The Verallia Group drives its business in a constantly changing environment and is exposed to risks that could have a material adverse effect on the Group, its business, financial condition, results of operations or prospects, and which are important to bear in mind when making investment decisions.

The risks presented in Chapter 4 of this Universal Registration Document are not exhaustive, and other risks, unknown or for which the occurrence is not, as of the date of this Universal Registration Document, considered likely to have a material adverse effect on the Group, its business, financial condition, results of operations or outlook, may exist or could arise.

The main risks described in this chapter are those identified as part of the mapping of the Group's major risks, which assesses their criticality, i.e. their severity and probability of occurrence, after taking into account the risk prevention and management measures implemented by the Group.

Within each risk categories, the risk factors that the Company considers to be the most material as of the date of this Universal Registration Document are described first. CSR risks are identified by the symbol "CSR" in the table below.

Risk category	Description of the risk	Degree of criticality	
Risks related to the Group's external environment	Risks related to changes in demand for glass packaging	▲▲▲	High
	Risks related to competition from manufacturers of other types of packaging and the potential substitution of glass packaging for other materials	▲▲▲	High
	Risks related to energy shortages and costs	▲▲▲	High
	Risks related to changes in the price and shortages of raw materials and cullet (CSR)	▲▲▲	High
Operational risks	Risks related to the operation of industrial sites	▲▲▲	High
	Risks related to IT systems	▲▲▲	High
	Risks related to geopolitical aspects and Group's international activities	▲▲▲	High
	Risks related to the balance between supply and demand and adaptation of manufacturing facilities	▲▲△	Medium
	Risks related to the implementation of the Group's operational excellence programme	▲▲△	Medium
	Risks related to occupational health and safety (CSR)	▲▲△	Medium
	Risks related to relationships with certain strategic suppliers and subcontractors	▲▲△	Medium
	Risks related to labour relations and human resources (CSR)	▲▲△	Medium
	Risks related to defective products (CSR)	▲△△	Low
	Risks related to acquisitions and partnerships	▲△△	Low
Risks related to climate and environmental challenges	Risks related to environmental regulations (CSR)	▲▲▲	High
	Risks related to the energy transition (CO2 reduction) (CSR)	▲▲▲	High
	Risks related to the physical impacts of climate change (CSR)	▲▲△	Medium
Financial risks	Risks related to exchange rates	▲▲△	Medium
	Risks related to the Group's borrowings and liquidity risk	▲△△	Low
	Risks related to substantial investments and their financing	▲△△	Low
Legal risks	Compliance risks	▲▲△	Medium
	Risks related to taxation and customs barriers	▲▲△	Medium
	Risks related to litigation and ongoing investigations, particularly in relation to occupational diseases	▲▲△	Medium

The Group's strategic pillars

Strategic pillars			
Pursue disciplined growth	Increase operational excellence	Invest for a sustainable future	Anchor a strong and inclusive entrepreneurial culture

ESG pillars			
Enhance the circularity of glass packaging	Decarbonise our activities	Ensure a safe and inclusive work environment for all	Business ethics

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 demand for glass packaging

DESCRIPTION OF THE RISK

The Group's business may be impacted by changes in demand for glass packaging due to several factors including changes in consumption patterns, changes in laws relating to glass containers or the long-term decline in wine consumption in mature markets.

Demand may also be impacted by the seasonal nature of some of the products marketed by the Group's customers (beers, rosé wines, spirits, etc.) and by economic conditions, particularly regarding the sensitivity of the consumption of the Group's products to price factor for certain products for special occasions, such as spirits and champagne.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group has measures in place to manage these risks at operational level:

- a diversified customer portfolio (as of 31 December 2022, the Group's top 10 customers accounted for 17,5% of consolidated revenue and the biggest customer represented approximately 5% of consolidated revenue);
- exposure to a wide range of end markets, limiting dependence on any one country, segment of glass packaging market or customer;
- 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 the view to quickly allocate and adjust production in line with changes in demand;
- definition and implementation of a Business Continuity Plan in all plants.

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

The Group faces significant competition in each of its business segments and countries of operation, including:

- various manufacturers of other types of packaging (plastic packaging, aluminium, cardboard, etc.), with competition more or less pronounced depending on the markets in question;
- other forms of food packaging (draught beers, coffee capsules, individual dispensers, bulk, etc.).

This competition, combined with direct Group's competitors (see Section 4.1.2.4 "Risks related to the balance between supply and demand and the adaptation of manufacturing facilities"), has in the past and could in the future cause excess capacity in certain countries, thereby lower prices across the sector for varying lengths of time.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group systematically ensures that the products it develops are adapted to:

- the increasing complexity of production methods;
- changes in consumer preferences;
- changes in safety laws.

Thus, the Group is a member of the European Container Glass Federation (FEVE), the Glass Packaging Institute and the Friends of Glass community. In addition, the Group participates actively in the Friends of Glass campaign "Look Beyond The Label" to promote the use of glass packaging, as well as FEVE's efforts to promote the collection of used glass (target collection rate of 90% in Europe by 2030).

4.1.1.3. Risks related to energy shortages and costs

DESCRIPTION OF THE RISK

The Group's manufacturing activities consume a considerable amount of thermal and electrical energy, which accounts for a significant portion of its operating expenses (approximately 23% of the cost of sales in 2022). Significant increases or changes in the price of energy resources may have a material adverse effect on the Group's business and its operational results. Energy shortages may also occur, negatively impacting the Group's business and objectives. The Group obtains its supplies of electrical energy from local producers in each country and does not always have an alternative supply solution. As such, it may be subject to interruptions of electricity supply or price increases. For its thermal energy supply, the Group buys fossil fuels on the international markets and is therefore exposed to price fluctuations of such materials.

Energy shortages and the use of alternative sources can make production more expensive, but also cause slowdowns or stoppages in activity.

Similarly, the Group may be exposed to the risk of changes in subsidies and other government measures related to the cost of energy by authorities in certain countries (particularly Germany and Italy) (see Section 1.5.3.1.2 "Regulations for the glassmaking industry"). These subsidies could be questioned, in particular due to the application of European rules on state aid.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

Guaranteeing energy supplies to the Group's plants requires rigorous management of contracts and various actions aiming at:

- implementing a hedging strategy whose purpose is to minimise exposure to price fluctuations. The hedging strategy consists in covering 85% of the estimated future consumption at the end of year N (in order to have 100% coverage for year N+1), 50% for year N+2 and 25% for year N+3 over 3 years. These parameters are then validated at energy committee meetings attended by the Chief Executive Officer, the Chief Financial Officer, the Operations Director and the Group Purchasing Director. The Group also has the option of purchasing on a forward basis to smooth out the effects of fluctuations in fuel prices;
- ensuring that most of the Group's plants can switch from gas to fuel oil in the event of a shortage without affecting the production continuity plan;
- introducing price revision clauses in the Group's multi-year sales contracts with its biggest customers, notably taking into account changes in energy costs and inflation;
- applying a dynamic commercial policy within the Group, with a view to negotiating selling price increases with customers (i.e. for contracts without price adjustment clauses, which represent most of the sales contracts entered by the Group).

4.1.1.4. Risks related to changes in the price and shortages of raw materials and cullet

DESCRIPTION OF THE RISK

The Group's industrial activities partly depend on certain raw materials (glass sand, limestone, soda ash and cullet), which could be affected by price increases stemming among other factors from an imbalance between supply and demand.

The Group must therefore consider a number of risk factors:

- disruption of supply chains, with certain raw materials not available near production sites;
- packaging costs (wooden pallets, plastic film, etc.) and transport costs, which can account for a significant proportion of the final price;
- imbalance between supply and demand that can result in tight markets creating a difficulty in supplying a raw material or resulting in high demand for it;
- scarcity of certain components such as cullet, creating the need to increase the proportion of soda ash needed to produce glass, resulting in higher energy costs and consumption, and the energy transition risk of failing to achieve CO_2 reduction targets.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The risk of supply disruption is particularly high for the Group due to the technical nature of its products and requirements in terms of consistency of product performance. The Group has therefore taken steps to anticipate and prevent supply risk:

- close monitoring of the markets and negotiation with the Group's suppliers of the price structures best suited to changes in raw material or energy costs in the short and medium terms, with the support of the Purchasing Department;
- pass-through of increases in raw material costs, directly or indirectly, to the Group's selling prices, thanks notably to the price revision clauses included in some of its multi-year contracts or through commercial negotiations with customers.

For cullet, the Group developed a number of initiatives aimed at optimising its use by increasing the collection of household glass and improving the quality of cullet during its treatment. To that end, the Group has:

- signed joint venture contracts to secure the volume of cullet or increase its use in glass production;
- built cullet treatment units using new treatment solutions in order to be able to recycle more cullet in the Group's own furnaces;
- set a strategic target, included in the CO_2 emissions reduction plan, for the rate of use of external cullet developed at local and Group level and adopted in all entities;
- diversified external sources of treated cullet to mitigate price increases for the portion of cullet not covered by Verallia's facilities (owned directly or through partnerships).

4.1.2. Operational risks

4.1.2.1. Risks related to the operation of industrial sites

DESCRIPTION OF THE RISK

The Group's industrial activity is based on the processing of molten materials using heavy machinery and equipment, which entails the risk of industrial accidents (including personal injury), but also potential nuisance for nearby communities and environmental hazards such as accidental releases of polluting or dangerous products.

Those risks may be aggravated for sites exposed to a heightened risk of natural disasters.

In addition, the Group's operations and results depend in particular on the optimisation of its manufacturing facilities in order to maximise production. The Group's manufacturing processes are characterised by high fixed manufacturing costs and continuous production requiring its furnaces to be kept at high temperatures 24 hours a day throughout the year.

Energy shortages or supply difficulties could lead to furnaces being put on standby, and as such to a temporary halt in production.

Similarly, the occurrence of accidents or interruptions in the manufacturing process could, more broadly, have a significant negative impact on the Group's business, results (maintenance of fixed costs, contractual penalties, reconstruction of furnaces, etc.), financial position or outlook.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group has implemented an active prevention/ protection/anticipation approach built on various pillars:

- definition of an action plan discussed with an organisation specialising in industrial risk prevention engineering, which audits the Group's plants each year;
- 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 power machines and equipment, considering natural disaster and other major incident risks;
- permanent commitment to develop and operate the safest industrial processes, promoting a "zero accident" culture.

4.1.2.2. Risks related to IT systems

DESCRIPTION OF THE RISK

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 Group accordingly faces the following main risks:

- risk of IT system failure. IT systems are ubiquitous in the Group's business, and the failure of one or more of them could cause a business interruption;
- risk of cybercrime. Through contamination (viruses) or intrusion into computer systems, cybercrime can have serious consequences, including business interruption, data theft, disclosure of sensitive data, manipulation of the Group's operational or financial data, ransomware or data loss;
- risk of failure of an IT service provider. The Group outsources certain aspects of its information systems and certain activities in order to optimise the management of its resources and improve the efficiency and security of its IT infrastructure. Despite the care taken in the selection of these service providers, there is a risk that they may fail to fulfil their obligations.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group has implemented a comprehensive IT security policy that is reviewed annually, and which focuses on:

- implementation of an IT security plan built on five pillars: i) constant updating of systems, workstations and servers, including security at industrial sites, strong authentication for remote access and privileged user accounts, and a backup plan; ii) securing access and application rights; iii) detection of anomalies for maximum responsiveness; iv) user awareness; and v) governance based on best practices;
- implementation of action plans to strengthen the security of IT infrastructure and equipment;
- introduction of a centralised monitoring system (Security Operation Center) allowing the detection and analysis of anomalies and rapid response;
- implementation of annual awareness-raising actions for all employees regarding cyber risks, especially phishing and ransomware;
- performance of attack simulations (redteam) to test our entire strategy and processes (resilience, detection, reaction, compliance with basic procedures, awareness, etc.);
- subscription to a cyber insurance;
- disaster recovery plan based on a regularly tested backup, restoration and versioning policy for user (PC) and application (server) data;
- ensuring cybersecurity, and in line with specific GDPR rules, implementation of a 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.

4.1.2.3. Risks related to geopolitical aspects and the Group's international activities

DESCRIPTION OF THE RISK

The Group operates 34 industrial sites in 12 countries. Its employees and activities may be directly or indirectly affected by periods of economic, political or financial instability in certain areas (war, revolution, major social conflicts, devaluation, financial crisis, geopolitical tensions, hyperinflation in Argentina, worsening of the COVID-19 global health crisis, difficulties in executing contracts, particularly in Russia or Ukraine, etc.).

Geopolitical risks and tensions do not evolve in a linear way; rather, they are subject to antagonistic movements in line with diplomatic developments. The result is that mounting geopolitical tensions can further heighten economic risks and may fundamentally alter the longer-term global economic order by applying pressure causing shifts in trade in energy and reconfiguration of supply chains.

More specifically, the current geopolitical situation involving Russia and Ukraine could result in a slowdown of the economy, inflation, more stringent regulations and/or have other negative consequences in those countries, which could limit the Group's ability to continue or develop its activities (see Chapter 6.1, Note 1.2.1 for details of revenue by country), and/or expose it to constraints, additional costs or fines in the event of non-compliance with the regulations in force.

Ultimately, a change in economic, political, social, health or regulatory conditions could expose the Group to risks to its business, assets, employees, financial position and reputation.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The geographical diversity of the Group's industrial sites is aimed at limiting the potential impact of a crisis on a local market. The Group has also established Group and Regional Risk Committees with the aim of:

- regularly monitoring the effective implementation of the Group's key management procedures;
- obtaining quarterly letters of representation signed by the regional Directors;
- ensuring strict local monitoring of changes in the geopolitical and economic environment in the countries where the Group operates;
- implementing a compliance policy and mandatory in-house training in ethics and compliance in the countries where the Group operates;
- conducting systematic reviews of applicable sanctions with the help of external advisors and mass checks of all suppliers and customers;
- coordinating an insurance programme covering all of the subsidiaries' risks locally and through MASTER policies at Group level covering the differences in conditions and limits compared with local policies.

The Group nevertheless monitors geopolitical developments and the emergence of new regions potentially exposed to risks, as its activities there could be impacted.

4.1.2.4. Risks related to the balance between supply and demand and the adaptation of manufacturing facilities

DESCRIPTION OF THE RISK

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 to the volume of demand is a regionally relevant indicator for the Group. The cost for transporting packaging, exacerbated in some countries by the lack of available transport (e.g. Italy and Iberia), makes it difficult to transfer excess capacity between distant markets.

The Group must therefore consider a number of risk factors:

- an imbalance between supply and demand in a given market;
- a sudden drop in demand, resulting notably from unforeseeable events;
- an increase in demand that is lower than the Group's forecasts.

In addition, the characteristics of the Group's industrial organisation (non-stop work in five shifts, time of around 18 to 24 months required to commission a new furnace) could restrict the possibilities of adapting supply to an increase in demand.

Similarly, a temporary inability to satisfy a sudden increase in demand for packaging could cause some of the Group's customers to turn to the Group's competing glass makers or to switch to other types of packaging.

Lastly, the Group may have to resize, upwards or downwards, its industrial facilities in certain regions to adapt to these significant changes in supply or demand. Such fluctuations could lead the Group to shut down certain furnaces or plants, temporarily or regularly, which could entail significant costs.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

To ensure the smooth running of its activities, the Group conducts regular reviews, during the development phases of the Group's business plans and budget, of:

- the implementation of marketing and competition intelligence with continuous monitoring of changes in the production capacities in the Group's direct and indirect markets;
- the development of an internal network (sales and management) heedful of demand trends and any event that could result in under or overcapacity in the Group's markets;
- the analysis of its production capacity (e.g. non-rebuild of a furnace, extension of the downtime following furnace repairs) and the implementation of an action plan to improve flexibility (e.g. line switched to the production of jars rather than bottles).

4.1.2.5. Risks related to the implementation of the Group's operational excellence programme

DESCRIPTION OF THE RISK

As part of its industrial strategy, the Group has been implementing an operational excellence programme for several years (see Section 1.3.1 of this Universal Registration Document), strengthened in 2018 with the rollout of the Verallia Industrial Management (VIM 2.0) initiative.

This initiative focuses on five areas, namely Safety, Quality, Customer Service, Team Management, and Industrial Performance, including the reduction of manufacturing costs through the implementation of an industrial Performance Action Plan (PAP).

The Group intends to continue the rollout of this plan in support of its development strategy and the achievement of the medium-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 timeframe and in accordance with the terms initially planned or may not derive the benefits initially expected or maintain its competitive position.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

As part of the implementation of its operational excellence programme, the Group has:

- set up a robust management system based notably on dashboards and in-depth monthly reviews by region;
- strengthened change management at each plant and set up training for stakeholders, with strong support from the Group;
- provided two annual sessions to analyse production losses or inefficiencies to identify and select cost reduction projects for each plant. The objectives of the PAP have been integrated into the objectives of all plant managers and industry teams and determine a portion of their variable compensation.

4.1.2.6. Risks related to occupational health and safety

DESCRIPTION OF THE RISK

Human resources are one of the Group's greatest business assets, and the men and women who work for the Group are key. Their health and safety is a fundamental and permanent objective.

The Group is exposed to:

- the risk of accidents involving its employees or subcontractors at their workplace (particularly industrial sites, in view of the Group's glass business, which involves working in high-temperature environments) or during commutes;
- risks related to the application of labour law regulations for employees and temporary workers, particularly in terms of occupational health and safety.

Although the Group makes significant efforts both to ensure compliance with regulations, which are subject to regular changes and tightening of constraints, and the adequacy of employee training, qualifications, and reliability, it cannot guarantee the absence of possible shortcomings in these areas.

The occurrence of one of these risks could therefore:

- result in substantial fines, claims against the Group and the employing company, and the loss of accreditation or qualifications;
- severely harm the physical integrity or psychological safety of employees, thereby having an impact on the Group's reputation.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group has implemented various measures to limit the impact and occurrence of risks related to the health and safety of individuals, including:

- permanent commitment of the Group to develop and operate safe industrial processes, promote a "zero accident" culture and protect the health and safety of its employees, notably including workstation ergonomics, the reduction of potential exposure to dust, legionella, noise and heat, and the management of chemical risks, which are reviewed periodically;
- regular checks (in the form of plant audits) organised by the Operations Department to ensure that Health and Safety standards are compliant, and that they are reviewed and reinforced as often as necessary;
- training of subcontractors in specific risks and in Verallia's tools, especially during furnace rebuilds;
- the implementation of safety indicators that are subject to continuous monitoring and which are largely integrated into the company's objectives and the variable compensation system for managers;
- the periodic organisation of safety days with all employees to ensure constant awareness of this risk.

4.1.2.7. Risks related to relationships with certain strategic suppliers and subcontractors

DESCRIPTION OF THE RISK

As part of its industrial activity, the Group uses many suppliers of raw materials and components. The Group's top 10 suppliers accounted for approximately 34% of its supplies in the year ended 31 December 2022. For certain very specific supplies of raw materials (soda ash, sand), investments (glass equipment, refractory bricks, etc.), or even banking services, the Group relies on a limited number of suppliers that represent strategic counterparties for the Group and its business.

The failure of significant or exclusive suppliers, or, more broadly, any disruption in supply could affect the Group's production capacity or result in additional costs.

The Group may also, for certain services and products provided to its customers, such as logistics or storage services, call on subcontractors acting in the Group's name and on its behalf.

The Group's subcontractors may be small companies that may derive an important portion of their revenue from the Group. Under local laws governing the termination of contracts by a party in a situation of economic dependence, the Group may be exposed to difficulties arising from the termination of the subcontracting contract and having to pay compensation to the unreliable subcontractor.

Lastly, although many measures are taken to this effect, the Group cannot guarantee that its suppliers and subcontractors comply with local labour laws or environmental and ethical standards in the course of their activities, which could affect the Group's reputation and results.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group has taken various measures to limit the impact and occurrence of risks related to suppliers and subcontractors, including:

- the search for several suppliers where possible, and their geographical diversification;
- the selection of suppliers offering the most innovative products, combined where appropriate with the conclusion of multi-year contracts with key players of the sector;
- a highly collaborative approach aimed at sharing volume forecasts with critical suppliers and thereby anticipating supply issues;
- particular attention to Asian sourcing, which represents less than 3% of purchases, mainly Capex, with emphasis on the development of local alternative solutions;
- where necessary, the establishment of joint ventures, to secure supply, such as in cullet for example;
- particular attention to ensure that suppliers and subcontractors comply with applicable labour law, social protection law, and social and environmental standards (mandatory signing of a Group charter);
- the implementation of procedures for identifying cases of single-source suppliers and/or economic dependence, together with the preparation of appropriate action plans, managed by region and at central level;
- the implementation of a specific ESG (Environment, Social, Governance) procedure effective in most of the Group's host countries (see Section 2.6.1);
- the pooling of supplier creation at regional level and the streamlining 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

Harmonious social dialogue is a critical marker of the performance of an industrial group. Our employees and the unions (who represent them) are key stakeholders for the Group and its management.

In view of the company's activities and developments, the Group cannot rule out labour disputes such as strikes, industrial action or other social unrest, which could disrupt its business and have a material adverse effect on its image, business and operational results.

Similarly, the Group could be publicly attacked in the press and held responsible for any problem, whether internal (i.e. related to compliance with labour law, or managerial, financial, environmental or legal matters) or external (cyberattack). As a result, the Group could incur direct or indirect costs to deal with the situation of reputational damage.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group seeks to develop labour relations built on transparency and trust. Its policy aims to keep employee representatives regularly informed of the strategy of the Group's entities and to contribute to the constant improvement of working conditions for all employees. To that end, the following measures are in place:

- the negotiation and signing in the countries where the Group operates of annual agreements aimed at providing for and supporting wage increases for employees. Such agreements sometimes cover several years (as is the case in Spain, where the wage agreement covers the period from 2022 to 2024);
- the coordination of a European Works Council that met three times in 2022 (one plenary meeting and two meetings of the select committee) and whose members received training in June 2022 to allow them to carry out their duties;
- the implementation of innovative social dialogue practices that include company employees in a pre-negotiation process – as was the case in France for the preparation of the agreement signing on the forward-looking management of skills;
- the implementation of awareness-raising programmes on well-being at work, diversity and inclusion. These programmes are developed in the Group's various regions;
- the completion of an employee engagement survey every two years and the resulting action plans to work on areas for improvement.

In addition, sensitive issues and crisis management are managed internally by the HR Department, which is also in charge of the Group's communication. Press relations are governed by a communication charter.

4.1.2.9. Risks related to defective products

DESCRIPTION OF THE RISK

The products manufactured by the Verallia Group are of mineral origin and could potentially fail to comply with manufacturing standards (accidental or intentional contamination of raw materials, failure of production equipment or human error).

In the event of products not meeting its standards, the Group may be forced to suspend its production and incur substantial costs to:

- undertake the necessary corrective actions;
- carry out 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 negligence, this risk may expose the Verallia Group to litigation with its stakeholders and to reputational risk.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group has implemented an internal product stewardship policy built on various protocols:

- compliance of all our plants 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;
- implementation of continuous improvement approaches in terms of quality control and manufacturing process control;
- implementation of a policy for the elimination of products deemed non-compliant from the production chain, using automated testing equipment to monitor the quality of packaging throughout the production process at each of its production sites;
- implementation of traceability procedures allowing packaging to be tracked from the receipt of raw materials through to processing, production, and shipping.

4.1.2.10. Risks related to acquisitions and partnerships

DESCRIPTION OF THE RISK

The Group may consider value-creating acquisitions 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 emergence of liabilities greater than those assessed during the due diligence phase of the acquisition process) or operational difficulties (such as inaccuracy of the assumptions made in the business plan of the acquired companies, particularly with regard to synergies and performance). Moreover, acquisitions in a new country and/or in a country that is not the Group's home country could involve increased risks (see Section 4.1.2.6).

In addition, in the course of its business, the Group has entered into and may enter into a number of strategic partnerships or joint ventures with local companies. 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 which may disagree with the terms of the partnership (e.g. IVN, see Section 5.7 "Legal and arbitration proceedings").

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group's governance structure for its M&A projects features an organised process for prospective acquisitions and partnerships overseen by a Strategic Committee, to which the main contributors are the M&A, Finance and Legal teams. The process is based on:

- the definition of a strict acquisition and partnership policy covering both strategic relevance and valuation;
- the completion of thorough legal and financial due diligence on targets with the support of internal and/or external specialists;
- in the event of integration, the implementation of a specific ad hoc governance to protect the Group's interests and ensure the adoption of the Group's key procedures by the newly integrated entity.

4.1.3. Risks related to climate and environmental challenges

4.1.3.1. Risks related to environmental regulations

DESCRIPTION OF THE RISK

The Group is required to comply with numerous laws and regulations, which differ depending on the country of operation. In particular, the sector is subject to strict international, national and local regulations and to rapid and constant technical and societal evolution, notably in relation to:

- 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 soil);
- the treatment of packaging waste and noise pollution from production;
- the 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").

The high expectations of its stakeholders have led the Group to make a firm commitment to preserving the environment. These specific features are reflected in risks of:

- non-compliance or inability to comply with soil decontamination regulations, exposing it to potential environmental liabilities;
- non-compliance or inability to comply with accepted standards for heavy metals in the manufacture of bottles, which may limit the Group's ability to produce packaging or require it to make significant investments to comply;
- non-compliance or inability to control customers' final exports, on the use of packaging for products sold in certain US states, in violation of local regulations, exposing it to financial penalties;
- non-compliance with or failure to implement the EU Industrial Emissions Directive 2010/75/EU ("IED Directive") on soil and groundwater assessment at some of its sites, which may reveal previously unknown contamination.

Glass production is not yet included in the priority sectors of the green taxonomy. As such, the Group has not identified any eligible revenue for the 2022 financial year.
The proper functioning of the Group's activities accordingly depends on compliance with these legal and regulatory constraints. Failure by the Group to comply with applicable regulations in the future could trigger the withdrawal of operating licenses, cause its liability to be incurred or subject it to fines. Similarly, investments may also be required to limit the environmental impact, and failure to make such investments may expose the Group to civil or criminal penalties.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group takes constant actions to prevent and limit such risks, notably through the following measures:

- significant and recurring investments in the renovation of the Group's industrial equipment (e.g. furnaces), the compliance and safety of production equipment and facilities, and productivity improvements;
- ISO 14001 and ISO 45001 certification for all Group glass production sites and ISO 22000 certification or equivalent for 34 glass production sites as of 31 December 2022 (see Section 1.5.1 of this Universal Registration Document), thereby ensuring that a system exists for managing the impacts on the Group's business;
- implementation of purchase or sale contracts with protective clauses;
- purchasing of insurance covering environmental pollution risk;
- ISO 50001 certification for energy management systems at glass plants in France and Italy in 2022;
- monitoring of the green taxonomy with the support of external consultants, and also communicated and overseen by the FEVE.

4.1.3.2. Risks related to the energy transition (CO_2 emissions reduction)

DESCRIPTION OF THE RISK

The Group's glass business has a high carbon footprint insofar as calcium carbonate and sodium carbonate, the main materials used in glass manufacture, release CO_2 when they are melted, and glass melting accounts for approximately 75% of the energy consumed at industrial sites, which is provided chiefly by the combustion of fossil fuels (mainly gas at this time). Therefore, climate risk (emissions and greenhouse gases) is closely related to access to energy sources and raw materials, and the Group must therefore consider a number of risk factors relating to the inability to:

- increase the share of decarbonised raw materials;
- increase cullet consumption;
- optimise the energy consumption of our industrial facilities;
- reduce Scope 1 and 2 emissions from our various sites.

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 Section 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.

In line with the CSR strategy, the Group has strengthened its commitment by issuing two Sustainability Linked Bonds indexed on the achievement of the following two objectives: the reduction of CO_2 emissions (Scopes 1 and 2) to 2,625 kt per year by 2025, and the achievement of an external cullet usage rate of 59% by 2025. 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 external cullet use.

Failure to meet these criteria could result in an increase on the coupon on these bonds.

In addition, the Group's image could be tarnished among:

- its customers, who are facing similar pressure to reduce their CO_2 emissions, and for who CO_2 intensity is a major selection factor in purchasing decisions;
- its investors, for who CO_2 emissions reduction has become a major driver of investment decisions;
- its employees.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

"Re-imagine glass for a sustainable future", the Group's purpose, is informed in large part by environment and climate risk. The Group has therefore set itself the goal of being the sector leader, with very ambitious CO_2 emission reduction targets validated by the SBTi and aligned with the aim of limiting global warming to 1.5°C.

These targets have become a major strategic focus for Verallia, reflected in a number of aims:

- the target of reducing CO_2 emissions (Scopes 1 and 2) by 46% in absolute terms, with 2019 as the baseline, by 2030 (see Section 2 of the Non-financial Information Statement). The Group aims to keep Scope 3 emissions below 40% of its total CO_2 emissions (Scopes 1 and 2);
- the strategic nature of CO_2 emissions reductions for the Company reflected in projects covering the three major components of CO_2 emissions generation at Verallia, namely raw material emissions through specific projects on cullet consumption, energy consumption in our plants and the supply of low-carbon or renewable energy. Scope 1 and Scope 2 emissions are monitored on a monthly basis at plant level, and reviewed by a Group CO_2 Committee;
- the implementation of projects to improve the energy efficiency of industrial sites and reduce their carbon dioxide emissions in order to adapt the Group's industrial facilities to current regulations limiting CO_2 emissions and any tightening of such regulations in the future.

For example, an initiative based on circular economy principles has been implemented to recover waste energy by extracting heat from furnaces to heat buildings (at the Wirges and Neuburg sites in Germany).

In addition, as part of its energy and climate management strategy, the Group is working on breakthrough technology projects and is investing heavily in the modernisation of its furnaces (project of electric furnace, the first planned in Cognac (France) in 2023 and hybrid furnace, the first in Zaragoza (Spain) in 2024), as well as in the construction of new equipment that is more energy efficient and therefore contributes to the reduction of greenhouse gas emissions.

Lastly, a hedging policy is in place for Verallia's CO_2 purchases (within the limits of the visibility offered by the allowance mechanism)

4.1.3.3. Risks related to the physical impacts of climate change

DESCRIPTION OF THE RISK

As a global industrial player, the Group has significant interactions with the natural environment. As such, the Group is naturally exposed to climatic risks at its various sites, particularly in Argentina, Chile, Germany, and Italy, located in seismic or flood-prone areas.

Given the impact of climate change, it is possible that the frequency of certain extreme events will be greater (e.g. storms, earthquakes, floods) or that local weather conditions will be more durably impacted (higher temperatures, more frequent droughts, reduction in local water resources, etc.). The Group's activities could well be disrupted by such weather events, which could have an effect on the Group's activities (destruction of sites or interruption of production), results (increase in insurance premiums or costs related to repairs, etc.), financial position or outlook.

In particular, given the production and supply of customers in Argentina and Chile, where the Group has only one production site, alternative solutions from another Group production site would be harder to implement.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

To date, the Group has seen few occurrences of extreme events impacting its activities. Nevertheless, the Group has implemented:

- a worldwide property and casualty insurance programme with insurance companies of recognised reputation and financial strength, covering the major risks to which the Group's industrial facilities could be exposed, and in particular damage and business interruption caused by natural disasters;
- a risk mitigation and business continuity plan for each site.

4.1.4. Financial risks

4.1.4.1. Risks related to exchange rates

DESCRIPTION OF THE RISK

The Group has industrial operations in 12 countries and may therefore be subject to operating currency risk. The preparation of the Group's financial statements (denominated in euros) requires the translation of assets, liabilities, income, and expenses into euros at the applicable exchange rates.

Beyond this translation risk, the Group's results are not significantly affected by changes in exchange rates, as most of the Group's costs and revenues are denominated in the same currency as a general rule. This is due to the regional or local nature of the Group's markets.

However, some subsidiaries that export products in the currency of the importing country may be exposed to exchange rate fluctuations.

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, and the Ukrainian hryvnia. The sensitivity of these currencies on equity is described in Note 20.2.2 "Foreign exchange risk" to the Group's consolidated financial statements.

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.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group has implemented a currency hedging policy to reduce its exposure to adverse currency fluctuations. It is based on:

- regular monitoring and assessment by the Group of exchange rate trends;
- invoicing by operating subsidiaries in their functional currency wherever possible;
- locating the Group's production sites as close to its customers if possible;
- purchasing of derivative currency hedging instruments by the subsidiaries exposed to foreign exchange risk.

4.1.4.2. Risks related to the Group's borrowings and liquidity risk

DESCRIPTION OF THE RISK

Financial indebtedness could affect the Group's business by limiting its flexibility to adapt to changes in the industry, increasing its vulnerability to business downturns or economic conditions, or limiting its ability to make investments or pursue external growth.

The Group's debt is sensitive both to interest rates and to market liquidity, i.e. the cost of funding and the availability of funding. In the event of adverse economic conditions or industrial and commercial activity, the Group's ability to comply with the restrictions contained in its various financing documents and meet its obligations may be affected. 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).

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 a default that is neither remedied nor waived, the relevant creditors may terminate their commitment and/or require all outstanding amounts to become immediately due and payable. 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.

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" and Note 20.2.1 "Interest rate risk" to the Group's consolidated financial statements).

In addition, the Group has issued two Sustainability Linked Bonds, for which there may also be a risk that the Group will be unable to meet the commitment made in the Sustainability Linked Framework. An event or failure of that nature could damage the Group's reputation with bond investors, and the missed targets would increase the coupon by 12.5 and 10 basis points respectively but would not constitute a case of early redemption of either of the two bonds.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group's overall exposure to liquidity and interest rate risk is managed by the Treasury and Financing Department. The Group's policy aims to:

- size financing requirements based on short-, medium- and long-term cash flow projections for all Group companies (monthly three-month forecasts, monthly annual budget, three-year strategic plan);
- ensure the sustainability of its financing and, in line with this objective, diversify sources and stagger maturities while optimising financial costs (see Note 17.2 to the Group's consolidated financial statements);
- implement, in accordance with the guidelines set by the Board of Directors of the Company, a policy aimed at securing the financial cost of the Group's overall medium-term debt against the risk of interest rate fluctuations.

4.1.4.3. Risks related to substantial investments and their financing

DESCRIPTION OF THE RISK

In order to maintain the operational excellence of its industrial facilities, the Group makes significant recurring investments, which have represented more than €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.

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 its products, the cost of energy and raw materials, and its success in reducing its costs (PAP).

If the Group was 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.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group pursues a disciplined investment policy and therefore seeks to:

- ensure strict and continuous monitoring of its results (including profitability, cash and cost saving plan) to ensure sufficient cash generation to cover day-to-day operations (Investment Committee);
- implement funding lines to ensure industrial policy, including through investments related to the implementation of the CO_2 emissions reduction plan.

4.1.5. Legal risks

4.1.5.1. Compliance risks

DESCRIPTION OF THE RISK

The Group operates in several countries where the risk of corruption may be perceived as significant (Brazil, Argentina, Chile, Russia and Ukraine). In addition, due to its market and geographical scope, the Group is also exposed to risks related to the violation of competition law requirements and risks related to the non-compliant processing of personal data.

Unethical practices or practices that do not comply with applicable laws and regulations on the part of its representatives or employees could expose the Group to criminal and civil penalties and may damage its image.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

To meet its ethical and legal obligations, the Group implements a compliance program comprising:

- the introduction of a Code of Ethics, an anti-corruption and influence peddling policy, an antitrust policy, an agents and intermediaries policy, a gift and invitation policy and rules applicable within non-profit organisations;
- the implementation of a training programme;
- an anonymous whistleblowing system available to employees and third parties;
- one compliance officer per legal entity;
- the inclusion of compliance risks in internal audit controls and work programmes;
- the 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-specific updates regarding legislation on personal data processing, IT analysis, identification of relevant data controllers and training on personal data processing.

4.1.5.2. Risks related to taxation and customs barriers

DESCRIPTION OF THE RISK

Due to its international operations, the Group is subject to complex and varied tax regulations, notably as regards transfer pricing, which may be subject to divergent interpretations.

The multiplication, complexity, and instability of tax regulations and their interpretation, particularly in a context of international tax competition and the overhaul of international tax rules under the impetus of the OECD, the European Union and national governments, are all risk factors for the Group.

Failure by the Group to comply with applicable regulations could result in financial and/or criminal penalties, or even temporary or permanent closure of the relevant sites.

In addition, in view of the Group's activities, a growing proportion of its customers, particularly wine and spirits producers in France, Italy and Spain, have export activities that could be impacted by the increase in customs barriers and other trade restrictions applicable by certain countries, which could lead to a reduction in their orders from the Group. A broadening of the tax base to include exports of still wines, including in bulk, as well as wine-based spirits, could have an impact on the Group's business, which remains limited to date, considering internal estimates.

The acquisition in November 2022 of the Group Allied Glass, which derives 95% of its revenue from the United Kingdom, is not expected to have any major consequences in terms of customs barriers.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

The Group has implemented:

- a transfer pricing policy adapted to the various transactions carried out by its companies;
- tax monitoring by staying abreast of legislative and regulatory developments and by participating in specialised conferences;
- a procedure aimed at not having a legal entity in any of the nine countries listed in Annex 1 of the European Union's "List of Non-cooperative Jurisdictions for Tax Purposes" (formerly the "blacklist") or the fifteen countries listed in Annex 2 of this European list (formerly the "grey list").

With regard to regulation on customs barriers, the Group ensures that:

- the diversification of its geographical locations reduces its exposure to increases in customs barriers, which can favour countries not affected and partially offset the negative impact on others;
- it conducts regular monitoring of developments in negotiations on these issues, in particular with Russia, the United States and the post-Brexit United Kingdom, and prepares appropriate action plans.

4.1.5.3. Risks related to litigation and ongoing investigations, particularly in relation to occupational diseases

DESCRIPTION OF THE RISK

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. The Group may also be exposed to administrative proceedings.

More specifically, the Group is exposed to claims in respect of occupational diseases, especially due to the Group's glass business.

As such, the Group may be exposed, particularly in France, to:

- legal proceedings for recognition of the occupational nature of asbestos-related illnesses;
- claims for "anxiety-related damages" suffered because of alleged exposure to harmful or toxic substances likely to engender a high risk of developing a serious pathology.

Other related legal claims may also be brought by employees or former employees of the Group. Such claims are mainly within the field of occupational health (noise, exposure to dangerous products, smoke inhalation, etc.)

The most significant disputes and investigations in which the Group is involved are described in Note 5.7 of this Universal Registration Document.

RISK MANAGEMENT

MAIN RISK MANAGEMENT SYSTEMS

To comply with current regulations, the Group:

- has an asbestos removal plan for its facilities in each country, whichcontinues to be rolled out. The target of removing all asbestos has been achieved in some countries, as was the case in both Germany and Italy in 2022.;
- has implemented a Group Health and Safety policy aimed at improving working conditions.

4.2. Risk management and internal control system

4.2.1. Risk management policy

4.2.1.1. Objectives, organisation, mechanisms

Objectives

Risk management is closely monitored by the Group's management, with the close involvement of internal control and internal audit:

- risk management consists of identifying, assessing and prioritising 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.

Organisational framework

Organisation in place in 2022:

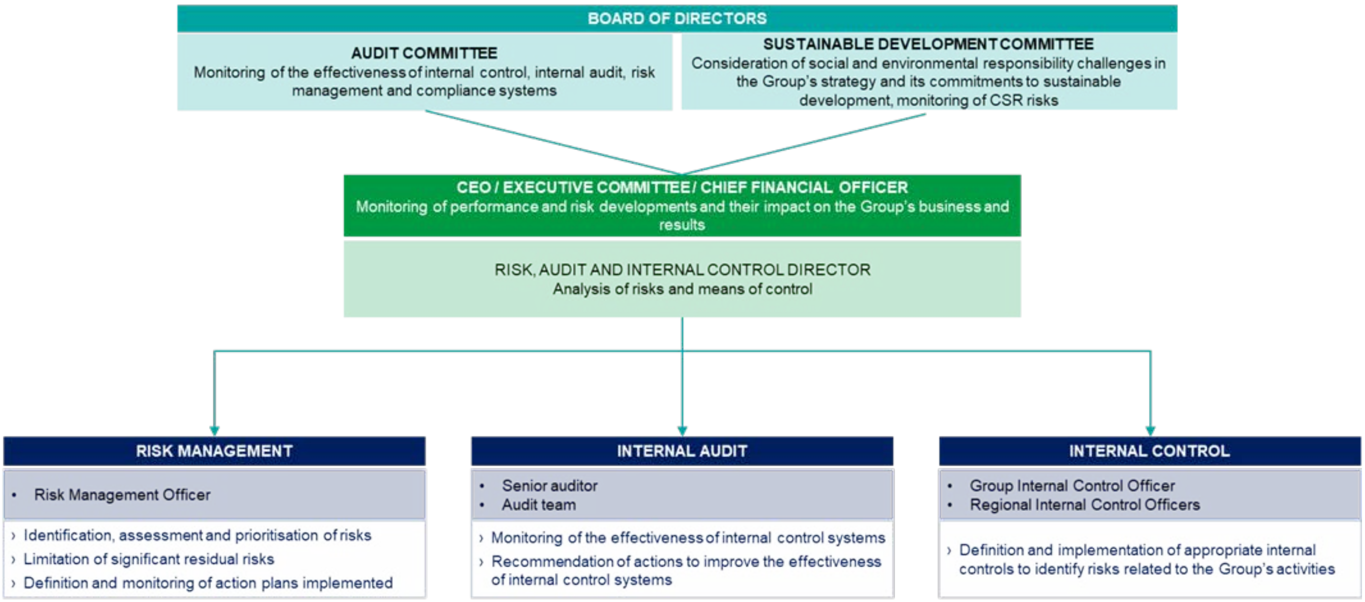
At Group level

- 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 program 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 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.

Organisation of major risks, audit and internal control



Governance

The Audit Committee monitors risks and, in relation with the Sustainable Development Committee, also monitors extra-financial risks. 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 Group Chief Executive Officer, the Chief Financial Officer, the Major Risks, Internal Audit and Internal Control Director, the General Counsel, in the presence of the Statutory Auditors
- 5 meetings per year (*1 or 2 of which on major risks, internal control and compliance*)

Group Risk and Compliance Committee

- **Attendees:** the Group 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 (*2 of which with each Regional Risk Committee*)

Regional Risk Committee

- **Attendees:** the Operations Director, the General Counsel, the Human Resources Director and Chief Financial Officer of the region
- Regular meetings

Risk management and internal control system

The Group's overall risk management and internal control system is applied at various levels (sites, functional departments, subsidiaries, regions) and is based on several elements, including:

- management of industrial and cyber risks;
- management of other operational risks;
- mapping of the Group's major risks;
- mapping of the Group's corruption risks;
- monitoring of the Group's internal control system. Internal control also runs an annual self-assessment campaign of its internal control systems carried out by all the Group's operating entities and monitors the related action plans;
- 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 purpose of internal audit is to provide objective assurance and propose improvements regarding the internal control system, processes, and governance.

Internal audit assignments are scheduled in accordance with the audit plan validated by the Audit Committee. The audit plan includes:

- the rotation of full audits on the Group's operational entities, based on the annual self-assessment questionnaire on internal control and 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 on 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 action plans, is validated by the Internal Audit Director and sent to the Chairman and CEO and the Chief Financial Officers of the Group and the audited entity.

The action plan is shared with Group Internal Control and progress made in the implementation of the action plans is regularly monitored, in particular at the Group Risk and Compliance Committee meetings. To adapt to the particular context of the conflict opposing Russia and Ukraine, an agile remote auditing system can be put in place, where necessary, with the support of local providers as required.

Procedures for the preparation and processing of accounting and financial information

Internal control relating to the disclosure of accounting and financial information is based on the organisation of the Finance Department, on all its procedures and on financial controls (budgetary process, monthly accounting, management reporting and forecasting, financial and operational performance review, etc.).

Under the authority of the Chief Financial Officer, the teams in charge are responsible for:

- preparing the Group's consolidated financial statements and the parent company financial statements;
- preparing the budget and monitoring its execution through monthly management and performance reports;
- implementing the Group's accounting and management principles, procedures and guidelines, and updating them when standards change.

In addition, the Internal Control unit assists the various Group entities in implementing the Group's financial processes.

Internal Audit is responsible for implementing the internal financial and accounting control system and takes part in second-level controls on key controls.

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 maps its major risks, which are described in Section 4.1 above. The process of drawing up 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 meeting the requirements of Law 2016-1691 of 9 December 2016 on transparency, anti-corruption and economic modernisation. 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 French Anti-Corruption Agency (*Agence Française Anti-corruption*) 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 and a further update will be carried out in 2023.

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 comprehensive security policy covering its information systems, taking notably into account the lessons learned from the NotPetya cyberattack (see Section 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.

The joint subsidiaries in which the Group is a minority and holds non-controlling interests are outside the scope of the above programmes. Insurances are 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 2022, as contained in Section 6.1 of this Universal Registration Document.

The Group's consolidated financial statements for the financial year ended 31 December 2022 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 2022 is contained in Section 6.2 of this Universal Registration Document.

5.1. Highlights of the 2022 financial year

The Group is the third largest producer globally and the leading European producer[86] of glass packaging for beverages and food products. In terms of volumes sold, it is the second largest producer in Latin America[87]. The Group offers innovative, customised and environmentally friendly solutions to more than 10,000[88] 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 67% of consolidated revenue and 64% of the Group's adjusted EBITDA for the year ended 31 December 2022. 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, the UK, Russia, Ukraine and Poland. Northern and Eastern Europe accounted for 21% of consolidated revenue and 17% of the Group's adjusted EBITDA for the year ended 31 December 2022. 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 12% of consolidated revenue and 19% of the Group's adjusted EBITDA for the year ended 31 December 2022. The Group's operations in Latin America are mainly oriented towards bottles for still wines, as well as bottles for beer in Brazil.

Increase in capacity in Europe in 2025 and 2026

Following the Investor Day (Capital Markets Day) in October 2021, during which Verallia announced the construction by 2024 at existing sites of two new furnaces in Brazil (Jacutinga 2 and Campo Bom 2) and a new furnace in Italy at the Pescia plant, the Group is announcing capacity additions for the following two years.

Verallia will build at its existing sites a new furnace in Spain (Montblanc site) in 2025 and a new furnace in Italy in 2026.

This new production capacity addresses strong demand of local customers in a European market with growing needs for glass packaging products.

As a reminder, the Jacutinga 2 furnace was commissioned successfully at the end of 2022, while construction of the second furnace at Campo Bom (operational at the start of 2024) and the second furnace at Pescia (operational in Q2 2024) is on track.

Acquisition of Allied Glass

In November 2022, Verallia announced and finalised the acquisition of 100% of the capital of Allied Glass at an enterprise value of £315 million.

Headquartered in Leeds, Allied Glass is a leading player in the premium glass packaging market in the United Kingdom, where it generates over 95% of its revenues, with four furnaces located in West Yorkshire and more than 600 employees.

With this acquisition, a key step in its external growth strategy, Verallia intends to capitalise on Allied Glass' expertise in the production of premium glass bottles, particular in the Scotch Whisky and Gin sector, and take advantage of its established position in the UK market.

The integration process is progressing as planned and Allied Glass has adopted the name Verallia UK since 1 January 2023.

86 On the basis of the revenue earned in 2022 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

87 Based on volumes sold in 2021 in Argentina, Brazil and Chile.

88 Customers who placed at least one order during the 2017–2022 period.

Squeeze-out of Verallia Deutschland minority shareholders by Verallia Packaging

On 5 December 2022, Verallia Packaging finalized the privatisation of its subsidiary Verallia Deutschland AG listed on the regulated market of the Frankfurt Stock Exchange (and on the regulated markets of the München and Stuttgart stock exchanges).

Verallia Deutschland AG was valued at €620.06 per bearer share by two independent valuers.

The resolution required to buy back minority shareholders' stock has been adopted during the Annual General Meeting of Verallia Deutschland AG on 24 August 2022.

Share buyback

As part of its capital allocation strategy and following the finalisation of the acquisition of Allied Glass, Verallia has decided to launch a share buyback program and has entrusted an investment services provider with a share buyback mandate for a maximum amount of €50 million, over a period running from 7 December 2022 to November 2023.

Verallia intends to cancel all the shares bought back.

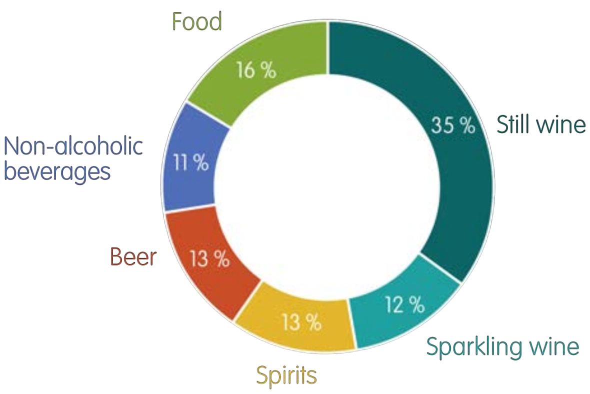
2022 dividend

During their meeting on 15 February 2023, the Verallia Board of Directors decided to propose the payment of a dividend of €1.40 per share in cash for the 2022 financial year. This amount will be subject to approval of the Annual General Shareholders' meeting which will take place on 25 April 2023.

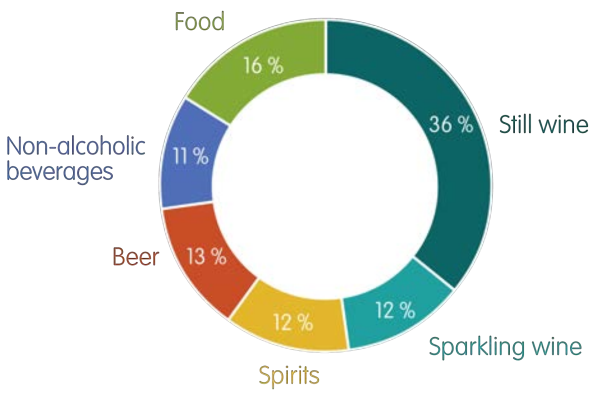
The Group addresses a wide variety of end markets, ranging from bottles for still and sparkling wines to bottles for spirits, bottles for beer, jars and bottles for food and soft drinks. The breakdown of the Group's revenue[89] for the years ended 31 December 2022 and 2021 was as follows:

Breakdown of revenue by end market

Year ended 31 December 2022



Year ended 31 December 2021



The Group's product mix showed an increase in sales for the year, in all its markets. 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 2022 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. Sparkling wines also grew strongly, with volumes in champagne even higher than in 2021 - already a record year - thanks to solid domestic demand. Food jars also recorded solid momentum in 2022.

89 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 2022.

5.2. Analysis of the Group's results

5.2.1. Analysis of results for the years ended 31 December 2022

The table below presents the Group's consolidated income statement (in € millions) for each of the years ended 31 December 2022 and 2021.

CONSOLIDATED INCOME STATEMENT (in € million)	Year ended 31 December 2022	Year ended 31 December 2021
Revenue	**3,351.5**	**2,674.0**
Cost of sales	(2,527.1)	(2,042.4)
Selling, general and administrative expenses	(194.4)	(173.9)
Acquisition-related items	(65.6)	(59.7)
Other operating income and expenses	(6.1)	(4.9)
Operating profit	**558.3**	**393.1**
Financial income	**(80.7)**	**(56.8)**
Profit before tax	**477.6**	**336.3**
Income tax	(122.1)	(89.4)
Share of net profit (loss) of associates	0.2	2.4
Net profit	**355.6**	**249.3**

The year 2022, though marked by a particularly volatile environment, saw the Group continue its profitable growth by delivering an outstanding performance, resulting in:

- An increase of +25.3% in revenue to €3,352 million (+26.5% at constant scope and exchange rates[90]) compared with 2021;
- Growth in adjusted EBITDA to €866 million in 2022, from €678 million in 2021 (+27.6%);
- Improvement in adjusted EBITDA margin to 25.8% in 2022 compared with 25.4% in 2021 (+47 bps vs. 2021);
- Net income[91] of €356 million compared with €249 million in 2021 (+42.7% vs. 2021) and earnings per share of €2.92;
- Acquisition of Allied Glass, the UK market leader in premium spirits;
- Drop in net debt ratio to 1.6x adjusted 2022 EBITDA compared with 1.9x at 31 December 2021, after the acquisition of Allied Glass for an enterprise value of £315 million.

5.2.1.1. Revenue

The Group's consolidated revenue showed a strong rise of +25.3% compared with the previous year, from €2,674.0 million for the year ended 31 December 2021 to €3,351.5 million for the year ended 31 December 2022.

The impact of exchange rates was negative at -1.8% in 2022 (-€47 million), largely due to the recent depreciation of the Argentinian peso and the Ukrainian hryvnia. In the fourth quarter, the impact of exchange rates was negative at -€49 million.

At constant exchange rates and scope, revenue grew by +26.5% in the full year (and by +22.4% excluding Argentina), with a fourth quarter in line with the third quarter (organic growth of +32.9% in Q4 2022). The small drop in volumes seen in the third quarter continued into the fourth quarter because of the renovation of five furnaces in the second half of 2022, temporarily reducing available production capacity. However, demand for glass remained very dynamic throughout the year, as reflected in the latest figures published by the European Federation of glass packaging makers (FEVE), which show that domestic sales in Europe increased by 8.2% in weight and by 9.4% in units in the first half of 2022 compared with H1 2021 (annual figures are not yet available).

Spirits recorded strong volume growth over the year in all regions thanks to high consumption in Europe since the re-opening of the on-trade channel and the dynamism of the US market, and despite the impact of health restrictions in China during part of the year. Sparkling wines also grew strongly, with volumes in champagne even higher than in 2021 - already a record year - thanks to solid domestic demand. Food jars also recorded solid momentum in 2022.

90 Revenue growth at constant exchange rates and scope excluding Argentina was +22.4% in 2022 compared with 2021
91 Net income for 2022 includes an amortisation expense for customer relationships recognised upon the acquisition of Saint-Gobain's packaging business in 2015, of €44 million and €0.38 per share (net of taxes). If this expense had not been taken into account, net income would be €400 million and €3.30 per share. This expense was €43 million and €0.36 per share in 2021.

Sales price increases were implemented in Europe to compensate for the sharp rise in production costs. The pricing and mix policy in Latin America also remained highly dynamic throughout the year amid high inflation in the region. Lastly, the product mix was positive throughout the year.

By region, revenue for 2022 can be broken down as follows:

(in € million)	Year ended 31 December 2022	Change 2021 - 2022 In € million	In %	Year ended 31 December 2021
Southern and Western Europe	2,236.4	404.2	22.1 %	1,832.2
Northern and Eastern Europe	695.3	157.7	29.3 %	537.6
Latin America	419.8	115.6	38.0 %	304.2
Consolidated revenue	**3,351.5**	**677.5**	**25.3 %**	**2,674.0**

Southern and Western Europe

Southern and Western Europe saw revenue grow by +22.1% on a reported basis and by +21.9% at constant exchange rates and scope. Volumes were flat in 2022 despite four renovations of furnaces in the second half of the year. Spirits posted strong annual growth. Sparkling wines reaped the benefits of the dynamism of the champagne market, together with a steady increase in Prosecco sales volumes in Italy and export markets.

Northern and Eastern Europe

In Northern and Eastern Europe, revenue on a reported basis grew by +29.3% and by +22.7% at constant exchange rates and scope. Exchange-rate variations had a positive impact of +3.4% thanks to the appreciation of the Russian rouble during the period. The region also benefited from a positive scope effect (+3.2%) following the acquisition in November 2022 of Allied Glass, a major player in premium spirits in the UK, renamed Verallia UK since 1 January 2023. Sales volumes increased slightly in 2022 thanks to the strong performance of still wines and spirits. The beer and food jar markets also performed well in 2022. Verallia's situation in Ukraine is unchanged: one furnace was emptied and cooled to keep it in good condition, while the second mainly produces food jars. As the situation in the country remains uncertain, Verallia's priority is the safety of its teams and the needs of its local customers.

Latin America

In Latin America, revenue showed a strong reported increase of +38.0% and remarkable organic growth of +60.5%. Sales volumes increased thanks to brisk growth in the beer, spirits and sparkling wines segments. Significant price hikes implemented in the region, particularly in Argentina to offset local hyperinflation, also spurred revenue growth. The lighting of the second furnace in Jacutinga, Brazil, took place on schedule in November 2022 and production got off to a very satisfactory start in early December; it is already operating at high capacity thanks to large customer orders already recorded. Construction of the second furnace at the Campo Bom plant in southern Brazil is also progressing on schedule.

5.2.1.2. Sales costs

The cost of sales increased by +€485 million (+24%), from €2,042.4 million for the year ended 31 December 2021 to €2,527.1 million for the year ended 31 December 2022.

The change in the cost of sales was mainly due to the very sharp increase in the cost of energy and raw materials, as well as packaging and transport.

As a percentage of revenue, the cost of sales contracted by 80 basis points during the year ended 31 December 2022, from 76.4% for the year ended 31 December 2021 to 75.6% for the year ended 31 December 2022. 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 positive inflation spread[92] at the Group level thanks to a strong product mix effect and despite the very sharp rise in energy, raw materials, packaging and transport costs in all regions.

[92] The spread corresponds to the difference between (i) the increase in selling prices and the mix applied by the Group after passing any increase in production costs onto these selling prices and (ii) the increase in 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, before production gap and taking into consideration the impact of the Performance Action Plan (PAP).

5.2.1.3. Selling, general and administrative expenses

Selling, general and administrative expenses increased by +€20.5 million (+11.8%), from €173.9 million for the year ended 31 December 2021 to €194.4 million for the year ended 31 December 2022.

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 2022 was partly due to the transmission of inflation to salaries.

5.2.1.4. Other operating income and expenses

Other operating income and expenses increased by +€1.2 million (+24.7%) from a net expense of €4.9 million for the year ending 31 December 2021 to a net expense of €6.1 million for the year ending 31 December 2022.

5.2.1.5. Operating profit

Operating profit increased by +€165.2 million (+42%), from €393.1 million for the year ended 31 December 2021 to €558.3 million for the year ended 31 December 2022.

The increase in operating profit for the year ended 31 December 2022 is primarily due to an improvement in the Group's profitability, marked more specifically by a dynamic product mix, a positive inflation spread and the continued rationalisation of production costs under the Group's industrial performance improvement plan.

5.2.1.6. Financial income and expenses

(in € million)	Year ended 31 December	
	2022	**2021**
Interest expense excluding lease liabilities	(34.9)	(35.9)
Interest expense related to lease liabilities	(1.4)	(1.5)
Amortization of debt issuance costs, and other*	(17.1)	(11.0)
Financial income from cash and cash equivalents and other	20.3	16.0
Cost of net debt	**(33.1)**	**(32.4)**
Expenses related to refinancing	—	(7.0)
Foreign exchange gains and losses	(12.8)	(0.9)
Net interest expense related to pension plans and other benefits	(1.3)	(1.0)
Profit (loss) on net monetary position in Argentina (IAS 29)	(33.5)	(15.5)
Financial income	**(80.7)**	**(56.8)**

(*) 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 €(23.9) million (42.0%) from a net expense of €56.8 million for the year ended 31 December 2021 to a net expense of €80.7 million for the year ended 31 December 2022.

This decrease in net financial income is mainly due to negative variation of hyperinflation in Argentina (€(18.1) million), of foreign currency exchange effects over the period (€(11.9) million), to the increase of fees related to factoring programs (increase of interest rate and volume), and to scope entry (€(6.3) million). This decrease is partially offset by the amortisation of debt issuance costs (+€7.0 million) in 2021 and by the increase in financial investment incomes, mainly in Argentina (+€6.6 million).

5.2.1.7. Net income

Net income grew from €249.3 million (i.e. 9.3% of revenue) for the year ended 31 December 2021 to €355.6 million (i.e. 10.6% of revenue) for the year ended 31 December 2022. This increase mainly stems from the improvement in adjusted EBITDA, which more than offsets the increase in financial costs and income tax.

Net income for 2022 includes, as it does every year, an amortisation expense for customer relationships, recognised upon the acquisition of Saint-Gobain's packaging business in 2015, of €44 million and €0.38 per share (net of taxes). If this expense had not been taken into account, net income would be €400 million and €3.30 per share. This expense was €43 million and €0.36 per share in 2021.

Income tax rose to €122.1 million for the year ended 31 December 2022 from €89.4 million for the year ended 31 December 2021, an increase of €32.7 million mainly reflecting the improvement in results and the taxable base.

The share of net income attributable to the Company's shareholders amounted to €342.0 million for the year ended 31 December 2022 and €242.6 million for the year ended 31 December 2021. The share attributable to non-controlling interests amounted to €13.6 million for the year ended 31 December 2022 and €6.7 million for the year ended 31 December 2021.

5.2.1.8. Adjusted EBITDA

Adjusted EBITDA increased by +27.6% in 2022 (and +31.7% at constant exchange rates and scope) to €866 million. The unfavourable effect of exchange rates, mainly attributable to the depreciation of the Argentinian peso and Ukrainian hryvnia, reached (€27) million in 2022.

In 2022, Verallia generated a positive inflation spread[93] at the Group level and in all divisions despite the sharp increase in production costs.

The net reduction in cash production costs (PAP) once again strongly contributed to the improvement in adjusted EBITDA of €34 million (i.e. 2.1% of cash production costs).

The adjusted EBITDA margin increased to 25.8% from 25.4% in 2021, despite the mathematical dilutive effect of selling price increases in 2022.

In summary, the change in adjusted EBITDA consists of:

(in € million)	
2021 adjusted EBITDA	**678.1**
Activity contribution	*41.1*
Spread Price-Mix/ Costs	*135.7*
Net productivity	*33.9*
Exchange rate	*(26.7)*
Other	*3.4*
2022 adjusted EBITDA	**865.5**

By region, adjusted EBITDA for 2022 breaks down as follows:

Breakdown of adjusted EBITDA by region

		Change 2021 – 2022		
(in € million)	Year ended 31 December 2022	In € million	In %/bp	Year ended 31 December 2021
Southern and Western Europe				
Adjusted EBITDA	*554.5*	*101.7*	*22.5 %*	*452.8*
Adjusted EBITDA margin	*24.8 %*	*-*	*8 Pb*	*24.7 %*
Northern and Eastern Europe				
Adjusted EBITDA	*146.5*	*29.4*	*25.1 %*	*117.1*
Adjusted EBITDA margin	*21.1 %*	*-*	*(71) Pb*	*21.8 %*
Latin America				
Adjusted EBITDA	*164.6*	*56.4*	*52.1 %*	*108.2*
Adjusted EBITDA margin	*39.2 %*	*-*	*364 Pb*	*35.6 %*
Consolidated adjusted EBITDA	**865.5**	**187.4**	**27.6 %**	**678.1**
Consolidated adjusted EBITDA margin	**25.8 %**	**-**	**47 Pb**	**25.4 %**

[93] The spread corresponds to the difference between (i) the increase in selling prices and the mix applied by the Group after passing any increase in production costs onto these selling prices and (ii) the increase in 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, before production gap and taking into consideration the impact of the Performance Action Plan (PAP).

Southern and Western Europe

Southern and Western Europe reported adjusted EBITDA of €555 million (vs. €453 million in 2021) and a margin of 24.8% compared with 24.7%. The product mix, combined with a positive inflation spread over the year, despite the steep rise in costs, as well as PAP, drove adjusted EBITDA growth.

Northern and Eastern Europe

In Northern and Eastern Europe, adjusted EBITDA reached €147 million (vs. €117 million in 2021), lowering its margin to 21.1% compared with 21.8%. The increase in EBITDA was attributable to the generation of a positive inflation spread and an industrial performance more in line with the cost reduction objective. Despite the complex backdrop in Ukraine, leading to a steep drop in volumes, adjusted EBITDA remained positive in the country in 2022 thanks to the efforts and professionalism of our local teams.

Latin America

In Latin America, adjusted EBITDA was €165 million (vs. €108 million in 2021), taking the margin up to 39.2% from 35.6%. Once again, the region demonstrated its capacity to use all the profitability improvement levers at the Group's disposal: operating leverage linked to sales volume growth, combined with a positive inflation spread and an excellent industrial performance.

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 2022 and 2021), adjusted EBITDA, operating cash flow, cash conversion, free cash flow and capital expenditure (see Section 5.3 "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 2022	Year ended 31 December 2021	Change
Adjusted EBITDA (in € million)	865.5	678.1	27.6 %
Adjusted EBITDA margin	25.8 %	25.4 %	47Pb

Adjusted EBITDA is calculated based on operating profit adjusted for depreciation, amortisation 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 key 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 2022	Year ended 31 December 2021	Change
Operating cash flow	537.9	502.3	35.6
Free cash flow	363.8	329.3	34.5
Cash conversion	57.6 %	62.2 %	-460Pb

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, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, the costs of management share ownership plans, subsidiary disposal-related effects and contingencies, plant closure costs and other items, i.e. adjusted EBITDA, less capex.

Operating cash flow rose to €538 million, compared with €502 million in 2021, thanks to growth in adjusted EBITDA and despite higher capex.

Free cash flow

Since 2021, the Group has presented free cash flow. This indicator provides a more complete vision of cash. Free cash flow corresponds to operating profit adjusted for other operating impacts, financial interest paid and other financing costs, as well as tax payments. In 2022, free cash flow amounted to €363.8 million compared with €329.3 million in 2021.

Reconciliation of operating profit to adjusted EBITDA, operating cash flow and free cash flow

(in € million)	Year ended 31 December 2022	Year ended 31 December 2021	Change
Operating profit	**558.3**	**393.1**	**165.2**
Depreciation, amortisation and impairment(1)	295.9	281.1	14.8
Restructuring costs	(0.8)	(2.7)	1.9
IAS 29, Hyperinflation (Argentina)	4.3	(4.8)	9.1
Management share ownership plan and associated costs(2)	6.2	10.1	(3.9)
Acquisition fees and additional price	5.1	0.0	5.1
Other	(3.5)	1.3	(4.8)
Adjusted EBITDA	**865.5**	**678.1**	**187.4**
Capex(3)	(367.0)	(256.3)	(110.7)
Cash flow	**498.5**	**421.8**	**76.7**
Change in operating working capital(4)	39.4	80.5	(41.1)
Operating cash flow	**537.9**	**502.3**	**35.6**
Other operating impact (5)	(14.6)	(39.8)	25.2
Interest paid & other financial costs	(53.6)	(41.8)	(11.8)
Cash Tax	(105.9)	(91.4)	(14.5)
Free Cash Flow	**363.8**	**329.3**	**34.5**

(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) Corresponds to share-based compensation plans and associated costs (Note 4.2 to the Group's consolidated financial statements).

(3) Excluding rights of use under IFRS 16.

(4) Taking into account only the impact of cash flows (note 14 to the Group's consolidated financial statements).

(5) 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, amortisation 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 2022	Year ended 31 December 2021
Adjusted EBITDA	**865.5**	**678.1**
Capex (1)	(367.0)	(256.3)
Cash flow	**498.5**	**421.8**
Cash conversion	**57.6 %**	**62.2 %**

(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 2022	31 December 2021	Interest rates
Sustainability-Linked Bond November 2021	493.7	492.9	1.875 %
Sustainability-Linked Bond May 2021	502.7	502.2	1.625 %
Term Loan A	500.6	497.4	EURIBOR* + 1,25%
Lease / Finance lease liabilities (1)	53.5	47.3	-
Other borrowings	51.5	64.2	-
Total long-term debt	**1,602.0**	**1,604.0**	-
Negotiable commercial paper (NEU CP)	150.3	150.2	-
Other borrowings (2)	8.9	11.0	-
Total short-term debt	**159.1**	**161.2**	-
Financial derivatives	**(24.5)**	**(2.2)**	-
Gross debt (3)	**1,736.6**	**1,763.0**	-
Cash and cash equivalents	**330.8**	**494.6**	-
Net debt	**1,405.9**	**1,268.4**	-

*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 2022).

(3) As at 31 December 2022, the Group's total gross financial debt[94] amounted to€1,736.6 million (compared with €1,763 million at 31 December 2021) (see Note 17.2 "Changes in gross financial debt" to the Group's consolidated financial statements for the year ended 31 December 2022).

At 31 December 2022, net financial debt amounted to €1,405.9 million (€1,268.4 million as at 31 December 2021) at a cost of €33.1 million (versus €32.4 million as at 31 December 2021) (see Note 7 "Financial result" to the Group's consolidated financial statements for the year ended 31 December 2022).

The Group's net financial debt/adjusted EBITDA ratio stood at 1.6x as at 31 December 2022, compared with 1.9x as at 31 December 2021.

On 31 December 2022, the Group's variable-rate financial debt portfolio after taking account of derivative instruments totalled €142.4 million (€18.1 million as at 31 December 2021), or 8% of its gross financial debt (1% for 2021).

The Group estimates that, for the year 2023, 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, the Ukrainian hryvnia and the Pound sterling. 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.

In Argentina, following the sharp increase in the cumulative inflation rate over several years, the economy was considered as being in hyperinflation, such that the Group was obliged to apply the IAS 29 Hyperinflation accounting rule to its Argentine activities as of 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 financial income and expenses. For the financial year ended 31 December 2022, the net impact on revenue of hyperinflation in Argentina was €(9.8) million. It was

[94] 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.

€14.1 million for the financial year ended 31 December 2021. 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 due to 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 2022, the operating commitments given totalled €1,079 million, of which €1,067 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 €532.1 million for the year ended 31 December 2021.

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 2022.

5.2.6. Group consolidated cash flows for the years ended 31 December 2022 and 31 December 2021

The table below sets out the Group's cash flow for the periods ended 31 December 2022 and 31 December 2021:

(in € million)	Year ended 31 December 2022	Year ended 31 December 2021	Change
Net cash flow from operating activities	699.2	641.5	57.7
Net cash flow from (used in) investing activities	(540.0)	(271.5)	(268.5)
Net cash flow from (used in) financing activities	(316.1)	(351.5)	35.4
Increase (decrease) in cash and cash equivalents	**(156.9)**	**18.5**	**(175.4)**
Impact of changes in foreign exchange rates on cash and cash equivalents	(6.9)	0.0	(6.9)
Cash and cash equivalents at beginning of the period	**494.6**	**476.2**	**18.4**
Closing cash and cash equivalents	**330.8**	**494.6**	**(163.8)**

On 31 December 2022, the Group's cash and cash equivalents amounted to €330.8 million vs. €494.6 million on 31 December 2021.

5.2.6.1. 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 2022).

The net working capital amounted to €(36.6) million during the year ended 31 December 2022 and €36.8 million during the year ended 31 December 2021.

The change in the net working capital thus amounted to €(73.4) million during the year ended 31 December 2022, compared with +€125.5 million during the year ended 31 December 2021.

The value of inventories increased during 2022 to €536.8 million as at 31 December 2022, compared with €404.3 million as at 31 December 2021, reflecting a small rise in inventories compared with the previous year, combined with a sharper increase in valuations linked to inflation.

Trade receivables and other current assets also increased in 2022 to €642.7 million as at 31 December 2022, compared with €440.1 million as at 31 December 2021. This rise is principally due to changes in the fair value of energy hedges (non-cash impact).

Trade payables also increased during the year ended 31 December 2022 to €1,021 million as at 31 December 2022, compared with €704.5 million as at 31 December 2021. This rise is mainly due to inflation of energy, raw material and packaging costs.

5.2.6.2. 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 2022 and 31 December 2021:

(in € million)	Year ended 31 December 2022	Year ended 31 December 2021	Change
Net profit	**355.6**	**249.3**	**106.3**
Share of net profit of associates, net of dividends received	(0.2)	(2.4)	2.2
Depreciation, amortisation and impairment of assets	295.9	281.1	14.8
Gains and losses on disposals of assets	(1.3)	6.4	(7.7)
Interest expense on financial liabilities	29.4	32.0	(2.6)
Unrealised foreign exchange gains and losses	10.8	0.4	10.4
Gain/loss on net monetary position (IAS 29, Hyperinflation)	18.4	9.7	8.7
Unrealised gains and losses on changes in the fair value of derivatives	2.1	5.0	(2.9)
Change in inventories	(92.8)	(16.9)	(75.9)
Change in trade receivables, trade payables and other receivables and payables	50.9	107.2	(56.3)
Current tax expense	135.5	107.9	27.6
Taxes paid	(105.9)	(91.4)	(14.5)
Changes in deferred taxes and provisions	0.8	(46.8)	47.6
Net cash flow from operating activities	**699.2**	**641.5**	**57.7**

The Group's net cash flow from operating activities totalled €699.2 million for the year ended 31 December 2022 and €641.5 million for the year ended 31 December 2021.

The increase in net cash flows from the Group's business of +€57.7 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.

5.2.6.3. 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 2022 and 31 December 2021:

(in € million)	Year ended 31 December 2022	Year ended 31 December 2021	Change
Acquisition of property, plant and equipment and intangible assets	(367.0)	(256.3)	(110.7)
Increase (decrease) in debt on fixed assets	75.2	(10.7)	85.9
Acquisitions of subsidiaries, net of cash acquired	(247.9)	(0.2)	(247.7)
Capital expenditure	**(540.1)**	**(267.2)**	**(272.9)**
Disposals of property, plant and equipment and intangible assets	4.5	(3.5)	8.0
Disposals	**4.5**	**(3.5)**	**8.0**
Increase in loans, deposits and short-term borrowings	(12.3)	(2.6)	(9.7)
Reduction in loans, deposits and short-term borrowings	7.9	1.8	6.1
Changes in loans and deposits	**(4.4)**	**(0.8)**	**(3.6)**
Net cash flow used in investing activities	**(540.0)**	**(271.5)**	**(268.5)**

Net cash flows used in the Group's investing activities totalled €(540) million for the year ended 31 December 2022 and €(271.5) million for the year ended 31 December 2021. 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 €(268.5) million between the two periods, mainly due to the acquisition of Allied Glass in November 2022.

5.2.6.4. Net cash flow from (used in) financing activities

The following table sets out the net cash flow attributed to the Group's financing activities for the years ended 31 December 2022 and 31 December 2021:

(in € million)	Year ended 31 December 2022	Year ended 31 December 2021	Change
Capital increase (decrease)	13.0	15.7	(2.7)
Dividends paid	(122.7)	(114.2)	(8.5)
(Increase) decrease in treasury stock	(8.4)	(221.1)	212.7
Transactions with shareholders	**(118.1)**	**(319.6)**	**201.5**
Capital increases of subsidiaries subscribed by third parties	0.0	0.0	0.0
Dividends paid to non-controlling interests by consolidated companies	(2.7)	(1.5)	(1.2)
Transactions with non-controlling interests	**(2.7)**	**(1.5)**	**(1.2)**
Increase (decrease) in bank overdrafts and other short-term borrowings	(1.7)	2.9	(4.6)
Increase in long-term debt	6.8	1,039.1	(1,032.3)
Decrease in long-term debt	(172.3)	(1,041.0)	868.7
Financial interest paid	(28.1)	(31.4)	3.3
Change in gross debt	**(195.3)**	**(30.4)**	**(164.9)**
Net cash flow from financing activities	**(316.1)**	**(351.5)**	**35.4**

The Group's net cash flow used in financing activities amounted to €(316.1) million for the year ended 31 December 2022 compared to €(351.5) million for the year ended 31 December 2021.

The main cash flows for the year ended 31 December 2022 concerned:

- transactions with shareholders amounting to €(118.1) million, which include the capital increase reserved for employees (+€13 million), dividends paid (€(122.7) million) and the repurchase of treasury shares (€(8.4) million).
- a change in gross debt by €(195.3) million which includes the repayment of a loan held by the acquired company Allied Glass €(137.0) million and interest paid €(28.1) million (see Note 17 "Borrowings" to the Group's consolidated financial statements for the year ended 31 December 2022).

5.2.7. Date of the most recent financial information

31 December 2022.

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. Material contracts

Material 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 2022, 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 2022, 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 2022, 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. Standard & Poor's assigned a BB+ rating to this bond issue[95]; and
- 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. Standard & Poor's assigned a BB+ rating to this bond issue[96].

These coupons 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[97] 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

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 €400.0 million in July 2019.

At 31 December 2022, outstanding issues amounted to €150.3 million.

The outstanding amount issued at 31 December 2021 was €150.2 million.

5.2.9.4. Factoring program

The pan-European factoring program initially concluded with Eurofactor (September 2015) for a maximum amount of €400.0 million has been refinanced during 2022 for an amount bringing the ceiling to €500.0 million with CALF (Crédit Agricole Leasing and Factoring). This program is effective as of December 1, 2022 for a period of 3 years. Based on the Group's ESG framework, this financing includes environmental criteria.

The trade receivables sold are those of certain Group operating subsidiaries located in France, Germany, Italy, Spain and Portugal.

The Group also has local factoring programs in certain countries (notably Italy and Argentina), allowing it to benefit from financing of up to an additional €50.0 million.

95 Prospectus approved by the French Financial Markets Authority on May 11, 2021 under visa 21-150.
96 Prospectus approved by the French Financial Markets Authority on November 8, 2021 under visa 21-477.
97 Recycled glass.

5.3. Capital Expenditure

5.3.1. The Group's main capital expenditure

The Group's total capital expenditure amounted to €367.0 million (i.e. 10.9% of total revenue) for the year ended 31 December 2022, compared with €256.3 million for the year ended 31 December 2021.

This capital expenditure comprised recurring capital expenditure and strategic capital expenditure as indicated in the table below:

(in € million)	Year ended 31 December 2022	Year ended 31 December 2021
Recurring investments	269.6	218.2
As % of revenue	8.0 %	8.2 %
Strategic investments	97.4	38.1
Total investments	**367.0**	**256.3**
As % of revenue	**10.9 %**	**9.6 %**

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[98] 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 2022, The capital expenditure recorded amounted to €367 million (i.e. 10.9% of total revenue), compared with €256 million in 2021. These investments consisted of €270 million in recurring investments (compared with €218 million in 2021) and €97 million in strategic investments (vs. €38 million in 2021), mainly for the building of the new Jacutinga furnace in Brazil and the first investments linked to the construction of two new furnaces in 2024 - Campo Bom (Brazil) and Pescia (Italy) - as well as investments associated with CO_2 emissions 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 totalling 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 commissioning of three new furnaces by 2025 (one in Brazil, one in Italy and one in Spain) for a total investment of around €300 million.

[98] Recurring investments represent acquisitions of property, plant and equipment and intangible assets necessary to maintain the value of an asset and/or adapt to market demands and to environmental, health and safety requirements. They mainly include 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.

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 FX and scope.
(2) Cash flow from operations - Other operating impact - Financial interest paid and other financing costs - Cash Tax.
(3) Earnings excl. amortisation expense for customer relations recognized upon the acquisition of Saint-Gobain's packaging business, of ca €0.38 / share (net of taxes).

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);
- 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 2023 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.

5.4.2.1. Assumptions

The Group has prepared its forecasts for the year ending 31 December 2023 in accordance with the accounting methods applied in the Group's consolidated financial statements for the year ended 31 December 2022.

These forecasts are primarily based on the following assumptions for the year ending 31 December 2023:

- Internal assumptions:
  - the continued implementation of the Group's strategy, as described in Chapter 1 of this Registration Document, and in particular the continued deployment of the Group's operational excellence programme and the Performance Action Plan (PAP), including cost reduction;
  - the continued implementation of the Group's dynamic pricing policy with the possibility of passing on to its customers the increase in its production costs and the continuation of its policy of hedging the risks linked to the evolution of raw material and energy costs.
- Macro-economic and market assumptions:
  - the absence of any significant change in the regulatory and fiscal environment existing at the date of this universal registration document;
  - the absence of a deterioration in the economic context, particularly a recession in Europe and Latin America;
  - the satisfactory integration of Allied Glass and the absence of any major aggravation of the Russian-Ukrainian conflict.

5.4.2.2. Outlook for the financial year ending on 31 December 2023

Despite the risk of a global macroeconomic slowdown, demand for glass in Europe and Latin America should remain solid in 2023. The Group will continue to invest in developing its production capacity and in deploying its decarbonisation technologies for the coming years.

Verallia intends to pursue its profitable growth strategy based on regular organic growth, a positive inflation spread and an annual reduction in cash production costs (PAP) of 2%. Verallia UK will fully contribute to the results of the Northern and Eastern Europe division in 2023, with revenue growth and a continued accretive impact on EBITDA margin.

On the strength of all these success factors, Verallia has set itself the objective of achieving revenue growth of more than 20% and an adjusted EBITDA of approximately €1 billion in 2023.

In addition, Verallia will continue tirelessly to implement its ESG roadmap, following on from the successes achieved in 2022.

5.5. Dividends

For the year ended 31 December 2021, the Company's General Meeting of Shareholders held on 11 May 2022 approved the payment a dividend of €1.05 per share.

During their meeting on 15 February 2023, the Verallia Board of Directors decided to propose the payment of a dividend of €1.40 per share in cash for the 2022 financial year. This amount will be subject to approval of the Annual General Meeting of Shareholders which will take place on 25 April 2023.

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

No agreements and commitments within the meaning of articles L. 225-38 and following of the French Commercial Code were signed during the year ended 31 December 2022.

5.6.1.2 Agreements and commitments approved in previous years, the performance of which continued 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. A partial reimbursement amounting to €7,5 million has been made in 2022. On December 31st 2022, the amount outstanding amounts to €22,5 million.

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.

5.6.2. 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 2022 presented in Section 6.1 of this Universal Registration Document.

An agreement entered into with related parties and/or the performance of which continued during the past financial year. It concerns 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. The contract was renewed for €200,000; and covers the "Big Tour" from 5 March 2022 to 26 November 2022 and the "Big Inno" held on 6 October 2022.

5.6.3. Statutory Auditors' special report on related-party agreements

General Shareholders' Meeting for the approval of the financial statements for the year ended 31 December 2022

This is a free translation into English of the statutory auditors' special report on related party agreements of the Company issued in the French language 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 auditing standards applicable in France.

To the General Shareholders' Meeting,

In our capacity as Statutory Auditors of Verallia (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 the professional standards issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the underlying documents.

AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

We were informed of no agreements entered into during the last financial year and that should be submitted to the approval of the General Shareholder's Meeting in accordance with Article L. 225-38 of the French Commercial Code (Code de commerce).

AGREEMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDER'S MEETING

Agreement approved during the course of the year

We have also been informed of the execution, during the course of the year, of the following agreement, already approved by the general meeting of May 11, 2022 on the special report of the statutory auditors of February 16, 2022.

Amortising loan from BPI France

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 (Code de commerce).

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. A partial reimbursement amounting to €7,5 million has been made in 2022. On December 31st 2022, the amount outstanding amounts to €22,5 million.

The conclusion of this related-party agreement was authorised by the Board of Directors at its meeting of 6 December 2021 and has been approved by the Company's General Meeting of Shareholders on 11 May 2022.

Neuilly-sur-Seine and Paris, 15 February 2023

The Statutory Auditors

PricewaterhouseCoopers Audit Nicolas Brunetaud	BM&A 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 2022, the Group's total provisions for litigation amounted to €77,5 million (see Note 18.1 to the Group's consolidated financial statements for the year ended 31 December 2022 included in Section 6 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 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.

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 reals in total damages (i.e. approximately €18 million at 31 December 2022).

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.

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.

In 2021, Verallia Italia was ordered to make a payment of €1.8 million, and the corresponding provision was consequently reversed.

Verallia Italia has lodged an appeal against the court decision.

At 31 December 2022, the provision amounted to €0.2 million.

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 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 2022, the amount provisioned in respect of these claims stood at €2.4 million.

Claims for compensation for anxiety

At 31 December 2022, a provision of €1.5 million was recorded in respect of legal action filed by former employees of the Group claiming compensation for anxiety caused by their alleged exposure to asbestos-containing materials at some of the Group's French facilities.

Since the end of 2019, a decree by the Chamber for Social and Labour Matters of the French Court of Cassation has extended the scope of compensation for anxiety to an employee's exposure to a harmful or toxic substance generating a high risk of developing a serious illness and anxiety as a result of said exposure. Employees can now seek compensation on the grounds of common law for the employer's breach of health and safety obligations. Further lawsuits could therefore be filed based on exposure to substances other than asbestos.

Decontamination of Canoas site in Brazil

Verallia Brasil owns a property located in the city of Canoas, Brazil.

The industrial activity on the site was stopped during 2011-2012, when the activity of domestic products line was discontinued.

There are still buildings and fixtures on the site that require demolition and decontamination of the land.

At 31 December 2022, the amount provisioned to cover the costs of demolition and decontaminating the land and related expenses amounted to €6,9 million.

6

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

In accordance with Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the following are included by way of reference in this Universal Registration Document:

- the financial statements for the year ended 31 December 2021 and corresponding Statutory Auditors' report provided in Chapter 6 of the Company's Universal Registration Document filed with the French Autorité des marchés financiers on 29 March 2022 under number D. 22-0188
- 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 Autorité des marchés financiers on 29 April 2021 under number R. 21-014.
- the financial statements for the year ended 31 December 2019 and corresponding Statutory Auditors' report provided in Chapter 18 of the Company's Universal Registration Document approved by the French Autorité des marchés financiers on 29 April 2020 under number R. 20-006.

6.1. The Group's consolidated financial statements

Statement of consolidated financial position

(in € million)	Notes	31 December 2022	31 December 2021
ASSETS			
Goodwill	9	783.9	530.2
Other intangible assets	10	313.1	372.2
Property, plant and equipment	11	1,609.0	1,351.1
Investments in associates	3.3	5.9	5.1
Deferred tax	8.2	27.5	64.7
Other non-current assets	13	186.3	152.1
Non-current assets		**2,925.7**	**2,475.4**
Short-term portion of non-current assets		1.3	1.3
Inventories	14.1	536.8	404.3
Trade receivables	14.2	250.4	121.6
Current tax receivables	14	5.4	1.2
Other current assets	14.2	392.3	318.5
Cash and cash equivalents	15	330.8	494.6
Current assets		**1,517.0**	**1,341.5**
Total Assets		**4,442.7**	**3,816.9**
EQUITY & LIABILITIES			
Share capital	16.1	413.3	413.3
Consolidated reserves		590.1	333.1
Equity attributable to shareholders		**1,003.4**	**746.4**
Non controlling interests		64.0	53.3
Equity		**1,067.4**	**799.7**
Non-current financial liabilities and derivatives	17	1,562.2	1,569.0
Provisions for pensions and other employee benefits	19	87.4	117.5
Deferred tax	8.2	226.0	263.8
Provisions and other non-current financial liabilities	18	23.2	21.3
Non-current liabilities		**1,898.8**	**1,971.6**
Current financial liabilities and derivatives	17	200.9	197.2
Current portion of provisions and other non-current financial liabilities	18	54.3	39.5
Trade payables	14.3	740.6	521.4
Current tax liabilities	14	44.3	23.6
Other current liabilities	14.3	436.4	263.9
Current liabilities		**1,476.5**	**1,045.6**
Total Equity and Liabilities		**4,442.7**	**3,816.9**

Consolidated statement of income

(in € million)	Note	Year ended 31 December 2022	2021
Revenue	5.1	**3,351.5**	**2,674.0**
Cost of sales	5.2	(2,527.1)	(2,042.4)
Selling, general and administrative expenses	5.2	(194.4)	(173.9)
Acquisition-related items	6.1	(65.6)	(59.7)
Other operating income and expenses	6.2	(6.1)	(4.9)
Operating profit		**558.3**	**393.1**
Net financial income (expense)	7	**(80.7)**	**(56.8)**
Profit (loss) before tax		**477.6**	**336.3**
Income tax	8.1	(122.1)	(89.4)
Share of net profit (loss) of associates	3.3	0.2	2.4
Net profit (loss) for the year		**355.6**	**249.3**
Attributable to shareholders of the Company		***342.0***	***242.6***
Attributable to non-controlling interests		***13.6***	***6.7***
Basic earnings per share (in €)	16.4	**2.92**	**2.01**
Diluted earnings per share (in €)	16.4	**2.92**	**2.01**

Consolidated statement of comprehensive income

(in € million)	Note	Year ended 31 December 2022	2021
Net profit (loss) for the year		**355.6**	**249.3**
Items that may be reclassified to profit or loss			
Translation differences		(7.0)	1.7
Changes in fair value of cash flow hedges		(17.0)	342.8
Deferred tax on items that may subsequently be reclassified to profit or loss	8.2	6.5	(93.4)
Total		**(17.5)**	**251.1**
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liability (asset)	19.1	25.9	11.8
Deferred tax on items that will not be reclassified to profit or loss	8.2	(7.3)	(3.2)
Total		**18.6**	**8.6**
Other comprehensive income (loss)		**1.1**	**259.7**
Total comprehensive income (loss) for the year		**356.7**	**509.0**
Attributable to shareholders of the Company		*354.9*	*502.2*
Attributable to non-controlling interests		*1.8*	*6.8*

Consolidated statement of cash flows

(in € million)	Note	Year ended 31 December 2022	2021
Net profit (loss) for the year		**355.6**	**249.3**
Share of net profit (loss) of associates, net of dividends received	3.3	(0.2)	(2.4)
Depreciation, amortisation and impairment of assets		295.9	281.1
Gains and losses on disposals of assets	6.2	(1.3)	6.4
Interest expense on financial liabilities	17.7	29.4	32.0
Unrealised gains and losses on changes		10.8	0.4
Gain/loss on net monetary position (IAS 29, Hyperinflation)		18.4	9.7
Unrealised gains and losses on changes in the fair value of derivatives		2.1	5.0
Change in inventories	14	(92.8)	(16.9)
Change in trade receivables, trade payables and other receivables and payables	14	50.9	107.2
Current tax expense	8.1	135.5	107.9
Taxes paid	14	(105.9)	(91.4)
Changes in deferred taxes and provisions		0.8	(46.8)
Net cash flows from operating activities		**699.2**	**641.5**
Acquisition of property, plant and equipment and intangible assets	10 & 11	(367.0)	(256.3)
Increase (decrease) in debt on fixed assets	14	75.2	(10.7)
Acquisitions of subsidiaries, net of cash acquired		(247.9)	(0.2)
Deferred payment related to the acquisition of a subsidiary		(0.4)	—
Capital expenditures		**(540.1)**	**(267.2)**
Disposals of property, plant and equipment, intangible assets included related costs		4.5	(3.5)
Disposals		**4.5**	**(3.5)**
Increase in loans, deposits and short-term borrowings		(12.3)	(2.6)
Reduction in loans, deposits and short-term borrowings		7.9	1.8
Changes in loans and deposits	13	**(4.4)**	**(0.8)**
Net cash flows from (used in) investing activities		**(540.0)**	**(271.5)**
Capital increase (reduction)	16	13.0	15.7
Dividends paid		(122.7)	(114.2)
(Increase) decrease in treasury stock		(8.4)	(221.1)
Transactions with shareholders of the parent company		**(118.1)**	**(319.6)**
Capital increases of subsidiaries subscribed by third parties		—	—
Dividends paid to non-controlling interests by consolidated companies		(2.7)	(1.5)
Transactions with non-controlling interests		**(2.7)**	**(1.5)**
Increase (reduction) in bank overdrafts and other short-term borrowings	17	(1.7)	2.9
Increase in long-term debt	17	6.8	1,039.1
Reduction in long-term debt	17	(172.3)	(1,041.0)
Financial interest paid		(28.1)	(31.4)
Change in gross debt		**(195.3)**	**(30.4)**
Net cash flows from (used in) financing activities		**(316.1)**	**(351.5)**
Increase (reduction) in cash and cash equivalents		**(156.9)**	**18.5**
Impact of changes in foreign exchange rates on cash and cash equivalents		(6.9)	0.0
Impact of changes in fair value on cash and cash equivalents		—	—
Opening cash and cash equivalents		**494.6**	**476.2**
Closing cash and cash equivalents		**330.8**	**494.6**

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 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**
Other comprehensive income						4.7	(16.9)	25.1	12.9	(11.8)	**1.1**
Net profit (loss) for the year								342.0	342.0	13.6	**355.6**
Total comprehensive income for the year						**4.7**	**(16.9)**	**367.1**	**354.9**	**1.8**	**356.7**
Capital increase for the Group Savings Plan _ Verallia SA	16.1	611,445	2.1	10.9					13.0		**13.0**
Distribution of Dividends (per share : 1.05 euro)	16.1							(122.7)	(122.7)	(1.5)	**(124.2)**
Purchase of shares					(8.4)				(8.4)		**(8.4)**
Cancellation of Treasury shares		(611,445)	(2.1)	(15.5)	17.6						
Sales of treasury shares					4.1			(4.1)			
Share-based compensation								5.7	5.7	—	**5.7**
IAS 29 Hyperinflation								27.6	27.6	18.5	**46.1**
Change in non-controlling interests							2.5	(15.8)	(13.3)	(8.1)	**(21.4)**
Other								0.1	0.1		**0.1**
As of 31 December 2022		**122,289,183**	**413.3**	**133.9**	**(151.8)**	**(140.8)**	**322.3**	**426.4**	**1,003.4**	**64.0**	**1,067.4**

Contents

Note 1 – Information on the Group

1.1 Incorporation and creation

1.1.1 Company name

At 31 December 2022, the Company's 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 governing laws

The Company's registered office is located at 31 Place des Corolles, Tour Carpe Diem, Esplanade Nord, 92400 Courbevoie, France.

At 31 December 2022, the Company is a société anonyme (limited company) governed by French law.

1.2 Operations

With industrial operations in 12 countries, Verallia is the world's third-largest producer of glass packaging for beverages and food products.

The acquisition of Allied Glass on 8 November 2022 expands the Group's North European manufacturing footprint by giving it a foothold in the United Kingdom and thus bolsters its position in the premium glass bottles segment catering to the spirits market.

Allied Glass is a leading player in the United Kingdom's premium glass packaging market with more than £160.4 million of revenue generated in 2022.

The Group produced approximately 17 billion glass bottles and jars in 2022.

The Group boasts a sound position in Western and Eastern Europe, as well as in Latin America.

At 31 December 2022, its main subsidiaries are located in the following countries: France, Italy, Germany, the United Kingdom, Spain, Portugal, Argentina and Brazil. Verallia employs more than 10,000 people worldwide and operates 34 glass production facilities.

1.1.2 Highlights

Changes in governance

Michel Giannuzzi stood down from his role as the Company's Chief Executive Officer at the end of the General Meeting on 11 May 2022, having announced on 6 December 2021 that he wished to do so and for the purposes of governance best practice. Michel Giannuzzi remains Chairman of the Board of Directors while Patrice Lucas, who joined the Group on 1 February 2022 as Deputy Chief Executive Officer, has been appointed Chief Executive Officer and become a member of the Board of Directors.

2022 employee shareholding offer

On 23 June 2022, Verallia issued 611,445 new ordinary shares, corresponding to 0.5% of its share capital and voting rights, as part of a capital increase reserved for employees. In order to offset the dilutive impact of this transaction, Verallia simultaneously carried out a capital reduction by cancelling 611,445 treasury shares.

Share buyback programme

As part of its capital allocation strategy and after finalising the acquisition of Allied Glass, Verallia decided to launch a share buyback programme and entrusted an investment services provider with a share buyback mandate for a maximum amount of €50 million over a period running from 7 December 2022 to November 2023.

Verallia intends to cancel all the shares bought back.

Squeeze-out of Verallia Deutschland minority shareholders by Verallia Packaging

On 5 December 2022, Verallia Packaging finalised the delisting of its subsidiary Verallia Deutschland AG, previously listed on the regulated market of the Frankfurt stock exchange and on the regulated markets of the Munich and Stuttgart stock exchanges.

The resolution required to buy out the minority shareholders was adopted at Verallia Deutschland AG's Annual General Meeting on 24 August 2022.

Verallia Deutschland AG was valued at €620.06 per bearer share by two independent valuers. One of the valuers was commissioned by the court in Stuttgart.

A shareholder brought an action before the regional court in Stuttgart to determine whether the valuation is appropriate.

Conflict between Ukraine and Russia

The Group has little exposure to Ukraine; it has one plant located in the west of the country and revenue generated in the country accounted for less than 2% of the Group's total revenue at 31 December 2022. When the conflict began at the end of February 2022, the Group decided to halt production at its local plant while keeping its two furnaces in hot condition. Since then, at the request of its local customers and local teams, one of the two furnaces has resumed production, mainly to produce food jars, while the other has been turned off, emptied, and cooled down in order to keep it in good condition. The Group decided to allow all its staff in Ukraine to keep their jobs and their salaries and has thus continued to pay the associated costs.

Russia, meanwhile, accounted for less than 4% of the Group's revenue at 31 December 2022, which it generates primarily from a local operation in the country. Exports and new investments have been stopped. These activities are considered essential to the food supply chain, so the Group has decided to maintain its operations in Russia.

The conflict between Russia and Ukraine has pushed energy prices and inflation sharply upwards. Verallia has an energy price hedging strategy that minimises its exposure to price fluctuations. Verallia's policy for managing its selling prices and industrial performance is enabling it to cope with the inflation.

Acquisition of Allied Glass

On 8 November 2022, the Group finalised the acquisition of all the shares held by the Tonic Topco Limited company in the Allied Glass group for £206 million, i.e. €235.5 million.

This acquisition expands the Group's North European manufacturing footprint by giving it a foothold in the United Kingdom and bolsters its position in the premium glass bottles segment catering to the spirits market.

Headquartered in Leeds, Allied Glass is a leading player in the premium glass packaging market in the United Kingdom, where it generates over 95% of its revenues, with four furnaces located in West Yorkshire and more than 600 employees.

The acquisition of Allied Glass was financed from Verallia's available cash.

The transaction was finalised a few days before the closing date on 31 December 2022.

Verallia incorporated Allied Glass's balance sheet on the acquisition date of 8 November 2022 and its activity starting from that date using the full consolidation method.

Because the acquisition was finalised so close to the closing date of 31 December 2022, the final purchase price has not yet been allocated.

Consequently, the difference between the total amount paid and the carrying amount of the assets and liabilities acquired, other than inventory measured at fair value, has been recognised in full as goodwill in the provisional amount of €250.7 million.

The impact of this acquisition on full-year 2022 revenue and operating profit should come to respectively €188.2 million and €30.1 million.

Calculation of preliminary Goodwill :

(in € million)	
Acquisition price relating to the takeover	235.5
Assets and liabilities acquired	(15.2)
Preliminary Goodwill	250.7

The provisional opening balance sheet at 8 November 2022 is shown below:

(In € million)	Asets and liabilities acquired before adjustments	Adjustments	Asets and liabilities acquired after adjustments
ASSETS			
Property, plant and equipment	94.4		94.4
Non-current assets	**94.4**		**94.4**
Inventories	34.5	8.1	42.6
Trade receivables	31.7		31.7
Current tax receivables	1.9		1.9
Other current assets	5.5		5.5
Cash and cash equivalents	11.1		11.1
Current assets	**84.7**	**8.1**	**92.8**
Total Assets	**179.2**	**8.1**	**187.3**
EQUITY & LIABILITIES			
Consolidated reserves	(21.3)	6.1	(15.2)
Equity	**(21.3)**	**6.1**	**(15.2)**
Non-current financial liabilities and derivatives	106.4		106.4
Provisions for pensions and other employee benefits	—		—
Deferred tax	7.3	2.0	9.3
Provisions and other non-current financial liabilities	—		—
Non-current liabilities	**113.7**	**2.0**	**115.7**
Current financial liabilities and derivatives	38.2		38.2
Current portion of provisions and other non-current financial liabilities	—		—
Trade payables	25.6		25.6
Current tax liabilities	—		—
Other current liabilities	22.9		22.9
Current liabilities	**86.8**		**86.8**
Total Equity and Liabilities	**179.2**	**8.1**	**187.3**
Gross debt	**144.6**		**144.6**
Net cash flow	**11.1**		**11.1**
Net debt	**133.5**		**133.5**

Note 2 – Basis of preparation of the consolidated financial statements

2.1 Declaration of compliance and applicable framework

The Verallia Group's consolidated financial statements for the period ended 31 December 2022 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 15 February 2023.

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[99].

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.

The terms "Verallia", "the Group" or "the Verallia Group" refer to the Verallia SA company together with its consolidated subsidiaries.

[99] https://ec.europa.eu/info/index_en

The accounting principles applied are identical to those applied to the consolidated financial statements at 31 December 2021 except for the following standards, amendments and interpretations applied starting from 1 January 2022:

Amendments to IAS 16 : Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 : Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS3 : Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRS - 2018-2020 Cycle	1 January 2022

The amendments to IFRS 3 and annual improvements to IFRS standards - 2018-2020 cycle had no material impact on the financial statements.

At 31 December 2022, the Group completed its review of the impacts resulting from the amendments to IAS 16 "Proceeds before intended use" and to IAS 37 "Onerous contracts: cost of fulfilling a contract". These amendments have no impact on the Group's past financial statements.

The Group examined the accounting impacts of the IFRS IC decision published in April 2021 "Configuration or Customisation Costs in a Cloud Computing Arrangement" (IAS 38 "Intangible assets") regarding the recognition of such costs. The accounting impact is non-significant at Group level, so no restatements were made to its financial statements.

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	
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 8 : Definition of accounting estimates	1 January 2023
Amendments to IFRS 17 : Application of IFRS 17 and IFRS 9—Comparative Information	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 2024
Amendments to IAS 1: Non-current Liabilities with Covenants	1 January 2024

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.

The Group has factored climate risks into its year-end assumptions and incorporated their potential impact into its financial statements. The risks factored in are described in Notes 11, 12, 14.4, 17.2.1, 18.1.2, 18.1.4 and 19.3.1 to the financial statements.

Actual results may differ from the estimates used. Major sources of estimation uncertainty may result in significant adjustments made 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	3.1 & 9 & 12
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 from selling 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:

	2022		2021	
	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (EUR/BRL)	5.65	5.44	6.29	6.38
Argentine peso (EUR/ARS)*	189.21	136.66	116.20	112.32
Pound Sterling (EUR/GBP)	0.88	0.85	n/a	n/a
Russian rouble (EUR/RUB)	77.96	72.15	84.07	87.21
Ukrainian hryvnia (EUR/UAH)	38.95	33.96	30.92	32.30

* 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 method 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.

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 income statement and the cash flows statement 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

To determine the fair value of assets and liabilities at the acquisition date, the Group makes 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 2022

There were no significant changes made to the scope of consolidation other than the buyout of Verallia Deutschland's minority shareholders by Verallia Packaging and the acquisition of Allied Glass described in Note 1.2.1 "Highlights".

3.1.2 Changes in 2021

There were no significant changes in the scope of consolidation.

3.2 List of the main consolidated companies

Entity	Country	% interest as of 31 December 2022	2021	Consolidation method
Verallia SA	France	100.0 %	100.0 %	Parent company
Verallia Deutschland	Germany	100.0 %	96.8 %	Full consolidation
Rayen-Cura	Argentina	60.0 %	60.0 %	Full consolidation
Verallia Brasil	Brazil	100.0 %	100.0 %	Full consolidation
Verallia Chile	Chile	100.0 %	100.0 %	Full consolidation
Verallia Spain	Spain	99.9 %	99.9 %	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
Verallia Italia	Italy	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	99.2 %	95.9 %	Full consolidation
Zao Kamyshinsky Steklotarny ZA	Russia	96.5 %	93.3 %	Full consolidation
Verallia UK	United Kingdom	100.0 %	— %	Full consolidation
Verallia Ukraine	Ukraine	100.0 %	96.8 %	Full consolidation

3.3 Investments in equity-accounted companies

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:

Entity	Country	Main % interest as of 31 December 2022	2021	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 %	40.0 %	Equity method

Changes in investments in associates break down as follows:

(in € million)	Year ended 31 December 2022	Year ended 31 December 2021
Opening		
Gross amount	5.1	2.0
Impairment	—	—
Investments in associates – Net amount	**5.1**	**2.0**
Changes during the year		
Translation differences	—	—
Transfers, share issues and other movements	0.6	0.7
Dividend paid	—	—
Share of profit (loss) of associates	0.2	2.4
Total changes	**0.8**	**3.1**
Closing		
Gross amount	5.9	5.1
Impairment	—	—
Investments in associates – Net amount	**5.9**	**5.1**

The table below presents the main financial information concerning investments in associates (presented at 100%):

(in € million)	Year ended 31 December 2022	Year ended 31 December 2021
Equity	13.3	13.2
Total assets	61.5	50.7
Total revenue	96.0	54.5
Net profit (loss) for the year	**(1.0)**	**5.5**

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, the United Kingdom, 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 and the premium spirits market;
- **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 organisation 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). The management organisation and internal reporting system remain unchanged following the takeover of Allied Glass. 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 on the basis of operating profit adjusted for depreciation, amortisation 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	2022	2021
Net profit (loss) for the year		**355.6**	**249.3**
Net financial income		80.7	56.8
Income tax		122.1	89.4
Share of net result of associates		(0.2)	(2.4)
Operating profit		**558.3**	**393.1**
Depreciation, amortisation and impairment	A	295.9	281.1
Restructuring costs		(0.8)	(2.7)
IAS 29, Hyperinflation (Argentina)		4.3	(4.8)
Management share ownership plan and associated costs	B	6.2	10.1
Acquisition fees and additional price	C	5.1	—
Other		(3.5)	1.3
Adjusted EBITDA		**865.5**	**678.1**

A. Includes depreciation and amortisation of intangible assets and property, plant and equipment, and amortisation of intangible assets acquired through business combinations.
B. Corresponds to share-based compensation plans and associated costs.
C. In 2022, corresponded mainly to the costs of acquiring Allied Glass and the contingent consideration on the disposal of shares in Thierry Bergeon Embouteillage.

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 2022				
(in € million)	Notes	Northern and Eastern Europe	Southern and Western Europe	Latin America	Eliminations	Group total
Revenue from activities with external customers	5.1	695.3	2,236.4	419.8	—	3,351.5
Inter-segment revenue		12.1	8.8	0.0	(20.9)	—
Total segment revenue		**707.4**	**2,245.2**	**419.8**	**(20.9)**	**3,351.5**
Adjusted EBITDA	**4.2**	**146.5**	**554.5**	**164.6**	**—**	**865.5**
o/w impact of IFRS 16		*1.6*	*16.3*	*1.5*	—	*19.4*
Capital expenditure*		**73.3**	**209.6**	**84.1**	**—**	**367.0**

*Excluding rights of use under IFRS 16

		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

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)	2022	2021
Still wines	1,149.4	946.3
Sparkling wines	392.1	300.3
Spirits	413.0	302.9
Beers	415.4	339.9
Food	531.5	419.9
Soft drinks	358.9	290.3
Others	91.2	74.4
Revenue	**3,351.5**	**2,674.0**

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)	2022	2021
France	313.8	303.4
Italy	375.4	340.7
Spain	222.9	212.1
Germany	205.3	187.1
Other countries	489.8	306.9
Total	**1,607.2**	**1,350.2**

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 2022 or 2021.

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)	2022	2021
France	873.7	732.1
Italy	714.8	573.6
Spain	507.8	419.1
Germany	497.0	409.4
Other countries	758.2	539.8
Total revenue	**3,351.5**	**2,674.0**

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	2022	2021
Raw materials, energy, transport and other production costs		(1,920.0)	(1,470.9)
Personnel expenses	A	(567.4)	(524.5)
Depreciation and amortisation	B	(234.1)	(220.9)
Total cost of sales and selling, general and administrative expenses	C	**(2,721.5)**	**(2,216.3)**

A. Personnel expenses include:
- €2.9 million in 2022 and €3.1 million in 2021 in respect of costs relating to post-employment benefits (Notes 19.1 and 19.2);
- €6.2 million in 2022 and €10.1 million in 2021 in respect of costs relating to share-based compensation plans (Note 19.3).

B. Includes amortisation of intangible assets and property, plant and equipment (Notes 10 and 11), with the exception of customer relationships which are recognised in "Acquisition-related items".

C. Includes research and development expenses of €6.1 million in 2022 and €3.6 million in 2021.

Note 6 - Other operating income and expenses

6.1 Acquisition-related items

ACCOUNTING 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	2022	2021
Acquisition and M&A costs	A	(5.1)	0.5
Amortisation of intangible assets acquired through business combinations	B	(60.5)	(60.2)
Acquisition-related items		**(65.6)**	**(59.7)**

A. In 2022, corresponded mainly to the costs of acquiring Allied Glass and the contingent consideration on the disposal of shares in Thierry Bergeon Embouteillage.

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

ACCOUNTING 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:

(in € million)	Notes	Year ended 31 December 2022	2021
Gains on disposals of assets		4.4	—
Reversals of asset impairment		—	—
Other income		**4.4**	**—**
Restructuring costs	A	0.8	2.7
Losses on disposals of assets and scrapped assets	B	(3.1)	(6.3)
Impairment of assets		(1.4)	(0.4)
Others	C	(6.8)	(0.9)
Other expenses		**(10.4)**	**(4.9)**
Other income and expenses – net		**(6.0)**	**(4.9)**

A. As 2021, the amount at 31 December 2022 corresponded to the re-estimation of the 2020 transformation plan carried out in France, including the costs related to the shutdown of a furnace and the accompanying measures on departure.
B. The impact in 2022 concerned scrapped assets in France and Germany. In 2021, this item consisted mainly of losses incurred following a fire in Argentina and scrapped assets in Germany.
C. In 2022, this item included mainly provisions for environmental risks

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 mainly comprises income from cash and cash equivalents.

(in € million)	Note	Year ended 31 December 2022	2021
Interest expense excluding lease liabilities	A	(34.9)	(35.9)
Interest expense related to lease liabilities		(1.4)	(1.5)
Amortisation of debt issuance costs, and other *		(17.1)	(11.0)
Financial income from cash and cash equivalents and other	B	20.3	16.0
Cost of net debt		**(33.1)**	**(32.4)**
Expenses related to financing	C	—	(7.0)
Foreign exchange gains and losses	D	(12.8)	(0.9)
Net interest expense related to pension plans and other benefits	19.1	(1.3)	(1.0)
Profit (loss) on net monetary position in Argentina (IAS 29)	2.4	(33.5)	(15.5)
Net financial income (expense)		**(80.7)**	**(56.8)**

- 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. In 2022, corresponded to financial income from investments, primarily in Argentina, and interest income from interest rate hedging instruments.
C. In 2021, corresponded to the accelerated amortisation of a portion of the Term Loan A upfront fees and to the early unwinding of a portion of the interest rate swaps following the partial reimbursement of €500 million of Term Loan A.
D. Corresponds mainly to local-currency foreign exchange impacts on the Brazilian and Chilean subsidiaries, and the effects of variations in foreign exchange derivatives.

Note 8 – Income tax

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 closing 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.

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 closing 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 closing 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.

Furthermore, following the adoption by the EU Council on 15 December 2022 of the European directive relating to the implementation of pillar 2, the group is awaiting its transposition into French domestic law but does not anticipate any significant impact in view of the information available to date.

8.1 Income tax

The table below shows the breakdown of income tax expense:

	Year ended 31 December	
(in € million)	**2022**	**2021**
France	(13.1)	(12.5)
Outside France	(122.3)	(95.4)
Current tax	**(135.5)**	**(107.9)**
France	2.0	4.5
Outside France	11.3	14.0
Deferred tax	**13.3**	**18.5**
Total income tax	**(122.1)**	**(89.4)**

8.2 Analysis of deferred taxes on the balance sheet

In the consolidated balance sheet, changes in net deferred taxes are as follows:

(in € million)	Year ended 31 December 2022	2021
Opening	**(199.1)**	**(118.9)**
Deferred tax (expense)/benefit	13.3	18.5
Changes in deferred taxes related to actuarial gains and losses IAS19 and the fair value of cash flow hedge	(0.8)	(96.6)
Translation and hyperinflation adjustments	(3.2)	(1.0)
Change in scope	(9.3)	—
Other	0.6	(1.1)
Closing	**(198.5)**	**(199.1)**

The table below shows net deferred taxes by type:

(in € million)	Year ended 31 December 2022	2021
Deferred tax assets	27.5	64.7
Deferred tax liabilities	(226.0)	(263.8)
Net deferred tax	**(198.5)**	**(199.1)**
Pensions	8.7	16.6
Depreciation and amortisation, accelerated amortisation and regulated provisions	(158.2)	(167.5)
Tax loss carryforwards	11.0	19.8
Other *	(60.0)	(68.0)
Total	**(198.5)**	**(199.1)**

* Other: mainly corresponding to hedging instruments at 31 December 2022.

At 31 December 2022, deferred tax losses carried forward recognised as assets amounted to €11.0 million (€19.8 million at 31 December 2021) and were generated mainly in France. These tax losses can be carried forward indefinitely. Tax loss carryforwards began being used in 2020 and it is estimated that they will continue to be used for a period of two years.

Unrecognised deferred tax assets related to tax losses, in the amount of €5.9 million (€10.5 million at 31 December 2021), 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 resides (France) is as follows:

(in € million)	Notes	Year ended 31 December 2022	2021
Profit (loss) before tax		**477.6**	**336.3**
Tax rate in France (%)		25.82 %	28.40 %
Theoretical tax expense		**(123.3)**	**(95.5)**
Difference in tax rates between countries	A	(4.5)	4.0
Non recognised deferred tax assets		3.8	2.3
Permanent differences	B	13.1	12.7
Tax not levied on taxable profits	C	(8.2)	(5.2)
Impact of changes in local tax rate		0.0	(1.3)
Withholding tax		0.1	(0.5)
Other	D	(3.1)	(5.9)
Total income tax		**(122.1)**	**(89.4)**

A. This item corresponds mainly to the impact of changes in the tax rate in France.

B. In 2022, this item corresponded mainly to the energy tax credit granted by the tax authorities in Italy and to the impact of hyperinflation in Argentina. In 2021, this item corresponded mainly to the remeasurement of assets following the tax measures introduced in Italy.

C. These taxes mainly include the CVAE tax in France and IRAP tax in Italy.

D. As in 2021, this item corresponds mainly to the recognition of provisions for tax risks.

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 regarding tax treatment

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 €13.3 million at 31 December 2022 (€11.3 million at 31 December 2021) 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 2021				
Gross amount	99.8	378.5	51.9	530.2
Net amount	**99.8**	**378.5**	**51.9**	**530.2**
Changes during the year				
Translation differences	(3.0)	0.0	6.0	3.0
Change in Group Structure	250.7	0.0	0.0	250.7
Total changes	**247.7**	**0.0**	**6.0**	**253.7**
As of 31 December 2022				
Gross amount	347.5	378.5	57.9	783.9
Net amount	**347.5**	**378.5**	**57.9**	**783.9**

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 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**
Changes during the year				
Changes in scope and transfers	0.0	5.3	(2.1)	3.2
Acquisitions	0.0	0.8	1.0	1.8
Disposals	0.0	0.0	(0.8)	(0.8)
Translation differences	2.6	0.0	0.0	2.6
Amortisation and impairment	(60.5)	(4.8)	(0.6)	(65.9)
Total changes	**(57.9)**	**1.3**	**(2.5)**	**(59.1)**
As of 31 December 2022				
Gross amount	724.2	47.2	13.9	785.3
Cumulative amortisation and impairment	(432.5)	(36.3)	(3.4)	(472.2)
Net amount	**291.7**	**10.9**	**10.5**	**313.1**

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.

The Group is adapting and replacing its production facilities, for instance with furnaces that use new technologies, in a drive to rise to the planet's environmental challenges and reduce its CO_2 emissions. Accordingly, the Group has not recognised any impairment losses on its existing production facilities or any impact on the useful life of its fixed assets.

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)	Note	Year Ended 31 December 2022	31 December 2021
Assets owned	A	1,555.4	1,305.6
Assets leased	B	53.6	45.6
Property, plant and equipment		**1,609.0**	**1,351.2**

The property, plant and equipment owned by the Group breaks down as follows:

(in € million)	Land	Buildings	Machinery and equipment	Assets in progress	Total
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**
Changes during the period					
Changes in scope and other	—	16.9	63.3	(2.2)	78.0
Acquisitions	1.2	4.2	53.7	306.1	365.2
IAS 29, Hyperinflation	1.1	12.3	17.1	0.8	31.3
Disposals	(0.2)	0.0	(2.3)	(0.7)	(3.2)
Translation differences	(0.3)	(3.3)	(4.1)	(2.8)	(10.5)
Depreciation and impairment	(0.1)	(19.0)	(191.9)	0.0	(210.9)
Transfers	0.1	26.9	164.7	(191.7)	0.0
Total changes	**1.8**	**38.0**	**100.5**	**109.5**	**249.9**
As of December 31, 2022					
Gross amount	66.4	429.1	2,571.5	238.1	3,305.1
Cumulative depreciation and impairment	(1.0)	(211.0)	(1,536.5)	(1.2)	(1,749.7)
Net amount	**65.4**	**218.1**	**1,035.0**	**236.9**	**1,555.4**

Rights of use break down as follows:

(in € millions)	Buildings	Machinery and equipment	Others	Total
Net carrying amount as of 31 December 2021	**33.6**	**11.9**	**0.1**	**45.6**
Additions during the period	11.2	4.5	—	15.7
Reductions during the period	(3.1)	(0.1)	—	(3.2)
Change in Group Structure	8.4	5.5	—	13.9
Depreciation during the period	(11.2)	(7.1)	(0.1)	(18.4)
Net carrying amount as of 31 December 2022	**38.9**	**14.7**	**—**	**53.6**

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.

Following Russia's invasion of Ukraine and its impact on commodity, energy and transport costs, the Verallia Group identified an indication of impairment on the CGUs corresponding to Ukraine and Russia and therefore also performed asset impairment tests on these two CGUs as well as its annual goodwill impairment tests on CGU groups.

Last of all, the Group finalised the acquisition of Allied Glass in the United Kingdom a few days before its closing date on 31 December 2022.

This acquisition has been incorporated into the Northern and Eastern Europe group of CGUs (Note 4.1). As explained in Note 1.2, the preliminary goodwill amounting to €250.7 million was unable to be allocated definitively.

There is no indication of impairment on this preliminary goodwill and it was therefore not included in the impairment test carried out on the Northern and Eastern Europe group of CGUs at 31 December 2022.

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.

In addition, the assumptions used to calculate future cash flows take climate risk into consideration as well as the expenditure required to improve the circularity of Verallia's glass packaging and decarbonise its activities. The Group's commitments to invest in reducing CO_2 emissions are included in its estimates for the coming years.

The Group has not recognised any asset impairment losses as a result of climate change.

The impairment tests were carried out based on revised future discounted cash flow projections reflecting the Group's current best estimate of the impact expected from the war in Ukraine.

At 31 December 2022, the recoverable amount of the CGU groups and CGUs corresponding to Ukraine and Russia was established on the basis of their value in use. No impairment losses were recognised on the goodwill and assets tested in financial years 2022 or 2021.

Cash flow projections

Projections of future cash flow correspond to the budget for the coming year, the strategic plan for the following two years and an extrapolation for years four and five.

The Group uses a number of macroeconomic assumptions to determine its cash flows: exchange rates, GDP growth, inflation, and 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 over two years (years four and five) for the purposes of the test 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.

Cash flow projections for the Ukraine and Russia CGUs and, consequently, for the Northern and Eastern Europe group of CGUs, were established over 10 years in order to factor in the uncertain geopolitical and economic climate.

The assumptions used to execute the plan are based on economic growth assumptions and consistent with past performance.

The Verallia Group reviewed its cash flow projections at 31 December 2022 taking into consideration the effects of the war in Ukraine, including rising energy prices, strains within supply chains and high inflation.

Main assumptions used to estimate the value in use of each group of CGUs

	Year ended 31 December	
	2022	2021
Southern and Western Europe		
Discount rate	8.0%	5.5 %
Perpetual growth rate	2.9%	1.5 %
Northern and Eastern Europe		
Discount rate	From 9,4% to 7,2%	5.1 %
Perpetual growth rate	2.9%	1.5 %
Ukraine - (Hryvnia)		
Discount rate	From 48,1% to 15,5%	—
Perpetual growth rate	6.0%	—
Russia - (Rouble)		
Discount rate	From 24,2% to 11,6%	—
Perpetual growth rate	5.0%	—
Latin America		
Discount rate	12.3%	11.4%
Perpetual growth rate	2.9%	1.5%

The discount rate is the segment's weighted average cost of capital (WACC) for each CGU or group of CGUs.

The discount rates and perpetual growth rates applied at 31 December 2022 were updated from their 31 December 2021 values. The perpetual growth rates applied at 31 December 2022 were impacted by the inflation prospects in the region or countries concerned. The WACC values applied also factor in these inflation prospects and the risks in each country.

Given the exceptional circumstances in Ukraine and Russia, different WACC values were established for each year of the forecast horizon for these two CGUs and for the Northern and Eastern Europe group of CGUs.

When carrying out impairment tests on the Latin America group of CGUs, uncertainty about the inflation rate applicable in Argentina over the long term and the proven capacity of Argentine entity Rayen Cura in 2022 to pass hyperinflation onto its selling prices prompted the Group to conduct impairment tests based on the euro, as it did in 2021. So, a perpetual growth rate of 2.9% was used.

Sensitivity analysis

The Group analysed the sensitivity of its impairment tests to the main assumptions used to determine the recoverable amount of each group of CGUs to which goodwill is allocated and of the assets tested, namely the discount rate and long-term growth rate used to determine terminal value and terminal-year cash flows as they represent a significant portion of the recoverable amount.

For 2022, and for the Southern and Western Europe and Latin America groups of CGUs, no impairment losses would be recorded in the event of a 1 percentage point increase in the WACC or a 0.5 percentage point reduction in the perpetual growth rate or a 10% decline in terminal-year cash flows.

For the Northern and Eastern Europe group of CGUs, Ukraine CGU and the Russia CGU, given the geopolitical climate in the region, the Group extended the criteria used in its sensitivity analysis. No impairment losses would be recorded in the event of a 2 percentage point increase in the WACC or a 1 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	2022	2021
Equity securities	21	7.6	6.2
Loans, deposits and guarantees	21	24.6	20.2
Pension plan surpluses	19.1.2	4.4	5.6
Other *		149.7	120.1
Total other non-current assets		**186.3**	**152.1**

* The line "Others" corresponds mainly to the fair 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 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**
Changes during the year					
Increase (decrease)	1.4	4.4	—	—	5.8
Impairment	0.0	—	—	—	0.0
Translation differences	—	—	—	—	—
Transfers and other movements	—	—	(1.2)	29.6	28.4
Total changes	**1.4**	**4.4**	**(1.2)**	**29.6**	**34.2**
As of 31 December 2022					
Gross amount	8.5	31.6	4.4	149.7	194.2
Impairment	(0.9)	(7.0)	—	—	(7.9)
Net amount	**7.6**	**24.6**	**4.4**	**149.7**	**186.3**

Note 14 – Change in net working capital

The change in net working capital in 2022 and 2021 was as follows:

(in € million)	Notes	31 December 2021	Impact of cash flows	Foreign exchange and other	Change in scope	31 December 2022
Inventories	14.1	404.3	92.8	(2.9)	42.6	536.8
Operating receivables	14.2	212.8	164.5	(2.6)	34.8	409.5
Operating liabilities	14.3	(689.9)	(221.6)	2.4	(35.4)	(944.5)
Debts to suppliers of fixed assets		(80.7)	(75.2)	(0.3)	0.0	(156.2)
Operating working capital		**(153.5)**	**(39.5)**	**(3.4)**	**42.0**	**(154.4)**
Other receivables (non-operating) *	14.2	227.3	0.7	2.8	2.4	233.2
Other liabilities (non-operating)	14.3	(14.6)	(4.9)	(43.8)	(13.2)	(76.5)
Current tax assets and liabilities		(22.4)	(19.2)	0.8	1.9	(38.9)
Total working capital		**36.8**	**(62.9)**	**(43.6)**	**33.1**	**(36.6)**
Change in working capital		**125.5**				**(73.4)**

Reconciliation with the condensed consolidated statement of cash flows :	
Change in inventory	(92.8)
Change in trade receivables, trade payables and other receivables/payables	50.9
Current tax expense	135.5
Income taxes paid	(105.9)
Increase (decrease) in debt to suppliers of fixed assets	75.2
Total	**62.9**

- Other receivables (non-operating): the column "foreign exchange and other" corresponds mainly to the variation in the 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					
	2022			2021		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Raw materials	192.8	(24.5)	168.3	139.5	(19.4)	120.1
Inventories of work in progress	2.2	(1.6)	0.6	1.7	(1.6)	0.1
Finished goods	373.9	(6.0)	367.9	294.2	(10.1)	284.1
Total inventories	**568.9**	**(32.1)**	**536.8**	**435.4**	**(31.1)**	**404.3**

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.

Trade receivables - gross values, impairment and net values - break down as follows:

(in € million)	Year ended 31 December					
	2022			2021		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Trade receivables	**262.9**	**(12.5)**	**250.4**	**130.6**	**(9.0)**	**121.6**

The table below shows the ageing of trade receivables at 31 December 2022 and 2021:

(in € million)	Year ended 31 December	
	2022	2021
Accounts receivable not yet due	**239.0**	**114.2**
Accounts receivable past due	**11.4**	**7.4**
Under 30 days	9.0	5.3
Between 30 and 90 days	1.7	1.2
Beyond 90 days	0.7	0.9
Total trade receivables (net amounts)	**250.4**	**121.6**

The table below shows the breakdown of other current assets:

	Year ended 31 December	
(in € million)	**2022**	**2021**
Advances to suppliers	11.5	6.2
Prepaid social security contributions	0.4	0.6
Other taxes paid in advance and recoverable (other than income taxes)	76.2	55.2
Other operating receivables	70.8	29.3
Derivatives assets *	228.3	225.6
Other non-trade receivables	5.1	1.6
Other current assets	**392.3**	**318.5**

**Current derivative assets correspond mainly to the fair value of energy hedging derivatives. The non-current portion of these derivative assets is presented in "other non-current assets" in the amount of €123.1 million.*

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)	**2022**	**2021**
Trade payables	***740.6***	***521.4***
Customer down payments	14.6	24.1
Debts on fixed assets	156.2	80.7
Grants received	14.5	10.6
Accrued personnel expenses	114.4	98.0
Tax liabilities (other than income tax)	15.2	10.2
Derivative liabilities	48.1	4.0
Other	73.6	36.3
Other current liabilities	***436.6***	***263.9***
Total trade payables and other current liabilities	**1,177.2**	**785.3**

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.

The pan-European factoring programme initially arranged with Eurofactor for a maximum amount of €400 million was refinanced during the course of 2022 for an amount that raised the ceiling to €500 million with CALF (Crédit Agricole Leasing et Factoring). This programme took effect on 1 December 2022 and will run for 3 years. In accordance with the Group's ESG framework, environmental criteria have been embedded into this financing arrangement.

The Group also has local lines in certain countries (primarily Italy and Argentina) giving it access to additional financing of up to €50 million.

	Year ended 31 December	
(in € million)	**2022**	**2021**
Assignment of receivables without recourse	324.9	334.8
Assignment of receivables with recourse	9.6	12.6
Total receivables assigned	**334.5**	**347.4**

Under its 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 under the contract that ran until 30 November 2022 and 1.5% of the receivables transferred starting from 1 December 2022.

The amounts thus recorded in "Other non-current assets" at 31 December 2022 and 31 December 2021 were €7.0 million and €12.3 million, respectively.

In addition, the Group has entered into various reverse factoring programmes offered by some of its clients and amounting to €45.3 million in 2022 and €28.7 million in 2021.

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 flows 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) other than right-of-use lease assets;
- 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:

(in € million)	Year ended 31 December 2022	2021
Cash	271.8	395.5
Cash equivalents	59.0	99.2
Total cash and cash equivalents	**330.8**	**494.6**

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 2021	**122,289,183**	**3.38**	**413,337,439**
Capital Increase / Issue of ordinary share (23 June 2022)	611,445	3.38	2,066,684
Cancellation of treasury shares (23 June 2022)	(611,445)	3.38	(2,066,684)
As of 31 December 2022	**122,289,183**	**3.38**	**413,337,439**

At 31 December 2022, 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.

16.1.1 Capital increase

On 23 June 2022, the Chief Executive Officer recognised the completion of a capital increase reserved for employees and corporate officers of a total nominal amount of €2,066,684.10 via the issue of 611,445 new ordinary shares combined with a share premium of €10,908,178.80.

16.1.2 Capital reduction

On 23 June 2022, the Company carried out a capital reduction by cancelling 611,445 treasury shares that it had previously bought back.

16.2 Treasury shares

16.2.1 Share buybacks

The Company bought back 5,517,943 treasury shares in 2021 and by 31 December 2022 held 5,031,208 treasury shares following the transactions described below:

- the final allocation of 142,290 shares to certain employees (managers) on 23 March 2022 under the shareholding plan;
- the cancellation of 611,445 shares;
- the buyback of 267,000 shares under the share buyback programmes launched in 2022.

Verallia decided to launch a share buyback programme and entrusted an investment services provider with a share buyback mandate for a maximum amount of €50 million over a period running from 7 December 2022 to November 2023. Verallia intends to cancel all the shares bought back. This share buyback programme falls under the delegation of authority granted by the General Meeting of Shareholders on 11 May 2022 under resolution 16.

16.2.2 Liquidity agreement

In 2019, Verallia 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 2022, 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

The translation reserve increased by €4.7 million in 2022 following a €3.5 million increase in 2021.

As in 2021, this increase 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	
	2022	2021
Group's share of net profit (loss) (in € million)	342.0	242.6
Number of shares	117,191,417	120,537,838
Basic earnings per share (in €)	**2.92**	**2.01**

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	
	2022	2021
Group's share of net profit (loss) (in € million)	342.0	242.6
Diluted number of shares	117,300,110	120,662,776
Diluted earnings per share (in €)	**2.92**	**2.01**

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	2022	2021
Financial debt - Non current	17.2	1,559.8	1,568.1
Financial debt - Current	17.2	201.3	197.1
Financial derivative instruments - net	17.2	(24.5)	(2.2)
Gross debt		**1,736.6**	**1,763.0**
Cash and cash equivalents	15	(330.8)	(494.6)
Net debt		**1,405.9**	**1,268.4**

17.2 Change in gross financial debt

17.2.1 Sustainability-linked bond issuance

At 31 December 2022, the Group had two sustainability-linked bonds which it has issued in 2021 in accordance with the Sustainability-Linked Bond Principles of the International Capital Markets Association: one of a total amount of €500 million with a 7-year maturity (maturing on 14 May 2028) and a coupon of 1.625% per annum[1], and the other of a total amount of €500 million with a 10-year maturity (maturing on 10 November 2031) and a coupon of 1.875% per annum[100].

The coupon rate could potentially 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:

- to reduce Verallia's annual CO_2 emissions (scopes 1 and 2) to 2,625kt CO_2 by 2025 (implying a 15% reduction from 2019 CO_2 emission levels); and
- to increase 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 would potentially raise the coupon rate by 12.5 basis points for the first issue in May 2021 and by 10 basis points for the second issue in November 2021.

17.2.2 Term Loan A

At 31 December 2022, the outstanding principal amount of Term Loan A was €500 million; this was identical to the amount at 31 December 2021. The term loan expires in October 2024.

The applicable margin was initially set in 2019 at Euribor + 175 basis points (floor rate of 0%) with an upward or downward adjustment mechanism (margin ratchet). The applicable margin over 2022 was 125 basis points, unchanged from 31 December 2021. Since August 2022, Term Loan A has been indexed to the 3-month Euribor rate.

17.2.3 Revolving credit facilities (RCF)

At 31 December 2022, the Group had one 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.

17.2.4 Negotiable European Commercial Paper (NEU CP)

The outstanding amount issued at 31 December 2022 was €150.3 million.

The outstanding amount issued at 31 December 2021 was €150.2 million.

[100] Prospectus approved by the French Financial Markets Authority (Autorité des marchés financiers - AMF) on May 11, 2021 under visa 21-150 and on November 8, 2021 under visa 21-477

17.2.5 Instalment loan from Bpifrance, a Verallia shareholder (related party agreement)

In December 2021, the company entered into an instalment loan agreement for a total principal amount of €30 million with Bpifrance. 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. The amount outstanding at 31 December 2022 was €22.5 million.

GROSS FINANCIAL DEBT AT 31 DECEMBER 2022

At 31 December 2022, 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 2022		Total as of 31 December 2022
									Non-current	Current	
Sustainability-Linked Bond November 2021		500.0	EUR	1.875 %	2.07 %	10/11/2031	Maturity	7.6	492.4	1.3	493.7
Sustainability-Linked Bond May 2021		500.0	EUR	1.625 %	1.72 %	14/05/2028	Maturity	2.5	497.5	5.2	502.7
Revolving credit facility (floor 0%) RCF1		500.0	EUR	Euribor + 0,85%	0.85 %	07/10/2024	Revolving	1.1	—	—	—
Term Loan A (floor 0%)		500.0	EUR	Euribor + 1,25%	4.39 %	07/10/2024	Maturity	1.1	497.8	2.8	500.6
Lease liabilities	17.5								36.2	17.3	53.5
Other borrowings									35.9	15.6	51.5
Total long-term debt									***1,559.8***	***42.2***	***1,602.0***
Negotiable commercial paper (NEU CP)		400.0	EUR							150.3	150.3
Other borrowings										8.9	8.9
Total short-term debt										***159.1***	***159.1***
Total financial debt									**1,559.8**	**201.3**	**1,761.1**
Financial derivatives liability	20.2								2.5	(0.4)	2.0
Financial Debt and financial derivatives liability									**1,562.2**	**200.9**	**1,763.1**
Financial derivatives asset	20.2								(26.5)	—	(26.5)
Gross debt									**1,535.7**	**200.9**	**1,736.6**

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**

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)	2022	2021
Fixed-rate debt	1,594.3	1,744.9
Floating-rate debt	142.4	18.1
Gross debt	**1,736.6**	**1,763.0**

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)	2022	2021
Less than one year	200.9	197.2
Between one and five years	539.2	562.5
More than five years	996.6	1,003.4
Gross debt	**1,736.6**	**1,763.0**

At 31 December 2022, borrowings of under a year consisted primarily of NEU CP (negotiable commercial paper) in the amount of €150,3 million, and €150,2 million at 31 December 2021.

17.5 Lease liabilities

At 31 December 2022, lease liabilities amounted to €53.5 million.

(in € million)	Leases current Terms Debts	Leases non current Terms Debts	Lease debts
31 December 2021	**14.2**	**33.2**	**47.3**
Reductions during the period	(18.8)	—	(18.8)
Additions and modifications of contracts during the period	18.3	(5.7)	12.6
Capitalized Interests	1.4	—	1.4
Change in Group Structure	2.1	8.9	11.0
Other	—	—	—
31 December 2022	**17.3**	**36.3**	**53.5**

The maturity profile for lease liabilities is as follows:

(in € million)	Year ended 31 December 2022	Year ended December 31 2021
Less than one year	17.3	14.2
In one to five years	30.6	28.8
In more than five years	5.6	4.2
Total lease liabilities	**53.5**	**47.3**

17.6 Covenants

17.6.1 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; said leverage ratio is tested at the end of each half-year period.

At 31 December 2022, no payment default had occurred or was still ongoing under the Senior Facilities Agreement.

17.6.2 Sustainability-linked bond issuance

The prospectuses relating to each Sustainability-Linked bond issuance both include an undertaking, for the Company and for certain material Group subsidiaries, not to pledge their respective assets as guarantee for the payment obligations of the Company or of 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 2021	Cash inflows	Cash outflows	Discount effects and other*	Interest expense	Change in the scope of consolidation	Translation differences	31 Decembe r 2022
Non-current financial liabilities and derivatives	**1,569.0**	**6.6**	**(103.4)**	**(19.4)**	**—**	**106.4**	**3.0**	**1,562.2**
Current financial liabilities and derivatives (excluding interest)	189.4	(1.5)	(70.4)	33.6	1.4	38.2	1.1	191.8
Interest on long-term debt	7.8	—	(26.7)	—	28.0	—	—	9.1
Current financial liabilities and derivatives	**197.2**	**(1.5)**	**(97.1)**	**33.6**	**29.4**	**38.20**	**1.1**	**200.9**
Financial liabilities and financial derivatives liability	**1,766.2**	**5.1**	**(200.5)**	**14.2**	**29.4**	**144.60**	**4.1**	**1,763.1**
Financial derivatives asset	(3.2)	—	—	(23.3)	—	—	—	(26.5)
Gross debt	**1,763.0**	**5.1**	**(200.5)**	**(9.1)**	**29.4**	**144.60**	**4.1**	**1,736.6**

* 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	(1.7)	
Increase in long-term debt	6.8	
Reduction in long-term debt		(172.3)
Financial interest paid		(28.2)
Total	**5.1**	**(200.5)**

Note 18 – Provisions and other non-current financial liabilities

The change in provisions in financial year 2022 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 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**
Changes during the period								
Additions	6.5	11.4	5.7	—	29.6	53.2	0.5	53.7
Reversals (unused)	(1.2)	(4.8)	(2.8)	—	(7.1)	(15.9)	—	(15.9)
Reversals (used)	(1.7)	(0.6)	(5.0)	—	(13.0)	(20.3)	—	(20.3)
Other (reclassifications and translation differences)	(0.4)	0.6	(0.1)	—	0.0	0.1	(0.9)	(0.8)
Total changes	**3.2**	**6.6**	**(2.2)**	**0.0**	**9.5**	**17.1**	**(0.4)**	**16.7**
As of 31 December 2022								
Current portion	8.4	10.7	8.3	—	26.9	54.3	—	54.3
Non-current portion	1.3	10.5	0.4	—	10.5	22.7	0.5	23.2
Total provisions	**9.7**	**21.2**	**8.7**	**0.0**	**37.4**	**77.0**	**0.5**	**77.5**

The change in provisions for "Other risks" corresponds mainly to the provision relating to the Group's deficit with respect to its CO_2 allowances under Phase IV of the European emissions trading scheme. The settlement of forward purchases carried out in April 2022 resulted in an outflow of €12.9 million.

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 (CO_2) 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 or purchased), 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.

In 2021, Verallia Italia was ordered to make a payment of €1.8 million and the corresponding provision was consequently reversed.

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 Group employees or their assignees have filed lawsuits against the Group's French subsidiary, Verallia France, for gross negligence after falling ill as a result of their alleged exposure to asbestos-containing materials.

At 31 December 2022, the amount provisioned in respect of these claims stood at €2.4 million.

Claims for anxiety-related damages

Lawsuits have been filed by Group employees or former employees for recognition of anxiety caused by their alleged exposure to asbestos-containing materials at the Group's French facilities.

At 31 December 2022, the amount provisioned for all such claims amounted to €1.5 million.

Decontamination of Canoas site in Brazil

Verallia Brasil owns a property located in the city of Canoas, Brazil.

The industrial activity on the site was stopped during 2011-2012, when the activity of domestic products line was discontinued.

There are still buildings and fixtures on the site that require demolition and decontamination of the land.

At 31 December 2022, the amount provisioned to cover the costs of demolition and decontaminating the land and related expenses amounted to €6,9 million.

18.1.3 Provisions for restructuring and personnel expenses

Provisions for restructuring and personnel expenses amounted to €8.7 million at 31 December 2022 and €10.9 million at 31 December 2021.

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 CO_2 allowances for financial year 2022 under 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 scheme 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.

Furthermore, the Group anticipates that the number of allowances that will be allocated to it free of charge during Phase IV 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 emission allowances, which will force it to continue its policy of acquiring allowances on the market in significant amounts.

In order to secure the prices at which it will have to buy allowances, the Group has already made forward purchases of carbon dioxide allowances on the market for a total amount at 31 December 2022 of €12.9 million.

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 2022, the Group's recorded deficit amounts to €18.6 million (€18.3 million in 2021).

18.1.5 Risks relating to associates

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.

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 €18 million at 31 December 2022).

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.

In 2022, the change in other non-current liabilities corresponded to the contingent consideration on the shares in Thierry Bergeon Embouteillage.

Note 19 – Provisions for pensions and similar liabilities

Provisions for pensions and other employee benefits break down as follows:

		31 December	
(in € million)	Notes	2022	2021
Annuities payable to plan beneficiaries		53.5	74.4
Flat-rate compensation		27.0	33.8
Post-employment medical benefits		3.7	5.5
Provisions for pensions and other liabilities	**19.1**	**84.2**	**113.7**
Other long-term benefits	19.2	3.2	3.9
Provisions for pensions and other employee benefits		**87.4**	**117.5**

The Group's workforce breaks down as follows:

	31 December	
	2022	2021
Managers	1,081	1,004
Administrative employees	2,319	2,217
Other employees	6,924	6,393
Total	**10,324**	**9,614**

The workforce presented corresponds to the average number of people employed by the Group over the year. The total as at 31 December 2022 includes the Allied Group workforce.

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 %)	**2022**	**2021**
Discount rate	3,7% to 3,8%	0.9% to 1.2%
Salary increases including long-term inflation	1.8% to 2.3%	1.8% to 2.3%
Long-term inflation rate	2.0 %	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)	**2022**	**2021**
Impact of 0.5% increase in discount rate	(6.1)	(9.0)
Impact of 0.5% decrease in discount rate	6.0	10.1
Impact of 0.5% increase in inflation rate	5.3	8.4
Impact of 0.5% decrease in inflation rate	(5.5)	(7.8)

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**	**2022**	**2021**
Provisions for pensions and other post-employment benefit liabilities	19	84.2	113.7
Pension plan surpluses		(4.4)	(5.6)
Net pension liabilities and other post-employment benefit liabilities		**79.8**	**108.0**

ii. Liability analysis

The total amount of the Group's pension liabilities and other post-employment benefit liabilities breaks down as follows:

	31 December 2022					31 December 2021				
(in € million)	Spain	Germany	Other Western European countries	Other	Total	Spain	Germany	Other Western European countries	Other	Total
Average duration (in years)					**10.8**					**13.3**
Defined benefit liabilities - funded plans	27.7		0.1		27.8	35.0		0.1		35.1
Defined benefit liabilities - unfunded plans	3.2	53.6	26.9	0.5	84.2	5.0	74.4	33.6	0.7	113.7
Fair value of plan assets	(31.1)		(1.1)		(32.2)	(39.6)		(1.2)		(40.8)
Deficit (Surplus)	**(0.2)**	**53.6**	**25.9**	**0.5**	**79.8**	**0.4**	**74.4**	**32.5**	**0.7**	**108.0**
Asset ceiling					**—**					**—**
Net pension liabilities and other post-employment benefit liabilities					**79.8**					**108.0**

iii. Plan assets

Plan assets primarily consist of insurance policies. They are invested in low-risk assets.

v. 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 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**
Fluctuations during the year				
Current service cost		2.9	—	2.9
Net interest expense	7	(5.5)	6.9	1.4
Reductions/settlements		—	—	—
Past service cost		—	—	—
Contributions to the pension plan		—	—	—
Translation differences		(0.1)	—	(0.1)
Employee benefit expenses recognised in the income statement		**(2.7)**	**6.9**	**4.2**
Payment of benefits		(9.1)	2.6	(6.5)
Business combination		—	—	—
Remeasurement of net liabilities (net assets)		(25.0)	(0.9)	(25.9)
Other		—	—	—
Total movements during the year		**(36.8)**	**8.6**	**(28.2)**
As of 31 December 2022		**112.0**	**(32.2)**	**79.8**

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 2022, provisions for other long-term employee benefits primarily included long-service awards payable by the subsidiaries in France amounting to €1.7 million (€2.1 million at 31 December 2021) and bonuses amounting to €1.1 million in Germany (€1.4 million at 31 December 2021).

19.3 Share ownership plans

19.3.1 Share ownership plans

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.

Accordingly, bonus share award plans subject to performance criteria have been set up since 2019.

The March 2020 Plan was ultimately allocated with 142,290 shares delivered on 23 March 2022 based on fulfilment of the performance criteria in percentage terms by the end of the plan.

On 23 February 2021, the Board of Directors decided, in accordance with the authorisation granted by the Combined General Shareholders' Meeting of 10 June 2020, to set up two new performance share allocation plans, one covering a two-year period spanning 2021 to 2022 (the "2021-2022 Plan") and the other covering a three-year period spanning 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 2022, the number of potential ordinary shares under these two plans was 457,766.

In accordance with the authorisation granted by the Combined General Shareholders' Meeting of 10 June 2020 under resolution 22, the Board of Directors decided on 16 February 2022 to set up a new performance share allocation plan spread over a period of three years running from 2022 to 2024 (the "2022–2024 Plan").

The final allocation of shares awarded under the 2022-2024 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, for instance regarding CO_2 emissions. The 2022–2024 Plan will be aligned with any changes in market practices, in particular in terms of the performance criteria applied.

At 31 December 2022, the number of potential ordinary shares under this new plan was 255,000.

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 totalled €6.2 million for the financial year ended 31 December 2022. Expenses incurred in relation to these plans and associated costs recognised in the consolidated statement of income totalled €10.1 million for the financial year ended 31 December 2021.

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 23 June 2022, the Company carried out a 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 (employee investment fund) 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 capital increase was 611,445.

At 31 December 2022, it was recorded that employee shareholders - whether direct shareholders or shareholders through the Verallia FCPE - held 3.8% of Verallia's share capital.

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 2022					
(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	1,602.0	1,773.3	68.3	571.2	81.7	1,052.3
Other liabilities, including derivative financial instruments	17	2.0	—	—	—		
Short-term debt	17	159.1	159.1	159.1			
Total borrowings	17	**1,763.1**	**1,932.5**	**227.4**	**571.2**	**81.7**	**1,052.3**
Trade payables and related accounts	14.3	740.6	740.6	740.6			
Other payables and accrued liabilities, including commodity derivative financial instruments	14.3	436.5	436.5	424.7	0.6	11.2	
Total financial liabilities		**2,940.2**	**3,109.6**	**1,392.7**	**571.8**	**92.8**	**1,052.3**

At 31 December 2022, the Group had one revolving credit facility, RCF1, of €500 million fully undrawn.

		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.

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 31 December 2022, the Group had a large portion of its exposure to a rise in the Euribor rate hedged through interest rate options (caps) of a nominal value of €370 million.

In October 2022, the Group supplemented its existing interest rate hedges of €200 million by purchasing spread caps for a nominal value of €170 million with maturities spread over 2025 and 2026.

At 31 December 2021, the Group had a large portion of its exposure to a rise in the Euribor rate hedged through interest rate swaps of a nominal value of €500 million and maturing at the end of August 2022. The Group had also purchased interest rate caps taking effect from August 2022 (when the existing swaps were scheduled to expire) for a nominal value of €200 million.

	31 December 2022		31 December 2021	
Interest rates	**Notional amount in currency millions**	**Fair value**	**Notional amount in currency millions**	**Fair value**
Interest rate swap	0.0	0.0	500.0	(1.0)
Interest rate CAP	370.0	22.6	200.0	2.9
Total interest rate derivative financial instruments		**22.6**		**1.9**

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.

With interest rates (3-month Euribor) in positive territory at the end of 2022, a change of 50 basis points in interest rates on a forward-looking basis at the closing date would have an impact of €3.5 million on earnings. The situation was not the same in 2021 when interest rates were still negative.

(in € million)	2022	2021
Impact of 50 base point (bp) increase	(3.4)	—
Impact of 50 base point (bp) decrease	3.5	—

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 2022	
Foreign exchange - devise	**Notional amount in currency millions**	**Fair value**
Currency derivatives - EUR/CLP	10,1/9 732,4	(0.3)
Currency derivatives - EUR/USD	10,9/11,2	0.5
Currency derivatives - EUR/GBP	284,2/249,8	2.6
Currency derivatives - EUR/ARS	2,1/461,4	(0.1)
Currency derivatives - EUR/BRL	52,4/308,7	(0.3)
Currency derivatives - USD/ARS	6,6/1 566,7	(0.6)
Currency derivatives - USD/BRL	17,9/99,0	(0.4)
Currency derivatives - USD/EUR	1,4/1,3	0.0
Total currency derivative financial instruments		**1.4**

	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	0.0
Total currency derivative financial instruments		**(1.0)**

- **Currency derivative**s: 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.

2022	Groups's equity	
(in € million)	**Euro appreciation +10%**	**Euro depreciation -10%**
Brazilian real	(17.9)	21.8
Argentine peso	(10.0)	12.2
Russian rouble	(9.1)	11.1
Ukrainian hryvnia	(2.1)	2.6
Pound sterling	(5.2)	6.3

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

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 2022	
Commodities	**Notional amount in currency millions**	**Fair value**
Commodity derivatives fuel swaps (€)	23.6	(2.4)
Commodity derivatives gas swaps (€)	452.5	227.9
Commodity derivatives electricity swaps (€)	145.5	78.7
Total commodity derivative financial instruments		**304.2**

	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**

- **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 2022 and 2021.

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.

Please refer to 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 MADE 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 2022									
		Accounting categories						Fair value measurement based on:			
(in € million)	Notes	Amortised cost	other comprehensive income – equity instruments	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		7.6				7.6			7.6	7.6
Loans, deposits and receipts	13	26.0					26.0		26.0		26.0
Trade receivables and related accounts (excluding current tax receivables)	14.2	290.5		0.0			290.5		290.5		290.5
Derivative instruments hedging financial risk	20.2					26.5	26.5		26.5		26.5
Derivative instruments hedging operating risk (*)	14.2 & 20.2					352.2	352.2		352.2		352.2
Cash and cash equivalents	15	271.8			59.0		330.8	328.4	2.3		330.8
Total financial assets		**588.3**	**7.6**	**0.0**	**59.0**	**378.7**	**1,033.5**	**328.4**	**697.5**	**7.6**	**1,033.5**
Sustainability-Linked Bond November 2021	17	(493.7)					(493.7)	(388.3)			(388.3)
Sustainability-Linked Bond May 2021	17	(502.7)					(502.7)	(429.0)			(429.0)
Term Loan A and revolving credit facility (unused)	17	(500.6)					(500.6)		(500.6)		(500.6)
Financial liabilities on finance leases		(53.5)					(53.5)		(53.5)		(53.5)
Other long-term liabilities	17	(51.5)		—			(51.5)		(51.5)		(51.5)
Total long-term debt		**(1,602.0)**	**—**	**—**	**—**	**—**	**(1,602.0)**	**(817.4)**	**(605.5)**	**—**	**(1,422.9)**
Derivative instruments hedging financial risk (**)	20.2					(2.0)	(2.0)		(2.0)		(2.0)
Total long-term debt and financial derivatives liability		**(1,602.0)**		**—**		**(2.0)**	**(1,604.0)**	**(817.4)**	**(607.6)**		**(1,424.9)**
Negotiable commercial paper (NEU CP)	17	(150.3)					(150.3)		(150.3)		(150.3)
Other short-term liabilities	17	(8.8)		—			(8.8)		(8.8)		(8.8)
Total short-term debt		**(159.1)**	**—**	**—**	**—**	**—**	**(159.1)**		**(159.1)**		**(159.1)**
Derivative instruments hedging operating risk (*)	14.3 & 20.2					(48.1)	(48.1)		(48.1)		(48.1)
Trade payables and related accounts	14.3	(740.6)					(740.6)		(740.6)		(740.6)
Other payables and accrued liabilities	14.3	(388.4)					(388.4)		(388.4)		(388.4)
Total financial liabilities		**(2,890.1)**	**—**	**—**	**—**	**(50.1)**	**(2,940.2)**	**(817.4)**	**(1,943.8)**		**(2,761.1)**
Total		**(2,301.8)**	**7.6**	**—**	**59.0**	**328.6**	**(1,906.7)**	**(489.0)**	**(1,246.2)**	**7.6**	**(1,727.6)**

* All commodity swaps are designated as cash flow hedges.

** Interest rate caps taken out by the Group are designated as cash flow hedges.

		31 December 2021									
		Accounting categories						Fair value measurement based on:			
	Notes	Amortised cost	through other comprehensive income – equity instruments	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)**		**(1.0)**	**(1,605.0)**	**(1,016.9)**	**(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.

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)	**2022**	**2021**
Statement of financial position	Non-current assets	2.4	—
	Current assets	1.4	3.2
	Non-current liabilities	—	—
	Current liabilities	7.8	1.5
Income statement	Revenue	—	—
	Cost of sales	54.9	25.9
	Financial income	0.1	—

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

In its efforts to extend its average debt maturity profile, continue diversifying its sources of funding and obtain competitive funding costs, the Group 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 Group, and of Bpifrance Investissement, which is a member of the Group'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.

The amount outstanding at 31 December 2022 was €22,5 million.

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 of 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.

The contract was renewed for €200,000; and covers the "Big Tour" from 5 March 2022 to 26 November 2022 and the "Big Inno" held on 6 October 2022.

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 Chairman
- the Chief Executive Director
- the Chief Financial Officer
- segment Directors
- the Human Resources Director
- the Director of Operations
- the CSR Director & General Counsel

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)	2022	2021
Short-term employee benefits	6.9	7.2
Post-employment benefits	—	0.2
Other long-term benefits	—	—
Termination benefits	—	—
Share-based payment	2.6	3.5
Total	**9.6**	**10.9**

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 2022, as they did in 2021.

Note 23 – Contractual obligations and off-balance sheet commitments

23.1 Commitments of operating activities

(in € million)	Notes	Year ended 31 December 2022	2021
OPERATING COMMITMENTS GIVEN			
Non-cancellable purchase commitments	23.1.1	1,067.3	523.5
Other operating commitments given	23.1.2	11.8	8.6
Total operating commitments given		**1,079.0**	**532.1**
OPERATING COMMITMENTS RECEIVED			
Commitments received	23.1.3	**73.6**	**67.2**

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)		2022	Payments due		
			Less than 1 year	1 to 5 years	More than 5 years
Non-cancellable purchase commitments					
- Non-current assets	A	194.6	170.1	20.5	4.0
- Commodities and energy	B	805.7	685.1	116.0	4.6
- Services		53.5	48.2	5.2	—
- Other		13.5	12.3	1.2	—
Total		**1,067.3**	**915.8**	**142.9**	**8.58**

(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**	**0.0**

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 €73.6 million at 31 December 2022 and to €67.2 million at 31 December 2021. 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 €63 million at 31 December 2022 versus €45.0 million at 31 December 2021. They consist mainly of bank guarantees and tangible collateral.

When the Company issued its sustainability-linked bonds on 14 May 2021 and 10 November 2021, Verallia Packaging granted subscribers to the sustainability-linked bonds two joint and several guarantees in accordance with the terms and conditions stipulated in each of the prospectuses provided by the Company for this purpose. These guarantees will be automatically and fully lifted if the facilities made available under the Senior Facilities Agreement of 17 July 2019 between the Company and Verallia Packaging are (i) refinanced and the refinancing debt is borrowed without any guarantee or surety provided by the Company or, as the case may be, (ii) fully transferred and taken on by the Company without any guarantee in accordance with the terms and conditions stipulated in the Senior Facilities Agreement.

Other financial commitments given amounted to €9.4 million at 31 December 2022 versus €20.8 million in 2021. These commitments consist mainly of letters of comfort for local loan guarantees.

The Group also received financial commitments in the amount of €502.5 million at 31 December 2022 versus €559.7 million in 2021. These commitments consist primarily of a €500 million credit facility (RCF1). See Note 17 for more information.

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 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 2022, 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 2022, 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.

Note 24 – Audit fees

	PricewaterhouseCoopers				BM&A and partners				Total			
	Amount (before tax)		%		Amount (before tax)		%		Amount (before tax)		%	
(in € million)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Audit, certification and review of parent company and consolidated financial statements	**1.3**	**1.2**	**93 %**	**80 %**	**0.5**	**0.5**	**100 %**	**83 %**	**1.8**	**1.7**	**95 %**	**81 %**
Verallia SA	*0.4*	*0.3*	*29 %*	*20 %*	*0.3*	*0.3*	*60 %*	*50 %*	*0.7*	*0.6*	*37 %*	*29 %*
Fully-consolidated subsidiaries	*0.9*	*0.9*	*64 %*	*60 %*	*0.2*	*0.2*	*40 %*	*33 %*	*1.1*	*1.1*	*58 %*	*52 %*
Services other than certification of financial statements	**0.1**	**0.3**	**7 %**	**20 %**	**0.0**	**0.1**	**— %**	**17 %**	**0.1**	**0.4**	**5 %**	**20 %**
Verallia SA	*0.1*	*0.2*	*7 %*	*13 %*	*0.0*	*0.1*	*0 %*	*17 %*	*0.1*	*0.3*	*5 %*	*14 %*
Fully-consolidated subsidiaries	*0.0*	*0.1*	*— %*	*7 %*	*0.0*	*0.0*	*0 %*	*— %*	*—*	*0.1*	*— %*	*5 %*
TOTAL	**1.4**	**1.5**	**100 %**	**100 %**	**0.5**	**0.6**	**100 %**	**100 %**	**1.9**	**2.1**	**100 %**	**100 %**

Non-audit services provided by the Statutory Auditors to Verallia and its subsidiaries relate mainly to procedures involving acquisition projects and audit procedures carried out as an independent third party on consolidated social, environmental and corporate information.

Note 25 – Events after the closing date

No significant events occurred after the close on 31 December 2022.

6.2. Statutory Auditors' report on the consolidated financial statements

(For the year ended 31 December 2022)

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the 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 2022.

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 2022 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 2022 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

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 2022 was €784 million and is recognised as indicated in Note "3.1 - Changes in scope" and Note "9 - Goodwill".

As indicated in Note "1.2.1 Highlights" section "Acquisition of Allied Glass" on November 8, 2022, Verallia acquired 100% of the capital of Allied Glass in the UK which resulted in the recognition of a preliminary goodwill as of December 31, 2022 (€251 million).

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.

Regarding measurement of goodwill related to acquisition in 2022 of Allied Glass group :

- We gained understanding of the Share Purchase Agreement as well as, where applicable, the other legal agreements signed;
- We examined the compliance of the consolidation method used with the accounting standards;
- We assessed the determination of the acquisition price made by Management;
- We checked the revaluation of inventories at fair value as part of the preliminary allocation of the acquisition price carried out by Management as of December 31, 2022;
- We verified the appropriateness of the information provided in the Note "1.2.1 Highlights" section "Acquisition of Allied Glass" to the consolidated financial statements.

In addition, 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 2023 to 2026, and
- historical projections for 2022 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 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 December 17, 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.

Due to the technical limits inherent in the macro-tagging of the consolidated financial statements according to the single European electronic information format, it is possible that the content of certain tags in the appended notes may not be reproduced identically to the consolidated financial statements attached to this report.

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 2022, PricewaterhouseCoopers Audit and BM&A were in the eighth consecutive year and the fourth year of their engagement, respectively, and the fourth 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, 15 February 2023

The Statutory Auditors

PricewaterhouseCoopers Audit	BM&A
Nicolas Brunetaud	Eric Seyvos

6.3. The Company's annual individual financial statements

Balance sheet

In thousands of euros	Notes	31/12/22 Gross	31/12/22 Amort. & Dep	31/12/22 Net	31/12/21 Net
ASSETS					
Intangible assets		—	—	—	—
Property, plant and equipment			—	—	—
Financial assets		1,800,529.4	—	1,800,529.4	1,790,859.4
Equity interests	3.1.2	665,747.2	—	665,747.2	665,747.2
Other financial assets		120,229.0	—	120,229.0	110,541.9
Loans	3.1.1	1,006,907.1	—	1,006,907.1	1,006,907.1
Other financial assets		7,646.1	—	7,646.1	7,663.1
TOTAL NON-CURRENT ASSETS	**3.1**	**1,800,529.4**	**0.0**	**1,800,529.4**	**1,790,859.4**
Trade receivables and related accounts		—		—	—
Other receivables		114,784.2		114,784.2	103,817.0
Investments		31,493.1		31,493.1	53,163.0
Financial instruments		27.3		27.3	—
Cash and equivalents		5,357.4		5,357.4	699.6
TOTAL CURRENT ASSETS	**3.2**	**151,662.0**		**151,662.0**	**157,679.6**
Prepaid expenses		94.4		94.4	12.7
Charges to be spread over several periods		5,096.4		5,096.4	5,853.1
Premiums on the redemption of debentures		4,973.9		4,973.9	5,535.0
TOTAL ASSETS		**1,962,356.0**	**0.0**	**1,962,356.0**	**1,959,939.9**
LIABILITIES					
Share capital	3.3.1			413,337.4	413,337.4
Additional paid-in capital	3.3.2			133,920.0	138,524.2
Legal reserve				29,096.1	21,489.6
Retained earnings				184,520.1	162,733.1
Net profit (loss) for the period				143,390.4	152,130.9
Regulated provisions				—	—
EQUITY	**3.3**			**904,264.0**	**888,215.2**
Provisions for liabilities				195.1	195.1
Provisions for charges				15,579.1	16,089.1
PROVISIONS FOR LIABILITIES AND CHARGES	**3.4**			**15,774.2**	**16,284.2**
Borrowings and similar liabilities				1,029,022.7	1,036,501.3
Prepayments received on orders in progress				—	—
Trade payables and related accounts				2,054.3	1,379.0
Tax and social security liabilities				3,645.8	4,275.8
Other liabilities				7,567.7	13,284.4
LIABILITIES	**3.5**			**1,042,290.5**	**1,055,440.5**
Unrealised foreign exchange gains				27.3	—
Deferred income				—	—
TOTAL LIABILITIES				**1,962,356.0**	**1,959,939.9**

Statement of income

(In thousands of euros)	Notes	Year ended 31 December 2022	2021
Net revenue	4.1	4,469.6	875.1
Write-back of depreciation and provisions - Operating charges transferts			6,189.4
Other income			48.8
Total operating income		**4,469.6**	**7,113.4**
Other purchases and external charges		12,237.5	15,992.2
Taxes and similar duties		1,911.8	271.0
Wages and salaries		6,448.2	9,068.6
Payroll taxes		1,376.4	2,576.9
Depreciation, amortisation and provisions		756.8	335.8
Other expenses		542.7	524.9
Total operating expenses		**23,273.4**	**28,769.4**
Operating profit	4.2	**(18,803.9)**	**(21,656.0)**
Income from other securities and receivables		139,504.6	157,661.7
Other interest payable and similar income		19,157.7	6,907.1
Write-back of depreciation and provisions		1,352.6	
Positive translation adjustment		1.3	0.9
Total financial income		**160,016.2**	**164,569.8**
Depreciation, amortisation and provisions for financial items		561.2	1,432.6
Other interest payable and similar income		17,605.3	6,501.3
Negative translation adjustment		22.7	1.8
Total financial expenses		**18,189.3**	**7,935.8**
Financial result	4.3	**141,827.1**	**156,634.0**
Recurring profit before tax		**123,023.2**	**134,978.0**
Total non-recurring income		9,659.9	23,109.6
Total non-recurring expenses		8,395.9	23,601.8
Non-recurring profit/(loss)	4.4	**1,264.0**	**(492.2)**
Corporate tax (tax consolidation gains)	4.5	19,103.2	17,645.1
Total income		**193,248.9**	**212,437.8**
Total expenses		**49,858.5**	**60,307.0**
Net profit (loss) for the period		**143,390.4**	**152,130.9**

Contents

At 31 December 2022, the Company's 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 2022 annual financial statements were approved by the Board of Directors on 15 February 2023.

The notes below form an integral part of the annual financial statements.

Note 1 – Highlights of the financial year

Changes in governance

Michel Giannuzzi stood down from his role as the Company's Chief Executive Officer at the end of the General Meeting on 11 May 2022, having announced on 6 December 2021 that he wished to do so and for the purposes of governance best practice. Michel Giannuzzi remains Chairman of the Board of Directors while Patrice Lucas, who joined the Group on 1 February 2022 as Deputy Chief Executive Officer, was appointed Chief Executive Officer on 11 May 2022 and became a member of the Board of Directors.

Repurchase, cancellation and allocation of shares

During the course of 2022, the Company:

- set up a new performance share allocation plan, the "2022-2024 Plan". At 31 December 2022, the number of ordinary shares under this new plan was 255,000;
- allocated 142,290 treasury shares at a unit price of €28.75 to Group employees in March 2022 under the 2019-2020 performance share allocation plan (2nd tranche).

The following transactions went ahead on 23 June 2022:

- a capital increase of a total nominal amount of €2,066,684.10 by issuing a total of 611,445 new ordinary shares in the Company with a nominal value of €3.38 each; the capital increase (share premium included) thus amounted to €12,974,862.90; and
- the cancellation of 611,445 treasury shares with a nominal value of €3.38 each, the difference between the repurchase value of the cancelled shares and their nominal value amounting to €15,512,359.65 and counting towards the "Share premium" account.

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.

As part of its capital allocation strategy and after finalising the acquisition of Allied Glass, Verallia decided to launch a share buyback programme and entrusted an investment services provider with a share buyback mandate for a maximum amount of €50 million over a period running from 7 December 2022 to November 2023.
At 31 December 2022, Verallia had bought back 267,000 shares amounting to €8,334,378 under this programme.

Acquisition of Allied Glass

On 8 November 2022, the Verallia Group acquired 100% of British group Allied Glass through its Verallia Holding UK subsidiary which it set up in 2022.

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 of a total principal amount of €500,000.0 thousand with a maturity of 7 years and an annual coupon of 1.625%.

In November 2021, the Company issued a second sustainability-linked bond of a total principal amount of €500,000.0 thousand with a maturity of 10 years and an annual coupon of 1.875%.

The coupons 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 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

In December 2021, the company entered into an instalment 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 carries interest at a fixed annual rate of 0.40% and has a 3-year maturity. At 31 December 2022, the outstanding amount of the loan was €22,500.0 thousand following a repayment of €7,500.0 thousand made during the course of the year.

Dividend payout

The Company's Combined General Shareholders' Meeting of 11 May 2022 voted to pay a cash dividend per share of €1.05. The dividends were paid on 23 May 2022 and amounted to a total of €122,737.4 thousand.

Note 2 - 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 Company's share of 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 carrying 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 financial year. Where necessary, an impairment loss is recorded.

2.2.2. Translation of receivables and payables denominated in foreign currencies

Payables and receivables not under any currency risk hedging arrangement appear in the balance sheet at their countervalue based on 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 cash equivalents and bank loans and overdrafts

Cash and cash equivalents comprise securities immediately convertible into cash at their nominal value.

2.2.4. Marketable securities and negotiable debt securities

Treasury shares

Shares purchased to cover the Group's future employee share ownership programmes and performance share allocation plans are recorded as marketable securities.

At the closing date, an 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 share price for the last month of the financial year) is below the carrying 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 below the carrying 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-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.

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, 2022	Increases	Decreases	31 December 2022
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	111,894.6	8,334.4	—	120,229.0
- Loans	C	1,006,907.1	6,907.1	6,907.1	1,006,907.1
- Other financial assets	D	7,663.1	22,805.0	22,822.0	7,646.1
Financial assets (III)		**1,792,212.0**	**38,046.5**	**29,729.1**	**1,800,529.4**
NON-CURRENT ASSETS (I+II+III)		**1,792,212.0**	**38,046.5**	**29,729.1**	**1,800,529.4**
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)**	**0.0**	**1,352.6**	**—**
DEPRECIATION / AMORTIZATION (I+II+III)		**(1,352.6)**	**0.0**	**1,352.6**	**0.0**
NET VALUE		**1,790,859.4**			**1,800,529.4**

A. At 31 December 2022, equity interests recognised consisted of the shares in Verallia Packaging.

B. Other long-term investments correspond to:

- 267,000 treasury shares bought back under the new programme introduced on 7 December 2022 (cf. Note 1);
- 3,668,675 treasury shares bought back on 5 November 2021.

At 31 December 2022, the average share price for the last month of the financial year was above the carrying value, so no impairment provision for shares was recognised.

The net carrying value of these shares at 31 December 2022 was €120,229.0 thousand.

C. Loans consisted of:

- a €500,000.0 thousand loan to the Company's wholly owned subsidiary Verallia Packaging, arranged on 14 May 2021; the loan carries interest at a fixed annual rate of 1.715% and has a 7-year maturity;
- a €500,000.0 thousand loan to the Company's wholly owned subsidiary Verallia Packaging, arranged on 10 November 2021; the loan carries interest at a fixed annual rate of 2.045% 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 on these loans in the amount of €6,907.1 thousand at 31 December 2022.

D. . Other fixed 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 €3,354.0 thousand at 31 December 2022;
- and, on the other hand, treasury shares. Transactions during the period were as follows:
- cumulative purchases of 900,381 shares made under the liquidity agreement for a total amount of €22,822.0 thousand;
- cumulative sales of 900,381 shares for a total amount of €22,805.0 thousand.

At 31 December 2022, Verallia SA did not own any treasury shares under the liquidity agreement.

At 31 December 2022, 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	—	—	875.1	152,130.9	139,504.6
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		31.12.2022			31.12.2021
	Notes	Maturing in < 1 year	Maturing in > 1 year	Total	Total
Trade receivables and related accounts		—	—	—	—
Other receivables		107,054.5	7,729.7	114,784.2	103,817.0
State - corporate tax receivable	A	2,109.0	—	2,109.0	1,967.3
State - other receivables	B	1,531.6	—	1,531.6	1,976.5
Group - tax consolidation current account		—	—	—	*0.0*
Group - other receivables	C	103,413.9	7,729.7	111,143.6	99,873.2
Total		**107,054.5**	**7,729.7**	**114,784.2**	**103,817.0**

A. Corporate tax receivables consisted of refundable tax credits transferred by consolidated companies for tax consolidation purposes of a total amount of €2,109.0 thousand versus €1,967.3 thousand at 31 December 2021.

B. Other receivables (State) corresponded to VAT credits totalling €1,531.6 thousand versus €1,976.5 thousand at 31 December 2021.

C. Other receivables (Group) amounting to €111,143.6 thousand consisted mainly of:

- the current account forming part of the centralised cash management arrangement with Verallia Packaging in the amount of €94,971.1 thousand;
- the reinvoicing to subsidiaries of shares delivered to their employees under the 2019-2021 performance share allocation plan (1st and 2nd tranches) in the amount of €409.7 thousand;
- the reinvoicing of acquisition costs to Verallia Holding UK in the amount of €3,448.8;
- accrued receivables in the amount of €12,226.1 thousand relating to the allocation of shares under the 2021-2022, 2021-2023 and 2022-2024 performance share allocation plans.

At 31 December 2022, no impairment provisions were recognised for receivables.

Marketable securities and cash and cash equivalents

In thousands of euros			
Investments and Cash and equivalents	**Notes**	**31/12/2022**	**31/12/2021**
Treasury shares pending allocation to employees	A	31,493.1	53,163.0
INVESTMENTS		**31,493.1**	**53,163.0**
Treasury - Current accounts	B	5,357.4	699.6
CASH AND EQUIVALENTS		**5,357.4**	**699.6**
TOTAL		**36,850.5**	**53,862.6**

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 (1st tranche);
- In March 2022, it allocated 142,290 shares to Group employees under the 2019-2021 performance share allocation plan (2nd tranche);
- On 23 June 2022, Verallia issued 611,445 new ordinary shares, corresponding to 0.5% of its share capital and voting rights, as part of a capital increase reserved for employees. In order to offset the dilutive impact of this transaction, Verallia simultaneously carried out a capital reduction by cancelling 611,445 treasury shares.

The balance of marketable securities at 31 December 2022 was €31,493.1 thousand, corresponding to 1,095,431 shares.
At 31 December 2022, no impairment provisions were recognised.

B. At 31 December 2022, the balance of the cash current accounts was €5,357.4 thousand.

Expenses allocated over several years

In thousands of euros	**31/12/2022**			
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	461.3	2,477.2
Cost of loan issues SLB November 2021	2,956.7	42.2	295.4	2,619.1
TOTAL	**6,188.5**	**335.4**	**756.7**	**5,096.4**

Expenses to be allocated over several years consist of bond issuance costs under the financing arrangements made in May 2021 and November 2021.

The Company has decided to apportion these costs over the duration of the bank financing arrangements.

At 31 December 2022, the amount remaining to be amortised was €5,096.4 thousand

Bond issuance premium

In thousands of euros	**31/12/2022**			
Issuance premiums	**Gross amount**	**Amortisation beginning of year**	**Amortisation of year**	**Net value**
Issuance premiums - SLB November 2021	5,615.0	80.0	561.2	4,973.9
	5,615.0	**80.0**	**561.2**	**4,973.9**

The premium is apportioned over the duration of the bond based on the preferred method, so a corresponding amortisation charge of €561.2 thousand was recognised in financial year 2022, bringing the net carrying value of premiums to €4,973.9 thousand at 31 December 2022.

3.3. Equity

3.3.1. Composition of the share capital

(in €)	Number of shares	Face value	Share capital
31 December 2021	**122,289,183**	**3.38**	**413,337,439**
Capital Increase / Issue of ordinary share (23 June 2022)	611,445	3.38	2,066,684
Capital Decrease / Cancellation of treasury shares (23 June 2022)	611,445	3.38	2,066,684
31 December 2022	**122,289,183**	**3.38**	**413,337,439**

At 31 December 2022, 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 reserved for members of the Group Savings Plan

A capital increase of a nominal amount of €2,066,684.10 was carried out on 23 June 2022 by issuing 611,445 ordinary shares with a nominal value of €3.38 each; the capital increase (share premium included) thus amounted to €12,974,862.90 in total.

Capital reduction by way of a cancellation of treasury shares

Concurrently, on 23 June 2022, a capital reduction was carried out by cancelling 611,445 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 €2,066,684.10.

The difference between the repurchase value of the cancelled shares and their nominal value constituted a share premium of €15,512,359.65 counting towards the "Share premium" account.

3.3.2. Change in equity

In thousands of euros	Share capital	Premiums	Profit (loss) & Other	Equity
31 December 2021	**413,337.4**	**138,524.2**	**336,353.6**	**888,215.2**
Capital increase / Increase in nominal value (23 June 2022)	2,066.7	10,908.2	—	12,974.9
Capital decrease / Cancellation of treasury shares (23 June 2022)	(2,066.7)	(15,512.4)		(17,579.0)
Income Approbation (11 May 2022)	—	—	(122,737.4)	(122,737.4)
Net profit (loss) for the period	—	—	143,390.4	143,390.4
31 December 2022	**413,337.4**	**133,920.0**	**357,006.6**	**904,264.1**

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 purchased €900,381 shares and sold 900,381 shares under the liquidity agreement over the course of 2022.

3.4 Provisions for liabilities and charges

The provision for charges amounted to €15,579.1 thousand at 31 December 2022 and consisted of provisions for long-service awards and provisions for the performance share allocation plan in the amount of €15,578.5 thousand.

The provision for liabilities at 31 December 2022 consisted of provisions for tax risk in the amount of €195.1 thousand.

3.5 Liabilities

In thousands of euros		31.12.2022				31.12.2021
Liabilities	**Notes**	**Maturity 0 to 1 year**	**Maturity 1 to 5 years**	**Maturity > 5 years**	**Total**	**Total**
Borrowings and similar liabilities	A	16,522.7	12,500.0	1,000,000.0	1,029,022.7	1,036,501.3
Trade payables and related accounts	B	2,054.3	—	—	2,054.3	1,379.0
Tax and social security liabilities	C	3,645.8	—	—	3,645.8	4,275.8
Other liabilities	D	7,567.7	—	—	7,567.7	13,284.4
Total		**29,790.5**	**12,500.0**	**1,000,000.0**	**1,042,290.5**	**1,055,440.5**
Borrowings reimbursed over the year						
Borrowings reimbursed over the year		7,500.0				

A. Borrowings and similar liabilities comprised:
- 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 December 2021 in the amount of €30,000.0 thousand (see note on "Highlights of the financial year"). A total amount of €7,500.0 thousand was reimbursed over the course of the financial year. The amount outstanding at end-December 2022 was €22,500.0 thousand;
- accrued interest on these borrowings in the amount of €6,522.7 thousand at 31 December 2022.

B. At 31 December 2022, trade payables and related accounts amounted to a total of €2,054.3 thousand, of which €1,255.0 thousand of provisions for miscellaneous fees and external services.

C. At 31 December 2022, tax and social security liabilities totalled €3,645.8 thousand; they mainly consisted of liabilities relating to Company employees and corporate officers in the amount of €3,515.6 thousand and tax liabilities in the amount of €130.2 thousand.

D. Other liabilities of a total amount of €7,567.7 thousand comprised intragroup liabilities, of which:
- current accounts for management fees and reinvoiced Verallia Packaging services in the amount of €6,754.1 thousand;
- the tax consolidation current account in the amount of €813.6 thousand (see Section 2.2.6).

Note 4 – Notes to the statement of income

4.1 Revenue

Revenue came to €4,469.6 thousand in 2022 versus €875.1 thousand in 2021.

It corresponded mainly to the reinvoicing of fees to Verallia Packaging in the amount of €1,001.9 thousand and the reinvoicing of Allied Glass acquisition costs (Verallia Holding UK) in the amount of €3,448.9 thousand.

4.2 Operating profit/(loss)

The operating result came to €(18,803.9) thousand in 2022 versus €(21,656.0) thousand in 2021.

Operating expenses consisted mainly of the following :

- the reinvoicing of services by Verallia Packaging in the amount of €5,098.5 thousand in 2022;
- the incorporation of expenses related to performance share allocation plans (the 2019 programme - 2nd tranche, the 2021-2022, 2021-2023 and 2022-2024 programmes) in the amount of €3,465.0 thousand;

Other external purchases and expenses included acquisition costs related to the acquisition of Allied Glass in the amount of €3,432.8 thousand.

4.3 Financial income/(expense)

The financial result came to €141,827.0 thousand in 2022 versus €156,634.0 thousand in 2021.

It consisted of the following:

- financial income of €160,016.2 thousand in 2022, including €139,504.6 thousand from the dividend payments received from the Verallia Packaging subsidiary;
- financial expenses of €18,189.1 thousand in 2022 versus €7,935.8 thousand in 2021. They increased on account of interest expenses on the sustainability-linked bonds in the amount of €17,500.0 thousand.

4.4 Non-recurring profit/(loss)

The non-recurring result came to €1,264.0 thousand in 2022 versus €(492.2) thousand in 2021. The change was mostly the result of non-recurring expenses in the amount of €8,395.9 thousand related to performance share allocation plans for Group employees and subject to non-recurring income related to reinvoicing in the amount of €9,659.9 thousand as these expenses will be reinvoiced to the subsidiaries concerned.

4.5 Taxes

At 31 December 2022, Verallia SA recognised a net corporate tax gain of €19,103.2 thousand under the French tax consolidation regime, of which a research tax credit of €944.5 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 €16.0 thousand at 31 December 2022 versus €15.2 thousand in 2021.

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 and guarantor, 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 initial 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 2022, 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 2022, 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 of 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 Company's payment and repayment obligations under the bond issues in question, in both cases up to a maximum principal amount of €500,000.0 thousand (plus interest, fees and commissions).

For the purposes of the €30,000.0 thousand Bpifrance loan agreed in December 2021, Verallia Packaging, a wholly owned subsidiary of the Company, stands as joint and several guarantor for the Company's payment and repayment obligations under the loan in question, up to a maximum principal amount of €30,000.0 thousand (plus interest, fees and commissions). At 31 December 2022, the outstanding amount of the BPI loan was €22,500.0 thousand.

Note 6 – Other information

6.1. Workforce

The Company had three employees and two corporate officers at 31 December 2022 versus three employees and one corporate officer at 31 December 2021.

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 directors in respect of their terms of office at Verallia SA amounted to €446.6 thousand versus €419.5 thousand in 2021.

Note 7 – Events after the closing date

None.

6.4. Payment times and five years summary

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 customers 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	11	22	9	—	—	31	—	1	1	—	3	5
Total amount of invoices concerned (including VAT)	23.9	399.8	7,100.4	—	—	7,500.2	—	3,448.9	87.6	—	409.7	3,946.2
Percentage of the total amount of the invoices concerned (including VAT)	0,00%	2.43%	43.21%	0,00%	0,00%	45.64%	—	—	—	—	—	—
Percentage of revenue for the year (including VAT)	—	—	—	—	—	—	0,00%	47.77%	1.21 %	—	5.67%	54.65%
(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					

Results for the last five years

Description	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022
Capital at year end					
Share capital (en euros)	137,513,521	400,171,524	416,662,128	413,337,439	413,337,439
Number of ordinary shares oustanding	229,189,201	118,393,942	123,272,819	122,289,183	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	2,469.0	875.1	4,469.6
Income before income tax, amortization and provisions	-20,734	10,191	127,188	152,538	123,743
Income tax	19,245	25,796	18,890	17,645	19,103
Income after income tax but before amortization and provisions	-1,489	35,987	146,059	170,183	142,846
Income after income tax, amortization and provisions	-1,489	35,985	146,058	152,131	143,390
Net income distributed	—	—	—	114,177	122,737
III - Earnings per share (in euros)					
Income after tax but before depreciation, amortization and provisions	-0.01	0.30	1.18	1.39	1.17
Income after tax, amortization and provisions	-0.01	0.30	1.18	1.24	1.17
Dividend paid per share	—	0.85	0.95	1.05	1.40*
IV - Employees (in millions of euros)					
Number of employees	0	2	3	3	3
Total payroll costs for the period	0	252	1,918	4,500	3,277
Employee benefits expense	0	93	339	1,634	1,083

*Subject to approval by the Company's General Shareholders' Meeting scheduled for 25 April 2023..

6.5. Statutory Auditors' report on the parent company financial statements for the year ended 31 December 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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 2022.

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 2022 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 2022 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

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 2022, 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 December 17, 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 2022, PricewaterhouseCoopers Audit and BM&A were in the eighth consecutive year and the fourth year of their engagement, respectively, and the fourth 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, 15 February 2023

The Statutory Auditors

PricewaterhouseCoopers Audit
Nicolas Brunetaud

BM&A
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. Place of registration and registration number

The Company is registered at 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 from its registration on 23 June 2015, unless it is wound up early or its term is extended by a collective decision of its shareholders in accordance with the law and its articles of association.

Its financial year begins on 1 January and ends on 31 December of each year.

7.1.4. Registered office, 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 does not form part of this Universal Registration Document.

7.1.5. Memorandum and articles of association

7.1.5.1. Object

The Company's object, 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 advice in the fields of human resources, information technology, management, communication, finance, law, marketing and purchasing for its subsidiaries and holdings;
- the ownership, management and exploitation 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 within 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 or civil, and any transactions involving movable or immovable property, directly or indirectly related to the above-mentioned objects and to any similar or connected objects, that may directly or indirectly promote the objectives pursued by the Company, its expansion or its development or increase its 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 operation procedures 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 their appointment in advance. 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 term, 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. Exceptionally, in order to implement or maintain the principle of renewing the Board of Directors on a staggered basis, they may be elected for a different term of no more than four years or have their term reduced to less than four years.

Directors will be eligible for re-election. They may be removed at any time by the shareholders at an 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 holding 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 the employees of the Company and its direct or indirect subsidiaries whose registered offices are 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 referred to 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 Council.

The employee-representative directors shall be appointed for a four-year term expiring at the end of the general meeting at which the shareholders voted on the financial statements for the previous financial year, held in the year in which their term of office expires. The term of office of employee-representative directors will be renewable.

Directors representing employee shareholders

When the report presented annually by the Board of Directors at the general meeting pursuant to 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 director shall be appointed by the shareholders at an ordinary general meeting to represent the employee shareholders, in accordance with the procedures laid down by applicable laws and regulations and by the Company's articles of association.

The director representing the employee shareholders shall be appointed for a four-year term expiring at the end of the general meeting at which the shareholders voted on the financial statements for the previous financial year, held in the year in which his or her term of office expires. However, the term of office shall automatically be terminated and the director representing the employee shareholders 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) that holds shares in the Company).

These provisions shall cease to apply if, at the end of a financial year, the percentage of the share 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 directorship of any director appointed pursuant to the above provisions shall expire at the end of its 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 length of his or her term of office as a director. He or she will be eligible for re-election.

Discussions of the Board of Directors

The Board of Directors shall carry out the duties and exercise the powers conferred on it by law, the Company's articles of association and the Rules of Procedure 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 objects, except for those issues that, by law, can only be decided upon by shareholders at a general meeting. The Board of Directors shall carry out 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 may be made by written consultation of the directors, in accordance with applicable laws and regulations.

At least half of the Board members must be present for decisions made at Board meetings to be valid. Decisions will be made by a simple majority of the directors present or represented. In the event of a tied vote, the Chairman of the meeting shall have a casting 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 term of office of the Chief Executive Officer or the term of office 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 the manner required by law.

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 shall 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.

The Company may not have 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 term of office of the Chief Executive Officer or Deputy Chief Executive Officers shall be determined upon their appointment, but may not exceed their term of office as a 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 carry out 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 is fully empowered to act on behalf of the Company in any and all circumstances. The Chief Executive Officer shall exercise those powers subject to the limits imposed by the Company's objects 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 fall outside the Company's objects, unless the Company is able to prove that a third party knew that the action in question fell outside the Company's objects 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.

The Board of Directors shall, jointly with the Chief Executive Officer, determine the scope and duration of the powers granted to the 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 laws, 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 right of substitution, subject to the limitations provided for by law. Such powers may be permanent or temporary, and may or may not include the right of substitution. Any authority thus delegated shall remain in full effect notwithstanding the expiration of the term of office of the person that granted them.

7.1.5.3. Rights, privileges and restrictions attached to the 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 entitles its holder 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 be represented at general meetings, in accordance with the law and the articles of association.

Fully paid-up registered shares that have been continuously held by the same shareholder for a minimum period of two (2) years entitle their holder to double voting rights.

Pursuant to the second paragraph of Article L. 225-123 of the French Commercial Code, in the event of a share capital increase through the capitalisation of reserves, profits or issue premiums, double voting rights shall be granted, on issue, to holders of the new shares allotted for no consideration to shareholders on the basis of his or her existing shares that carry double voting rights.

Such double voting rights may be exercised at any general meeting.

The double voting rights will automatically lapse when the shares are converted to bearer shares or ownership is transferred.

Shareholders shall only be responsible for losses up to the amount of their contributions.

The rights and obligations attached to shares 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 made at general 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 against the Company, the shareholders being responsible in this case for forming a consortium representing the necessary number of shares.

The Company regards its shares as indivisible.

Co-owners of shares will be represented at general meetings by one of the co-owners or by a sole representative. In the event of a disagreement, the representative will be appointed by a court of law at the request of the first co-owner to take action.

If the shares are subject to usufruit (a life interest), their book entry will mention the existence of the usufruit. Unless otherwise agreed and notified to the Company by registered letter with acknowledgement of receipt, the voting right will belong to the usufruitier (holder of the life interest) at ordinary general meetings and to the nu-propriétaire (remainderman) 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 to the Company or third parties will take place by account transfer, in accordance with the terms defined by applicable laws and regulations.

7.1.5.4. Alterations of share capital and rights attached to the shares

Unless otherwise stated in the articles of association, changes to the rights attached to the shares will be subject to statutory provisions.

7.1.5.5. General meetings (Article 19 of the articles of association)

Notice of meetings and place of meeting

General meetings will be convened in accordance with the conditions, forms and time frames provided for by law.

They will be held at the Company's registered office or at any other place stated in the meeting notice.

Agenda

The agenda for the meeting will be included in the meeting notice and shall be set by the person calling the meeting.

The shareholders at a general meeting may only discuss matters included on the agenda. They may, however, in all circumstances, remove one or more directors from office and replace them.

One or more shareholders, representing no less than the percentage of the share capital required by law, and acting in accordance with the conditions and within the deadlines provided for by law, may request that draft resolutions be included on the agenda.

Access to general meetings

All shareholders will have the right to attend general meetings and to participate in discussions, either in person or by proxy.

All shareholders may participate in general meetings, in person or by proxy, in accordance with prevailing regulations, subject to providing evidence of their identity and ownership of their securities in book-entry form under the conditions laid down in applicable laws and regulations.

If the Board of Directors authorises the use of telecommunication methods, as published in the meeting notice, shareholders who participate in the general meeting by video-conference or by telecommunication methods, 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 methods, if authorised by the Board of Directors. That form must be received by the Company in accordance with applicable regulations for it 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 attend meetings, 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 chair.

The role of vote teller will be carried out 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 such minutes are prepared, and certified copies are made in accordance with applicable regulations.

Ordinary general meetings

Ordinary general meetings are meetings at which shareholders are asked to pass resolutions that do not have the effect of amending the articles of association. Ordinary general meetings 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.

They will only be deemed to be quorate when first called if the shareholders present or represented, or having voted by post, hold at least one fifth of the shares with voting rights. No quorum is required when a meeting is convened for a second time.

Resolutions shall be passed by a majority of the votes of the shareholders present or represented or who voted by post.

Extraordinary general meetings

Shareholders are only authorised to amend the provisions of the articles of association at extraordinary general meetings. However, resolutions passed at extraordinary general meetings may not increase the commitments of shareholders, except in the context of transactions resulting from a reverse share split lawfully carried out.

Extraordinary general meetings shall only be quorate if the shareholders present, represented or having voted by post hold at least one quarter of the voting shares at first call and one fifth of the voting shares at second call. If this second quorum is not reached, the second meeting may be postponed until a later date, which must fall no more than two months after the date on which it was originally convened.

Resolutions shall be passed by a two-thirds majority of the votes of the shareholders present, represented or having voted by post.

However, resolutions passed at extraordinary general meetings 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 share 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's General Regulation) equal to or greater than 1% of the share capital or voting rights, or any multiple thereof, even if above the thresholds set by law and regulations, shall notify the Company of the total number of (i) shares and voting rights that he or she holds, directly or indirectly, alone or in concert, (ii) 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 attached thereto, and (iii) existing shares in issue that such person may acquire under agreements or financial instruments referred to in Article L. 211-1 of the French Monetary and Financial Code. Such notification must be made by registered letter with acknowledgement of receipt within four trading days of the relevant threshold being breached.

The shareholder will also be required to inform the Company, within the same time frame and under the same conditions, if his or her interest in the share 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 meeting, of one or more shareholders representing at least 3% of the Company's share capital or voting rights, the 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 in question 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 holders of securities conferring voting rights immediately or in the future at its Shareholders' Meetings to be identified, together with the quantities of securities held, under the conditions provided for by the laws and regulations in force.

Pursuant to Article L. 228-3-3 of the French Commercial Code, where the person who is the subject of a request referred to above does not send the information by the deadline provided for by the legislative and regulatory provisions in force or sends incomplete or erroneous information relating either to his or her status, 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 the identification request has been fulfilled, and the payment of the corresponding dividends will be postponed until that date.

7.1.5.9. Special clauses governing alterations of share capital

The Company's articles of association contain no specific provisions applicable to alterations of share capital 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 2020:

Shareholders	Total number of shares	% of share capital	Total number of theoretical voting rights	% of voting rights
Horizon Investment Holdings(1)	45,477,896	36.9%	45,477,896	36.9%
Bpifrance Participations	9,189,887	7.5%	9,189,887	7.5%
Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)(2)	27,405,390	22.2%	27,405,390	22.2%
Employees (FCPE Verallia and direct shareholding)	3,957,833	3.2%	3,957,833	3.2%
Public	37,241,813	30.2%	37,241,813	30.2%
Total	**123,272,819**	**100%**	**123,272,819**	**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 2021:

Shareholders	Total number of shares	% of share capital	Total number of theoretical voting rights	% of 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 as 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.

The table below provides a breakdown of the Company's share capital as at 31 December 2022 (with regard to voting rights, 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	Total number of theoretical voting rights	% of theoretical voting rights
Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)(1)	34,192,450	27.96%	34,192,550	24.83%
Bpifrance Participations	9,189,887	7.51%	18,051,426	13.11%
Employees (FCPE Verallia and direct shareholding)	4,640,383	3.79%	6,982,387	5.07%
Treasury shares	5,031,208	4.11%	5,031,208	3.65%
Public	69,235,255	56.63%	73,474,443	53.34%
Total	**122,289,183**	**100%**	**137,732,014**	**100%**

(1) BWSA,which is controlled by the Moreira Salles family, holds 99.965% of BW Gestão de Investimentos Ltda. ("BWGI"), which is the independent investment manager of Kaon V, the investment vehicle which holds the Verallia shares. BWSA directly holds 1,000 Verallia shares, and BWGI also directly holds 1,000 Verallia shares.

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	Total number of theoretical voting rights	% of theoretical voting rights
Brasil Warrant Administração de Bens e Empresas S.A. (BWSA)[1]	34,192,450	27.96 %	39,321,118	27.59 %
Bpifrance Participations	9,189,887	7,51 %	18,051,426	12.67 %
Employees (FCPE Verallia and direct shareholding)	4,640,383	3, 79 %	6,982,387	4.90 %
Treasury shares	5,116,136	4.18 %	5,116,136	3.59 %
Public	69,150,327	56.55 %	73,029,932	51.25 %
Total	**122,289,183**	**100 %**	**142,500,999**	**100 %**

(1) BWSA,which is controlled by the Moreira Salles family, holds 99.965% of BW Gestão de Investimentos Ltda. ("BWGI"), which is the independent investment manager of Kaon V, the investment vehicle which holds the Verallia shares. BWSA directly holds 1,000 Verallia shares, and BWGI also directly holds 1,000 Verallia shares.

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 its sector, as well as its reference shareholders and founders, in a variety of sectors, such as financial services, natural resources, agriculture, consumer products, distribution and industry. BWSA is currently focused on the banking and mining sectors in Brazil acquired a joint ownership interest in Alpargatas, Latin America's largest footwear manufacturer (including the manufacturer of "Havaianas" flip-flops). BWSA group investments are managed by BWGI, an independent asset management company established in 2008, controlled by BWSA.

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 the period after they are listed on the stock exchange. Bpifrance Participations is a société anonyme (French public limited company) wholly owned 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 2022, 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 of the Company's Board of Directors, 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 signatories on the sale or acquisition of shares in the Company and does not constitute concerted action vis-à-vis the Company.

7.2.3. Agreements that could lead to a change of control

None.

7.2.4. Changes to the Company's share capital over the past three years

Date	Type of transaction	Share capital before transaction	Number of shares before transaction	Number of shares after transaction	Nominal value	Share capital after transaction
25 June 2020	Capital increase	400,171,523.96	118,393,942	119,458,941	€3.38	403,771,220. 58
9 July 2020	Capital increase	403,771,220.58	119,458,941	123,272,819	€3.38	416,662,128. 22
24 June 2021	Capital increase and reduction	416,662,128.22	123,272,819	122,289,183	€3.38	413,337,438. 54
23 June 2022	Capital increase and reduction	413,337,438. 54	122,289,183	122,289,183	€3.38	413,337,438. 54

7.2.5. Employee ownership of shares

7.2.5.1. Stock options and bonus share issues

The Company has a long-term incentive policy in place for senior executives, including its Chief Executive Officer, in line with market practices (see Section 3.3 "Compensation 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 performance-based profit-sharing arrangements, in accordance with the statutory conditions. In 2022, Verallia France and Thierry Bergeon Embouteillage (TBE) 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 based on performance indicators such as safety, quality, output and financial performance.

In other countries, profit-sharing agreements exist in Germany, Italy, Spain, Portugal, Ukraine and Chile.

7.2.5.2.3. Employee savings plans, other similar plans and employee share ownership

The Group has a Group Savings Plan (PEG) in place for the French companies and an International Group Savings Plan (PEGI) in place for its foreign companies, under which eligible employees are able to participate in offers reserved for them through a Verallia employee investment fund that invests in Verallia's securities (the "FCPE"). This FCPE constitutes an investment option for employees of the Group's companies who are members of the Group's savings plans, either through the Group Savings Plan (PEG), through the International Group Savings Plan (PEGI), or by direct shareholding for the offer restricted to employees, in order to invest their savings in diversified funds.

Employee share ownership

In 2022, the countries (other than France) participating in the PEGI via direct shareholdings were Italy, Spain, Germany, Poland, Brazil and Chile. Other countries eligible for the employee share ownership programme participate through the Verallia FCPE.

In this respect, as a result of transactions carried out by the Group every year since 2016, more than 3,000 employees have become company shareholders through the Verallia FCPE and through direct shareholdings, with a combined shareholding of 3,79% as at 31 December 2022, after deduction of early exits by employees in the second half of 2022, as allowed by regulations in certain special individual situations (such as marriage, divorce, birth of a third child, departure from the Company, etc.).

At the combined general meeting held on 11 May 2002, the Company's shareholders delegated to the Board of Directors under the 26th and 27th resolutions the authority to increase the Company's share capital on one or more occasions, up to a maximum nominal amount of €12,000,000, per issue of new shares in 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, and who are members of a Group company savings plan.

On 19 October 2022, the Company's Board of Directors approved, in principle, a new issue of ordinary shares to employees who are members of a Group company savings plan, approved the principal features of the transaction and delegated to the Company's Chief Executive Officer the powers necessary to implement the transaction in the first half of 2023.

7.3. Information on the share capital

7.3.1. Non-equity securities

In the 2022 financial year, the Company did not carry out any transaction involving non-equity securities.

7.3.2. Other securities conferring access to the Company's 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 for but not paid up

None.

7.3.4. Share capital of any Group company that is under option or the subject of an agreement under which it will be placed under option

None.

7.3.5. Exercise of voting rights, double voting rights, limitations on voting rights

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 factors 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 2022, the Company's share capital was €413,337,438.54, divided into 122,289,183 ordinary shares, with a nominal value of three euros and 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 2022:

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)	34,192,450	27.96%	34,192,550	24.83%
Bpifrance Participations	9,189,887	7.51%	18,051,426	13.11%
Employees (FCPE Verallia and direct shareholding)	4,640,383	3.79%	6,982,387	5.07%
Treasury shares	5,031,208	4.11%	5,031,208	3.65%
Public	69,235,255	56.63%	73,474,443	53.34%
Total	**122,289,183**	**100%**	**137,732,014**	**100%**

(1) BWSA,which is controlled by the Moreira Salles family, holds 99.965% of BW Gestão de Investimentos Ltda. ("BWGI"), which is the independent investment manager of Kaon V, the investment vehicle which holds the Verallia shares. BWSA directly holds 1,000 Verallia shares, and BWGI also directly holds 1,000 Verallia shares.

At 31 December 2022, the number of registered shareholders was 1,728 individuals or legal entities.

At the close of the financial year that ended on 31 December 2022, shares held by employees as defined in Article L.225-102 of the French Commercial Code represented 3.79% 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.

Ownership threshold disclosures

In 2022, the Company was informed that the following ownership disclosure thresholds, as provided for by law and articles of association, were crossed:

Date on which the threshold was crossed	Company/Group	Threshold crossed (as a % of share capital)	Threshold crossed (as a % of voting rights)	Direction
20 January 2022	FCPE Verallia	N/A	4%	Upwards
24 January 2022	Threadneedle Asset Management Holding Limited (Ameriprise Financial Group)	N/A	4%	Downwards
7 February 2022	Brasil Warrant Administração de Bens e Empresas S.A	24%	24%	Downwards
10 February 2022	Threadneedle Asset Management Holding Limited (Ameriprise Financial Group)	4%	N/A	Downwards
17 February 2022	Invesco Ltd	5%	N/A	Upwards
22 February 2022	Threadneedle Asset Management Holding Limited (Ameriprise Financial Group)	N/A	3%	Downwards
24 February 2022	Threadneedle Asset Management Holding Limited (Ameriprise Financial Group)	3%	N/A	Downwards
9 March 2022	Brasil Warrant Administração de Bens e Empresas S.A	27%	24%	Upwards
11 March 2022	Invesco Ltd	N/A	5%	Upwards
16 March 2022	Artemis Investment Management LLP	1%	N/A	Upwards
21 March 2022	Invesco Ltd	N/A	5%	Downwards
21 March 2022	CNP Assurances	1%	1%	Upwards
30 March 2022	Artemis Investment Management LLP	1%	N/A	Upwards
21 April 2022	Caisse des dépôts et consignations (indirectly via CNP Assurances)	N/A	16%	Upwards
28 April 2022	BDL Capital Management	1%	N/A	Upwards
29 April 2022	Invesco Ltd	N/A	5%	Upwards
6 May 2022	Invesco Ltd	N/A	5%	Downwards
11 May 2022	Royal Bank of Canada	1%	1%	Upwards
25 May 2022	FCPE Verallia	3%	N/A	Upwards
3 June 2022	Caisse des dépôts et consignations (indirectly via CNP Assurances)	10%	N/A	Upwards
15 June 2022	Royal Bank of Canada	1%	1%	Downwards
17 June 2022	Massachusetts Financial Services Company "MFS"	1%	N/A	Upwards
22 June 2022	Mondrian	2%	N/A	Downwards
12 July 2022	Artemis Investment Management LLP	1%	N/A	Downwards
15 July 2022	Artemis Investment Management LLP	1%	N/A	Downwards
18 July 2022	FCPE Verallia	N/A	5%	Upwards
26 July 2022	Caisse des dépôts et consignations (indirectly via CNP Assurances)	11%	N/A	Upwards
26 July 2022	CNP Assurances	2%	N/A	Upwards
29 July 2022	CNP Assurances	N/A	2%	Upwards
2 August 2022	Massachusetts Financial Services Company "MFS"	N/A	1%	Upwards
29 August 2022	CNP Assurances	N/A	2%	Downwards
7 September 2022	Invesco Ltd	6%	N/A	Upwards
8 September 2022	Invesco Ltd	6%	N/A	Downwards
12 September 2022	Artemis Investment Management LLP	1%	N/A	Downwards
4 October 2022	Invesco Ltd	6%	N/A	Upwards
10 October 2022	CNP Assurances	2%	N/A	Downwards
18 October 2022	Threadneedle Asset Management Holding Limited (Ameriprise Financial Group)	N/A	2%	Downwards
20 October 2022	BDL Capital Management	2%	N/A	Upwards
24 October 2022	Invesco Ltd	6%	N/A	Downwards
11 November 2022	Norges Bank	2%	N/A	Upwards

7.3.6.2. Restrictions in the articles of association 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

Restrictions in the articles of association on the exercise of voting rights and on 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 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 the 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", respectively, of this Universal Registration Document.

7.3.6.3. 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

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 share capital" of this Universal Registration Document).

7.3.6.4. List of holders of any securities with special control rights and a description of those rights and control mechanisms provided for in any employee ownership system, where the control rights are not exercised by the employees

There are no holders of securities with special control rights and no control mechanisms are provided for in any employee ownership system where the supervisory rights are not exercised by the employees.

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 increases and share buybacks

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 shareholders at general meetings with respect to share capital increases" of this Universal Registration Document.

Share buyback programme

At the general shareholders' meeting held on 11 May 2022, the shareholders authorised, 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 occasions and at such times as it shall determine, a number of shares of the Company not exceeding 10% of the total number of shares comprising the share capital at any given time, or 5% of the total number of shares comprising 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, demerger or contribution. However, under no circumstances may the number of shares held by the Company cause the Company to hold more than 10% of the shares comprising its share capital at any time whatsoever.

The Board of Directors may decide to acquire shares in order to:

- ensure liquidity and make a market in 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;
- allocate shares to employees of the Company and other Group entities, and particularly in the context of (i) profit-sharing arrangements, (ii) any Company stock option plan pursuant to Articles L. 225-177 et seq. of the French Commercial Code, or (iii) any savings plan pursuant to Articles L. 3331-1 et seq. of the French Labour Code or (iv) any award of bonus shares pursuant to 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;
- deliver shares in the Company when exercising rights attached to transferable securities conferring entitlement by way of redemption, conversion, exchange, presentation of a warrant or any other means to be allotted shares the Company 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;
- hold the Company's shares and subsequently deliver them in payment or exchange in connection with any acquisition, merger, demerger or contribution transactions;
- cancel the Company's shares in order to reduce the share capital;
- 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 exceed €54, excluding costs.

However, the Board of Directors may, in the event that transactions are carried out that affect the Company's share capital, including alterations to the nominal value of the shares, share capital increases through the capitalisation of reserves followed by the creation and allotment of bonus shares, stock splits or reverse stock splits, adjust the above-mentioned maximum purchase price to reflect 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 conferring an 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 and to the extent permitted by relevant laws and regulations, to reallocate shares repurchased for one of the programme's objectives to one or more of its other objectives, or to sell them on- or off-market.

Exercising its rights under the delegation of authority described above, the Board of Directors resolved to implement a share buyback programme at its meeting held on 6 December 2022. Administration of this programme was entrusted to an investment services provider under a share buyback mandate for a maximum amount of €50 million. This mandate took effect on 7 December 2022 and will terminate in November 2023 at the latest.

The shareholders at the Company's combined general meeting to be held on 25 April 2023 will be asked to renew the share buyback programme described above, under the same conditions, in the twenty-first 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 a market in the Company's shares. 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.

7.3.6.7. Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company

Agreements entered into by the Company that may be amended or terminated in the event of a change of control of the Company are described in Section 5.2.9. "Material contracts" of this Universal Registration Document.

7.3.6.8. Agreements that provide for compensation to be paid to members of the Board of Directors or employees of the Company if they resign or are wrongfully dismissed or if their employment contract is terminated as a result of a public offer

The Group has agreements in place that provide for a severance payment to be made to the Chief Executive Officer in the event that he or she is removed from office. Detailed information is provided 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 2022

The table below summarises (pursuant to Article 223-26 of the General Regulation of the French Financial Markets Authority) the transactions referred to in Article L. 621-18-2 of the French Monetary and Financial Code carried out during financial year 2022:

Interested person	Financial instrument	Type of transaction	Transaction date	Transaction venue	Unit price (€)	Transaction amount (€)
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	5 January 2022	Euronext Paris	30.97	1,158,446.00
BW Gestão de Investimentos Ltda.	Shares	Acquisition	5 January 2022	Euronext Paris	30.97	1,158,446.00
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Pledge	22 February 2022	Outside the trading platform	N/A	N/A
BW Gestão de Investimentos Ltda.	Shares	Pledge	22 February 2022	Outside the trading platform	N/A	N/A
Patrice Lucas	Shares	Acquisition	25 February 2022	Euronext	23.63	47,260
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	7 March 2022	Euronext Paris	20.29	2,741,463
BW Gestão de Investimentos Ltda.	Shares	Acquisition	7 March 2022	Euronext Paris	20.29	2,741,463
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	8 March 2022	Euronext Paris	20.29	5,816,768.00
BW Gestão de Investimentos Ltda.	Shares	Acquisition	9 March 2022	Euronext Paris	20.82	4,212,089
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	9 March 2022	Euronext Paris	20.82	4,212,089
Michel Giannuzzi	Shares	Acquisition	10 March 2022	Euronext Paris	20.90	940,882.00
BW Gestão de Investimentos Ltda.	Shares	Acquisition	10 March 2022	Euronext Paris	20.85	8,339,240
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	10 March 2022	Euronext Paris	20.85	8,339,240
BW Gestão de Investimentos Ltda.	Shares	Acquisition	14 March 2022	Euronext Paris	21.19	522,638
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	14 March 2022	Euronext Paris	21.19	522,638
BW Gestão de Investimentos Ltda.	Shares	Acquisition	15 March 2022	Euronext Paris	20.94	5,236,000
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	15 March 2022	Euronext Paris	20.94	5,236,000

Interested person	Financial instrument	Type of transaction	Transaction date	Transaction venue	Unit price (€)	Transaction amount (€)
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	16 March 2022	Euronext Paris	21.47	1,176,748
BW Gestão de Investimentos Ltda.	Shares	Acquisition	16 March 2022	Euronext Paris	21.47	1,176,748
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	17 March 2022	Euronext Paris	21.92	90,415
BW Gestão de Investimentos Ltda.	Shares	Acquisition	17 March 2022	Euronext Paris	21.92	90,415
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	17 March 2022	Euronext Paris	21.98	2,885,263
BW Gestão de Investimentos Ltda.	Shares	Acquisition	17 March 2022	Euronext Paris	21,98	2,885,263
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	18 March 2022	Euronext Paris	22	5,305,415.00
BW Gestão de Investimentos Ltda.	Shares	Acquisition	18 March 2022	Euronext Paris	22	5,305,415.00
Michel Giannuzzi	Shares	Bonus shares	23 March 2022	Outside the trading platform	N/A	N/A
Virginie Hélias	Shares	Acquisition	25 April 2022	Euronext Paris	25.7	23,310.00
Cécile Tandeau de Marsac	Shares	Acquisition	16 June 2022	Euronext Paris	24,94	22,371.18
Michel Giannuzzi	Shares	Disposal	10 November 2022	Euronext Paris	28	980,000
Michel Giannuzzi	Shares	Disposal	2 December 2022	Euronext Paris	30	300,000
Marie-José Donsion	Shares	Acquisition	09 December 2022	Euronext Paris	30.68	27,608
BW Gestão de Investimentos Ltda.	Shares	Acquisition	28 December 2022	Euronext Paris	31.76	28,584
Brasil Warrant Administração de Bens e Empresas S.A	Shares	Acquisition	28 December 2022	Euronext Paris	31.74	28,566

7.4. The security market

7.4.1. Listing venue and indices

The Verallia SA shares are listed on Paris Euronext, Segment A, and are eligible for the deferred settlement service (SRD).

Fact sheet for the Verallia SA shares

VRLA
LISTED
EURONEXT

ISIN code	FR0013447729
Listing venue	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/ CAC SBT 1.5°C
Eligibility of the shares	SRD (deferred settlement service) and PEA (share savings plans)
Nominal value	€3.38
Number of shares outstanding as at 30 December 2022	122,289,183
Price as at 30 December	31.68
Market capitalisation as at 30 December (€)	3,874,121,317

Credit rating (long-term/outlook)

As at 31 December	2022	2021
Moody's	Ba1/Positive	Ba1/Stable
Standard & Poor's	BB+/Positive	BB+/Positive

In 2022, Moody's upgraded the Company's long-term credit rating from Ba1/Stable to Ba1/Positive, outlook stable.

In 2022, Standard & Poor's maintained its rating at BB+/Positive.

7.4.2. Stock-market price of the Verallia shares and transaction volumes

Change in restated value

Month	Average price (closing price)	Highest	Lowest	Monthly volumes	Market capitalisation (€)
January 2022	29.33	31.40	26.78	2,125,300	61,699,130
February 2022	26.31	29.00	21.80	2,845,022	73,260,480
March 2022	21.58	23.42	19.30	4,515,505	96,502,160
April 2022	23.75	26.74	21.42	2,928,669	71,043,640
May 2022	25.47	26.98	23.84	1,740,468	44,348,350
June 2022	24.69	26.60	22.50	1,696,170	41,675,370
July 2022	22.26	25.52	20.36	2,606,135	58,069,100
August 2022	24.28	25.68	22.42	1,569,434	38,165,340
September 2022	23.40	25.08	21.94	1,750,885	40,862,250
October 2022	25.42	29.06	22.50	2,356,361	61,598,940
November 2022	28.14	29.70	26.58	2,539,582	71,565,520
December 2022	31.07	32.18	29.1	3,065,410	94,881,960
Extremes and averages		32.18	19.30	2,478,245	62,806,020
Total				**29,738,941**	**753,672,240**

Source: Euronext Paris (monthly information, extremes and averages over the period).

Management of the share register

The register of pure registered securities is managed by:

Société Générale Securities Services

32 rue du Champ de Tir - CS 30812 - 44312 Nantes Cedex 3

Management of the liquidity agreement

The liquidity agreement is managed by Rothschild Martin Maurel.

Monitoring by analysts

COMPANY	ANALYST
Berenberg	Fraser Donlon
Citi	Ephrem Ravi et James Perry
CM-CIC	Francis Prêtre et Alexandre Gérard
Credit Suisse	Lars Kjellberg
Deutsche Bank	Matthias Pfeifenberger
Exane	Francisco Ruiz
Jefferies	Michele Filippig
Kepler Cheuvreux	Inigo Egusquiza
ODDO BHF	Jean-François Granjon
Santander	Alejandro Conde
Société Générale	Guillaume Muros

7.4.3. Policy on the disclosure of information to shareholders

7.4.3.1. 2023 financial communications calendar

15 February 2023: Annual results for 2022.

19 April 2023: Financial results for Q1 2023.

25 April 2023: Annual general shareholders' meeting.

25 July 2023: Results for H1 2023.

19 October 2023: Financial results for Q3 2023.

For the publication of financial results, press releases will be issued after the Euronext Paris market closes. A conference call/ presentation will be held the following day at 9.00 am CET, via an audio webcast service (live and later as a recording).

This timetable is indicative and may be altered if necessary.

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 individual and institutional shareholders based on dialogue and transparency.

The Company is committed to keeping its shareholders informed about its activities, strategy and growth prospects in a transparent and accurate manner and on an ongoing basis.

Information documents

To that end, the Company makes all published financial information (press releases, Universal Registration Document, financial presentations etc.) available to the public on its website (www.verallia.com), which is accessible in both French and English.

Universal Registration Document and annual financial report

These documents may be downloaded from the Verallia website. Printed versions are also available free of charge on request from the Company.

Meetings with shareholders

With a view to establishing an ongoing dialogue with its individual and institutional shareholders, the Company takes part in numerous presentations and meetings throughout the year:

Annual general meeting

An occasion for listening and for dialogue with the Board of Directors, the Company's general meeting is an important and recurring event in the relationship between the Company and its shareholders. In particular, it provides an opportunity to review the highlights of, and the strategy implemented in, the past financial year. It gives all shareholders an opportunity to participate in important decisions affecting the Company by expressing their opinions through resolutions put to a vote.

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).

Before the annual general meeting above-mentioned, the Company organise since 2022 a specific roadshow about its governance. This time of exchanges allows the Company to present to its main shareholders and the proxies the resolutions which will be submitted to their approval during the general meeting and to take note of their comments and answer to their question about any topic linked to governance.

Moreover, ad hoc conference calls with investors are organised on a regular basis regarding the Group CSR strategy.

Information meetings

The financial results are presented to the financial community (investors, analysts and financial media) via conference calls/ audio webcasts organised every quarter. By way of example, the 2023 financial communications calendar is set out above.

Each meeting or conference call is also conducted using an audio webcast service (live and later as a recording), and the presentation of results is made available in the "Investors" section of www.verallia.com.

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 was €413,337,438.54, divided into 122,289,183 ordinary shares, with a nominal value of three euros and 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 2022, the Company held 5,031,208 treasury shares.

At 31 December 2022, the Company did not hold any treasury shares under its liquidity agreement.

7.5.3. Delegations and authorisations granted by the shareholders at general meetings in respect of capital increases

The shareholders at the Company's general meeting held on 11 May 2022 approved the following financial delegations:

Type of delegated authority	Resolution	Maximum duration	Maximum nominal amount
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	18th	26 months	€83 million (approximately 20% of the share capital)
Delegation of authority 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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, with pre-emption rights preserved	19th	26 months	€206 million (1) (approximately 50% of the share capital) €750 million for debt securities (4)
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 be allotted 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, disapplying shareholders' pre-emption rights (4)	20th	26 months	€83 million (1) (2) (approximately 20% of the share capital) €750 million for debt securities (4)
Delegation of authority to the Board of Directors to decide to issue, disapplying shareholders' pre-emption rights, shares and/or equity securities giving access to other equity securities and/or conferring the right to be allotted debt securities and/or transferable securities giving access to equity securities to be issued, with an optional priority period, in the context of public offerings provided for in sub-section 1 of Article L. 411-2 of the French Monetary and Financial Code	21st	26 months	€40 million (1) (2) (3) (approximately 10% of the share capital) €750 million for debt securities (4)

Type of delegated authority	Resolution	Maximum duration	Maximum nominal amount
Delegation of authority to the Board of Directors to decide to issue, disapplying shareholders' pre-emption rights, shares and/or equity securities giving access to other equity securities and/or conferring the right to be allotted debt securities and/or transferable securities giving access to equity securities to be issued, as part of public offerings referred to in sub-section 1 of Article L. 411-2 of the French Monetary and Financial Code	22nd	26 months	€40 million (1) (2) (3) (approximately 10% of the share capital) €750 million for debt securities (4)
Authorisation to the Board of Directors, in the event of an issue disapplying shareholders' pre-emption rights, through a public offering, to set the issue price in accordance with the terms and conditions set by the general meeting	23rd	26 months	10% of the share capital per year
Authorisation to the Board of Directors to increase the number of shares to be issued in the event of a capital increase applying or disapplying shareholders' pre-emption rights	24th	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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, disapplying shareholders' pre-emption rights, in return for contributions in kind	25th	26 months	10% of the share capital(1) €750 million for debt securities (4)
Delegation of authority to the Board of Directors to issue shares reserved for members of a company savings plan, disapplying shareholders' pre-emption rights in favour of such members	26th	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, disapplying shareholders' pre-emption rights in favour of a specific category of beneficiaries (employees and corporate officers of the Company and its affiliated companies)	27th	18 months	€12 million (1) (approximately 3% of the share capital)

(1) The overall maximum nominal amount of the 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 the share capital increases that may be carried out pursuant to this delegation shall count towards the sub-ceiling set at €83 million and applicable to share capital increases disapplying shareholders' pre-emption rights by way of public offering.

(3) The aggregate maximum nominal amount of the share capital increases that may be carried out pursuant to this delegation of authority shall count towards the sub-ceiling set at €40 million and applicable to share increases applying 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 issue 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).

At its meeting held on 27 July 2022, the Board of Directors adopted its additional report, drawn up 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, disapplying shareholders' pre-emption rights, by way of an issue of shares reserved for employees of the Group, for a total nominal amount of €2,066,684.10, with a share premium of €12,974,862.90, completed on 23 June 2022 under the delegation of authority granted pursuant to the 19th and 20th resolutions of the combined general shareholders' meeting held on 15 June 2021.

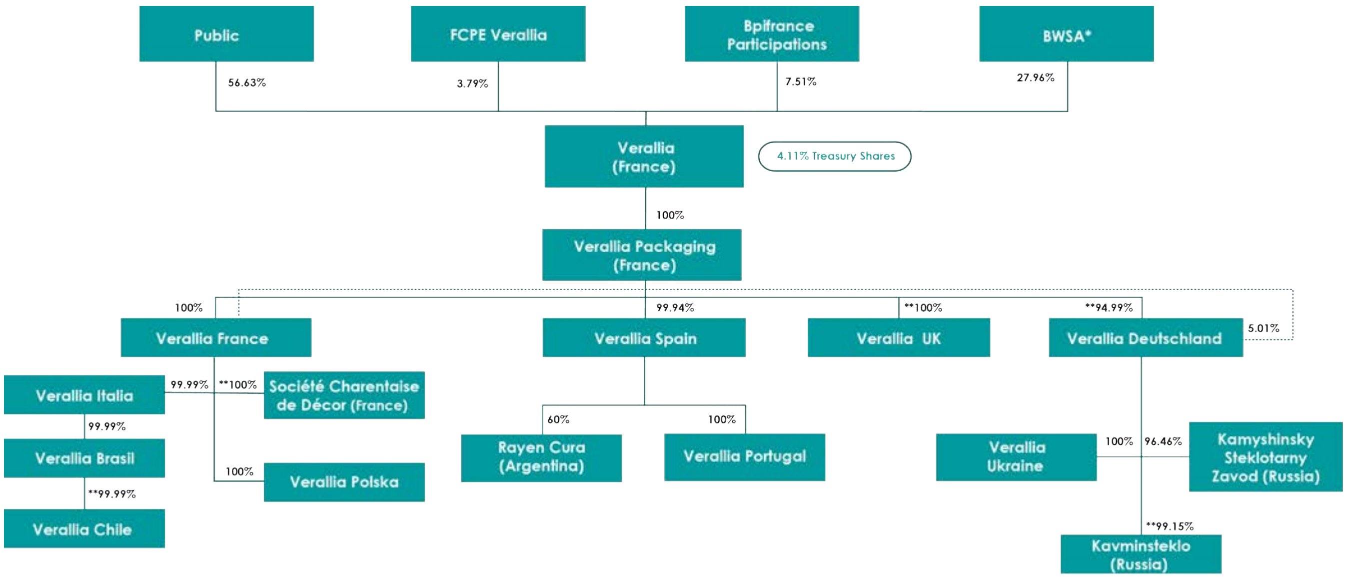
At its meeting held on 19 October 2022, the Board of Directors exercised its rights under the delegation granted to the Board of Directors in the 26th and 27th resolutions of the Company's combined general shareholders' meeting held on 11 May 2022, in respect of the continuation of the Group's employee share ownership programme. In the second quarter of 2023, the Company intends to offer the Group's employees the option of subscribing for another capital increase through the issue 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 terms of such transaction (timetable, amount of the Company's matching contribution, etc.) 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 setting the opening date for subscriptions), less a maximum discount of 20%.

7.6. Subsidiaries and equity interests

7.6.1. Information on equity interests

Information on equity interests is contained in Note 3 of the Group's consolidated financial statements for the year ended 31 December 2022.

7.6.2. Simplified Group structure chart as at 31 December 2022



* BWSA,which is controlled by the Moreira Salles family, holds 99.965% of BW Gestão de Investimentos Ltda. ("BWGI"), which is the independent investment manager of Kaon V, the investment vehicle which holds the Verallia shares. BWSA directly holds 1,000 Verallia shares, and BWGI also directly holds 1,000 Verallia shares.

** Indirect ownership

7.6.3. Subsidiaries and equity interests

i. Principal subsidiaries

The principal direct or indirect subsidiaries of the Company as at 31 December 2022 are listed in Section 7.6.2 of this Universal Registration Document.

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 25 APRIL 2023

8.1. Agenda

The Company's next Combined (Ordinary and Extraordinary) General Meeting will take place:

on Tuesday 25 April 2023 at 2:00 p.m.,

31 Place des Corolles, Tour Carpe Diem at l'Auditorium, Esplanade Nord, 92400 Courbevoie;

To consider the agenda described herein-below.

The audio will be broadcast live and will be available on the Company's website (www.verallia.com) for a year.

Ordinary resolutions:

1. Approval of the Company's statutory financial statements for the financial year ended on 31 December 2022;
2. Approval of the Company's consolidated financial statements for the financial year ended on 31 December 2022;
3. Allocation of the profit for the financial year ended on 31 December 2022 and setting the dividend at €1,40 per share;
4. Statutory Auditors' special report on related-party agreements and commitments and observation that no new agreements have been entered into;
5. Renewal of Michel Giannuzzi's term as Director;
6. Renewal of Virginie Hélias' term as Director;
7. Renewal of BW Gestão de Investimentos Ltda (BWGI)'s term as Director;
8. Renewal of Cécile Tandeau de Marsac's term as Director;
9. Renewal of Brasil Warrant Administração de Bens e Empresas S.A.(BWSA)'s term as Director;
10. Renewal of Bpifrance Investissement's term as Director;
11. Renewal of Marie-José Donsion's term as Director;
12. Renewal of Pierre Vareille's term as Director;
13. Approval of the compensation policy for the Chairman of the Board of Directors;
14. Approval of the compensation policy for the Chief Executive Officer;
15. Approval of the compensation policy for Directors;
16. Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Michel Giannuzzi, Chairman and Chief Executive Officer of the Company from 1 January 2022 to 11 May 2022;
17. Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Michel Giannuzzi, Chairman of the Company's Board of Directors since 11 May 2022;
18. Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Patrice Lucas, Deputy Chief Executive Officer of the Company from 1 February 2022 to 11 May 2022;
19. Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Patrice Lucas, Chief Executive Officer of the Company from since 11 May 2022;
20. 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;
21. Authorisation granted to the Board of Directors to trade in the Company' shares;

Extraordinary resolutions

22. Authorisation granted to the Board of Directors to reduce the Company' share capital by cancelling treasury shares;
23. 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;
24. 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 be allotted debt securities and/or securities granting access to equity securities to be issued;
25. 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 be allotted 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;
26. 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 be allotted 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;
27. 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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, as part of public offerings referred to in sub-section 1 of Article L. 411-2 of the French Monetary and Financial Code;
28. 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;
29. Authorisation granted to the Board of Directors to increase the amount of an issue, with or without shareholders' pre-emption rights;
30. Delegation of authority 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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, in return for contributions in kind;
31. Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing Company shares restricted to members of a company savings plan;
32. Delegation of authority to the Board of Directors to increase the share capital by issuing shares, without shareholders' pre-emption rights, to a specific category of beneficiaries;
33. Authorisation to the Board of Directors to carry out bonus allotments of shares in issue or to be issued, without shareholders' pre-emption rights, to certain employees and corporate officers of the Company and related companies; and
34. Powers to carry out legal formalities

8.2. Presentation of draft resolutions

Report of the Board of Directors dated 15 February 2023 to the General Meeting of 25 April 2023

Approval of the Company's statutory financial statements and consolidated financial statements for the year ended on 31 December 2022 and allocation of the profit/loss for the financial year (1st to 3rd ordinary resolutions)

The shareholders at the General Meeting are first asked to approve the Company's statutory financial statements (1st resolution) and consolidated financial statements (2nd resolution) for the year ended on 31 December 2022 and to approve the distribution of dividends for the financial year as proposed by the Board of Directors (3rd resolution).

The Company's statutory financial statements for the year ended on 31 December 2022 show a profit of €143,390,448.02 and a profit carried forward of €184,520,053.14. It is proposed that €7,169,522.40 of this profit be allocated to the legal reserve, €171,204,856.20 to the payment of dividends and €149,536,122.56 to the retained earnings account. The Board of Directors proposes to set the amount of the dividend at €1.40 per share.

The dividend to be distributed will be detached from the shares on May 8th 2023 and paid on May 10th 2023.

Approval of the Statutory Auditors' special report on the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code and observation that no new agreements have been entered into (4th ordinary resolution)

You are reminded that only new agreements entered into during the previous financial year are required to be approved by the shareholders at the General Meeting.

You are asked to note that no new agreements were entered into during the financial year ended on 31 December 2022.

An agreement was previously entered into on 16 December 2021 with Bpifrance, an affiliate of Bpifrance Participations, a shareholder in the Company, and Bpifrance Investissement, a member of the Board of Directors, and remains in force.

This agreement relates to an instalment loan of a total principal amount of €30 million, which is described in paragraph 5.6 of this Universal Registration Document.

Renewals of terms of office of Directors (5th, 6th, 7th, 8th, 9th, 10th, 11th and 12th ordinary resolutions)

The directorships of the companies BWSA, BWGI and Bpifrance Investissement, and of Marie-José Donsion, Virginie Hélias, Cécile Tandeau de Marsac, Michel Giannuzzi and Pierre Vareille will expire at the end of the General Meeting to be held on 25 April 2023.

The shareholders at the General Meeting are asked, on the recommendation of the Board of Directors, to:

- Renew the terms of Directors of Michel Giannuzzi (5th resolution), Virginie Hélias (6th resolution) and BWGI (7th resolution) for a period of four years, i.e. until the end of the general shareholders' meeting to be held in 2027 to vote on the financial statements for the year ended on 31 December 2026;
- Renew the terms of Directors of Cécile Tandeau de Marsac (8th resolution) and the companies BWSA (9th resolution) and Bpifrance Investissement (10th resolution), and for a period of two years, i.e. until the end of the general shareholders' meeting to be held in 2025 to vote on the financial statements for the year ended on 31 December 2024;
- Renew the terms of Directors Marie-José Donsion (11th resolution) and Pierre Vareille (12th resolution) for a period of one year, i.e. until the end of the general shareholders' meeting to be held in 2024 to vote on the financial statements for the year ended on 31 December 2023.

These renewals for different periods will mean that terms of office will be staggered in accordance with Article 3 of the Company's articles of association and recommendation 15.2 of the AFEP-MEDEF Code.

The biographies of the Directors who terms of office are up for renewal are available in Chapter 3 of the Company's Universal Registration Document.

Approval of the compensation policy for the Chairman of the Board of Directors (13th ordinary resolution)

Pursuant to Article L. 22-10-8 II of the French Commercial Code, the shareholders at the General Meeting are asked to approve the compensation policy for the Chairman of the Company's Board of Directors, as presented in the corporate governance report included in section 3.3 of the Company's 2022 Universal Registration Document.

Approval of the compensation policy for the Chief Executive Officer (14th ordinary resolution)

Pursuant to Article L. 22-10-8 II of the French Commercial Code, the shareholders at the General Meeting are asked to approve the compensation policy for the Company's Chief Executive Officer as presented in the corporate governance report included in section 3.3 of the Company's 2022 Universal Registration Document.

Approval of the Directors' compensation policy (15th ordinary resolution)

Pursuant to Article L. 22-10-8 II of the French Commercial Code, the shareholders at the General Meeting are asked to approve the compensation policy for the Company's directors, as presented in the corporate governance report included in section 3.3 of the Company's 2022 Universal Registration Document.

Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Michel Giannuzzi, Chairman and Chief Executive Officer of the Company from 1 January 2022 to 11 May 2022 (16th ordinary resolution)

The shareholders at the General Meeting are asked to approve the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid or awarded in respect of the financial year ended on 31 December 2022 to Michel Giannuzzi, Chairman and Chief Executive Officer of the Company from 1 January 2022 to 11 May 2022, as presented in the corporate governance report included in section 3.3 of the Company's 2022 Universal Registration Document.

Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Michel Giannuzzi, Chairman of the Company's Board of Directors since 11 May 2022 (17th ordinary resolution)

The shareholders at the General Meeting are asked to approve the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid or awarded in respect of the financial year ended on 31 December 2022 to Michel Giannuzzi, Chairman of the Company's Board of Directors since 11 May 2022, as presented in the corporate governance report included in section 3.3 of the Company's 2022 Universal Registration Document.

Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Patrice Lucas, Deputy Chief Executive Officer of the Company from 1 February to 11 May 2022 (18th ordinary resolution)

The shareholders at the General Meeting are asked to approve the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid or awarded in respect of the financial year ended on 31 December 2022 to Patrice Lucas, Deputy Chief Executive Officer of the Company from 1 February 2022 to 11 May 2022, as presented in the corporate governance report included in section 3.3 of the Company's 2022 Universal Registration Document.

Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Patrice Lucas, Chief Executive Officer of the Company from since 11 May 2022 (19th ordinary resolution)

The shareholders at the General Meeting are asked to approve the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid or awarded in respect of the financial year ended on 31 December 2022 to Patrice Lucas, Chief Executive Officer of the Company from since 11 May 2022, as presented in the corporate governance report included in section 3.3 of the Company's 2022 Universal Registration Document.

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 (20th ordinary resolution)

The shareholders at the General Meeting are asked to approve the information referred to in Article L. 22-10-9 I. of the French Commercial Code, as presented in the corporate governance report included in section 3.3 of the Company's 2022 Universal Registration Document.

Authorisation for the Company to buy back its own shares (share buyback programme) – (21st ordinary resolution and 22nd extraordinary resolution)

Pursuant to the 21st resolution, the Board of Directors asks the shareholders at the General Meeting to authorise it to buy back a number of Company shares not exceeding (i) 10% of the total number of shares comprising the share capital or (ii) 5% of the total number of shares comprising 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 as part 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 comprising its share capital at any time whatsoever.

Shares may be purchased in order to: a) provide liquidity and stimulate the market in the Company's shares via an investment service provider acting independently under a liquidity agreement that complies with the market practices recognised by the French Financial Markets Authority on 22 June 2021, b) allot shares to the corporate officers and employees of the Company and of other Group entities, c) deliver the shares in the Company upon the exercise of the rights attached to securities granting the right, directly or indirectly, by redemption, conversion, exchange, presentation of a warrant or in any other way to be allotted shares in the Company, d) keep the shares in the Company and transfer them subsequently in payment or exchange as part of possible acquisitions or merger, demerger or contribution transactions, e) cancel all or some of the securities thus bought, f) implement any market practice permitted by the French Financial Markets Authority and, more generally, carry out any transaction that complies 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 supersede the authorisation granted pursuant to the sixteenth resolution of the General Meeting of 11 May 2022, be granted for a period of eighteen (18) months as from the date of the General Meeting.

Pursuant to the 22nd resolution, the Board of Directors also asks the shareholders at the General Meeting, to authorise it, for a period of 26 months, with the right of delegation, to reduce the share capital by cancelling, on one or more occasions, all or some of the shares in the Company acquired through a share buyback programme authorised by the shareholders at the General Meeting, capped at 10% of the share capital in any 24-month period.

Delegations of authority granted to the Board of Directors with a view to carrying out transactions involving the Company's share capital – (23rd to 33rd extraordinary resolutions)

Pursuant to the 23rd to 33rd resolutions, the Board of Directors asks the shareholders at the General Meeting to renew certain financial authorisations granted by the shareholders at the General Meetings held on 10 June 2020 and 11 May 2022.

It is specified that the Board of Directors may not, without the prior authorisation of the shareholders at the General Meeting, exercise their rights under the authorisations set out below between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period.

The table below presents a summary of the financial delegations that the shareholders at the General Meeting are asked to approve:

Resolution	Type of delegated authority	Maximum duration	Maximum nominal amount
23rd	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	€82 million (approximately 20% of the share capital)
24th	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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, with shareholders' pre-emption rights preserved	26 months	€206 million(1) (approximately 50% of the share capital) €750 million for debt securities(4)
25th	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 be allotted 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	€82 million(1)(2) (approximately 20% of the share capital) €750 million for debt securities(4)
26th	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 be allotted 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 referred to 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)
27th	Delegation of authority granted 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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, as part of public offerings referred to in sub-section 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)
28th	Authorisation to the Board of Directors, in the event of an issue without shareholders' pre-emption rights, through a public offering, to set the issue price in accordance with the terms and conditions set by the shareholders at the General Meeting	26 months	10% of the share capital per year (1)(2)(3)
29th	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)
30th	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 be allotted 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 share capital(1)(2)(3) €750 million for debt securities(4)
31st	Delegation of authority to the Board of Directors to issue shares restricted to 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)

Resolution	Type of delegated authority	Maximum duration	Maximum nominal amount
32nd	Delegation of authority to the Board of Directors to increase the share capital by issuing shares, without shareholders' pre-emption rights, to a specific category of beneficiaries (employees and corporate officers of the Company and its affiliated companies)	18 months	€12 million(1) (approximately 3% of the share capital)
33rd	Authorisation to the Board of Directors to carry out bonus allotments of shares in issue or to be issued, without shareholders' pre-emption rights, to certain employees and corporate officers of the Company and related companies.	18 months	0.5% of the share capital(1)

(1) The overall maximum nominal amount of the 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 capital increases.

(2) The aggregate maximum nominal amount of the capital increases that may be carried out pursuant to this delegation of authority shall count towards the sub-ceiling set at €83 million and applicable to capital increases without shareholders' pre-emption rights by way of public offering (with and without a priority period).

(3) The aggregate maximum nominal amount of the capital increases that may be carried out pursuant to this delegation of authority shall count towards the sub-ceiling set at €40 million and applicable to capital increases without shareholders' pre-emption rights by way of public offering without a 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 issue 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:

Capital increase by capitalising reserves, profits or premiums (23rd extraordinary resolution)

Pursuant to the 23rd resolution, the Board of Directors asks the shareholders at the General Meeting to delegate to it the authority to increase the share capital by capitalising reserves, profits or premiums, up to a maximum nominal amount of eighty two million euros (€82,000,000), an independent limit separate from the limit of the other resolutions put to a vote of the shareholders at the General Meeting. The capital increases pursuant to this resolution may be carried out, at the discretion of the Board of Directors, either by allotting new shares for no consideration or by increasing the nominal value of the existing shares or by using a combination of these two implementation methods, on the terms that it shall determine.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted pursuant to the 18th resolution of the shareholders at the General Meeting of 11 May 2022, be 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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, with shareholders' pre-emption rights preserved (24th extraordinary resolution)

Pursuant to the 24th resolution, the Board of Directors asks the shareholders at the General Meeting to delegate to it the authority to issue shares and/or equity securities giving access to other equity securities and/or conferring the right to be allotted debt securities and/or transferable securities giving access to equity securities to be issued, with shareholders' pre-emption rights preserved, 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 capital increases carried out pursuant to this resolution as well as the 25th to the 33rd resolutions put to the shareholders at 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 be allotted debt securities and/or securities granting access to equity securities to be issued pursuant to this delegation may include 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 may not exceed seven hundred and fifty million euros (€750,000,000) at the date of the decision to issue those securities.

The shareholders may exercise their pre-emption rights, in accordance with the law, in proportion to their existing shareholdings and, where applicable, for excess shares or securities, if the Board of Directors so permits.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted pursuant to the 19th resolution of the shareholders at the General Meeting of 11 May 2022, be 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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, without shareholders' pre-emption rights, through public offerings (25th, 26th, 27th and 28th extraordinary resolutions)

The Board of Directors asks the shareholders to delegate the authority to issue shares and/or equity securities granting access to other equity securities and/or securities granting access to equity securities to be issued, without shareholders' pre-emption rights over the shares or securities thus issued. These issues could be carried out through public offerings other than those referred to in Article L. 411-2 of the French Monetary and Financial Code (25th and 26th resolutions) or through public offerings restricted to qualified investors (27th resolution).

To be able to take advantage of opportunities on the market, the Board of Directors considers that it would be useful to have the option to carry out capital increases on which shareholders' pre-emption rights are disapplied, while nevertheless setting more restrictive limits thereon than for capital increases on which shareholders' pre-emption rights are preserved.

Pursuant to the 25th 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 will be obliged to grant shareholders a priority subscription period to acquire shares in proportion to their existing shareholdings and/or to acquire excess shares, on the terms set out in regulations.

Pursuant to the 26th 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 will have the option of granting shareholders a priority subscription period to acquire shares in proportion to their existing shareholdings and/or to acquire excess shares, on the terms set out in regulations.

The nominal amount of 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 pursuant to the 25th resolution, may not exceed eighty-two million euros (€82,000,000 euros), it being specified that: (i) the nominal amount of capital increases carried out pursuant to the 25th resolution, as well as the 26th, 27th and 28th resolutions put before this General Meeting, shall count towards this limit, which is a sub-limit common to all capital increases without shareholders' pre-emption rights, through public offerings with and without a priority subscription period; and (ii) the nominal amount of any capital increase carried out pursuant to the 26th resolution shall count towards the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to the capital increases referred to in paragraph 2 of the 24th resolution of the General Meeting of 25 April 2023.

The total nominal amount of 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 pursuant to the 26th resolution, may not exceed forty million euros (€40,000,000), it being specified that (i) the nominal amount of capital increases carried out pursuant to the 26th resolution, as well as the 27th resolution put before this General Meeting shall count towards this limit, which is a sub-limit common to all capital increases without shareholders' pre-emption rights, through public offerings without a priority subscription period and (ii) the nominal amount of any capital increase carried out pursuant to this delegation shall count towards (x) the nominal limit of eighty-two million euros (€82,000,000) applicable to capital increases without shareholders' pre-emption rights, through public offerings (with and without a priority subscription period) in paragraph 2 of the 25th resolution of this General Meeting and (y) the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to capital increases in paragraph 2 of the 24th resolution of this General Meeting.

The total nominal amount of capital increases without shareholders' pre-emption rights, through public offerings restricted to qualified investors, which may be carried out pursuant to the 27th resolution, may not exceed forty million euros (€40,000,000), it being specified that the nominal amount of capital increases carried out pursuant to the 27th resolution shall count towards: (i) the nominal limit of forty million euros (€40,000,000) applicable to capital increases without shareholders' pre-emption rights and with no priority subscription period, through public offerings in paragraph 2 of the 26th resolution of this General Meeting, (ii) the nominal limit of eighty-two million euros (€82,000,000) applicable to capital increases without shareholders' pre-emption rights (with and without priority subscription period), through public offerings in paragraph 2 of the 25th resolution of this General Meeting and (iii) the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to capital increases in paragraph 2 of the 24th 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 (25th and 26th resolutions) and/or through public offerings restricted to qualified investors (27th 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 them to be issued as intermediate securities. The nominal amount of the debt securities that may be issued pursuant to the 25th, 26th and 27th resolutions may not exceed seven hundred and fifty million euros (€750,000,000) at the date of the decision to issue such shares and would count towards the overall limit of seven hundred and fifty million euros (€750,000,000) set by the 24th resolution.

The issue price of the shares issued pursuant to the 25th, 26th and 27th resolutions would be fixed in accordance with the laws and regulations in force at the time of issue, which currently provide for a price at least equal to the weighted average price of the Company's shares over the last three trading sessions on the Euronext Paris regulated market preceding the launch of the offer, less a discount of up to 10%.

In accordance with the provisions of Articles L. 225-136 and L. 22-10-52 of the French Commercial Code, you are, however, asked under the 28th resolution to authorise the Board of Directors, limited to 10% of the share capital in any 12-month period, to set the issue price at the volume-weighted average price of the Company's shares on the Euronext Paris regulated market during the final trading session before the issue price is set, less a discount of up to 10%.

The purpose of exercising the right described above would be to allow the Company, given the volatility of the markets, to benefit from the opportunity to issue securities when the market conditions prevented it from carrying out an issue under the price conditions set by the 25th, 26th and 27th resolutions.

The Board of Directors proposes that these delegations, which would supersede the authorisations granted by the 20th, 21st and 22nd resolutions of the General Meeting of 11 May 2022, be granted for a period of twenty-six (26) months as from the General Meeting.

Authorisation for the Board of Directors to increase the amount of issues with or without shareholders' pre-emption rights (29th extraordinary resolution)

Subject to the adoption of the 24th, 25th, 26th and 27th resolutions on capital increases with or without shareholders' pre-emption rights, the shareholders are asked under the 29th resolution to authorise the Board of Directors, for a period of 26 months and with the right to sub-delegate in accordance with applicable laws and regulations, to approve increases in the number of securities to be issued as part of any issue approved pursuant to the 24th, 25th and 26th resolutions of the General Meeting under the conditions provided for by laws and regulations in force on the date of issue (i.e. currently, within 30 days of subscriptions being closed, limited to 15% of each issue and at the same price used on the initial issue). It is specified that the total nominal amount of the capital increases that may be carried out pursuant to the 29th resolution shall count towards the limit stipulated in the resolution pursuant to which the issue is approved and the overall nominal limit stipulated for capital increases in the 24th resolution.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted pursuant to the 24th resolution of the shareholders at the General Meeting of 11 May 2022, be 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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, in return for contributions in kind (30th extraordinary resolution)

Pursuant to the 30th resolution, the shareholders are asked to delegate authority to the Board of Directors 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 made to the Company and consisting of equity securities or transferable securities giving access to the capital, limited to a nominal capital increase of 10% of the Company's share capital, which shall count towards (i) the nominal limit of forty million euros (€40,000,000) applicable to capital increases without shareholders' pre-emption rights and with no priority subscription period, through public offerings in paragraph 2 of the 26th resolution of this General Meeting, (ii) the nominal limit of eighty-two million euros (€82,000,000) applicable to capital increases without shareholders' pre-emption rights (with and without priority subscription period), through public offerings in paragraph 2 of the 25th resolution of this General Meeting and (iii) the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to capital increases in paragraph 2 of the 24th resolution of this General Meeting.

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 24th resolution.

This delegation would involve without shareholders' pre-emption rights over the shares or transferable securities thus issued in favour of the holders of the equity securities or transferable securities that are the subject of the contributions in kind.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted pursuant to the 25th resolution of the shareholders at the General Meeting of 11 May 2022, be granted for a period of twenty-six (26) months as from this General Meeting.

Capital increases restricted to employees – (31st and 32nd extraordinary resolutions)

Pursuant to the 31st resolution, we ask that you delegate to the Board of Directors, for a period of 26 months, with the right to sub-delegate, your authority to increase the share capital by issuing shares in the Company restricted to 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 capital increase carried out pursuant to this delegation would count towards to the overall nominal limit stipulated for capital increases provided for in the 24th resolution of the General Meeting and that the limit under this delegation would be combined with the limit provided for in the 32nd resolution.

The subscription price of the shares issued will be determined under the conditions set out in Article L. 3332-19 of the French Labour Code, it being specified that the maximum discount on the average share price quoted over the 20 trading sessions preceding the decision fixing the opening date for subscriptions may not exceed 20%. The Board of Directors may reduce or cancel such discount, at its discretion, to take account of the legal, accounting, tax and social security systems applicable in the country of residence of certain beneficiaries. The Board of Directors may also decide to allocate shares, for no consideration, to subscribers for new shares, in substitution for the discount and/or the employer matching contribution.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted pursuant to the 26th resolution of the shareholders at the General Meeting of 11 May 2022, be granted for a period of twenty-six (26) months as from this General Meeting.

Following on from the 31st resolution, you are asked, in the 32nd resolution, to delegate to the Board of Directors, for a period of 18 months, with the right to sub-delegate as permitted by law, the authority to carry out one or more capital increases restricted to (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 whose registered office is 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 referred to in section (i) above; and (iii) one or more financial institutions appointed by the Company to offer the persons referred to in section (i) above a shareholding plan comparable to those offered to employees of the Company in France.

Such a capital increase would enable employees, former employees and corporate officers of the Group who are resident in certain countries to benefit, subject to any local regulatory or tax restrictions, from plans that are as close as possible, in terms of economic profile, to those offered to the Group’s other employees pursuant to the 31st resolution.

The nominal amount of the capital increase that may be carried out pursuant to this delegation would be limited to twelve million euros (€12,000,000), it being specified that the nominal amount of any capital increase carried out pursuant to this delegation would count towards (i) the nominal limit of twelve million euros (€12,000,000) applicable to capital increases restricted to employees under the 31st resolution of this General Meeting and (ii) the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to capital increases under the 24th resolution of this General Meeting.

The subscription price of the securities issued pursuant to this delegation may not be more than 20% lower than the average share price quoted over the 20 trading sessions preceding the decision fixing the opening date for subscriptions, or higher than this average, and the Board of Directors may reduce or cancel such discount, at its discretion, to take account of the legal, accounting, tax and social security systems applicable in the country of residence of certain beneficiaries. Moreover, where a transaction is carried out pursuant to this resolution concomitantly with a transaction carried out pursuant to the 31st resolution, the subscription price for the shares issued pursuant to this resolution may be identical to the subscription price for the shares issued pursuant to the 31st resolution.

The Board of Directors proposes that this authorisation, which would supersede the authorisation granted pursuant to the 27th resolution of the shareholders at the General Meeting of 11 May 2022, be granted for a period of eighteen (18) months as from this General Meeting.

Allotment of free performance shares to employees and/or corporate officers of the Company or related companies - (33rd extraordinary resolution)

Pursuant to Articles L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code, you are asked to authorise the Board of Directors, with the right to sub-delegate and for a period of 18 months beginning on the date of the General Meeting, to carry out bonus allotments of the Company's shares in issue or to be issued, on one or more occasions, to certain employees and corporate officers of the Company and companies related to it within the meaning of Article L. 225-197-2 of the French Commercial Code. The definitive allotment of such shares will be subject, in whole or in part, to performance conditions.

The total number of shares allotted under this authorisation may not exceed zero point five per cent (0.5%) of the number of shares comprising the Company's share capital on the date on which the Board of Directors resolves to allot such shares, and will count towards the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to capital increases in the 24th resolution of this General Meeting. In addition, the maximum total number of bonus shares that may be allotted to the Company's corporate officers under this authorisation may not represent more than twenty per cent (20%) of all the shares allotted by the Board of Directors under this authorisation.

Any allotments of performance shares made pursuant to this proposed resolution would become definitive at the end of a vesting period the length of which will be set by the Board of Directors, such period not being less than three years for the corporate officers and two years for recipients others than corporate officers. The minimum period over which the recipients will be required to hold the shares in the Company will also be set by the Board of Directors, such period lasting at least one year from the date on which the shares are definitively allotted (where shares are allotted with a vesting period of three years or more, the holding period for the shares may be reduced or cancelled). The shares will, however, be definitively allotted to the recipient together with the right to transfer them on an unrestricted basis, where the recipient suffers a disability that falls within the second or third categories provided for in Article L. 341-1 of the French Social Security Code.

The Board of Directors proposes that this authorization, which would supersede the authorization granted pursuant to the 22nd resolution of the General Meeting of 10 June 2020, be granted for a period of 18 months as from the General Meeting.

8.3. Proposed resolutions

Ordinary resolutions

FIRST RESOLUTION

(Approval of the Company's statutory financial statements for the financial year ended on 31 December 2022)

The shareholders at the General Meeting, voting 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, approve the Company' statutory financial statements for the financial year ended on 31 December 2022, including the statement of financial position, the income statement and the notes, as presented to them, which show a net book profit of €143 390 448,02 , 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 on 31 December 2022)

The shareholders at the General Meeting, voting 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, approve the Company's consolidated financial statements for the financial year ended on 31 December 2022, including the statement of financial position, the income statement and the notes, as presented to them, which show a profit of €355 million (Group share) as well as the transactions reflected in those statements and summarised in those reports.

THIRD RESOLUTION

(Allocation of the profit/loss for the financial year ended on 31 December 2022 and setting the dividend at €1.40 per share)

The shareholders at the General Meeting, voting 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:

- note that the profit for the financial year amounts to €143,390,448.02;
- note that the amount carried forward is €184,520,053.14; i.e. a profit/loss available to be allocated of €327,910,501.16;

resolves to allocate that profit/loss result as follows:

- €7,169,522.40 to the legal reserve (5% of the profit);
- €171,204,856.20 to be distributed as dividends;
- €149,536,122.56 to retained earnings.

The dividends paid in respect of the treasury shares held by the Company on the date of payment will be allocated to retained earnings.

The shareholders at the General Meeting consequently resolve to pay a dividend of €1.40 per share.

The dividend to be distributed will be detached from the shares on Monday 8th May 2023 and paid on Wednesday 10th May 2023.

For individuals who are French tax residents who have not expressly and irrevocably opted to be taxed on all their income at the progressive income tax rates, the dividend is subject in principle to the 30% *prélèvement forfaitaire unique* (single fixed levy), made up of income tax (at 12.8%) and social security contributions (at 17.2%). For individuals who are French tax residents who have so opted, such dividends will be subject to personal income tax at the progressive income tax rates and entitles them to the 40% allowance provided for by Article 158-3, 2° of the French General Tax Code.

Pursuant to Article 243 bis of the French General Tax Code, the shareholders at the General Meeting note that they have been informed that, in respect of the past three financial years, the following dividends and income have been distributed:

Financial year	Income eligible for relief		Income not eligible for relief
	Dividends	Other income distributed	
2021	€128,403,642.15 i.e. €1.05 per share	Nil	Nil
2020	€117,109,178 i.e. €0.95 per share	Nil	Nil
2019	€100,634,850.70 i.e. €0.85 per share	Nil	Nil

FOURTH RESOLUTION

(Statutory Auditors' special report on related-party agreements and commitments and observation that no new agreements have been entered into)

The shareholders at the General Meeting, voting 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, note that no new agreement of the type referred to in Article L. 225-38 of that Code has been entered into.

FIFTH RESOLUTION

(Renewal of the term of office of Michel Giannuzzi as Director)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for ordinary general meetings, on the recommendation of the Board of Directors, approve the renewal of the term of office of Michel Giannuzzi as a Director for a period of four years expiring at the end of the general shareholders' meeting to be called in 2027 to vote on the financial statements for the year ended on 31 December 2026.

SIXTH RESOLUTION

(Renewal of the term of Virginie Hélias as Director)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for ordinary general meetings, on the recommendation of the Board of Directors, approve the renewal of the term of office of Virginie Hélias as a Director for a period of four years expiring at the end of the general shareholders' meeting to be called in 2027 to vote on the financial statements for the year ended on 31 December 2026.

SEVENTH RESOLUTION

(Renewal of the term of BW Gestão de Investimentos Ltda (BWGI) as Director)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for ordinary general meetings, on the recommendation of the Board of Directors, approve the renewal of the term of office of BW Gestão de Investimentos Ltda (BWGI) as a Director for a period of four years expiring at the end of the general shareholders' meeting to be called in 2027 to vote on the financial statements for the year ended on 31 December 2026.

EIGHTH RESOLUTION

(Renewal of the term of Cécile Tandeau de Marsac as Director)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for ordinary general meetings, on the recommendation of the Board of Directors, approve the renewal of the term of office of Cécile Tandeau de Marsac as a director for a period of two years expiring at the end of the general shareholders' meeting to be called in 2025 to vote on the financial statements for the year ended on 31 December 2024.

NINTH RESOLUTION

(Renewal of the term of Brasil Warrant Administração de Bens e Empresas S.A.(BWSA) as Director)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for ordinary general meetings, on the recommendation of the Board of Directors, approve the renewal of the term of office of Brasil Warrant Administração de Bens e Empresas S.A.(BWSA) as a director for a period of two years expiring at the end of the general shareholders' meeting to be called in 2025 to vote on the financial statements for the year ended on 31 December 2024.

TENTH RESOLUTION

(Renewal of the term of Bpifrance Investissement as Director)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for ordinary general meetings, on the recommendation of the Board of Directors, approve the renewal of the term of office of Bpifrance Investissement as a director for a period of two years expiring at the end of the general shareholders' meeting to be called in 2025 to vote on the financial statements for the year ended on 31 December 2024.

ELEVENTH RESOLUTION

(Renewal of the term of Marie-José Donsion as Director)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for ordinary general meetings, on the recommendation of the Board of Directors, approve the renewal of the term of office of Marie-José Donsion as Director for a period of one year expiring at the end of the general shareholders' meeting to be called in 2024 to vote on the financial statements for the year ended on 31 December 2023.

TWELFTH RESOLUTION

(Renewal of the term of Pierre Vareille as Director)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for ordinary general meetings, on the recommendation of the Board of Directors, approve the renewal of the term of office of Pierre Vareille as Director for a period of one year expiring at the end of the general shareholders' meeting to be called in 2024 to vote on the financial statements for the year ended on 31 December 2023.

THIRTEENTH RESOLUTION

(Approval of the compensation policy for the Chairman of the Board of Directors)

The shareholders at 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 section 3.3 of the Company's 2022 Universal Registration Document, approve the compensation policy for the Chairman of the Company's Board of Directors not acting as Chief Executive Officer, as presented in the aforementioned report.

FOURTEENTH RESOLUTION

(Approval of the compensation policy for the Chief Executive Officer)

The shareholders at 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 section 3.3 of the Company's 2022 Universal Registration Document, approve the compensation policy for the Company's Chief Executive Officer.

FIFTEENTH RESOLUTION

(Approval of the compensation policy for Directors)

The shareholders at 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 section 3.3 of the Company's 2022 Universal Registration Document, approve the compensation policy for directors, as presented in the aforementioned report.

SIXTEENTH RESOLUTION

(Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Michel Giannuzzi, Chairman and Chief Executive Officer of the Company from 1 January 2022 to 11 May 2022)

The shareholders at 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 section 3.3 of the Company's 2022 Universal Registration Document, approve the fixed, variable and exceptional items comprising 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 from 1 January 2022 to 11 May 2022, as presented in the aforementioned report.

SEVENTEENTH RESOLUTION

(Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Michel Giannuzzi, Chairman of the Company's Board of Directors since 11 May 2022)

The shareholders at 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 section 3.3 of the Company's 2022 Universal Registration Document, approve the fixed, variable and exceptional items comprising 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 of the Company's Board of Directors since 11 May 2022, as presented in the aforementioned report.

EIGHTEENTH RESOLUTION

(Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Patrice Lucas, Deputy Chief Executive Officer of the Company from 1 February 2022 to 11 May 2022)

The shareholders at 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 section 3.3 of the Company's 2022 Universal Registration Document, approve the fixed, variable and exceptional items comprising the total compensation and benefits in kind paid in the previous financial year or awarded in respect of the same financial year to Patrice Lucas, Deputy Chief Executive Officer of the Company from 1 February 2022 to 11 May 2022, as presented in the aforementioned report.

NINETEENTH RESOLUTION

(Approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year ended on 31 December 2022 or awarded for the same year to Patrice Lucas, Chief Executive Officer of the Company from since 11 May 2022)

The shareholders at 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 section 3.3 of the Company's 2022 Universal Registration Document, approve the fixed, variable and exceptional items comprising the total compensation and benefits in kind paid in the previous financial year or awarded in respect of the same financial year to Patrice Lucas, Chief Executive Officer of the Company from since 11 May 2022, as presented in the aforementioned report.

TWENTIETH RESOLUTION

(Approval of the information required under Article L. 22-10-9 I. of the French Commercial Code relating to the compensation of corporate officers)

The shareholders at 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 section 3.3 of the Company's 2022 Universal Registration Document, approve the information referred to in Article L. 22-10-9 I of the French Commercial Code, as presented in the aforementioned report.

TWENTY-FIRST RESOLUTION

(Authorisation granted to the Board of Directors to trade in the Company's shares)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for ordinary general meetings, after noting the Board of Directors' report:

1. authorise the Board of Directors, with the right to sub-delegate as permitted by law, pursuant to Articles L. 22-10-62 et seq. of the French Commercial Code, to purchase, on one or more occasions and at such times as it shall determine, a number of shares in the Company not exceeding:
   i. 10% of the total number of shares comprising the share capital, at any time whatsoever; or
   ii. 5% of the total number of shares comprising the share capital in the case of shares acquired by the Company with a view to holding them and subsequently transferring them in payment or exchange as part of a merger, demerger or contribution transaction.

   Such transactions may be effected at any time, in accordance with applicable regulations, other than during periods of public offers over the Company's securities.

   Such percentages shall apply to a number of shares adjusted by reference to any 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 comprising its share capital at any time whatsoever.

2. resolve that such authorisation may be used to:
   i. ensure liquidity and make a market in 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 (i) profit-sharing arrangements, (ii) any Company stock option plan pursuant to Articles L. 225-177 et seq. and L. 22-10-56 of the French Commercial Code; (c) any savings plan pursuant to Articles L. 3331-1 et seq. of the French Labour Code; or (d) any award of bonus shares pursuant to Articles L. 225-197-1 et seq. and L. 22-10-59 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;
   iii. deliver shares in the Company when exercising rights attached to transferable securities conferring entitlement, directly or indirectly by way of redemption, conversion, exchange, presentation of a warrant or any other means to be allotted shares the Company 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;
   iv. hold the Company's shares and subsequently deliver them in payment or exchange in connection with any acquisition, merger, demerger or contribution transaction;
   v. cancel all or some of the securities thus purchased, subject to the adoption of the twenty-second resolution of this General Meeting or any resolution of the same nature;
   vi. implement any market practice accepted by the French Financial Markets Authority and in general carry out any transaction in compliance with applicable regulations.

3. resolve 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 that transactions are carried out that affect the Company's share capital, including alterations to the nominal value of the shares, capital increases through the capitalisation of reserves followed by the creation and allotment of bonus shares, stock splits or reverse stock splits, adjust the above-mentioned maximum purchase price to reflect the impact of such transactions on the value of the Company's shares;
4. resolve that 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 conferring an entitlement to shares in the Company, at such times as the Board of Directors may determine;
5. resolve that the Board of Directors has full authority, with the right to sub-delegate as permitted by law, to allocate and, where appropriate, reallocate, to the extent permitted by relevant laws and regulations, shares bought back for one of the programme's objectives to one or more of its other objectives, or to sell them on- or off-market;

   All powers shall consequently be conferred on the Board of Directors, with the right to sub-delegate as permitted by law, to implement this authorisation, to clarify the terms thereof where necessary and to establish the procedures therefor under the legislative conditions and those of this resolution, and in particular to place all trading orders, enter into 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, produce any information document, carry out any formalities and, in general, take all necessary measures.

   The Board of Directors shall inform the shareholders at the General Meeting, in the manner required by law, of the transactions carried out pursuant to this authorisation.
6. resolve that this authorisation, which supersedes the authorisation granted pursuant to the sixteenth resolution of the General Meeting of 11 May 2022, is granted for a period of eighteen (18) months as from this General Meeting.

Extraordinary resolutions

TWENTY-SECOND RESOLUTION

(Authorisation granted to the Board of Directors to reduce the Company' share capital by cancelling treasury shares)

The shareholders at the General Meeting, voting 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. authorise the Board of Directors, with the right to sub-delegate as permitted by law, to:
   i. cancel, at its sole discretion, on one or more occasions, capped at 10% of the amount of the share capital in existence on the date of cancellation (i.e. adjusted by reference to the transactions involving the Company's share capital after the adoption of this resolution) in any 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 to the legal reserve, capped at 10% of the share capital reduction effected.
2. confer all powers on the Board of Directors, with the right to sub-delegate as permitted by law, to establish the final amount of the share capital reductions subject to the limits provided for by law and this resolution, to set the terms and conditions thereof, to certify the completion thereof, and to take any action, and perform any formalities or declarations with a view to finalising any share capital reductions that may be carried out pursuant to this authorisation and to amend the Articles of Association accordingly;
3. resolve that this authorisation, which supersedes the authorisation granted pursuant to the seventeenth resolution of the General Meeting of 11 May 2022, is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-THIRD 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 shareholders at the General Meeting, voting 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 Articles L. 225-129, L. 225-129-2, L. 225-130 and L. 22-10-50 thereof:

1. delegate to the Board of Directors, with the right to sub-delegate as permitted by law, 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 that may be capitalised by law and under 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 on the terms that it shall determine;
2. resolve that the nominal amount of the capital increases that may be approved by the Board of Directors and carried out, immediately and/or in the future, pursuant to this delegation may not exceed eighty-two million euros (€82,000,000), this limit being separate from the limit provided for in paragraph 2 of the twenty-fourth resolution below. This limit shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;
3. state that, in the event of a capital increase giving rise to bonus allotments of new shares, the Board of Directors may resolve that 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, with the proceeds from the sale being paid to the holders of the rights within the timeframe provided for by applicable regulations;
4. resolve that the Board of Directors shall have all powers, with the right to sub-delegate as permitted by law, to implement this delegation, and in particular:
   i. to determine the terms and conditions of the transactions authorised and in particular to set the amount and the nature of the reserves, profits, premiums or other sums to be capitalised, to set the number of new shares to be issued or the amount by which the nominal amount of the existing shares comprising the share capital shall be increased, to determine the date, which may be retroactive, from which the new shares shall carry the right to receive dividends or the date on which the increase in the nominal amount shall take effect and shall make any deductions from the issue premium or premiums, including for costs incurred by the issues and, at its discretion, deduct from the amount of the capital increase the sums necessary to increase the legal reserve to one-tenth of the new share capital;
   ii. to take any measures designed to protect the rights of holders of securities or other rights granting access to the capital, in existence on the date of the capital increase;
   iii. to record the completion of the capital increase, take all useful measures and enter into all agreements to ensure that the proposed transaction or transactions complete and, in general, to take any action and perform any formalities to complete the capital increase or increases carried out pursuant to this delegation and to amend the Company's articles of association accordingly;
   iv. to take all measures and carry out all formalities required for the newly issued securities to be admitted to trading on the regulated market of Euronext Paris;
5. resolve that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to exercise its rights under this delegation of authority between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period;
6. resolve that this delegation, which supersedes the delegation granted pursuant to the eighteenth resolution of the General Meeting of 11 May 2022, is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-FOURTH 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 be allotted debt securities and/or securities granting access to equity securities to be issued)

The shareholders at the General Meeting, voting 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. 225-129 et seq., L. 22-10-49, L. 225-132, L. 225-133 and L. 228-91 et seq. thereof:

1. delegate to the Board of Directors, with the right to sub-delegate as permitted by law, the authority to resolve to issue, 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 shareholders' pre-emption rights preserved, shares in the Company and/or equity securities granting access to other equity securities and/or granting the right to be allotted debt securities and/or securities granting access to equity securities to be issued, which may be subscribed for in cash or by the amount

payable being offset against amounts owed that are certain, liquid and payable, or, in full or in part, by capitalising reserves, profits or premiums;

2. resolve that the total nominal amount of the capital increases that may be carried out immediately and/or in the future under this delegation may not exceed 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 capital increases carried out pursuant to this resolution as well as the twenty-fifth to thirty-third resolutions submitted to the shareholders at this General Meeting shall count towards that limit. This limit shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;
3. resolve that the securities granting access to the Company's share capital may comprise debt securities or be associated with the issue of such securities, or even allow the issue thereof, as intermediate securities. The total maximum nominal amount of the issues of debt securities that may be carried out pursuant to 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 carried out pursuant to this resolution as well as the 25th to the 33rd resolutions put to the shareholders at this General Meeting shall count towards that limit;
4. resolve that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to exercise its rights under this delegation of authority between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period.
5. note that this delegation shall require the shareholders to waive their pre-emption rights over the Company's equity securities to which they may be entitled as a result of the securities issued pursuant to this delegation, either immediately or in the future;
6. resolve that the shareholders may exercise, under the conditions provided for by law, their pre-emption right to subscribe for equity securities and/or to the securities whose issue shall be approved by the Board of Directors pursuant to this delegation of authority in proportion to their existing shareholdings. The Board of Directors shall have the option of granting the shareholders the right to subscribe for a number of securities in excess of the number for which they may subscribe on a proportional basis, pro rata to the subscription rights they hold and, in any event, they shall not be issued with a number of shares that exceeds the number for which they applied;

   If subscriptions in proportion to existing holdings and, where applicable, for excess shares are insufficient to absorb all the equity securities and/or securities issued, the Board of Directors shall have the option, in the order determined by it, either to limit the issue, in accordance with the law, to the amount of subscriptions received, provided that the number of securities issued amounts to at least three-quarters of the issue that was initially approved, or to freely distribute some or all of the securities not subscribed for among the persons of its choice, or to carry out a public offering in the same way, on the French or international market, over some or all of the unsubscribed securities, the Board of Directors being able to exercise any or all of the options described above;
7. further state that the Board of Directors, with the right to sub-delegate as permitted by law, may:
   i. resolve on and set 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 the right to receive dividends (which may be retroactive);
   ii. in the event of the issue of share warrants, determine the number and characteristics thereof and resolve, at its discretion, subject to the conditions and in accordance with the procedures set by it, that the warrants may be redeemed or bought back, or even allotted to the shareholders for no consideration in proportion to their rights to the share capital;
   iii. more generally, determine the characteristics of all securities and, in particular, the conditions and procedure for the allotment of shares, the term of any borrowings in the form of bonds, whether or not they are subordinated, the currency of issue, the terms of repayment of the principal, with or without premium, the conditions and procedure for amortisation and, where appropriate, for purchase, exchange or early redemption, the interest rates, whether fixed or variable, and the payment date; the interest rate may include a variable portion calculated by reference to the Company's business activities and income and deferred payment in the absence of distributable profits;
   iv. resolve to use the shares acquired under a share buyback programme authorised by the shareholders for allotment purposes as a result of the issue of securities issued on the basis of this delegation;
   v. take any measures designed to protect the rights of holders of securities or other rights granting access to the Company's capital required by laws or regulations and by applicable contractual provisions;
   vi. if necessary, suspend the exercise of the rights attached to such securities for a fixed period in accordance with laws and regulations and applicable contractual provisions;

vii. record the completion of any capital increases and issues of securities, amend the articles of association accordingly, deduct the issue costs from the premiums and, at its discretion, deduct from the amount of the capital increases the sums necessary to increase the legal reserve to one-tenth of the new share capital;

viii. take all measures and carry out all formalities required for the newly issued securities to be admitted to trading on a regulated market;

8. resolve that this delegation, which supersedes the delegation granted pursuant to the nineteenth resolution of the General Meeting of 11 May 2022, is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-FIFTH 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 be allotted 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 shareholders at the General Meeting, voting 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. 225-129 et seq., L. 225-135, L. 22-10-51, L.225-136, L. 22-10-52, L. 22-10-54 and L. 228-92 thereof:

1. delegate to the Board of Directors, with the right to sub-delegate as permitted by law, the authority to resolve to issue, via public offers, 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, without pre-emption rights, shares in the Company and/or equity securities granting access to other equity securities and/or conferring the right to be allotted debt securities and/or securities granting access to equity securities to be issued, which may be subscribed for in cash or by the amount payable being offset against amounts owed that are certain, liquid and payable;

2. resolve that the total nominal amount of the capital increases that may be carried out immediately and/or in the future pursuant to this delegation may not exceed eighty-two million euros (€82,000,000) or the equivalent in any other currency, it being specified: that (i) the nominal amount of the capital increases carried out pursuant to this resolution as well as to the twenty-sixth, twenty-seventh, twenty-eighth and thirtieth resolutions submitted to the shareholders at this General Meeting shall count towards that limit; and (ii) the nominal amount of any capital increase carried out pursuant to this delegation shall count towards the overall nominal limit of two hundred and six million euros (€206,000,000) provided for capital increases in paragraph 2 of the twenty-fourth resolution of this General Meeting;

   These limits shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;

3. resolve that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to exercise its rights under this delegation of authority between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period.

4. resolve to disapply shareholders' pre-emption rights over the shares and over any other securities to be issued pursuant to this resolution;

5. resolve to grant shareholders a compulsory priority subscription period not giving rise to negotiable rights, which must be exercised in proportion to the number of shares held by each shareholder and, where applicable, in respect of excess shares, and consequently delegates to the Board of Directors, with the right to sub-delegate, the authority to set the duration and the terms and conditions of this period in compliance with applicable laws and regulations;

6. resolve that the securities granting access to the Company's share capital may comprise 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 carried out immediately or in the future pursuant to 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 paragraph 3 of the twenty-fourth resolution;

7. note that this delegation shall require the shareholders to waive their pre-emption rights over the Company's equity securities to which they may be entitled as a result of the securities issued pursuant to this delegation;

8. resolve that, if the subscriptions are insufficient to absorb all the equity securities and/or securities issued, the Board of Directors shall have the option, in the order determined by it, either to limit the issue to the amount of subscriptions received, provided that the number of securities issued amounts to at least three-quarters of the issue that was approved, or to freely distribute some or all of the securities not subscribed for among the persons of its choice, or to carry out a public offering in the same way, the Board of Directors being able to use all the powers indicated above or just some of them;

9. further state that the Board of Directors, with the right to sub-delegate as permitted by law, may:
   i. resolve on and set 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 the right to receive dividends;
   ii. in the event of the issue of share warrants, determine the number and characteristics thereof and resolve, at its discretion, subject to the conditions and in accordance with the procedures set by it, that the warrants may be redeemed or bought back, or even allotted to the shareholders for no consideration in proportion to their rights to the share capital;
   iii. more generally, determine the characteristics of all securities and, in particular, the conditions and procedure for the allotment of shares, the term of any borrowings in the form of bonds, whether or not they are subordinated, the currency of issue, the terms of repayment of the principal, with or without premium, the conditions and procedure for amortisation and, where appropriate, for purchase, exchange or early redemption, the interest rates, whether fixed or variable, and the payment date; the interest rate may include a variable portion calculated by reference to the Company's business activities and income and deferred payment in the absence of distributable profits;
   iv. set the issue price of the shares or securities that may be created pursuant to the sub-sections above so that the Company receives, for each share created or allotted irrespective of any financial consideration, regardless of the form thereof (for example, interest, issue or redemption premium), a sum at least equal to the minimum price stipulated by laws or regulations in force on the date of issue (i.e. at this date, the weighted average price of the Company's shares over the last three trading sessions on the Euronext Paris regulated market preceding the launch of the offer to the public within the meaning of Regulation (EU) No 2017/1129 of 14 June 2017, less a discount of up to 10%);
   v. resolve to use the shares acquired under a share buyback programme authorised by the shareholders for allotment purposes as a result of the issue of securities issued on the basis of this delegation;
   vi. take any measures designed to protect the rights of holders of securities or other rights granting access to the Company's capital required by laws or regulations and by applicable contractual provisions;
   vii. if necessary, suspend the exercise of the rights attached to such securities for a fixed period in accordance with laws and regulations and applicable contractual provisions;
   viii. record the completion of any capital increases and issues of securities, amend the articles of association accordingly, deduct the issue costs from the premiums and, at its discretion, deduct from the amount of the capital increases the sums necessary to increase the legal reserve to one-tenth of the new share capital;
   ix. take all measures and carry out all formalities required for the newly issued securities to be admitted to trading on a regulated market;
10. resolve that this delegation, which supersedes the delegation granted pursuant to the twentieth resolution of the General Meeting of 11 May 2022 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 shares and/or equity securities granting access to other equity securities and/or conferring the right to be allotted 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 shareholders at the General Meeting, voting 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. 225-129 et seq., L. 225-135, L. 22-10-51, L.225-136, L. 22-10-52, L. 22-10-54 and L. 228-92 thereof:

1. delegate to the Board of Directors, with the right to sub-delegate as permitted by law, the authority to resolve to issue, via public offers, 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, without pre-emption rights, shares in the Company and/or equity securities granting access to other equity securities and/or conferring the right to be allotted debt securities and/or securities granting access to equity securities to be issued, which may be subscribed for in cash or by the amount payable being offset against amounts owed that are certain, liquid and payable;
2. resolve that the total nominal amount of the capital increases that may be carried out immediately and/or in the future pursuant to 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 capital increases without shareholders pre-emption right carried out pursuant to this delegation and the delegation granted under the twenty-seventh, twenty-eight, twenty-nine and thirtieth resolutions of this General Meeting shall count towards such limit and (ii) the nominal amount of any capital increase carried out pursuant to this delegation shall count towards: (x) the nominal limit of eighty-two million euros (€82,000,000) applicable to capital increases through public offerings without pre-emption rights (with and without any priority subscription period) in paragraph 2 of the twenty-fifth resolution of this General Meeting; and (y) the overall

nominal limit of two hundred and six million euros (€206,000,000) applicable to capital increases in paragraph 2 of the twenty-fourth resolution of this General Meeting;

These limits shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;

3. resolve that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to exercise its rights under this delegation of authority between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period.
4. resolve to disapply shareholders' pre-emption rights over the shares and to any other securities to be issued pursuant to this resolution;
5. resolve that the Board of Directors may grant shareholders a priority subscription period not giving rise to negotiable rights, which must be exercised in proportion to the number of shares held by each shareholder and, where applicable, in respect of excess shares, and consequently delegates to the Board of Directors the authority to set the duration and the terms and conditions of this period in compliance with applicable laws and regulations;
6. resolve that the securities granting access to the Company's share capital may comprise 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 carried out immediately or in the future pursuant to 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 paragraph 3 of the twenty-fourth resolution;
7. note that this delegation shall require the shareholders to waive their pre-emption rights over the Company's equity securities to which they may be entitled as a result of the securities issued pursuant to this delegation;
8. resolve that, if the subscriptions are insufficient to absorb all the equity securities and/or securities issued, the Board of Directors shall have the option, in the order determined by it, either to limit the issue to the amount of subscriptions received, provided that the number of securities issued amounts to at least three-quarters of the issue that was approved, or to freely distribute some or all of the securities not subscribed for among the persons of its choice, or to carry out a public offering in the same way, the Board of Directors being able to use all the powers indicated above or just some of them;
9. further state that the Board of Directors, with the right to sub-delegate as permitted by law, may:
   i. resolve on and set 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 the right to receive dividends;
   ii. in the event of the issue of share warrants, determine the number and characteristics thereof and resolve, at its discretion, subject to the conditions and in accordance with the procedures set by it, that the warrants may be redeemed or bought back, or even allotted to the shareholders for no consideration in proportion to their rights to the share capital;
   iii. more generally, determine the characteristics of all securities and, in particular, the conditions and procedure for the allotment of shares, the term of any borrowings in the form of bonds, whether or not they are subordinated, the currency of issue, the terms of repayment of the principal, with or without premium, the conditions and procedure for amortisation and, where appropriate, for purchase, exchange or early redemption, the interest rates, whether fixed or variable, and the payment date; the interest rate may include a variable portion calculated by reference to the Company's business activities and income and deferred payment in the absence of distributable profits;
   iv. set the issue price of the shares or securities that may be created pursuant to the sub-sections above so that the Company receives, for each share created or allotted irrespective of any financial consideration, regardless of the form thereof (for example, interest, issue or redemption premium), a sum at least equal to the minimum price stipulated by laws or regulations in force on the date of issue (i.e. at this date, the weighted average price of the Company's shares over the last three trading sessions on the Euronext Paris regulated market preceding the launch of the offer to the public within the meaning of Regulation (EU) No 2017/1129 of 14 June 2017, less a discount of up to 10%);
   v. in the event that securities are issued as consideration for securities that are contributed as part of a public exchange offer (or a mixed public offer or alternative purchase or exchange offer or any other offer with an exchange component), set the exchange ratio as well as any balancing cash payment to be made, disapplying the price calculation methods set out in paragraph 9.iv, record the number of securities contributed to the exchange and set the terms of issue;
   vi. resolve to use the shares acquired under a share buyback programme authorised by the shareholders for allotment purposes as a result of the issue of securities issued on the basis of this delegation;

vii. take any measures designed to protect the rights of holders of securities or other rights granting access to the Company's capital required by laws or regulations and by applicable contractual provisions;

viii. if necessary, suspend the exercise of the rights attached to such securities for a fixed period in accordance with laws and regulations and applicable contractual provisions;

ix. record the completion of any capital increases and issues of securities, amend the articles of association accordingly, deduct the issue costs from the premiums and, at its discretion, deduct from the amount of the capital increases the sums necessary to increase the legal reserve to one-tenth of the new share capital;

x. take all measures and carry out all formalities required for the newly issued securities to be admitted to trading on a regulated market;

10. resolve that this delegation, which supersedes the delegation granted pursuant to the twenty-first resolution of the General Meeting of 11 May 2022 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 and/or equity securities giving access to other equity securities and/or conferring the right to be allotted debt securities and/or transferable securities giving access to equity securities to be issued, as part of public offerings referred to in sub-section 1 of Article L. 411-2 of the French Monetary and Financial Code)

The shareholders at the General Meeting, voting 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 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. thereof:

1. delegate to the Board of Directors, with the right to sub-delegate as permitted by law, the authority to resolve to issue, through offers to the public referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, subject to the conditions and limits provided for by laws and regulations, on one or more occasions, in the proportions and at the times it shall choose, both in France and abroad, in euros or in foreign currencies, without shareholders' pre-emption rights, shares in the Company and/or equity securities granting access to other equity securities and/or conferring the right to be allotted debt securities and/or securities granting access to equity securities to be issued, which may be subscribed for in cash or by the amount payable being offset against amounts owed that are certain, liquid and payable;

2. resolve that the total nominal amount of the capital increases that may be carried out immediately and/or in the future pursuant to this delegation may not exceed 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 any 12-month period and shall count towards (i) the nominal limit of forty million euros (€40,000,000) applicable to capital increases through public offerings without pre-emption rights (without any priority subscription period) in paragraph 2 of the twenty-sixth resolution submitted to this General Meeting, (ii) the nominal limit of eighty-two million euros (€82,000,000) applicable to capital increases through public offerings without pre-emption rights (with and without any priority subscription period) in paragraph 2 of the twenty-fifth resolution submitted to this General Meeting and (iii) the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to the capital increases referred to in paragraph 2 of the twenty-fourth resolution submitted to this General Meeting. These limits shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;

3. resolve that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to exercise its rights under this delegation of authority between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period.

4. resolve to disapply shareholders' pre-emption rights over the shares and to any other securities to be issued pursuant to this resolution;

5. resolve that the securities granting access to the Company's share capital may comprise 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 twenty-fourth resolution submitted to this General Meeting;

6. note that this delegation shall require the shareholders to waive their pre-emption rights over the Company's equity securities to which they may be entitled as a result of the securities issued pursuant to this delegation;

7. resolve that, if the subscriptions are insufficient to absorb all the equity securities and/or securities issued, the Board of Directors shall have the option, in the order determined by it, either to limit the issue to the amount of subscriptions received, provided that the number of securities issued amounts to at least three-quarters of the issue that was approved, or to freely distribute some or all of the securities not subscribed for among the persons of its choice, or to carry out a public offering in the same way, the Board of Directors being able to use all the powers indicated above or just some of them;
8. further state that the Board of Directors, with the right to sub-delegate as permitted by law, may:
   i. resolve on and set 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 the right to receive dividends;
   ii. in the event of the issue of share warrants, determine the number and characteristics thereof and resolve, at its discretion, subject to the conditions and in accordance with the procedures set by it, that the warrants may be redeemed or bought back;
   iii. more generally, determine the characteristics of all securities and, in particular, the conditions and procedure for the allotment of shares, the term of any borrowings in the form of bonds, whether or not they are subordinated, the currency of issue, the terms of repayment of the principal, with or without premium, the conditions and procedure for amortisation and, where appropriate, for purchase, exchange or early redemption, the interest rates, whether fixed or variable, and the payment date; the interest rate may include a variable portion calculated by reference to the Company's business activities and income and deferred payment in the absence of distributable profits;
   iv. set the issue price of the shares or securities that may be created pursuant to the sub-sections above so that the Company receives, for each share created or allotted irrespective of any financial consideration, regardless of the form thereof (for example, interest, issue or redemption premium), a sum at least equal to the minimum price stipulated by laws or regulations in force on the date of issue (i.e. at this date, the weighted average price of the Company's shares over the last three trading sessions on the Euronext Paris regulated market preceding the launch of the offer to the public within the meaning of Regulation (EU) No 2017/1129 of 14 June 2017, less a discount of up to 10%);
   v. resolve to use the shares acquired under a share buyback programme authorised by the shareholders for allotment purposes as a result of the issue of securities issued on the basis of this delegation;
   vi. take any measures designed to protect the rights of holders of securities required by laws or regulations and by applicable contractual provisions;
   vii. if necessary, suspend the exercise of the rights attached to such securities for a fixed period in accordance with laws and regulations and contractual provisions;
   viii. record the completion of any capital increases and issues of securities, amend the articles of association accordingly, deduct the issue costs from the premiums and, at its discretion, deduct from the amount of the capital increases the sums necessary to increase the legal reserve to one-tenth of the new share capital;
   ix. take all measures and carry out all formalities required for the newly issued securities to be admitted to trading on a regulated market;
9. resolve that this delegation, which supersedes the delegation granted pursuant to the twenty-second resolution of the General Meeting of 11 May 2022 is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-EIGHTH 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 share capital per annum)

The shareholders at the General Meeting, voting 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. authorise the Board of Directors, with the right to sub-delegate as permitted by law, in the event of the issue of shares and/or any other securities granting access, either immediately or at some future time, to the Company's share capital, without shareholders' pre-emption rights, through 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, set out in the twenty-fifth, twenty-sixth and twenty-seventh resolutions, to derogate from the price-setting conditions provided for in the resolutions referred to above and to determine the issue price in accordance with the following conditions:
   i. the issue price of the shares shall be at least equal to the average weighted price of the Company's shares 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 share capital shall be such that the amount received immediately by the Company plus any amount that may subsequently be received by the Company is, for each share in the Company share issued as a result of the issuance of such securities, be at least equal to the amount referred to above;

2. resolve that the total nominal amount of the capital increases that may be carried out pursuant to this resolution may not exceed 10% of the share capital in any 12-month period (the share capital being calculated on the date of the decision to set the issue price), it being specified that this amount shall count towards (i) for the capital increases referred to in the twenty-sixth and twenty-seventh resolutions, on the nominal limit of forty million euros (€40,000,000) applicable to capital increases without pre-emption rights through public offerings (without priority period) referred to in paragraph 2 of the twenty-sixth resolution submitted to this General Meeting, (ii) on the nominal limit of eighty-two million euros (€82,000,000) applicable to capital increases through public offerings without pre-emption rights (with and without any priority subscription period) in paragraph 2 of the twenty-fifth resolution submitted to this General Meeting and (iii) the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to the capital increases referred to in paragraph 2 of the twenty-fourth resolution submitted to this General Meeting. These limits shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;

3. resolve that the securities granting access to the Company's share capital may comprise 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 twenty-fourth resolution submitted to this General Meeting;

4. resolve that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to exercise its rights under this delegation of authority between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period.

5. resolve that the Board of Directors shall have the authority to implement this authorisation, and specifically to enter into all agreements to this effect, particularly with a view to the successful completion of any issue, to record the completion and amend the articles of association accordingly, and carry out all formalities and declarations and request any authorisations required in order to successfully complete any issue;

6. resolve that this authorisation, which supersedes the authorisation granted pursuant to the twenty-third resolution of the General Meeting of 11 May 2022, is granted for a period of twenty-six (26) months as from this General Meeting.

TWENTY-NINTH RESOLUTION

(Authorisation granted to the Board of Directors to increase the amount of an issue, with or without shareholders' pre-emption rights)

The shareholders at the General Meeting, voting under the conditions required for extraordinary general meetings, after noting the Statutory Auditors' special report and the Board of Directors' report, and subject to the adoption of the twenty-fourth, twenty-fifth, twenty-sixth and twenty-seventh resolutions of this General Meeting, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code:

1. authorise the Board of Directors, with the right to sub-delegate as permitted by law, to resolve to increase the number of securities to be issued as part of each issue, with or without shareholders' pre-emption rights, approved pursuant to the twenty-fourth, twenty-fifth, twenty-sixth and twenty-seventh resolutions of this general meeting under the conditions provided for by laws and regulations in force on the date of issue (i.e. currently, within thirty (30) days of subscriptions being closed, limited to 15% of each issue and at the same price used on the initial issue);

2. resolve that the total nominal amount of the capital increases that may be carried out pursuant to this delegation shall count towards the limit stipulated in the resolution pursuant to which the issue is approved and the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to capital increases in paragraph 2 of the twenty-fourth resolution submitted to this General Meeting. This limit shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;

3. resolve that the securities granting access to the Company's share capital may comprise 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 twenty-fourth resolution submitted to this General Meeting;

4. resolve that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to exercise its rights under this delegation of authority between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period.
5. resolve that this authorisation, which supersedes the authorisation granted pursuant to the twenty-fourth resolution of the General Meeting of 11 May 2022, is granted for a period of twenty-six (26) months as from this General Meeting.

THIRTIETH RESOLUTION

(Delegation of authority 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 be allotted debt securities and/or transferable securities giving access to equity securities to be issued, in return for contributions in kind)

The shareholders at the General Meeting, voting 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 Articles L. 225-129 et seq., L. 225-147, L. 22-10-49, L. 22-10-53 and L. 228-92 thereof:

1. delegate to the Board of Directors, with the right to sub-delegate as permitted by law, the authority to issue, based on the report of a capital contributions auditor or auditors, on one or more occasions, in the proportions and at the times it shall choose, both in France and abroad, in euros or in foreign currencies, shares in the Company and/or equity securities granting access to other equity securities and/or conferring the right to be allotted debt securities and/or securities granting access to equity securities to be issued, in consideration for contributions in kind granted to the Company and consisting of equity securities or securities granting access to the share capital, in circumstances in which the provisions of Article L. 22-10-54 of the French Commercial Code do not apply;
2. resolve that the total nominal amount of the capital increases that may be carried out pursuant to this delegation may not exceed 10% of the share capital (assessed at the date of the Board of Director' resolution on the issue) or the equivalent in any other currency, it being specified that the nominal amount of any capital increase carried out pursuant to this delegation shall count towards (i) the nominal limit of forty million euros (€40,000,000) applicable to the capital increases without pre-emption rights through public offerings (without priority period) referred to in paragraph 2 of the twenty-sixth resolution submitted to this General Meeting, (ii) the nominal limit of eighty-two million euros (€82,000,000) applicable to the capital increases without pre-emption rights through public offerings (with and without priority period) referred to in paragraph 2 of the twenty-fifth resolution submitted to this General Meeting, (iii) the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to the capital increases referred to in paragraph 2 of the twenty-fourth resolution submitted to this General Meeting. This limit shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;
3. resolve that the securities granting access to the Company's share capital or conferring the right to be allotted debt securities of the Company may comprise 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 twenty-fourth resolution submitted to this General Meeting;
4. resolve to disapply shareholders' pre-emption rights to the shares and other securities to be issued under this resolution in favour of the holders of the equity securities or transferable securities that are the subject of the contributions in kind;
5. resolve that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to exercise its rights under this delegation of authority between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period.
6. note that this delegation shall require the shareholders to waive their pre-emption rights over the Company's equity securities to which they may be entitled as a result of the securities issued pursuant to this delegation;
7. further state that the Board of Directors, with the right to sub-delegate as permitted by law, may:
   i. decide, based on the report of the capital contributions auditor or auditors, on the value of the capital contributions and the grant of any special benefits;
   ii. set the characteristics of the issues of shares and securities to be issued and, in particular, their issue price (with or without issue premium), the exchange ratio and the cash balance (if any), the subscription procedure and the date on which they shall carry the right to receive dividends;
   iii. at its sole discretion, deduct the costs of the capital increase or increases from the premiums relating to such contributions and deduct from that amount the sums necessary to increase the legal reserve to one-tenth of the new share capital following each increase;

iv. take any measures designed to protect the rights of holders of securities or other rights granting access to the Company's capital required by laws or regulations and by applicable contractual provisions;

v. record the completion of any issues of shares and securities, make any amendments to the articles of association required as a result of the completion of any capital increase, deduct the costs of issue from the premium, at its discretion, and also increase the legal reserve to one-tenth of the new share capital and carry out all formalities and declarations and request any authorisations required in order to complete such contributions;

vi. take all measures and carry out all formalities required for the newly issued securities to be admitted to trading on a regulated market.

8. resolve that this delegation, which supersedes the delegation granted pursuant to the twenty-fifth resolution of the General Meeting of 11 May 2022 is granted for a period of twenty-six (26) months as from this General Meeting.

THIRTY-FIRST RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing Company shares restricted to members of company savings plan)

The shareholders at the General Meeting, voting 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 Articles L. 3332-18 et seq. of the French Labour Code:

1. delegate to the Board of Directors, with the right to sub-delegate as permitted by law, its authority to issue new shares, on one or more occasions, at its sole discretion, in the proportions and at the times it shall choose, both in France and abroad, such issue being restricted to eligible employees, former employees and corporate officers of the Company and/or of the companies related to the Company within the meaning 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. disapply, in favour of such members, shareholders' pre-emption rights over the shares that may be issued pursuant to this authorisation and waive any rights to any bonus shares that may be allotted in respect of the discount and/or the employer matching contribution;

3. resolve that the nominal amount of the capital increase that may be carried out pursuant to this delegation of authority may not exceed twelve million euros (€12,000,000) or the equivalent in any other currency, it being specified that (i) the nominal amount of the capital increases carried out pursuant to this resolution and the thirty-second resolution submitted to this General Meeting shall count towards this limit; and (ii) the nominal amount of any capital increase carried out pursuant to this resolution shall count towards the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to the capital increases referred to in paragraph 2 of the twenty-fourth resolution submitted to this General Meeting. These limits shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;

4. resolve that the subscription price of the securities issued pursuant to this delegation shall be determined under the conditions set out in Article L. 3332-19 of the French Labour Code, it being specified that the maximum discount on the average share price quoted over the twenty (20) 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 on a case-by-case basis, particularly as a result of fiscal, social or accounting restrictions applicable in the countries in which the Group's entities participating in the capital increases are established. The Board of Directors may also decide to allocate shares, for no consideration, to subscribers for new shares, in substitution for the discount and/or the employer matching contribution;

5. resolve that the Board of Directors shall have all powers, with the right to sub-delegate as permitted by law, to implement this delegation, within the limits and under the conditions set out above, to:

i. approve the issue of the new shares in the Company;

ii. draw up a list of the companies whose eligible employees, former employees and corporate officers may benefit from the issue, set the conditions that the beneficiaries must meet to be able to subscribe, either directly or through a mutual investment fund, for 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, the terms of each issue and the conditions of subscription for, payment for and delivery of the shares issued under this delegation of authority, as well as the date, which may be retroactive, from which the new shares shall carry the right to receive dividends;

iv. resolve, pursuant to Article L. 3332-21 of the French Labour Code, to allot shares to be issued or already in issue, for no consideration, in respect of the employer matching contribution and/or, where appropriate, in respect of the discount, provided that their monetary value, assessed at the subscription price, does not cause the limits provided for in Article L. 3332-11 of the French Labour Code to be breached and, in the event that new shares are issued in respect of the discount and/or the employer matching contribution, to capitalise the necessary reserves, profits or issue premiums in order to pay up such shares;
v. set the period granted to subscribers to pay for their securities;
vi. record the completion of the capital increase at the amount of the shares that are actually subscribed for and amend the articles of association;
vii. at its sole discretion, deduct the costs of the capital increase or increases from the premiums relating to such capital increases and deduct from that amount the sums necessary to increase the legal reserve to one-tenth of the new share capital following each increase;
viii. in general, take any measures and carry out any formalities relevant to the issue and listing of the shares issued as a result of the capital increases and any correlative amendments to the articles of association under this delegation.

6. resolve that this delegation, which supersedes the delegation granted pursuant to the twenty-sixth resolution of the General Meeting of 11 May 2022 is granted for a period of twenty-six (26) months as from this General Meeting.

THIRTY-SECOND RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital, without shareholders' pre-emption rights, by issuing shares to a specific category of beneficiaries)

The shareholders at the General Meeting, voting 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. delegate, with the right to sub-delegate as permitted by law, its authority to issue new shares, on one or more occasions, at its sole discretion, in the proportions and at the times it shall choose, both in France and abroad, such issue being restricted to one or more categories of beneficiaries who meet the following conditions: (i) they are employees and/or corporate officers of the Company and/or companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code whose registered office is outside France; (ii) the shares are subscribed for on behalf of persons referred to in sub-section (i) above by one or more mutual investment funds or other entities governed by French or foreign law, with or without legal personality; and (iii) one or more financial institutions are appointed by the Company to offer the persons referred to in sub-section (i) above a shareholding plan comparable to those offered to employees of the Company in France;

2. disapply, in favour of such beneficiaries, shareholders' pre-emption rights over the shares that may be issued pursuant to this delegation of authority;

3. note that this delegation shall require the shareholders to waive their pre-emption rights over the Company's equity securities to which they may be entitled as a result of the securities issued pursuant to this delegation;

4. resolve that the nominal amount of the capital increase that may be carried out pursuant to 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 capital increase carried out pursuant to this delegation shall count towards (i) the nominal limit of twelve million euros (€12,000,000) provided for in paragraph 3 of the thirty-first resolution of this General Meeting and (ii) the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to the capital increases referred to in paragraph 2 of the twenty-fourth resolution submitted to this General Meeting. These limits shall be increased by the nominal value of any shares to be issued to protect, in the manner required by law and regulations and any applicable contractual provisions, the rights of holders of securities or other rights granting access to the Company' share capital;

5. resolve that the subscription price of the shares issued pursuant to this delegation may not be more than 20% lower than the average share price quoted over the twenty (20) trading sessions preceding the decision fixing the opening date for subscriptions, or higher than this average. At the time of implementation of this delegation, however, the Board of Directors may reduce the amount of the discount on a case-by-case basis, particularly as a result of fiscal, social or accounting restrictions applicable in any country in which the Group's entities participating in the capital increases are established. Moreover, in the event that a transaction is carried out pursuant to this resolution simultaneously with a transaction carried out pursuant to the twenty-sixth resolution, the subscription price for the shares issued pursuant to this resolution may be identical to the subscription price for the shares issued pursuant to the twenty-sixth resolution;

6. resolve that the Board of Directors shall have all powers, with the right to sub-delegate as permitted by law, to implement this delegation, within the limits and under the conditions set out above, to:
   i. draw up a list of beneficiaries, from the categories of beneficiaries defined above, of each issue and the number of shares to be subscribed for by each beneficiary pursuant to this delegation of authority;
   ii. set the amount of such issues and establish the prices and the dates of subscription, the terms of each issue and the conditions of subscription for, payment for and delivery of the shares issued under this delegation of authority, as well as the date, which may be retroactive, from which the new shares shall carry the right to receive dividends;
   iii. set the period granted to subscribers to pay for their securities;
   iv. record the completion of the capital increase at the amount of the shares that will be actually subscribed for and amend the articles of association;
   v. at its sole discretion, deduct the costs of the capital increase or increases from the premiums relating to such capital increases and deduct from that amount the sums necessary to increase the legal reserve to one-tenth of the new share capital following each increase;
   vi. in general, take any measures and carry out any formalities relevant to the issue and listing of the shares issued as a result of the capital increases and any correlative amendments to the articles of association under this delegation.
7. resolve that this authorisation, which supersedes the authorisation granted pursuant to the twenty-seventh resolution of the General Meeting of 11 May 2022, is granted for a period of eighteen (18) months as from this General Meeting.

THIRTY-THIRD RESOLUTION

(Authorisation to the Board of Directors to carry out bonus allotments of shares in issue or to be issued, without shareholders' pre-emption rights, to certain employees and corporate officers of the Company and related companies)

The shareholders at the General Meeting, voting 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 and in accordance with the provisions of Articles L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code:

1. authorise the Board of Directors, pursuant to Articles L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code and subject to the conditions defined in this resolution, to make bonus allotments of shares in the Company, either in issue or to be issued, on one or more occasions, to recipients of its choice from among the employees (or certain categories of employee) and corporate officers (or certain categories of corporate officer) of the Company and/or the companies related to it within the meaning of Article L. 225-197-2 of the French Commercial Code;

2. resolve that the total number of bonus shares allotted under this authorisation may not exceed zero point five per cent (0.5%) of the number of shares comprising the Company's share capital on the date on which the Board of Directors resolves to allot such shares, and that the aggregate nominal amount of the capital increases that may result therefrom will count towards the overall nominal limit of two hundred and six million euros (€206,000,000) applicable to capital increases in paragraph 2 of the twenty-fourth resolution submitted to this General Meeting. In all circumstances, the total number of bonus shares that are allotted may not exceed the limits set by Articles L. 225-197-1 et seq. of the French Commercial Code. This limit does not take account of any adjustments that may be made to protect any rights of the recipients of the bonus shares;

3. resolve that the maximum total number of bonus shares that may be allotted to the Company's corporate officers under this resolution may not represent more than twenty per cent (20%) of all the shares that may be allotted pursuant to this authorisation and that the vesting of the shares allotted under this authorisation will be subject to performance conditions;

4. resolve that the shares will be definitively allotted to their recipients at the end of a vesting period, the length of which will be set by the Board of Directors, such period not being less than three years for corporate officers and two years for recipients others than corporate officers and that the minimum period over which the recipients will be required to hold the shares in the Company will also be set by the Board of Directors, such period lasting at least one year from the date on which the shares are definitively allotted. However, where shares are allotted with a vesting period of three years or more, the holding period for the shares may be reduced or cancelled with the result that the shares may be transferred without restriction once definitively allotted;

5. resolve that, where a recipient suffers a disability that falls within the second or third categories provided for in Article L. 341-1 of the French Social Security Code, the shares may, exceptionally, be definitively allotted immediately and no holding period will apply to the shares, which will be immediately transferable;

6. resolve that the Board of Directors will determine the identity of the recipients and the number of bonus shares that may be allotted to each of them, together with the vesting conditions, including performance conditions for allotments of shares to the Company's corporate officers.
7. record that this authorisation automatically entails an express waiver by the shareholders, in favour of the recipients of the shares that are the subject of the bonus allotment (i) of their pre-emption right over the shares that are issued and that are the subject of the bonus allotment, (ii) of the share of reserves, profits or premiums that will be capitalised in the event of a bonus allotment of shares that are issued and (iii) of any rights over existing shares that are the subject of a bonus allotment. The corresponding capital increase will be completed as a result of the shares being definitively allotted to their recipients;
8. grant authority to the Board of Directors, subject to the limits set out above, with the right to sub-delegate as permitted by law, to implement this authorisation, and specifically to:
   i. determine whether the bonus shares are shares to be issued or in issue;
   ii. determine the identity of the recipients of the share allotments and the number of shares to be allotted to each recipient;
   iii. determine all terms, conditions and procedures applicable to the bonus share plan(s);
   iv. adjust the number of shares to be allotted in the event of transactions involving the Company's share capital or equity that have the effect of altering the value of the shares comprising the share capital, in order to protect the rights of the recipients of the bonus shares;
   v. set the conditions and determine the criteria, dates and procedures for the allotment of shares, including the minimum vesting period and the length of any holding period applicable to each recipient, record the definitive allotment dates and, based on legal restrictions, the dates from which the shares may be freely transferred and, in general, take any necessary steps and enter into any agreements to complete the proposed allotments.
9. resolve that the Board of Directors shall also have the authority, with the right to sub-delegate as permitted by law, in the event that new shares are issued, to deduct the amounts required to pay up those shares from the reserves, profits or issue premiums, record the completion of the capital increases carried out pursuant to this authorisation, amend the articles of association accordingly and, in general, carry out all necessary actions and formalities;
10. resolve that the Board of Directors shall not be entitled, unless otherwise previously authorised by the General Meeting, to exercise its rights under this delegation of authority between the date on which a third party registers a public offer targeting the shares in the Company and the end of the offer period;
11. note that, each year, the Board of Directors will inform the shareholders at the ordinary general meeting, as required by laws and regulations, in particular paragraph 1 of Article L. 225-197-4 of the French Commercial Code, of the transactions carried out pursuant to this resolution;
12. resolve that this authorisation, which supersedes the authorisation granted pursuant to the twenty-second resolution of the General Meeting held on 10 June 2020, is granted for a period of eighteen (18) months as from this General Meeting.

THIRTY-FOURTH RESOLUTION

(Powers to carry out legal formalities)

The shareholders at the General Meeting, voting under the conditions of quorum and majority required for extraordinary general meetings, confer all powers on the bearer of copies or extracts of these minutes to carry out all legal formalities.

9 ADDITIONAL INFORMATION

9.1. Persons responsible

9.1.1. Person responsible for the Universal Registration Document

Patrice Lucas, Chief Executive Officer of Verallia.

9.1.2. Declaration by 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 makes no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements are prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and of all its consolidated entities, and the information included in this Universal Registration Document referring to the management report of the Board of Directors listed in the table of concordance provided in section 9.4.2 of this Universal Registration Document gives a true and fair view of the evolution of the business, results and financial position of the Company and of all its consolidated entities as well as a description of the main risks and uncertainties they face."

Courbevoie, 29 March 2023

Patrice Lucas,

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, their 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 by Advancy at the Company's request in connection with the Company's initial public offering (a study that has since been updated by the Group), as well as 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 Nicolas Brunetaud

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, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ending 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, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ending 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, costs related to management share ownership plans, impacts of subsidiary disposals and risks, site closure and carve-out costs, 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 H35-077). 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 H35-077 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 a species' lifecycle that are functionally connected to each other.
Blank mould	Refers to the mould used in the production of hollow glass 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 avoids the costs of climate policies by moving its production to another country which has less stringent emission rules.
Cash conversion	Defined as the ratio between cash flows and adjusted EBITDA.
Cash flows	Defined as (i) operating profit adjusted for depreciation, amortisation and impairment, restructuring costs, acquisition and M&A costs, hyperinflationary effects, costs related to management share ownership plans, impacts of subsidiary disposals and 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	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	A 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 conduits that take glass from a furnace to a forming machine. Feeders allow the glass to be conditioned at the right temperature corresponding to the viscosity level necessary to work with 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 production of hollow glass to give the product its final shape.
Forming	Means the technique through which a compact mass of molten glass (gob) is moulded into a hollow glass shape using a metal plunger or blown air.
Glass sand	Refers to very small-sized raw glass (0-4mm fraction).
Gob	Means a compact mass of molten glass.
HoReCa	Hotels, restaurants and cafés.
Insetting	This involves identifying the Company's impacts (social, climate, water, biodiversity etc.) and committing to socio-economic and/or environmental projects that will offset these impacts.
Internal cullet	Means glass from manufacturing rejects.
IS machine	An 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 producing two gobs each is abbreviated as an IS 10 DG and has 10 x 2 = 20 finishing moulds.
ISO 22000	A standard which guarantees that food risk to consumers is managed and taken into account throughout the production process.
kT	Kilotonnes.
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 ratio between (i) net financial debt as included in Note 17.1 to the Group's consolidated financial statements for the year ended 31 December 2022, taking into account only debt incurred with third parties, and (ii) adjusted EBITDA.
Net financial debt/Adjusted EBITDA ratio	Refers to the ratio between (i) net financial debt as included in Note 17.1 to the Group's consolidated financial statements for the year ended 31 December 2022, 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, Poland and England.
Operating cash flows	Defined as cash flows plus the change in operating 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	Refers to a decoration technique that consists in making glass opaque via a chemical treatment (acid bath) or an electrostatic and thermal treatment (sand blasting).
Screen-printing	Refers to a decoration technique that uses ceramic enamels to vary the thickness, colour and substance of the glass.
Scope 1	"Direct emissions" = CO2 emissions within the physical perimeter of the plant, i.e. 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 office buildings, decoration plants; and •cullet treatment centres as, based on our estimates and benchmark data, they represent less than 1% of total Scope 1 and Scope 2 emissions.
Scope 3	"Other indirect emissions" = all other greenhouse gas emissions that are not directly related to the plant's operations but to all other stages of the product's life cycle. In accordance with the completeness requirements of the GHG Protocol, only insignificant sources were excluded (application of the < 1% threshold).
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 selling prices applied by the Group is greater than the increase in its production costs.
TF1	Accident frequency rate with lost time per million hours worked.
TF2	Accident frequency rate with or without lost time per million hours worked.
TPG	Tonne of Packed Glass or tonne 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 Meetings and other statutory documents, as well as any valuation or report prepared by an 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. Tables 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 that is referred to in Annex 1 presenting the different sections of a universal registration document.

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19.1.2	Number and characteristics of shares not representing capital	7.3
19.1.3	Number, book value and face value of shares held by or on behalf of the issuer itself or by subsidiaries of the issuer	6.3 Notes 1, 3.1.1 and 3.2
19.1.4	Amount of any convertible securities, exchangeable securities or securities with warrants	7.3.2
19.1.5	Information about the terms of any acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase the capital	7.3.3
19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally 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 issuer's objects and purposes and Trade and Companies Register number	7.1.2; 7.1.5.1
19.2.2	Description of the rights, preferences and restrictions attaching to each class of shares	7.1.5.3
19.2.3	Provisions having the effect of delaying, deferring or preventing a change in control of the issuer	7.3.6
20	**Material contracts**	**5.2.9**
21	**Documents available**	**9.3**

9.4.2. Table of concordance with the information required in the management report

The table of concordance below makes it possible to identify the information in this Universal Registration Document 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 losses of the Company, each subsidiary and the Group	1; 6.1; 5
1.2	Analysis of the change in the business, results, financial position and in particular the debt of the Company and the Group	5
1.3	Foreseeable developments for the Company and/or the Group	5.4
1.4	Key financial and non-financial indicators of the Company and the Group	5
1.5	Significant events after the closing date of the Company and the Group	6.1 Note 25
1.6	Information about its objectives and policy 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.	4.1.4; 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; 4.1.3
1.9	Information on the R&D of the Company and the Group	1.4
1.10	Key characteristics of the 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
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**	
2.1	Breakdown, identity of persons and changes in share ownership	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 whose registered offices are in France	N/A
2.4	Notification of the ownership of more than 10% of shares in the capital of another company; disposal of cross-shareholdings	N/A
2.5	Share buybacks	6.1 Note 16.2
2.6	Acquisition and disposal by the Company of its treasury shares in view of their allocation to employees (share buyback)	6.1 Note 16.2
2.7	Statement of employee holdings in the share capital	7.2.5
2.8	Works council opinion on changes to the economic or legal organisation	N/A
2.9	Five-year summary	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; 8.3
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

Themes		Sections
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 executives from exercising their options before termination of their office, • or require them to hold all or a portion of the shares resulting from options already exercised in registered form until termination of their office (specifying the portion thus set)	N/A
3.2	Summary statement of transactions involving the Company's shares by executives 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 executives from transferring the free shares granted to them before termination of their office; • or set the quantity of such free shares that they are required to retain in registered form until termination of their office (specifying the portion thus set)	3.3.1.3(c)
4	**The Company's CSR information**	
4.1	Non-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	Information 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 call 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 for collecting reports about the existence or 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

9.4.3. Table of concordance with the information required in the annual financial report

The table of concordance below makes it possible to identify the information in this Universal Registration Document that is 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 Regulation 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 its debt situation, with respect to the volume and complexity of the business and/or Group	5; 6.3
2.2	Foreseeable changes in the Company and/or Group	5.4
2.3	Key financial and non-financial indicators of the Company and the Group	5.2.2; 2; 6.1 Note 4.2
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; 4.1.3
2.5	Information about its objectives and policy 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	4.1.4; 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)	6.1 Note 16.2
3	**Financial statements and reports**	**6**
3.1	Individual financial statements	6.3
3.2	Statutory Auditors' report on the individual 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 makes it possible to identify the information in this Universal Registration Document that is included in the corporate governance report in accordance with the applicable legal and regulatory provisions and in particular with Article L. 225-37 of the French Commercial Code.

Themes		Sections
1	List of offices and positions held in any company by each corporate officer during the financial year	3.1.1.2
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 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 by shareholders on the compensation of executives and directors and on the components of said compensation • Decision-making process to determine the compensation and criteria for distributing and allocating the fixed, variable and exceptional components of total compensation and benefits in kind attributable to executives • Criteria for distributing the annual fixed amount allocated by the General Meeting to directors • post vote on the components of variable or exceptional compensation 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 office 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 an office 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 free shares have been granted to executives: information on the terms (set by the Board of Directors or Supervisory Board) relating to the disposal of these shares while these executives are in office	3.3.2
8	Pay equity ratio and information on the pay gap between corporate officers 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 balanced gender representation on the Board of Directors and Supervisory Board	3.1.4.7(d)
16	Description of the procedure for making regular checks on 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 "Non-Financial Performance Statement table of concordance"

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